



Bureau of Industry and Security

Office of Export Enforcement

Special Agent William Bookout

Customs and Border Protection

Officer David Wolfe
Officer Roger Melendez



Export Controls: The Basics

- Any shipment, **transmission**, or **transfer** of:
 - Commodities (articles, materials)
 - Software
 - Technology
- Occurs through:
 - Shipment of physical commodity/software/technology
 - Electronic transmission (email, file transfer, network access)
 - Verbal disclosure (phone, lectures, casual chats over coffee)
 - Access to technology by foreign person while in the US, or abroad



Export Controls: The Basics

How Does Something Become Export Controlled?

Controlled Technology

Controlled items, services and technologies that are subject to regulations and found on a control list (CCL or USML)

Destination

Is destined for an embargoed location especially Cuba, Iran, N. Korea, Sudan and Syria

End Use

The end use includes weapons proliferation or involves knowledge of a violation

End User

The end user is a Specially Designated National or foreign military force



Primary Export Licensing Agencies



U.S. Dept. of State Directorate of Defense Trade Controls (DDTC)

- Regulates Export & Licensing of **Single-Use** Defense Articles (military and space applications)
- Controlled Items List:
 - U.S. Munitions List (USML)
- Regulations Defined By:
 - ITAR
- Violations Enforced Under:
 - AECA

U.S. Dept. of Commerce Bureau of Industry and Security (BIS)

- Regulates Export & Licensing of **Dual-Use** Commodities (Commercial & Military Applications)
- Controlled Items List:
 - Commerce Control List (CCL)
- Regulations Defined By:
 - EAR
- Violations Enforced Under:
 - ECRA/IEEPA

U.S. Dept. of Treasury Office of Foreign Assets Control (OFAC)

- Regulates Licensing of **Transactions** involving sanctions & embargos
- Comprehensive & Selective Regulations may apply to:
 - Countries
 - Companies
 - Individuals
- Regulations Defined By:
 - Sanctions/Embargos
- Violations Enforced Under:
 - IEEPA



Export Controls

- **Reasons for Control**
 - NS – National Security
 - NP – Nuclear Nonproliferation
 - MT – Missile Technology
 - RS – Regional Stability
 - FC – Firearms Convention
 - CC – Crime Control
 - AT – Anti-Terrorism
- **Controls are derived from:**
 - Multilateral treaties
 - Wassenaar Arrangement
 - Nuclear Nonproliferation Treaty
 - Chemical Weapons Convention
 - International agreements (i.e. UN sanctions)
 - Unilateral sanctions or actions

Breaking the Code

- Derived from the Commerce Control List (CCL)
- Supplement No. 1 to Part 744 of EAR

Commerce Control List Categories	
0	Nuclear & Miscellaneous
1	Materials, Chemicals, Microorganisms and Toxins
2	Materials Processing
3	Electronics
4	Computers
5	
Part 1	Telecommunications
5	
Part 2	Information Security
6	Sensors and Lasers
7	Navigation and Avionics
8	Marine
9	Aerospace and Propulsion

Activities That Violate The EAR

- Engaging Prohibited Conduct
- Causing, Aiding or Abetting a Violation
- Solicitation and Attempt
- Conspiracy
- Acting with Knowledge of a Violation
- Possession with Intent to Export Illegally
- Misrepresentation and Concealment of Facts
- Evasion
- Failure to Comply with Reporting & Recordkeeping Requirements
- License Alteration
- Acting Contrary to Terms of A Denial Order



Mission and Scope



Mission Priorities:

- WMD Proliferation
- Terrorism/Terrorist Support
- Unauthorized Military/Government End Use

Licensing Jurisdiction:

- Items subject to the Export Administration Regulations
- Most munition items and all Dual-use commodities
- Includes export, transfer, and reexports of U.S.-origin items

What actions might make a case Criminal?

“Person/company knowingly and willfully...”

- Knowing that the transaction was “controlled” and proceeding with the export without required authorization.

