

# Compliance with Export Control Laws at TTU

(How it affects you and your work.)

# Basics

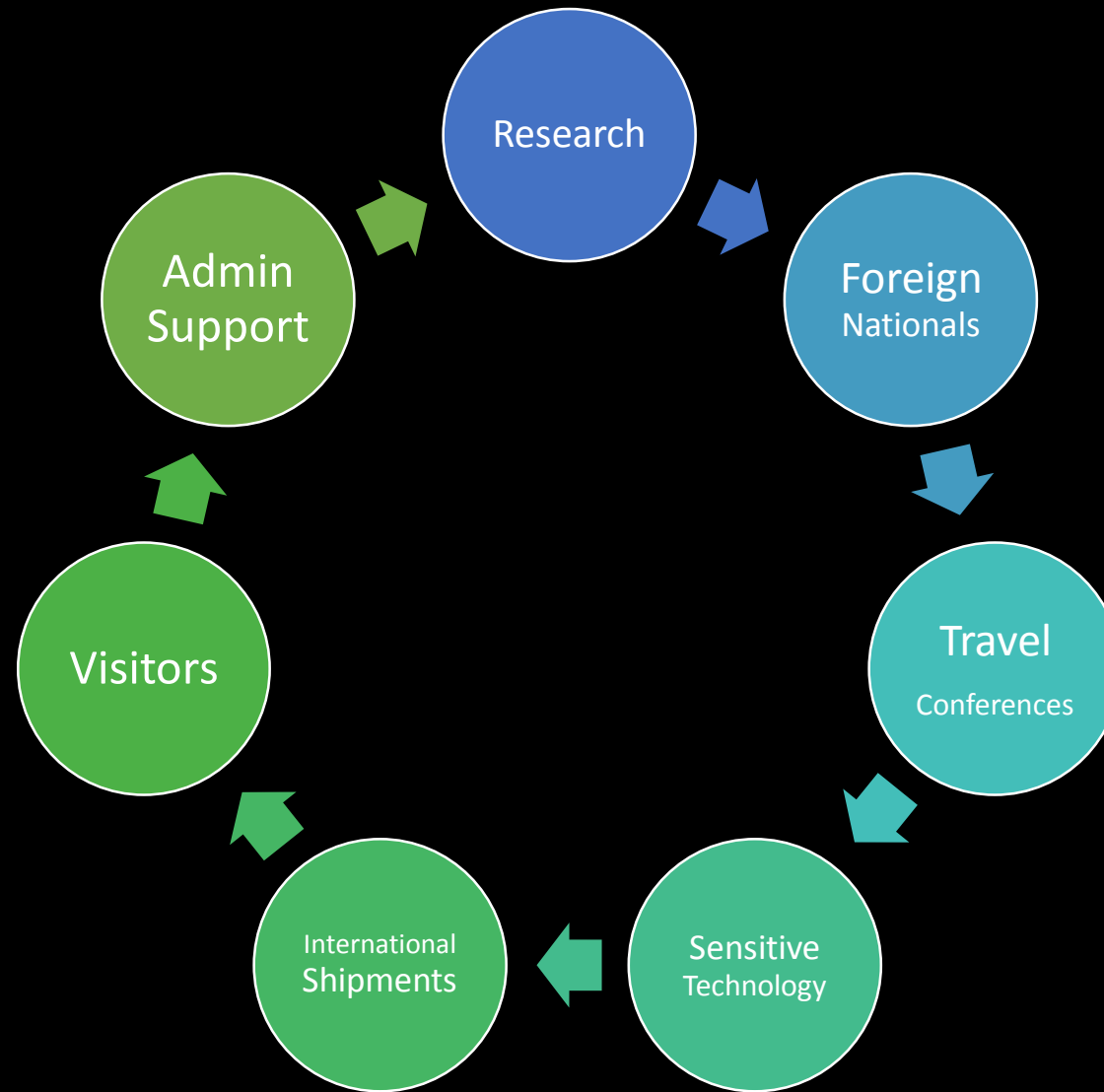
- Why do we have export laws?
- How do export laws apply to us?
- What are the key agencies that govern exports?
- What are the key export controls?
- What is an export at TTU?

