



Deemed Exports: Compliance and Enforcement

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*Michael D. Turner
Director
Office of Export Enforcement
Bureau of Industry and Security
U.S. Department of Commerce*





Overview: Deemed Export Compliance and Enforcement

- *Export Enforcement: Goal, Priorities and Objectives*
- *Deemed Export Threat Assessment*
- *Addressing the Threat: Export Licensing and Enforcement*
- *Working with the Office of Export Enforcement (OEE)*





OEE: Enforcement Goal

*Keep the most sensitive goods
Out of the most dangerous hands*





OEE: Enforcement Priorities

- *Weapons of Mass Destruction (WMD) proliferation*
- *Terrorism and State sponsorship of terror*
- *Diversions to unauthorized military end use*





OEE: Enforcement Objectives

- *Prevention:*

- *Achieve highest levels of compliance by export trade community*
- *Application/visa screening; End-Use Checks*
- *Interdict goods before delivery to unauthorized end-users*

- *Deterrence:*

- *Investigate, prosecute violations*





Deemed Exports: Threat Assessment

- *As of September 2005, over 140 nations and some 35 known/ suspected terrorist organizations target the U.S. for intelligence collection (NCIX testimony)*
- *Dedicated effort to steal critical technology, trade secrets, proprietary financial/economic data*
- *Support war aims/terrorist objectives, undercut U.S. foreign policy and commerce*





Seek Design, Production, Use Info on:

- *Information systems*
- *Aeronautics*
- *Sensors*
- *Electronics*
- *Armaments and energetic materials*
- *Telecommunications*
- *Semiconductor manufacturing*
- *High Performance Computers*





Acquire Through:

- *Front companies*
- *Foreign visitors: government officials, businessmen, scientists, students*
- *Target U.S. persons/companies overseas*
- *Email/phone inquiries*





Addressing the Threat

- *Compliance Reviews*
- *Investigation/Enforcement*





Compliance Reviews

- *License condition compliance checks*
- *Visa reviews*
- *Project Guardian: Targeted outreach*



Investigations and Enforcement

Company/Institution	Violation	Outcome
1. Suntek Microwave Inc.	<ul style="list-style-type: none">• Allowed unauthorized access of controlled video amplifiers and related technology over 4-year period to several Chinese nationals• These foreign nationals were trained with express purpose of training other companies in China• These amplifiers have military applications in radar, missile and satellite applications	President of company: 12 mos. imprisonment; \$187,000 admin penalty. Corporation: \$339,000 criminal fine; \$275,000 admin. penalty; 20 year denial export privileges
2. Fujitsu	<ul style="list-style-type: none">• Illegally transferred controlled digital fiber optic technology to 21 Ukrainian and Chinese foreign nationals• This technology has myriad military applications	Voluntary disclosure; \$125,000 admin. penalty
3. Lattice Semiconductor	<ul style="list-style-type: none">• Allowed unauthorized access by five foreign nationals to military grade semiconductor microchips with dual use applications• Foreign nationals came to the United States for technical training before returning to China• Advanced microchips have many military applications	Voluntary disclosure; \$560,000 admin. penalty



Working with OEE

- We ALL have an interest in “keeping the most sensitive goods out of the most dangerous hands”
- YOU are in position to identify suspicious transactions that may represent illicit proliferation/export activities
- WE can work together to:
 - Stop illegal exports
 - Disrupt illicit procurement networks
 - Bring export violators to justice







OEE HQ (202) 482-1208

Boston (617) 656-6030

Washington, DC (703) 487-9300

Chicago (312) 353-6640

Dallas (214) 767-9294

Los Angeles (949) 251-9001

New York (718) 370-0070

Miami (954) 356-7540

San Jose (408) 291-4204

Houston (281) 372-7130





Office of Export Enforcement

Keeping the most sensitive goods out of the most dangerous hands

Michael D. Turner
Director

(202) 482-1208

mturner@bis.doc.gov

www.bis.doc.gov

OEE Hotline: (800) 424-2980