“*CONTROLLED*” - Item requires export authorization because:

1. Listed on Commerce Control List or ...
2. End-User or End-Use based controls
 - Embargo: Cuba, Iran, Syria, Sudan, North Korea
 - “Black List” -- Denied Parties, Entity Lists, SDN’s,

Responsible Parties

- The EAR places legal responsibility on all persons who have information, authority or functions relevant to carrying out transactions subject to the EAR. These persons may include exporters, freight forwarders, carriers, consignees and other participants in an export transaction. The EAR apply not only to parties in the United States, but also to persons in foreign countries who are involved in transactions subject to the EAR.

Responsible Parties

FREIGHT FORWARDER RESPONSIBILITIES

Forwarding agents *have* compliance responsibilities under the EAR even when they operate based upon information or instructions provided by those who use their services, such as exporters.

Forwarding agents must understand their obligations under the EAR, including responsibility for the representations they make in filing export data.

Responsible Parties

Moreover, no person, including an agent, may proceed with any transaction knowing that a violation of the EAR has occurred, is about to occur, or is intended.

Agents and exporters alike must ensure suspicious circumstances are not ignored and exercise due diligence by determining whether "Red Flags" are present and inquiring about them.

Failure to do so could result in a violation of the EAR, including a "knowledge" violation if Red Flags cannot be explained or justified and the agent or exporter proceeds with the transaction.

Responsible Parties

Principle Party of Interest:

A routed transaction is where a foreign PPI authorizes a U.S. Agent to facilitate export and prepare the Electronic Export Information.

If a power of attorney or other written authorization is obtained, the forwarding agent is the “exporter” and is responsible for licensing.

If no POA is obtained, the US PPI is the “exporter” and is responsible.

Responsible Parties

In a non-routed transaction, the US PPI authorized an agent to file the EEI. The USPPI must provide agent with true and accurate information. Must provide a power of attorney, and maintain documentation supporting the information for the EEI filing in AES.

The agent must prepare the EEI with information, maintain records and documents, and upon request provide a copy.

Records keeping is a 5 year requirement.

Responsible Parties

Automated Export System issues arise with failure to provide full and truthful information.

Violations include false, misleading, as well as omitting information.

Ultimate Consignee, Intermediate Consignee, Value, ECCN, License Code

What's Hot



Changing threat patterns

- IED components
- Network monitoring and intrusion
- Firearms, components and accessories
- Reverse Engineering and Trade Secrets
- Cyber Warfare
- Firearms and Ammunition

Increasing high-priority criminal and administrative cases regarding:

Iran - aircraft parts and components, fast boats, telecommunications

China - aircraft, radar, missile technology

Russia, India, Syria, North Korea, Venezuela

Transshipment Locations - UAE, Hong Kong, Singapore, Malaysia, Turkey

Export Control Reform

USML Category	ECCNs	Status
I: Firearms	0x601	Final rule Jan. 23, 2020; Effective Mar. 9, 2020
II: Artillery	0x602	Final rule Jan. 23, 2020; Effective Mar. 9, 2020
III: Ammunition	0x603	Final rule Jan. 23, 2020; Effective Mar. 9, 2020
IV: Launch Vehicles/Missiles	0x604 9x604	Final rule Jan. 2, 2014; Effective July 1, 2014
V: Explosives/Propellants	1x608	Final rule Jan. 2, 2014; Effective July 1, 2014
VI: Vessels of War	8x609	Final rule July 8, 2013; Effective Jan. 6, 2014
VII: Tanks/Military Vehicles	0x606	Final Rule July 8, 2013; Effective Jan. 6, 2014
VIII: Aircraft	9x610	Final rule Apr. 16, 2013; Effective Oct 15, 2013
IX: Training Equipment	0x614	Final rule Jan. 2, 2014; Effective July 1, 2014
X: Personal Protective Equip.	1x613	Final rule Jan. 2, 2014; Effective July 1, 2014
XI: Electronics	3x611 9x620	Final rule July 1, 2014; Effective Dec. 30, 2014