# Why the United States has export laws



- National Security
- Foreign Policy and Regional Stability
- Protect U.S. Businesses
- Prevent proliferation of WMD
- Prevent Terrorist Activities

# How do export laws apply to us?



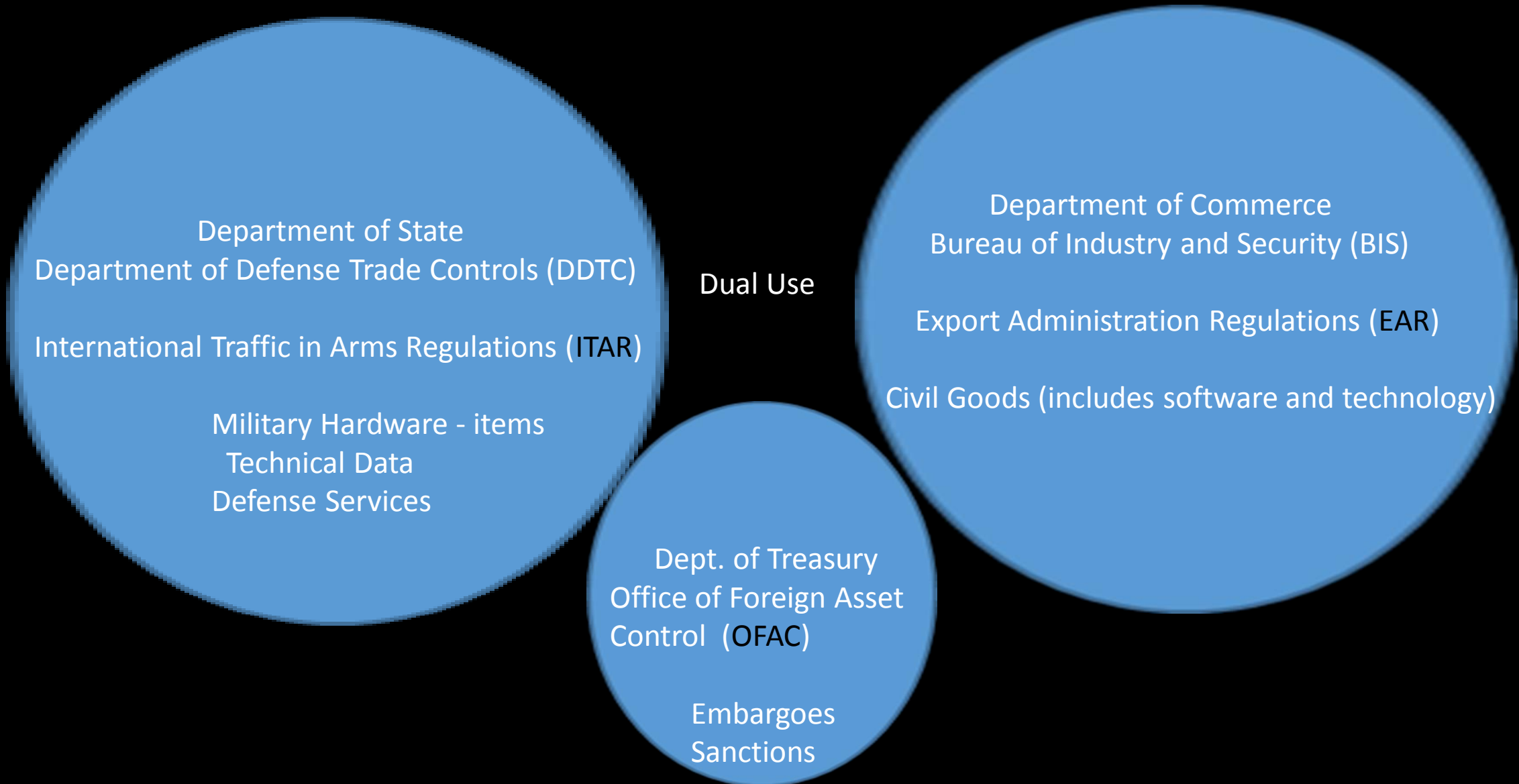
# What are the key agencies that govern exports?



