

FEDERAL MARITIME COMMISSION

DOCKET NO. 15-10

**REVOCATION OF OCEAN TRANSPORTATION INTERMEDIARY
LICENSE NO. 017843 – WASHINGTON MOVERS, INC.**

EXHIBITS AND PRELIMINARY FINDINGS OF FACT

On March 23, 2016, the parties appeared in the Commission's hearing room for a status conference. The Bureau of Enforcement (BOE) appeared through attorneys Brian Troiano and Brenda Doty. Respondents Washington Movers, Inc. (Washington Movers) appeared through attorney Raj H. Patel.

DOCUMENTARY EVIDENCE IDENTIFIED AS EXHIBITS

The parties submitted a number of documents as exhibits prior to the Commission's order referring this matter to the Office of Administrative Law Judges and in response to the Initial Order issued by the undersigned. Except as noted, the parties do not object to admission of the documents as evidence in this matter.

BOE exhibits submitted with BOE memorandum filed with the Commission November 17, 2015

- BOE Ex. 1 *United States v. Sam Rafic Ghanem*, Case No. 13-3043 CDB (D. Md. Dec. 23, 2013) (Criminal Complaint)
- BOE Ex. 2 *United States v. Sam Rafic Ghanem*, RWT 8:14-CR-0008-001 (D. Md. Aug. 12, 2015) (Judgment in a Criminal Case)
- BOE Ex. 3 dock receipt, vehicle title, MSC booking receipt, and MSC booking confirmation
- BOE Ex. 4 2014 Commonwealth of Virginia State Corporation Commission Annual Report for Washington Movers International, Inc.

- BOE Ex. 5 *United States v. Sam Rafic Ghanem*, RWT 8:14-CR-0008-001 (D. Md. Sept. 17, 2015) (Opposed Motion to Extend the Date for Voluntary Surrender with letter)
- BOE Ex. 6 Commonwealth of Virginia State Corporation Commission Certificate of Fact regarding name change from Washington Movers, Inc. to Washington Movers International, Inc.
- BOE Ex. 7 Maryland Department of Assessments and Taxation Business Services Notice of name change from Washington Movers, Inc. to Washington Movers International, Inc. with attachments
- BOE Ex. 8 November 17, 2015, Verified Statement of Sandra L. Kusumoto

Any additional BOE exhibits filed should continue with BOE Ex. 9.

Washington Movers exhibits submitted on November 2, 2015, with Washington Movers reply to the Order to Show Cause

- WM Ex. A 12/31/13 Stock Transfer Agreement
- WM Ex. B 01/01/14 Directors' consent to transfer shares

BOE does not dispute the admissibility of Washington Movers Exhibits A and B but does dispute the facts purportedly established by the exhibits.

Washington Movers exhibits submitted on November 24, 2015, with Washington Movers reply to BOE memorandum

- WM Ex. C Washington Movers International Business entity Details
- WM Ex. D 2015 Commonwealth of Virginia State Corporation Commission Annual Report for Washington Movers International, Inc. supplemented by instructions from identical exhibit submitted as Ex. 3 to Washington Movers response to Initial Order

Washington Movers exhibits submitted on March 3, 2016, with Washington Movers reply to the Initial Order

- WM Ex. E Electronic Federal Tax Payment System Information – February 24, 2016

- WM Ex. F Acord Corp. Certificate of Liability Insurance for Washington Movers Norma Ghanem International Inc., dated Feb. 26, 2016
- WM Ex. G Commonwealth of Virginia State Corporation Commission Statement of Change of Registered Office and/or Registered Agent Change dated November 20, 2015

Any additional Washington Movers exhibits filed should continue with WM Ex. H.

PRELIMINARY FINDINGS OF FACT

Before the March 23, 2016, hearing, the undersigned reviewed the exhibits filed by the parties and made the following preliminary findings of fact based on those exhibits. These facts were read to the parties during the hearing. The parties did not dispute the following preliminary findings of fact at the hearing. The parties are given the opportunity to review the preliminary findings of fact. On or before April 7, 2016, each party is instructed to serve and file a statement stating whether they stipulate to these findings. Any finding to which a party does not stipulate should be set out in full with a citation to traversing evidence. The traversing evidence must be served and filed with the statement.

1. Respondent Washington Movers, Inc. (Washington Movers) is a Virginia corporation incorporated July 11, 1996. (BOE Ex. 7.)
2. Sam R. Ghanem (Sam Ghanem) was owner and president of Washington Movers at the time of its incorporation. (Stipulated at hearing.)
3. Since July 6, 2005, Washington Movers is qualified to do business as a foreign corporation in the State of Maryland. (BOE Ex. 7.)
4. Washington Movers has been licensed by the Federal Maritime Commission (FMC) to operate as an ocean transportation intermediary (OTI) since April 8, 2003 (ocean freight forwarder) and non-vessel-operating common carrier (June 29, 2005). (BOE Ex. 8 ¶ 6.)
5. When Washington Movers submitted its application to become licensed as an OTI, it told the FMC's Bureau of Certification and Licensing (BCL) that it maintains its principal offices at 7913 Cryden Way, Forestville, MD 20147. (BOE Ex. 8 ¶ 4.)
6. In its application for an OTI license, Washington Movers identified Sam Ghanem as the principal of the firm and its sole owner and President. (BOE Ex. 8 ¶ 5.)
7. In its application for an OTI license, Washington Movers identified Sam Ghanem as Washington Movers's Qualifying Individual (QI). (BOE Ex. 8 ¶ 5.)

