

Bureau of Industry and Security

BIS 2019

July 9-11 | Washington, D.C.

ANNUAL CONFERENCE
ON EXPORT CONTROLS



Export Compliance Perspectives

U.S. Department of Commerce
U.S. Department of State
U.S. Department of the Treasury



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Commerce – BIS Compliance

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Reasons to have an ECP

- 1) Reduce chances of export violations/penalties
- 2) Mitigating factor in any enforcement actions if a violation does occur
- 3) Dependable supply chain – competitive business advantage



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Tailor your ECP to your organization

Factors that will impact your ECP:

Items and end use,
end user

Volume of exports

Geographic
locations of org.,
sub, and customers

Relationships with
business partners

Size of
organization

Complexity of
export processes



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Commerce/BIS Elements of an Effective Export Compliance Program (ECP)



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Written Export Compliance Program

- OEXS/EMCD staff review of manual
- Provide strengths and suggestions
- 30 days to receive feedback
- Mitigating factor for administrative penalties

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U.S. Department of Commerce
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Export Compliance Guidelines

*The Elements of an Effective
Export Compliance Program*



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Compliance Metrics

Track and report key performance indicators for activities and results



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BIS Compliance Visits



124 Companies Visited



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What to Expect from a Visit

- Arrange meeting time and date
- Review export procedures and program
- Discuss list of specific exports sent prior to visit



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Findings from Visits

- Lack of training
- Classification was outdated, incorrect, or no documentation
- EAR99 items included under a valid license
- No written procedures
- Inaccurate Electronic Export Information (EEI)



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Recommendations

- Audit EEs filed by your company and forwarding agents for inconsistencies
- Develop flow charts or written procedures
- Increase awareness of export compliance
- Classify items correctly and document



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2015 to Present – Sent approximately 150 export compliance alert letters to companies

- NLR potential misuse
- Improper use of a BIS License Exception
- ECCN mismatches between license and AES filing
- Country mismatch between license and AES filing



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Disclosures and EAR 764.5(f) Requests to BIS

15 CFR 764.2(e) Acting with knowledge of a violation

No person may order, buy, remove, conceal, store, use, sell, loan, dispose of, transfer, transport, finance, forward, or otherwise service, in whole or in part, any item exported or to be exported from the United States, or that is otherwise subject to the EAR, with knowledge that a violation of the EAA, the EAR, or any order, license or authorization issued thereunder, has occurred, is about to occur, or is intended to occur in connection with the item.

15 CFR 764.5(f)(1) Treatment of unlawfully exported items after voluntary self-disclosure

Any person who has made a voluntary self-disclosure knows that a violation may have occurred. Therefore, at the time that a voluntary self-disclosure is made, the person making the disclosure may request permission from BIS to engage in the activities described in §764.2(e) of this part that would otherwise be prohibited. If the request is granted by the Office of Exporter Services in consultation with OEE, future activities with respect to those items that would otherwise violate §764.2(e) of this part will not constitute violations. However, even if permission is granted, the person making the voluntary self-disclosure is not absolved from liability for any violations disclosed nor relieved of the obligation to obtain any required reexport authorizations.



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VSD Statistics for FY 2017 - 2018

OEE Actions On Closed VSDs	FY 2017 Total 420		FY 2018 Total 475		Point of Contact for VSD Questions Office of Export Enforcement (202) 482-5036
	#	%	#	%	
Warning Letter	337	80%	330	81%	
No Action or Violation	74	18%	59	14%	
Closed for Other Reasons	7	2%	19	4%	
Issued Administrative Sanctions	2	<1%	1	<1%	



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If you or the export compliance officer were to leave tomorrow, how would that affect your organization and what procedures do you have to authorize exports?