Export Control Reform

USML Category	ECCNs	Status
XII: Sensors/Infrared/Lasers	7x611	Final rule Oct 12, 2016; Effective Dec. 31, 2016
XIII: Miscellaneous	0x617	Final rule July 8, 2013; Effective Jan. 6, 2014
XIV: Toxicological Agents	1x607	Final rule July 28, 2016; Effective Dec 31, 2016
XV: Spacecraft/Satellites	9x515	Interim final rule May 13, 2014 Effective June 27, 2014 (for rad-hard ICs) Effective Nov. 10, 2014 (for all other items) Clarifications & corrections July 13, 2015 Final rule Jan. 10, 2017; Effective Jan. 15, 2017
XVI: Nuclear	N/A	Final rule Jan. 2, 2014; Effective July 1, 2014
XVII: Classified	N/A	Final rule Apr. 16, 2013; Effective Oct 15, 2013
XVIII: Directed Energy Weapons	6x619	Final rule July 28, 2016; Effective Dec 31, 2016
XIX: Gas Turbine Engines	9x619	Final rule Apr. 16, 2013; Effective Oct 15, 2013
XX: Submersible Vessels	8x620	Final rule July 8, 2013; Effective Jan. 6, 2014
XXI: Not Otherwise Enumerated	N/A	Final rule Apr. 16, 2013; Effective Oct 15, 2013

Example: USML Category VIII and ECCN 9A610

Example: USML Category VIII and ECCN 9A610



Revised USML		Commerce Control List - 600 Series		
		(".a-.w" items)	(".x" items)	(".y" items)
<ul style="list-style-type: none">• F-15, F-16• Assembled engines• Weapons pylons• Mission systems• Bomb racks• Missile launchers• Fire control computer• Fire control Radar	<ul style="list-style-type: none">• Aircrew life support and safety equipment• Parachutes/paraglider• Controlled opening equipment of automatic piloting systems, designed for parachuted loads• T-1 Aircraft	<ul style="list-style-type: none">• Wings, Rudder, Fin, Panels• Fuselage – forward, aft• Cockpit structure• Forward equipment bay• Control surfaces, activation and control systems	<ul style="list-style-type: none">• Aircraft tires• Hydraulic system filters• Hydraulic and fuel hoses, fittings, clips, couplings, brackets• Cockpit panel knobs, switches, buttons, dials	

Examples of Dual Use Commodities

Use of Concern

-

Gas centrifuge,
Fabrication of
WMD



← Machine Tools →



Missile Components



← Carbon Fibers →



Mustard Gas



← Thiodiglycol →



Stabilize biological
agents for biological
weapons



← Freeze-Drying
Equipment →



Legitimate Use

Parts & components
of various machinery

Golf club shafts,
Fishing rods

Plastics, Dyes, Inks

Instant Coffee

Red Flag Indicators

- Strange value declared (value under the shipping cost)
- Known high tech equipment going to customer with no use
- Last minute change to shipping instruction
- Shipping instructions by phone
- Shipping Route is abnormal
- Packaging inconsistent with product or destination
- Freight forwarding firm listed as the End User
- Evasive information about ECCN or License Code
- Military sales without Military involvement and wrong exception codes



