

**BIS UPDATE 2017** CONFERENCE ON EXPORT CONTROLS AND POLICY



## Moscow (AOR) and Frankfurt, Germany

### Export Control Officer Stephen Wilcox



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## Russia Update

- Russia ordered U.S. Embassy decrease presence by 650+ people
- BIS Moscow closed, AOR coverage-Frankfurt
- End-use monitoring mission in Russia halted



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## Regional Areas of Responsibility

<u>ECO Moscow</u>	<u>ECO Germany</u>
Albania (A:6, B) Belarus (D:1,3,5)      Lithuania (A:1+3-5, B) Cypress (A: 3-4, B)      Moldova (D:1,3) Estonia (A:1+3-5, B)      Russia (D:1,3) Finland (A:1-5, B)      Serbia (A:4, B) Georgia (D:1,3)      Tajikistan (D:1,3) Kazakhstan (D:1,3)      Turkmenistan (D:1,3) Kyrgyzstan (D:1,3)      Ukraine (A:2-4, D:1) Latvia (A:1+3-5, B)      Uzbekistan (D:1,3)	Austria Belgium France Italy Netherlands Portugal Spain Sweden United Kingdom
<u>Country Group</u> All countries      A:1-5, B	




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## Transshipment Trends



- Civilian vs. Military
- Iranian-sponsored transshipment
- Border transshipment
- Government/military using commercial sales
- Virtual office/firm




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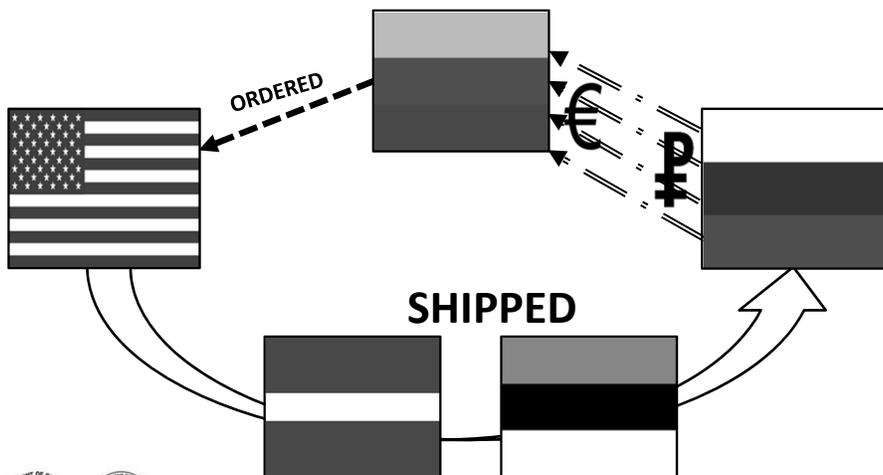
## New Government Initiatives



- \*Licensing
- \*End Use Monitoring
- \*Law Enforcement Cooperation



## Case Study #1 (Russia - Misdirection)



## Customs Cooperation

- Lithuanian Company
- Underwater communications equipment
- Sent to address in Latvia
- EUC Requests ignored
- Latvian Customs and MFA gain cooperation
- Agree to EUC in Latvia
- Lithuanian Customs and ECO conduct EUC



## EUC Result

- Admitted the purchaser/owner of the Lithuanian company is Russian, is in the Russian military, and all items went to Russian SEALs
- Met with company's accountant and obtained all transactional information for all U.S. origin commodities going to Russia



## Case Study #2 (Iran – The Virtual Office)



Iranian National front company in Lithuania and Malaysia

Items:  
Ministry of Ecology,  
Azerbaijan – License not approved

Malaysia – Transshipped

Lithuania – Interdicted



## Case Study #2 (Cont.)

- Iranian declined to meet
- Office relocated from virtual office to office above accounting firm
- Office empty except for cell phone
- Met with accounting firm, company runs out of Tehran
- Provided all correspondence and information to BIS and Lithuanian Customs





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## PSV Radiation Detection Equipment

- Russian owner of an Estonian company refused to meet in 2015
- PSV 2017 – refused EUC
- Estonian Customs detect radiation emanating from owner's car
- Customs alert for all crossings
- Estonian investigation initiated



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## Best Practices

- Ascertain **actual end-user** and **end-use**
- Complete the export documentation accurately with proper POC and contact information for the foreign party
- Freight forwarders are not end users
- Beware of the virtual office, dig deeper
- Iran – beware of fake end-user statements
- Russia – scrutinize civilian vs. military end use



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Thank you!

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