DDTC
2022 UPDATE
Role of the PM Bureau

• The Bureau of Political-Military Affairs (PM) advises the Secretary and drives global security policy, integrates diplomacy and defense, and builds security cooperation

• Annual oversight:
  ▪ $170 billion in sensitive technology exports
  ▪ Nearly $7 billion in security assistance
  ▪ $9 billion in Title 10 security assistance

• Implements White House policy priorities to advance strategic sales and implement the President’s Conventional Arms Transfer policy (CAT)
Mission & Structure of DDTC

• The Directorate of Defense Trade Controls (DDTC) is the regulatory agency within PM that governs the export of defense articles and services via direct commercial sales.

• Supported by 215 staff (civil service employees, contractors, and military detailees).

• Three functional offices: Licensing, Policy, and Compliance.

• A Management team runs DDTC's IT and internal operations.
  - Over the past year, the Response Team and Help Desk addressed almost 30,000 inquiries, answering 1,400 phone calls monthly.
Compliance Overview

• The Office of Defense Trade Controls Compliance (DTCC) supports civil enforcement of the AECA and the ITAR and coordinates with law enforcement on criminal violations

• Reviews voluntary disclosures and issues directed disclosure requests regarding potential ITAR violations

• Pursues settlements to resolve alleged civil violations of the ITAR (Consent Agreements)

• Maintains over 14,000 registrations

• Mitigates transactions submitted to the Committee on Foreign Investment in the United States
Licensing Overview

- The Office of Defense Trade Control Licensing (DTCL) furthers U.S. national security and foreign policy through implementation and adjudication of defense trade export requests.

- Through the application of the CAT Policy, DTCL carefully considers the effect of each potential transfer.

- Reviews all transfers on a case-by-case basis to ensure our foreign policy goals and national security objectives.

- Identifies all legal, regulatory, and related procedural considerations before a decision is rendered.

- In FY 2021, DTCL adjudicated 23,757 licenses worth $103 billion.
Policy Overview

• Our Policy Office (DTCP) maintains a modern and agile munitions export control system that is responsive to geopolitical developments

• Continuing USML list review; reviewing new and emerging technology

• Manages DDTC's end-use monitoring program to ensure appropriate use and transfer of defense articles abroad

• Working on various initiatives such as an Open General License Pilot Program, reviewing the scope of exemptions, reviewing definitions (e.g., defense service), implementing the ITAR reorganization rules
PM and DDTC in Action: Ukraine

• Since January 2022, DDTC has authorized nearly $450 million in DCS exports and re-exports of hardware to Ukraine

• Since February 2022, DDTC has turned around at least two requests within 24 hours

• Through the Multinational Joint Commission (MJC), we work with Ukraine and our allies to identify military requirements and match funding streams

• The United States has provided over $8.7 billion in security assistance and training to support Ukrainian defense capabilities since 2014
PM and DDTC in Action: Other Regional Efforts

- **Russia**: Supporting efforts to work with partners and allies to implement sanctions against Russia.

- **Taiwan**: $18 billion in FMS to Taiwan since 2017, with additional DCS authorizations for end-use totaling more than $2.3 billion. We are continuing to deepen our defense relationship in response to the threat we assess from the PRC.

- **AUKUS**: Activity between USG and partners is robust; working to deliver advanced defense and technology capabilities, including an Australian nuclear-powered submarine.

- **Gulf Partners**: U.S. support for Saudi-led Coalition operations in Yemen has ended, including relevant arms sales, though we remain committed to helping the Saudis through security cooperation and defense trade.
PM DDTC

Metrics, Trends, and Notices
Authorizations Adjudicated by Calendar Year
CJ processing has continued uninterrupted through the pandemic, albeit with some delays. CJ caseload is approaching pre-pandemic level.