8. Sam Ghanem has been the only Qualifying Individual for Washington Movers approved by the FMC. (Stipulated at hearing.)
9. Washington Movers, Inc. changed its name to Washington Movers International, Inc., effective November 7, 2008. (BOE Ex. 7.)
10. On July 11, 2013, Washington Movers filed its name change with the Department of Assessments and Taxation for the State of Maryland. (BOE Ex. 7.)
11. Washington Movers¹ did not notify the FMC that it had changed its name. (BOE Ex. 8 ¶ 13.)
12. Washington Movers did not file a revised bond with the FMC reflecting its amended corporate name. (Stipulated at hearing.)
13. On December 21, 2013, at the Washington Movers facility, Sam Ghanem and Washington Mover employees concealed weapons in the doors and cut-up parts of salvaged motor vehicles and loaded the vehicles into a shipping container. (BOE Ex. 1 ¶ 19.)
14. A dock receipt was created identifying “Washington Mover Inc.” [*sic*] as the exporter of the container with the salvaged motor vehicle and parts. (BOE Ex. 3.)
15. Mediterranean Shipping Company (MSC) issued a booking receipt identifying “Washington Movers” as the shipper of the container with the salvaged motor vehicle and parts. (BOE Ex. 3.)
16. MSC issued a booking confirmation identifying “Washington Movers” “Contact: Sandra” as the shipper of the salvaged motor vehicle and parts. (BOE Ex. 3.)
17. MSC took the booking on December 19, 2013. (BOE Ex. 3.)
18. The Booking Confirmation indicates the shipment was being transported pursuant to Service Contract number 13-306WW. (BOE Ex. 3.)
19. After the containers were loaded, law enforcement agents arrested Sam Ghanem. (BOE Ex. 1 ¶ 21.)
20. During his Mirandized post-arrest statement, Sam Ghanem admitted to unlawfully concealing the weapons in the shipping container and admitted that his intended shipment of the concealed weapons overseas would have been a violation of export laws and restrictions. (BOE Ex. 1 ¶ 21.)

¹ Although Washington Movers has changed its name, this initial decision will refer to it as Washington Movers, the name under which it holds its FMC OTI license.

21. Washington Movers did not notify the FMC that Sam Ghanem had been arrested. (BOE Ex. 8 ¶ 15.)
22. On January 6, 2014, a federal grand jury indicted Sam Ghanem for attempting to smuggle weapons to Lebanon through Washington Movers. (BOE Ex. 8 ¶ 16.)
23. Washington Movers did not notify the FMC that Sam Ghanem had been indicted for a felony. (BOE Ex. 8 ¶ 15.)
24. On May 1, 2015, a jury rendered a verdict finding Sam Ghanem guilty of Attempted Unlawful Export of Defense Articles in violation of 22 U.S.C. § 2778 and Smuggling of Goods from the United States in violation of 18 U.S.C. § 554. (BOE Ex. 2.)
25. Washington Movers did not notify the FMC that the jury found Sam Ghanem guilty. (BOE Ex. 8 ¶ 15.)
26. On August 14, 2015, a United States District Judge for the District of Maryland entered judgment finding Sam Ghanem guilty of two felonies: (1) Attempted Unlawful Export of Defense Articles in violation of 22 U.S.C. § 2778; and (2) Smuggling of Goods from the United States in violation of 18 U.S.C. § 554. The court sentenced him to a prison term of eighteen months. (BOE Ex. 2.)
27. Washington Movers did not notify the FMC that the court had entered Judgment in a Criminal Case against Sam Ghanem. (BOE Ex. 8 ¶ 15.)
28. On November 2, 2015, Washington Movers filed a Reply to the Order to Show Cause. (Official notice of Commission records.)
29. Washington Movers attached a Stock Transfer Agreement to its November 2, 2015, Reply stating that for a payment of \$100, on December 31, 2013, Sam R. Ghanem, the sole shareholder of Washington Movers, transferred his entire ownership interest in Washington Movers to Norma Ghanem. (WM Ex. A.)
30. Washington Movers did not notify the FMC at any time prior to November 2, 2015, that Sam Ghanem transferred his entire ownership interest in Washington Movers to Norma Ghanem. (BOE Ex. 8 ¶ 17.)
31. Washington Movers attached a Unanimous Written Consent in Lieu of Meeting of Directors to its November 2, 2015, Reply stating that on January 1, 2014, the Directors approved the transfer of shares from Sam R. Ghanem to Norma Ghanem, that Sam R. Ghanem resigned as an officer and director of Washington Movers, and that Norma Ghanem is appointed as

the sole officer (President, Secretary, and Treasurer) and director of Washington Movers. (WM Ex. B.)

