



Office of Export Enforcement

Bureau of Industry and Security

U.S. Department of Commerce

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Export Enforcement



Export Controls

Export controls serve the national security,
foreign policy, and nonproliferation interests
of the United States.



Export Controls

These include export controls designed to stem the
proliferation of weapons of mass destruction and
export controls designed to limit the military and
terrorism support capability of certain countries.



Export Controls

Most U.S. controls are pursuant
to obligations undertaken in one
of the four multilateral export
control regimes:

1. The Wassenaar Arrangement
2. The Missile Technology Control Regime
3. The Nuclear Suppliers Group
4. The Australia Group

U.S. Export Control

Dual-Use: Agencies Munitions:

Department of
Commerce
Bureau of Industry and
Security (BIS)

Department of State
Directorate of Defense
Trade Controls (DDTC)

Nuclear:

Department of
Energy
Nuclear Regulatory
Commission (NRC)

Embargoes:

Treasury Department
Office of Foreign
Assets Control (OFAC)

Bureau of Industry and Security

- BIS is charged with administering and enforcing the Export Administration Act (EAA) and Regulations (EAR)
- The EAA and EAR control the export and re-export of U.S.-origin dual-use goods and technology
- It is a violation of the EAR to export to embargoed destinations

Export Enforcement's Mission

Protect National Security and
Foreign Policy Goals

- Prevention and Detection in
Partnership with Industry
- Investigation and Prosecution
- Domestic and International
Law Enforcement Cooperation



Office of Export Enforcement SAC Field Office Regions



Office of Export Enforcement International Offices

- Beijing, China
- Hong Kong
- Abu Dhabi, UAE
- Moscow, Russia
- New Delhi, India
- Singapore



Preventive Measures

- Check exporters and customers prior to issuing license
- Check end-users and end-uses after shipment
- Use watch list to screen license applications
- Review Shipper's Export Declarations (SED)
- Review Visa Applications
- Detentions/Seizures
- Issue Temporary Denial Orders (TDO)
- Educate Exporters



Enforcement Sources

- Confidential and Industry Sources
- Sentinel Verification Program
- Visa Application Review Program
- Export Document Review (SEDs, Airway Bills, Bills of Lading)
- U.S. & foreign law enforcement
- Public Sources - Newspapers, Trade Publications, Internet



Investigations and Sanctions

- Investigations:
 - Criminal
 - Administrative
- Sanctions:
 - Criminal fines and imprisonment
 - Civil fines and penalties

(i.e. denial of export privileges, exclusion from practice, etc.)



CRIMINAL



CRIMINAL PENALTIES

COMMERCE:

- EAR - currently enforced under 50 U.S.C.,
sec. 1705 (b), IEEPA. (EAA currently in
lapse)

OTHER STATUTES:

- Conspiracy, 18 U.S.C. sec. 371
- Money Laundering, 18 U.S.C. 1956
- False Statements, 18 U.S.C. 1001
- And more...

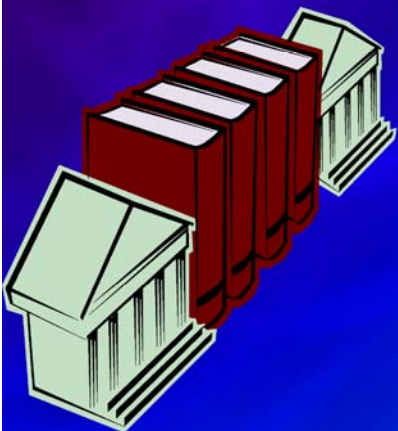


Criminal Penalties

- “Willful Violations”
 - \$250,000 fine for individuals and/or 20 years imprisonment
 - \$1 Million or five times the value of the export or reexport involved for firms



Administrative Penalties



• CIVIL AUTHORITIES

- EAR - TITLE 15, C.F.R. Part 764

• CIVIL SANCTIONS

- Fines: \$50,000/violation
- Denial of Export Privileges / Revocation of Export Licenses
- Exclusion from practice



Export Licenses

- OEE may request additional information pertaining to an export license application
- OEE may recommend conditions on export licenses
 - Pre-shipment Inspection
 - Pre-license end-use check
 - Post-license end-use check



License Exception Shipments

- **OEE may request documents from the exporter**
- **OEE may detain a shipment for inspection**
- **OEE may conduct pre-shipment or post-shipment end use verifications**



Enforcement Trends

- In FY2010 – BIS investigations resulted in the criminal conviction of 31 individuals and businesses and the imposition of almost \$12.3 million in criminal fines for export violations.
- This compares to 33 convictions and \$2 million in criminal fines in FY2009.



Enforcement Trends

- In FY2010 – BIS investigations resulted in the completion of 53 administrative cases against individuals and businesses and the imposition of more than \$25.4 million in administrative penalties.
- This compares to 54 cases and \$14.5 million in administrative penalties in FY 2009.



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