- March 2020 – 132 Active CJs as operating postures shifted
- Aug 2020 – 211 Active CJs at the peak caseload
- July 2021 – 151 Active CJs and trending lower
Authorization Decisions

CY 2021
- Approve: 49.4%
- Approve w/Provisos: 18.3%
- Deny: 0.7%

CY 2020
- Approve: 51.5%
- Approve w/Provisos: 18.0%
- Deny: 0.5%
Authorizations Adjudicated

CY 2021
Total Cases: 23,046

- DSP-5: 17.5%
- DSP-61: 6.7%
- DSP-73: 9.6%
- DSP-85: 7.9%
- Amend.: 2.7%
- AGs: 0.9%
- GC/BL: 1.1%

CY 2020
Total Cases: 25,645

- DSP-5: 16.5%
- DSP-61: 6.7%
- DSP-73: 7.9%
- DSP-85: 6.3%
- Amend.: 2.3%
- AGs: 1.1%
- GC/BL: 0.9%
## RWA Statistics

### Average Annual Stats (CY)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>CASES</th>
<th>AVG AGE</th>
<th>AVG RWA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>86,188</td>
<td>18.6</td>
<td>10.6%</td>
</tr>
<tr>
<td>2013</td>
<td>78,387</td>
<td>19.2</td>
<td>11.3%</td>
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<tr>
<td>2014</td>
<td>59,527</td>
<td>21.9</td>
<td>14.5%</td>
</tr>
<tr>
<td>2015</td>
<td>44,523</td>
<td>26.58</td>
<td>16.0%</td>
</tr>
<tr>
<td>2016</td>
<td>41,830</td>
<td>28.08</td>
<td>15.6%</td>
</tr>
<tr>
<td>2017</td>
<td>37,919</td>
<td>27.98</td>
<td>16.5%</td>
</tr>
<tr>
<td>2018</td>
<td>37,641</td>
<td>34.12</td>
<td>18.8%</td>
</tr>
<tr>
<td>2019</td>
<td>36,296</td>
<td>34.6</td>
<td>16.5%</td>
</tr>
<tr>
<td>2020</td>
<td>25,645</td>
<td>48.38</td>
<td>18.0%</td>
</tr>
<tr>
<td>2021</td>
<td>23,046</td>
<td>47.35</td>
<td>18.3%</td>
</tr>
</tbody>
</table>
CY 2021
Registration Metrics

Total Registrants: 13,881
- Manufacturers/Exporters: 12,489
- Brokers: 1,392
- Material Changes Reviewed: 1,485

Mergers, Acquisitions, & Divestitures (MAD)
- US-to-Foreign Reviewed: 91
- Transaction Reviewed under CFIUS: 63
Disclosure Trends by FY

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Directed: 44, 60, 57, 38, 59
- Voluntary: 784, 641, 654, 602, 601
# Recent Civil Settlements Consent Agreements

<table>
<thead>
<tr>
<th>Company</th>
<th>Year</th>
<th>Penalty (USD)</th>
<th># of Proposed Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Torrey Pines Logic, Inc/Dr. Volfson</td>
<td>2022</td>
<td>840,000+</td>
<td>5</td>
</tr>
<tr>
<td>Keysight Technologies, Inc.</td>
<td>2021</td>
<td>6,600,000+</td>
<td>24</td>
</tr>
<tr>
<td>Honeywell International, Inc.</td>
<td>2021</td>
<td>13,000,000+</td>
<td>34</td>
</tr>
<tr>
<td>Airbus SE</td>
<td>2020</td>
<td>10,000,000+</td>
<td>75</td>
</tr>
<tr>
<td>AeroVironment, Inc.</td>
<td>2019</td>
<td>1,000,000+</td>
<td>10</td>
</tr>
<tr>
<td>L3Harris Technologies, Inc.</td>
<td>2019</td>
<td>13,000,000+</td>
<td>131</td>
</tr>
<tr>
<td>Darling Industries, Inc.</td>
<td>2019</td>
<td>400,000+</td>
<td>6</td>
</tr>
<tr>
<td>FLIR Systems, Inc.</td>
<td>2018</td>
<td>30,000,000+</td>
<td>347</td>
</tr>
</tbody>
</table>

