



INTRODUCTIONS

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Export Management Compliance Division

- Who's on first?
- Compliance outreach, 764 requests, Validated End-User program
- Special Comprehensive License reviews
- License transfer requests (§ 750.10)
- SNAPR on-line registration issues

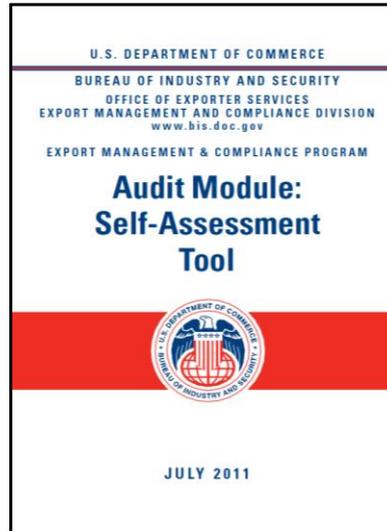
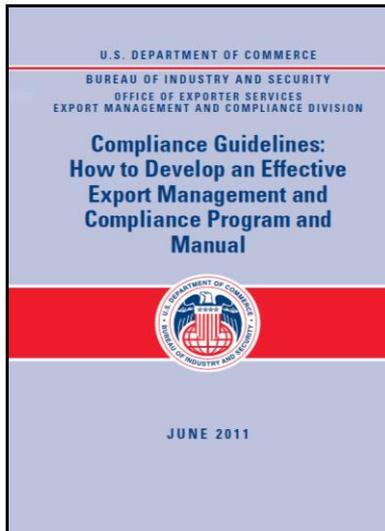
3

Expanding Compliance Activities

- Strategic Trade Authorization (STA) compliance
- USML to CCL transferred items
- Outreach training on STA and USML transferred items – teleconference calls, webinars, seminar content
- Only after extensive outreach, pilot on site and remote compliance reviews of STA and USML transferred item exports will begin

4

Compliance Tools



KEY ELEMENTS OF AN EFFECTIVE COMPLIANCE PROGRAM

- (1) Management commitment/chief compliance officer
- (2) Risk assessment
- (3) Written EMCP
- (4) Compliance training
- (5) Pre/post export compliance security & screening
- (6) Recordkeeping (EAR Part 762)
- (7) Export compliance monitoring & auditing
- (8) Handling & reporting export compliance problems/violations
- (9) Taking corrective actions



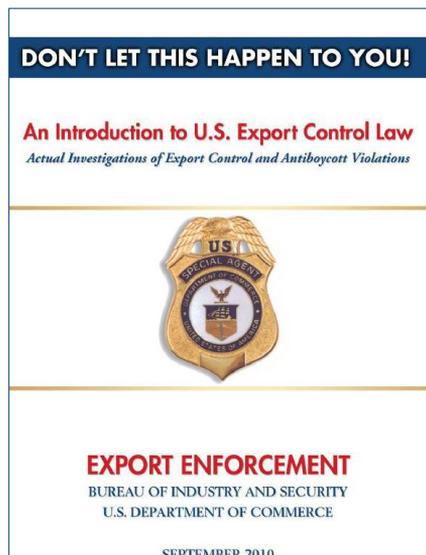
(1) Management Commitment Best Practices

- Lead by example
- Commit sufficient resources
- Identify chief compliance officer
- Support from, or connection to, specific corporate level officer
- Fosters a compliance culture free from retribution or retaliation

7

(2) Risk Assessment – Best Practices

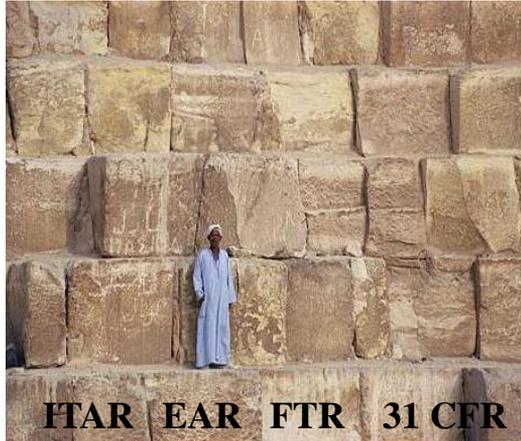
- Know your company inside out!
- Train staff on “red flags”
- Establish “hold,” “stop,” “release” functionality for order processing and supply chain personnel



8

(3) Written EMCP – Best Practices

- Capture all export processes
- Define all functional steps
- Designate responsible personnel
- Publically identify location of EMCP



CREATE A SOLID FOUNDATION

9

(4) Training – Best Practices

- Initial and recurring
- Tailor approach to audience
- Senior management/board of directors
- Orientation for new employees
- Intermediate for key personnel in export operations
- Advanced for export compliance staff



Be creative! Be memorable!

10

(5) Pre/Post Export Compliance Security & Screening – Best Practices

- Get the up-front decisions right & keep following-up
- Create matrix for jurisdiction/classification
- Screen for prohibited parties at key decision points
- To extent possible, automate
IT is an enabler that cuts across most elements



11

(6) Recordkeeping – Best Practices

- Conduct analysis of all export business activities and identify records required to be maintained
- Develop a formal records management program
- Ensure records are easily retrievable
- Record retention requirements are clearly defined in contractual agreements

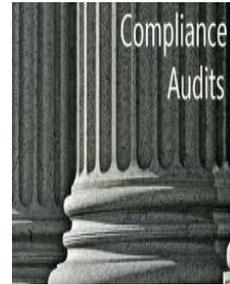


12

(7) Audits – Best Practices



- Done at least annually
- All business units included
- Transaction & procedural auditing
- Use both internal and external audit teams
- Brief management and relative business units of audit findings timely and initiate corrective actions as necessary



13

(8/9) Handling Export Problems & Violations & Corrective Actions

- A safe environment
- Clear policy and written guidelines
- Problem and root cause identification
- Prompt response to and from management when issues uncovered



Corrective actions taken quickly that strengthen internal controls



14

**NO MATTER HOW YOU CUT IT,
AN EFFECTIVE EMCP HELPS.**



HAPPY TRAILS

Thanks for coming!

