

# Export Control Program

# **Business Services Training**



University of Wisconsin – Madison

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# Introduction



# Introduction

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## What is Export Control?

- Export control consists of a group of federal laws / regulations that control certain commodities, technologies, information and data
  - Limits what can be shipped out of the country and to whom it can be shipped
  - Can limit access to information for certain foreign nationals and/or organizations
  - Determines when a license is required to ship items or information abroad



# Introduction

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## Purpose of the Regulations

- To control the export of military and dual use products, technology and services to foreign persons or organizations
  - Primarily for national security purposes
  - Some economic reasons as well
  - Dual Use: commercial items that could have military, national security or proliferation applications
    - Ex: computer technology and software, sensors, lasers



# Introduction

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## Why Do We Care (about Export Control)?

- It's the law (we need to comply with the regulations)
- These regulations can affect:
  - What type of research we do
  - Who we hire
  - Who we can share information with
  - Who we work with (collaborators / sponsors)
  - Where we ship items
  - What items we ship
  - Level of security for projects / labs



# Definitions



# Definitions

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## *Export*

- Physical Export: Sending or taking anything out of the United States in any manner, except mere travel outside of the U.S. by a person whose personal knowledge includes technical data; including:
  - Shipping – commercial shippers or hand-carry
  - Verbal transfer of technical data (i.e., phone, Skype)
  - Electronic transfer of technical data (i.e., e-mail, fax, text, social media)
  - Items: computers, equipment, biological agents, materials, substances, etc.
- Deemed Export: Transfer (oral or visual disclosure) of technology, information or data to a foreign person within the U.S. is deemed to be an export to that person's home country
- Defense Service: Performed for or on behalf of a foreign person or organization



# Definitions

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## ***Foreign Persons/Organizations***

- A Foreign Person or Organization is anyone who is NOT a U.S. Person. A U.S. Person is:
  - U.S. citizen or national
  - Permanent resident (green card holder) of the U.S.
  - A refugee, someone granted political asylum or someone granted amnesty
  - U.S. government agency and any state or local governments therein
  - U.S. company, business, LLC or partnership
  - U.S. university



# Regulations



# Regulations

## Key Regulations

Parameter	ITAR	EAR	FACR
Name of Regulation	International Traffic in Arms Regulations	Export Administration Regulations	Foreign Asset Control Regulations
Agency	State	Commerce	Treasury
What Does Regulation Control?	Military equipment & information	Dual use items & information	Foreign assets (bank accounts)
Control Listing	USML (United States Munitions List)	CCL (Commerce Control List)	Specially Designated Nationals List
Comments	Treats all foreign destinations the same	Need for license depends on commodity, destination country, reason for control & exemptions	Depends on who (person or organization) you are communicating with

- *Please note that other government agencies maintain export regulations but they have less of an effect on UW-Madison activities*
- *Different regulations, agencies, lists & means of implementation*
- *They can be very difficult to navigate*



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# What Are We Looking For?



# What Are We Looking For?

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## Our Goal

To ensure all transactions follow federal laws and regulations. This occurs through:

- Transactions that are not export controlled
- Transactions for which an export license is not required
- Transactions that meet an Exemption to the Export Control Regulations
- An Export License – Only one that requires interaction with the federal government



# What Are We Looking For?

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## ***Export Controlled Items***

1. Hardware – Listed on the USML or CCL
  - Examples: Military equipment, parts specially designed for military equipment, lasers, telecomm equipment, spacecraft, electronics, optical sensors
2. Software – Standalone or associated with items on the USML/CCL
  - Examples: Encryption, command and control software for satellites, modeling/simulation software
3. Materials – Listed on the USML or CCL
  - Examples: Select agents, chemical precursors, explosives, computer chip substrates, reactor shielding



# What Are We Looking For?

## ***Export Controlled Items (cont.)***

4. Technology – Non-public information describing controlled items
  - Information necessary for “development,” “production,” “use,” operation, installation, maintenance, repair, overhaul, or refurbishing of controlled items
  - Examples: Blueprints, electrical schematics, mechanical drawings, written or oral communications, photographs, plans, models, engineering designs and specs, documentation, electronic media or information revealed through visual inspection
5. Data – Inputs or outputs of controlled items
  - Examples: Command and control data for satellites, military GPS
6. Services/Fees
  - Examples: Troubleshooting a rocket failure, repairing controlled equipment, shipments or payments to a restricted party, providing chemical analysis for an embargoed gov’t



# What Are We Looking For?

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## ***International Transactions***

Payments – Money we spend to purchase items, services, materials, information, software, etc.