More information available on DDTC’s website See ITAR Compliance Tab:  [https://www.pmddtc.state.gov/](https://www.pmddtc.state.gov/)
<table>
<thead>
<tr>
<th>Date</th>
<th>Entity</th>
<th>Court</th>
<th>Sentencing</th>
<th>Charge</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 18, 2020</td>
<td>Chris Rodriguez</td>
<td>Eastern District of Virginia</td>
<td>18 months</td>
<td>Trafficking Firearms and ammunition</td>
<td>Honduras</td>
</tr>
<tr>
<td>January 27, 2020</td>
<td>Hany Veletanlic</td>
<td>Western District of Washington</td>
<td>85 Months</td>
<td>Illegally exporting firearms and illegal possession of silencers</td>
<td>Sweden, France, Russia, Brazil</td>
</tr>
<tr>
<td>February 14, 2020</td>
<td>Wei Sun</td>
<td>District of Arizona</td>
<td>38 months</td>
<td>Illegal export of missile-related tech data</td>
<td>China</td>
</tr>
<tr>
<td>July 20, 2020</td>
<td>Usama Darwich Hamade</td>
<td>District of Minnesota</td>
<td>42 months</td>
<td>Conspiring to export drone parts and technology</td>
<td>Lebanon (Hezbollah)</td>
</tr>
<tr>
<td>June 10, 2021</td>
<td>Tian Zhong WU</td>
<td>Central District of California</td>
<td>52 months</td>
<td>Attempting to export military electronics and software</td>
<td>China</td>
</tr>
<tr>
<td>November 9, 2021</td>
<td>Andrew Scott Pierson, et al</td>
<td>Eastern District of Arkansas</td>
<td>12 Years</td>
<td>Trafficking in Firearms</td>
<td>Mexico</td>
</tr>
<tr>
<td>February 17, 2022</td>
<td>Thomas Rick Thompson</td>
<td>Southern District of California</td>
<td>Plea of Guilty, awaiting sentencing</td>
<td>Trafficking Firearms</td>
<td>Mexico</td>
</tr>
<tr>
<td>May 6, 2022</td>
<td>Wilson Nuyila Tita, Eric Fru Nji, Wilson Che Fonguh</td>
<td>District of Maryland</td>
<td>Awaiting sentencing</td>
<td>Trafficking firearms</td>
<td>Nigeria</td>
</tr>
<tr>
<td>May 6, 2022</td>
<td>John Milton Lee</td>
<td>District of Arizona</td>
<td>Awaiting sentencing</td>
<td>Trafficking firearms</td>
<td>Mexico</td>
</tr>
</tbody>
</table>
Defense Export Control and Compliance System (DECCS)
DDTC IT Modernization

The Directorate of Defense Trade Controls (DDTC) is continuing its major IT Modernization effort to replace legacy systems with modern cloud technologies.

The Defense Export Control and Compliance System (DECCS) provides industry access to DDTC applications through a single, online portal.

DDTC worked with industry to build the system soliciting feedback and building industry-prioritized features.
Industry Portal: Enroll/Log In

Navigate to the DECCS Portal

• Click “Enroll” to create a new DECCS account
• Click “Login” to access your DECCS account.
• You can access this page here: https://deccs.pmddtc.state.gov/deccs
• Enrolled users can access DECCS applications from the Industry Portal once they're logged in.
DECCS User Management

In the User Management application, Corporate Administrators can manage their user community by:

- Sending invitations
- Approving user requests
- Modifying user permissions
Advisory Opinions

The Advisory Opinions (AO) application is used by industry to request official DDTC opinion on matters related to the interpretation of the ITAR and for internal users to review submissions and respond to the requester.

Use of the application is highly encouraged as a significantly faster alternative to mail-in correspondence, which requires manual data entry and can delay response times.
Commodity Jurisdictions

The Commodity Jurisdiction (CJ) application is used by industry to request official DDTC opinion on whether an item or service is USML and thereby regulated by DDTC.

If you are unsure of the export jurisdiction of a commodity or service, after reviewing the USML and other relevant parts of the ITAR, you should request a CJ determination.
DECCS Registration

The Registration Application is used by industry to register with DDTC. They can create a new registration, renew their registration, amend their registration, and pay for their registration in DECCS.
DECCS Licensing

The **Licensing Application** is used by industry users to apply for licenses for regulated commodities.

<table>
<thead>
<tr>
<th>Licensing Forms</th>
<th></th>
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<tbody>
<tr>
<td>DS-2032</td>
<td>DS-4294</td>
</tr>
<tr>
<td>DSP-5</td>
<td>DSP-6</td>
</tr>
<tr>
<td>DSP-61</td>
<td>DSP-62</td>
</tr>
<tr>
<td>DSP-73</td>
<td>DSP-74</td>
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<tr>
<td>DSP-85</td>
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</table>
For More DECCS Information…

Check out our website for FAQs, news & announcements, and helpful information.

For assistance, navigate to the ‘Get Help from DDTC’ tile and access our available FAQ database and customer service contact methods.
Contact Information

• DDTC’s website: www.pmddtc.state.gov

• DDTC Response Team & DECCS Help Desk  DDTCCustomerService@state.gov

• Case status: http://elisa.dtsa.mil/