But wait, there's more . . . .



# What are the key export controls?





# What is an export at TTU?





# Sending or Carrying Items Abroad



Laptops and the data on them

Equipment

Research material

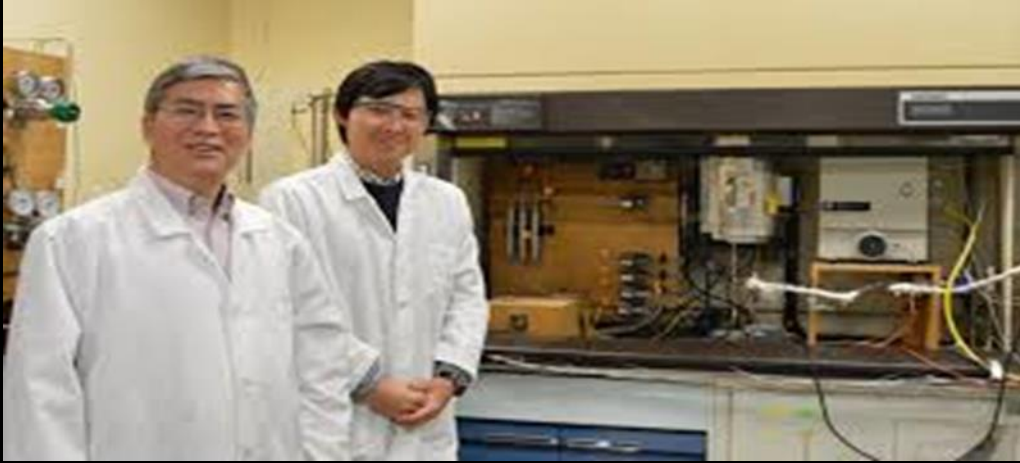
Or international shipments sent by mail, FedEx, UPS using TTU accounts

# Searches of Electronic Devices

(selected for secondary searches)

- In 2015, of 383.2 million travelers, 8503 searches conducted
- In 2016, of 390.6 million travelers, 19,033 searches
- In first six months of 2017, 14,993 searches

# Providing Defense Services



- Assisting a foreign government or military
- In the U.S. or abroad
- Projects/Partnerships with foreign military or government related to defense articles.

# Deemed Exports



Any release of technology or source code subject to the EAR to a foreign national is deemed to be an export to the home country or countries of the foreign national. EAR 734.2(b)(2)(ii)

Disclosing (includes oral or visual disclosure) or transferring technical data to a foreign person, whether in the U.S. or abroad. ITAR Sec. 120.17(a)(4)

What is a “foreign person”?

Anyone who is NOT:

- A U.S. citizen
- A green card holder (permanent resident), or
- A person granted status as a protected individual because of his/her citizenship
  - Political refugee
  - Asylum holders

# Deemed Exports

- Disclosing or transferring controlled technology/technical data to a non-U.S. person, whether in the U.S. or abroad by any means.
  - E-mails
  - Meetings/conferences
  - Telephone conversations
  - Web Xs and internet meetings
  - Plant tours/Visits
  - SharePoint/Dropbox
  - Reports and Analysis
  - Internet Posting
  - Using cloud server to store

# Re-exports and transfers abroad



Re-Export – Ship U.S. item from one foreign country to another

Transfer – Ship an item/technology from one party in a foreign country to another person in the same country

Export licenses only apply to a specific end-use and specific end-user



# Foreign Nationals at TTU

Are a regular and welcome part of our TTU community

- Graduate Students
- Post-Docs
- Visiting Professors
- Visiting Scholars
- Employees

# So what is not controlled?

## **EAR**

- Publicly Available
- Educational Information
- Fundamental Research Results
- Not necessary for development, production or use of a controlled item