- Purchases from foreign vendors via PO
- Purchases from foreign vendors via Pcard
- Purchases from foreign vendors via Direct Payment
- Petty cash payments
- Custodial accounts



# What Are We Looking For?

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## ***International Transactions (cont.)***

Receipts – Money we receive for items, research, services, fees, tuition, etc.

- Gifts / Donations
- Financial Aide
- Tuition for Foreign Students
- Revenue Producing Agreements, such as FFS
- Credit Card Receipts (UW eCommerce)
- MTA Payments
- Cash / Checks for camps and clinics
- Revenue Sharing Agreements
- Other Athletic Revenue such as scholarships and game tickets
- Facility Rental Revenue



# What Are We Looking For?

## ***Looking For Issues***

**The Export Control Office reviews a number of processes to unearth issues, including:**

- **Daily Vendor Screenings**
- **Outgoing International Material Transfer Agreements (MTAs)**
- **International Travel** – Weekly review of Concur bookings
- **Project Reviews** – Questions from staff regarding projects, staffing, shipping, etc.
- **Project Screening** – Using the WISPER screening tool
- **Visa Certification** – For H-1B and O-1 visas
- **J-1 Visa Screening** – Scholars from embargoed or restricted countries



# What Are We Looking For?

## *Red Flags*

**Embargoed/Restricted Countries** – Transactions with parties in any of the following countries:

- **E:1/E:2 Countries: Cuba, Iran, North Korea, Syria and Crimea – Major restrictions**
- **OFAC & US Embargo List:** Balkans (western), Belarus, Burma, Central African Republic, China, Cuba, Democratic Republic of the Congo, Ethiopia, Iran, Iraq, Lebanon, Libya, Mali, Nicaragua, N. Korea, Russia, Somalia, South Sudan, Sudan and Darfur, Syria, Ukraine, Venezuela, Yemen, Zimbabwe
- **ITAR Prohibited Countries (22CFR 126.1):** Afghanistan, Belarus, Burma, Cambodia, Central African Republic, China, Cuba, Cyprus, Democratic Republic of the Congo, Eritrea, Ethiopia, Haiti, Iran, Iraq, Lebanon, Libya, N. Korea, Russia, Somalia, South Sudan, Sudan, Syria, Venezuela, Zimbabwe

**Restricted Parties** – Persons or organizations (including universities) listed on one of the federal gov't restricted party lists, including the:

- Entity, Specially Designated Nationals, Debarred Parties, Denied Persons, Nonproliferation Orders and Unverified Lists



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# Non-Compliances



# Non-Compliances

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## Results of Non-Compliance

- *Civil & criminal penalties levied against individuals & organizations*
  - *The penalties can be very severe*
- *Disciplinary action by university toward responsible individual*
- *Bad press*
- *Loss of research funding*

***Persons responsible for violations can be held personally liable for non-compliance***



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# What Do You Do If You Find An Issue?



# What Do You Do If You Find An Issue?

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**Contact the  
Export Control Office**



# What Do You Do If You Find An Issue?

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## **For Additional Information, Contact:**

- *Tom Demke, UW-Madison Export Control Officer*  
[tom.demke@ssec.wisc.edu](mailto:tom.demke@ssec.wisc.edu) 262-8659
- *Bethany Nelson, UW-Madison Export Control Coordinator*  
[bcnelson2@wisc.edu](mailto:bcnelson2@wisc.edu) 261-1128
- *Ben Griffiths, UW Senior Legal Counsel*  
[ben.griffiths@wisc.edu](mailto:ben.griffiths@wisc.edu) 263-7400
- *Or e-mail: [exportcontrol@grad.wisc.edu](mailto:exportcontrol@grad.wisc.edu)*

## **UW Export Control Website:**

<https://research.wisc.edu/integrity-and-other-requirements/export-control/>