



Export Controls & University Research

Export Control Basics

The goals of this presentation are to:

- I. Provide a broad general overview of Export Control regulations
- II. Discuss the relationship between Export Controls and University Research and provide examples of the types of activities that may be impacted
- III. Briefly review how export license determinations are conducted
- IV. Discuss what you can do to ensure that the university is in compliance with export control regulations

Export Controls ?



Export Control - Pop Quiz 1

For which of these situations do you think export controls apply?

- A. Researcher is building guidance systems for long range missiles. The guidance system is ready to go and they need to send it to collaborators in Japan for testing. Can they send it?**
- B. A new faculty member is developing computer software for high resolution marine navigation with the Office of Naval Research. There is a Canadian graduate student that wants to join the lab and work on the project. Is this ok?**
- C. Faculty member has been invited to attend an international conference in Syria and she plans to take her laptop and I-phone. Is this ok?**



Export Control - Pop Quiz 1

For which of these situations do you think export controls apply?

- D. Researcher is conducting research and intends to pay research subjects in England to participate in a survey on the British Monarchy. Are there any issues?
- E. While shopping in Hong Kong you purchase a GPS unit that was made in Finland. You bring it home with you and find that it is defective and needs to be returned to the manufacturer in Finland for replacement. Is this export controlled?

Q: Which of these situations do Export Controls apply?

A: Export Controls would potentially apply to all of them and in many cases an export license would be required to proceed with the activity.



Overview of Export Controls

The U.S. Government actively regulates, and in some cases, restricts the export of certain information, items or technologies deemed to be critical to the interests of national security, economy and/or foreign policy.

In general, restrictions apply to information, items, technologies or services that include:

- military, weapons, missile technology
- “dual use” items (those items having potential military as well as commercial uses)
- chemical/biological weapons
- encryption technology & related software
- high performance computers
- lasers and other high technology medical devices

Overview of Export Controls

In addition to activities involving military items or weapons it is **critical** to note that many normal, everyday University activities are subject to Export Controls, including:

- Traveling overseas on University business (e.g., conferences, conducting field work, international symposia)
- Traveling with some types of equipment including laptop computers, web-enabled cell phones, or other items
- Traveling with unpublished, proprietary information or restricted information
- Research collaborations with foreign nationals (here in the U.S. or abroad)
- Visits or tours of research facilities by foreign nationals

Overview of Export Controls

- Sponsoring research (e.g., via a subcontract) or providing any financial assistance to an embargoed or sanctioned person/country
- Providing financial assistance to any one that is considered a blocked or sanctioned party, specially designated national
- Providing professional services (e.g., consulting) to problematic end-users or sanctioned countries

KEY TAKE HOME MESSAGE:

Export Controls do not only apply to military work or the shipment of equipment out of the U.S., they impact universities in a variety of ways.

What Are Export Controls?

The term “Export Controls” refers collectively to those U.S. laws and regulations that govern the transfer of controlled information or technologies to foreign nationals and/or foreign countries.

There are 3 primary federal agencies that oversee and enforce Export Controls:

- **State Dept.** – International Traffic in Arms Regulations (ITAR) – Governs military, weapons and space related technologies
- **Commerce Dept.** – Export Administration Regulations (EAR) – Governs technologies with dual uses (those with both military and commercial applications or strictly commercial applications)
- **Treasury Dept.** – Office of Foreign Assets Control (OFAC) – Governs transactions with countries subject to embargo, boycott, or trade sanctions

Export Control - Pop Quiz 2

Which of these would be considered an Export?

- A. A colleague in England requests a DNA sample and researcher puts a small amount into a tube and pop it in the mail.
- B. Researcher posts drawings of a new widget on the internet for anyone to access.
- C. Researcher emails a new algorithm she developed to a colleague in France.
- D. Researcher discusses non-published or proprietary information regarding his research at an international conference.

Q: Which of these activities are an Export?

A: All of them would be considered an export and in some cases an export license would be required to proceed with the activity.



What constitutes an Export?

An export occurs whenever an item, commodity, technology, or software is sent out of the U.S. to a foreign destination.

- If the item being released or exported is a “controlled item” then an Export License may be required **before** the transfer can legally occur.
- An export can take any form - not just physical shipments - and the manner in which the transfer or release of the item takes place is not relevant to export control regulations.

Types of Export Activities

Examples of activities that are considered exports and would be subject to Export Controls include:

- Shipment or transfer of items out of the U.S.
- Written or oral communications
- Electronic or digital transmissions
- Hand-carrying items out of the U.S.
- Providing access or visual inspection or tours of facilities to foreign nationals
- The use or application of a controlled service or technology on behalf of or for the benefit of a foreign national

Foreign Nationals/Entities

Foreign Nationals are persons who:

- Are not U.S. Citizens
- Are not permanent resident aliens of the U.S. (i.e., they do not have a Green Card)
- Are not in the U.S. as a refugee or with asylum status

Foreign Entities are those businesses, organizations, and governments that are not incorporated or organized to do business in the U.S.

Deemed Exports

In addition to the physical transfer of items out of the country, the U.S. Government also actively regulates the release or transmission of controlled technology or information to Foreign Nationals within the U.S (e.g., a foreign national graduate student at OSU).

This is referred to as a “**Deemed Export.**”

- Deemed Exports are regulated by the same Export Controls as the actual transfer of items out of the U.S.
- Deemed Exports are considered an export to that person’s home country.

Deemed Exports

Deemed Exports is the area of biggest concern for universities and the area where there is the greatest compliance exposure.

Foreign nationals are one of the major drivers of university research and it is critical to the research mission that we continue to have free and open exchange of ideas with scholars and students of all nationalities.