32. Washington Movers did not notify the FMC at any time prior to November 2, 2015, that the Directors of Washington Movers approved the transfer of shares from Sam R. Ghanem to Norma Ghanem, that Sam R. Ghanem resigned as an officer and director of Washington Movers, and that Norma Ghanem is appointed as the sole officer (President, Secretary, and Treasurer) and director of Washington Movers. (BOE Ex. 8 ¶ 17.)
33. Washington Movers did not notify the FMC that its Qualifying Individual was no longer an officer or director. (BOE Ex. 8 ¶ 18.)
34. On or about October 28, 2014, the BCL received a telephone inquiry from a special agent of the FBI requesting verification of the issuance of an OTI license to Washington Movers, Inc. (BOE Ex. 8 ¶ 8.)
35. The October 28, 2014, FBI inquiry was the FMC's first notice that Sam Ghanem had been arrested in December 2013. (Stipulated at hearing.)
36. The Commonwealth of Virginia State Corporation Commission (SCC) prepares an annual report for a corporation based on information in its files and sends the report to the corporation to review, revise, and sign. (WM Ex. D (Annual Report Instructions).)
37. "The information set forth in the left-hand box [of Section 7 of the report] reflects the information currently on file with the [State Corporation] Commission" at the time the annual report is prepared. (WM Ex. D (Annual Report Instructions).)
38. The 2014 Annual Report prepared for Washington Movers by the SCC indicates that at the time the report was prepared prior to June 6, 2014, information on file with the SCC identified Norma Ghanem as an officer and director and Sajih Ghanem, Hanan Halabi, and Sandra Rodriguez as officers of Washington Movers. (BOE Ex. 4.)
39. On June 6, 2014, Sam Ghanem signed the 2014 Annual Report for Washington Movers International, Inc., affirming that the information contained in the report is accurate and complete as of that date. (BOE Ex. 4.)
40. Washington Movers submitted the 2014 Annual Report signed by Sam Ghanem to the Commonwealth of Virginia State Corporation Commission. (BOE Ex. 4.)
41. The 2014 Annual Report identifies Sam R. Ghanem as Washington Movers's registered agent. (BOE Ex. 4.)

42. The 2014 Annual Report identifies Sam Ghanem as an officer and director of Washington Movers and as Washington Movers's "P/T." (BOE Ex. 4.)
43. The 2014 Annual Report deletes Sajih Ghanem as an officer of Washington Movers. (BOE Ex. 4.)
44. Washington Movers did not notify the FMC that Sajih Ghanem had become an officer of Washington Movers or was no longer an officer of Washington Movers. (Stipulated at hearing.)
45. The 2014 Annual Report identifies Norma Ghanem as an officer and director of Washington Movers. (BOE Ex. 4.)
46. Washington Movers did not notify the FMC that Sajih Ghanem had become an officer of Washington Movers or was no longer an officer of Washington Movers. (Stipulated at hearing.)
47. The 2014 Annual Report deletes Hanan Halabi as an officer of Washington Movers. (BOE Ex. 4.)
48. Washington Movers did not notify the FMC that Hanan Halabi had become an officer of Washington Movers or was no longer an officer of Washington Movers. (Stipulated at hearing.)
49. The 2014 Annual Report identifies Sandra Rodriguez as an officer of Washington Movers. (BOE Ex. 4.)
50. Washington Movers did not notify the FMC that Sandra Rodriguez had become an officer of Washington Movers. (Stipulated at hearing.)
51. On November 20, 2015, Norma Ghanem signed the 2015 Annual Report for Washington Movers International, Inc., affirming that the information contained in the report is accurate and complete as of that date. (WM Ex. D.)
52. Washington Movers submitted the 2015 Annual Report to the Commonwealth of Virginia State Corporation Commission. (WM Ex. D.)
53. The 2015 Annual Report identifies Sam R. Ghanem as Washington Movers's registered agent. (WM Ex. D.)
54. The 2015 Annual Report deletes Sam Ghanem as an officer and director of Washington Movers and as Washington Movers's "P/T." (WM Ex. D.)

55. Sam R. Ghanem remained as Washington Movers's registered agent with the Commonwealth of Virginia until November 20, 2015. (WM Ex. D; WM Ex. G.)
56. On September 14, 2015, Sam Ghamen wrote a letter to the district court requesting extension of his surrender date from September 28, 2015, to October 8, 2015, "because my company is currently undergoing major changes, such as changing the ownership. Changing the management requires time to make the necessary changes prior to my departure. I need more time to properly train my new partner with our new software system, introducing him to all our major clients, and adding him to our bank accounts, vendor accounts, etc. and assist with the hiring process of new personnel. I feel that two weeks will not be suffice [sic] [sufficient] time to complete all the necessary training that needs to be done. Another major reason is that my office assistant/office manager, Sandra Rodriguez, will be traveling out of the country as of September 26, 2015 to October 4, 2015 for family reasons. Her absence is making it impossible to turn myself in on September 28th since she will not be present the first week that I will be gone to train the new staff. Please find attached proof for statements mentioned above." (BOE Ex. 5.)



Clay G. Guthridge
Administrative Law Judge