## **ITAR**

- Public Domain
- Commonly Taught
- Fundamental Research Results
- Basic Marketing, mathematical or general system descriptions

# Violations come with a high cost

- Violation of Export Administration Regs (EAR)
  - Willful or knowing – up to \$1,000,000 in fines and/or 20 years in prison
  - Civil – \$250,000 or twice the value of the transaction, whichever is greater
- Violation of International Trafficking in Arms Regs (ITAR)
  - Willful – up to \$1,000,000 in fines for each violation and/or 10 years in prison, for each violation
  - Up to \$500,000 for each violation
- But wait, there is more
  - Denial of export privileges
  - Imposition of independent monitors (meet your new employee)

# Violations

- Subject to severe criminal penalties.
- Can be to the individual as well as the institution.
- Dr. John Reece Roth
  - Electrical Engineering Professor
  - Sentenced to 4 years
  - Project started as Fundamental Research Project
  - Destroyed Career of a Graduate Student
    - Daniel Sherman spent one year in prison



# TTUHSC – January 2003



- Thomas Butler, M.D.
- Reported 30 vials of plague bacteria missing from his lab
- Allegedly hand carried plague bacteria by commercial aircraft, private vehicle, FedEx without proper documentation
- Well-respected scientist
- Served 2 years in prison
- Acquitted of illegally exporting

# Red Flags – Pay Attention

- Foreign Visitors on Campus
- Exposing Foreign Nationals to Controlled Research labs
- Shipping Equipment overseas
- Attending a conference overseas
- Training foreign students on research protocols or equipment
- Hiring a foreign national who is not on a student visa
- Collaborating with foreign colleagues abroad



# Red Flags – Embargoed Countries

- Currently there are embargoes/sanctions against 22 countries and they change often
- Some are almost total: Cuba, North Korea, Crimea region of Ukraine, Iran, Sudan, Syria
- Some are partial: examples –Burundi, Central African Republic, Democratic Republic of the Congo, Libya, Lebanon, South Sudan, Iraq, Yemen, Zimbabwe, Balkans, Venezuela
- Some are just for ITAR items: examples – Russia, Afghanistan, China, Vietnam

# Restricted Party Screening

- Executive Order 13224 signed Sept. 24, 2001
  - No U.S. company shall do business with any person/entity that is subject to its prohibitions.
- Screening is required by multiple agencies.
- “lists” vary according to purpose (over 50 lists)
  - Specially designated Nationals
  - Foreign Sanctions Evaders
  - Denied Persons
  - Unverified List
  - Entity list
  - Debarred list

# How does someone wind up on a “list”?

EUROPE

386 COMMENTS

## *Russian Groups Crowdfund the War in Ukraine*

By JO BECKER and STEVEN LEE MYERS JUNE 11, 2015

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WASHINGTON — The Novorossiia Humanitarian Battalion boasts on its website that it provided funds to buy a pair of binoculars used by rebels in eastern Ukraine to spot and destroy an armored vehicle. Another group, Save the Donbass, solicits donations using a photograph of a mortar shell inscribed with its web address and the names of donors. Yet another, Veche, states that its mission is to “create modern, combat-ready” military units fighting Ukraine’s central government.

These organizations are part of an online campaign that is brazenly raising money for the war in eastern Ukraine, using common tactics that have at least tacit support from the government of President Vladimir V. Putin of Russia. Although they often portray their mission as humanitarian, most of the groups explicitly endorse the armed insurgency and vow to help equip forces in the two regions at the center of the fighting, Donetsk and Luhansk.



Pro-Russian rebels carried the flag of their self-proclaimed Republic of Novorossiia in Debaltseve, Ukraine, in February. Brendan Hoffman/Getty Images



# Restricted Party Screening

- International Affairs
  - Foreign Travel on TTU business
  - Visitors
  - Visiting Scholars
  - Collaborations with Foreign Colleagues
  - H1-B Visas
- Office of Export and Security Compliance
  - **Research Projects**
  - Follow-up on all the above
  - Research equipment
  - Shipping questions