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**OTI MONTHLY RISK MANAGEMENT ALERT**

**JUNE 2008**

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**DOJ ANTITRUST FORWARDER CONVICTION.** The ongoing investigation conducted by the Antitrust Division of DOJ with the assistance of the DOD's Defense Criminal Investigative Service of the DOJ announced: The former president of a licensed freight forwarding company in Florida, Frank Granizo, pleaded guilty to committing wire fraud in connection with kickbacks he paid to an employee of a manufacturing firm. Granizo agreed to plead guilty and cooperate with the Department's ongoing investigation. Granizo participated in a wire fraud scheme from May 2001 through Jan. 2005, during which time he paid the executive of the manufacturing company approximately \$28,000 in kickbacks. In return, the employee of the manufacturing company agreed to use Granizo's company for its freight forwarding services to transport equipment, including equipment for the U.S. military. Granizo pleaded guilty to wire fraud, which carries a maximum sentence of 20 years of imprisonment and a maximum fine of \$250,000. The maximum fine may be increased.

**CHINA REPORT.** For a foreign NVOCC to register with the Ministry of Communication (MOC), **now the Ministry of Transportation (MOT)**, it is important to make the terms of conditions in bills of lading consistent with MOC's expectations. The relevant Chinese laws do not provide the specific bill of lading requirements. However, when reviewing an applicant's bills of lading, MOT may request the applicant to amend the terms and conditions. Therefore, it is cost-effective to have experienced attorneys to review the bills of lading before an application package is submitted to MOT. It is also essential for a foreign NVOCC to select a responsible local liaison, because the liaison is the key contact for the Chinese government agency to forward their inquiries and requests when the application is reviewed. Contact Attorneys: Carlos Rodriguez, Tel: 202 973 2999, E-mail: [Rodriguez@rorlaw.com](mailto:Rodriguez@rorlaw.com); Zheng Xie, Tel: 202 973 2981, E-mail: [Zxie@rorlaw.com](mailto:Zxie@rorlaw.com).

**ANTI-BOYCOTT TRAINING.** The U.S. Department of Commerce's Bureau of Industry and Security (BIS) unveiled the latest addition to its BIS Online Training Room with a presentation aimed at helping exporters better understand the anti-boycott provisions of the Export Administration Regulations. The anti-boycott training module is the latest in a series which includes the basics of U.S. dual-use export controls and deemed exports. BIS plans to continue to add additional material. The Training Room also houses a number of pre-recorded webinars covering a variety of topics. The training modules are presented in a video streaming format. The BIS Online Training Room can be found at:

<http://www.bis.doc.gov/seminarsandtraining/seminar-training.htm>

**WASHINGTON REPORT. TRUCKING FUEL BILL INTRODUCED.** The House of Representatives introduced H.R. 5977, the Trust in Reliable Understanding of Consumer Costs Act" (TRUCC Act) on May 6, 2008. The Senate filed a corresponding bill on April 24, 2008. The essence of the TRUCC Act requires motor carriers, property brokers, and surface freight forwarders to pay to the "Cost Bearer"-(trucker, or owner-operator, that actually pays for the fuel in a trucking transaction) the amounts that they were paid by their customers. If the amount was marked up, **the marked up amount must be paid to the Cost Bearer.** Customhouse brokers who arrange for trucking on shipments they clear would likely be included as property brokers, whether or not they formally have obtained a property broker authorization from FMCSA. In addition to that, of considerably more concern: the **broker would have to provide a list to the motor carrier, or owner operator** that includes: freight charges, brokerage fee or commission, fuel surcharge or adjustment, and **any other charges invoiced to their customers.** Contact Attorney: Carlos Rodriguez, Tel: 202 973 2999, E-mail: [Rodriguez@rorlaw.com](mailto:Rodriguez@rorlaw.com);

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