Where Industry and Security Intersect

Best Practices

Industry and Government should work together

Secure trade will reduce diversion

Effective export management will expedite legitimate trade

Compliance programs will secure trade objectives

Red Flags

Know your customer

Check the Consolidated Screening List



Where Industry and Security Intersect

Best Practices

The screenshot shows the official website of the Bureau of Industry and Security (BIS) under the U.S. Department of Commerce. The header features the BIS logo, the text "Bureau of Industry and Security U.S. Department of Commerce Where Industry and Security Intersect", and a search bar. Below the header is a navigation menu with links to Home, About BIS, Regulations, Licensing, Enforcement, Compliance & Training, Policy Guidance, Add'l Programs, Reform, and Data. The main content area features a large circular seal of the U.S. Department of Commerce with an eagle and the text "U.S. DEPARTMENT OF COMMERCE" and "BUREAU OF INDUSTRY AND SECURITY". A banner at the top of the main content area reads "Change in the start time for the Public Hearing on Section 232 National Security Investigation of Imports of Aluminum". To the right, there are three news items: "Change in the start time for the Public Hearing on Section 232 National Security Investigation of Imports of Aluminum" (with a small seal icon), "Notice on Procedures for Attending or Viewing Remotely the Public Hearing on Section 232 National Security Investigation of Imports of Aluminum" (with a small book icon), and "Connecticut Business Owner Pleads Guilty to Export Violation" (with a small seal icon). At the bottom, there are several call-to-action boxes: "Would you like to...", "Exporter Portal", "In The News", "Report Violations", "Export Control Reform", and "Consolidated Screening List". Each box contains a small icon and a brief description.

Bureau of Industry and Security
U.S. Department of Commerce
Where Industry and Security Intersect

Search ...

Home About BIS Regulations Licensing Enforcement Compliance & Training Policy Guidance Add'l Programs Reform Data

Change in the start time for the Public Hearing on Section 232 National Security Investigation of Imports of Aluminum

Notice on Procedures for Attending or Viewing Remotely the Public Hearing on Section 232 National Security Investigation of Imports of Aluminum

Connecticut Business Owner Pleads Guilty to Export Violation

Would you like to...

Select from the list below:
Speak to an Export Counselor

Exporter Portal

Everything you need to know about

Export Control Reform

ECR Export Control Reform -- Teleconferences and Webinars

In The News

BIS Newsroom

Report Violations

Reporting Possible Violations

Consolidated Screening List

The following list may be relevant to your export or reexport transaction



Where Industry and Security Intersect



CSL SEARCH

Search the Consolidated Screening List (CSL)

Search all [the screening lists](#) at one time by filling in the search boxes below. If you get too many results, try including more information to the additional fields. If you get too few results at a time.

Name

Search for an entity's name or one of its alternative names.

Fuzzy Name

When set to "off", the spelling of the Name you search for must be correct to get results. When set to "on", the Name you search for may be slightly off from the exact spelling. Check the score for each result to determine if the entity's name or its alternative names. A score of 100 is an exact match. Results are returned with the highest score first. Fuzzy search filters out the following common words: co, company, corp, corporation, inc, incorporated, organization, sa, sas, llc, university, and univ.

For example, 'Water Corporation' returns the same results as 'Water' because 'Corporation' is one of the common words.

Off

Address

Search for the street address, city, province, and postal code of an entity.

Sources

Choose which of the screening lists that you want to search.

Select...

Countries

Choose which countries that you want to search. Note, the Nonproliferation Sanctions and ITAR Debarred Lists do not search for entities by country. If you choose to search for entities by country then you will not be searching the Nonproliferation Sanctions and ITAR Debarred Lists.

Select...

[Complete Consolidated Screening List](#)

Lists of Parties of Concern - Consolidated Screening List

- **Consolidated Screening List (CSL) includes:**
 - Department of Commerce
 - Entity List
 - Unverified List
 - Military End-User List
 - Denied Persons List
 - Department of State
 - AECA Debarred List
 - Nonproliferation Sanctions
 - Department of Treasury
 - Specially Designated Nationals List (SDN)
 - Foreign Sanctions Evaders List
 - Sectoral Sanctions Identifications List (SSI)
 - Palestinian Legislative Counsel List (PLC)
 - Correspondent Account or Payable-Through Account Sanctions (CAPTA)
 - Non-SDN Menu-Based Sanctions List
 - Non-SDN Chinese Military-Industrial Complex Companies

Where Industry and Security Intersect



Questions

Bureau of Industry and Security
Special Agent William Bookout
William.bookout@bis.dhs.gov
404-436-3405

Customs and Border Protection
Officer David Wolfe
David.wolfe@cbp.dhs.gov
404-675-1281

Officer Roger Melendez
Roger.d.melendez@cbp.dhs.gov
404-675-2074

Exodus Team: 404-675-1324