Why do you need to be concerned?

Following the events of 9/11 there has been a heightened level of awareness and scrutiny of all export activities with an growing emphasis on **enforcement**.

- Federal agencies are increasingly focused on Universities and their compliance with export regulations
- Non-compliance with export regulations can lead to substantial and severe criminal and monetary penalties imposed on both individual researchers and institutions.

But do we really need to be concerned? Does the government really care about academic institutions?

Don't let this happen to you...



Department of Justice

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Wednesday, September 3, 2008
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Retired University of Tennessee Professor Convicted of Arms Export Violations

KNOXVILLE - On Wednesday, September 3, 2008, a federal jury convicted retired University of Tennessee professor Dr. J. Reece Roth, after a seven day trial, of illegally exporting military technical information relating to plasma technology designed to be deployed on the wings of drones operating as a weapons or surveillance systems.

The Arms Export Control Act prohibits the export of defense related materials, including the technical data, to a foreign national or a foreign nation, without the required U.S. government license. The illegal arms exports by Dr. Roth related to technical data and information that was developed through a U.S. Air Force research and development contract to develop this advanced form of a drone.

Dr. Roth was specifically convicted of one count of conspiring with Atmospheric Glow Technology, Inc., a Knoxville, Tennessee, technology company, to unlawfully export in 2005 and 2006 fifteen different "defense articles" to a citizen of the People's Republic of China in violation of the Arms Export Control Act. He was also convicted of 15 counts of violating the Arms Export Control Act and one count of wire fraud relating to defrauding the University of Tennessee of the honest services by illegally exporting sensitive military information relating to this U.S. Air Force contract.

The maximum punishment for the conspiracy conviction is five (5) years imprisonment and a fine of \$250,000. The maximum penalty for each of the Arms Export Control Act offenses is ten (10) years imprisonment, a criminal fine of \$1,000,000, and a mandatory special assessment of \$100 for each offense. Dr. Roth's sentencing has been set for January 7, 2009, at 1:30 p.m., in United States District Court in Knoxville.

"Today's guilty verdict should serve as a warning to anyone who knowingly discloses restricted U.S. military data to foreign nationals. The illegal export of such sensitive data represents a very real threat to our national security, particularly when we know that foreign governments are actively seeking this information for their military development," said Patrick Rowan, Acting Assistant Attorney General for National Security.

United States Attorney Russ Dedrick said, "The strict enforcement of the export technology laws protects our country and its citizens. This verdict, by a jury of Dr. Roth's peers, demonstrates that our citizens and the United States will not tolerate such intentional conduct to undermine the security and the economy of our country. Our scientific and educational communities must take precautions to insure that technology and research are protected, when required, from disclosure to foreign governments."

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In July 2009, Dr. Roth was sentenced to 4 years in federal prison



Export Controls & University Activities

Export Controls & University Research

The good news: the vast majority of research conducted at U.S. universities is exempt from export controls under 3 exclusions provided for under the current regulations.

They are:

- The Fundamental Research Exclusion
- The Educational Information Exclusion
- The Public Information Exclusion

Although research may be exempt from Export Controls under these exclusions, the University must demonstrate that the appropriate export control reviews were performed.

Fundamental Research Exclusion

The Fundamental Research Exclusion applies to any basic or applied research in science or engineering where the resulting information is ordinarily published and broadly shared in the scientific community.

Research performed as Fundamental Research is **not** subject to Export Controls and no licenses are required to release or transfer information to a foreign national in the U.S. or abroad.

It is important to note that the fundamental research exclusion only covers the “**results**” of research. It does not cover actual materials, items or technologies involved in or resulting from the research. Export Controls may still apply to these items.

Fundamental Research Exclusion

For research to qualify as Fundamental Research all of the following must be true:

- There can be no restrictions on publication (normal pre-publication review is ok if limited in time)
- There can be no access or dissemination restrictions
- The research must be based at an accredited institution in the U.S.

Delays in finalizing sponsored research agreements can be encountered when sponsors try to insert publication or access restrictions in agreements which would nullify the Fundamental Research Exclusion.

Problematic Clauses

In some cases, sponsors will try to add in contract language that can nullify the Fundamental Research Exclusion.

Examples include:

- DFARS 252.204-7000 – Disclosure of Information
- ARL 52.205-4401 – Release of Information
- ARL 52.004-4400 – Foreign Nationals Performing under contract
- AFMC 5352.227-9000 – Export Control Data Restrictions

Important to get these clauses removed if at all possible. If not, project cannot shelter under FRE and a complete assessment will need to be made regarding access and safeguards.

Problematic Clauses

252.204-7000 Disclosure of Information.

As prescribed in 204.404-70(a), use the following clause:

DISCLOSURE OF INFORMATION (DEC 1991)

(a) The Contractor shall not release to anyone outside the Contractor's organization any unclassified information, regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any program related to this contract, unless —

- (1) The Contracting Officer has given prior written approval; or
- (2) The information is otherwise in the public domain before the date of release.

(b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The Contractor shall submit its request to the Contracting Officer at least 45 days before the proposed date for release.

(c) The Contractor agrees to include a similar requirement in each subcontract under this contract. Subcontractors shall submit requests for authorization to release through the prime contractor to the Contracting Officer.

Educational Information Exclusion

The Educational Information Exclusion covers information commonly taught in universities via instruction in catalog courses and/or through the associated teaching laboratories.

Information that qualifies as Educational Information is **not** subject to Export Controls and no export license is required to share information with foreign nationals in the U.S. or abroad.

Public Information Exclusion

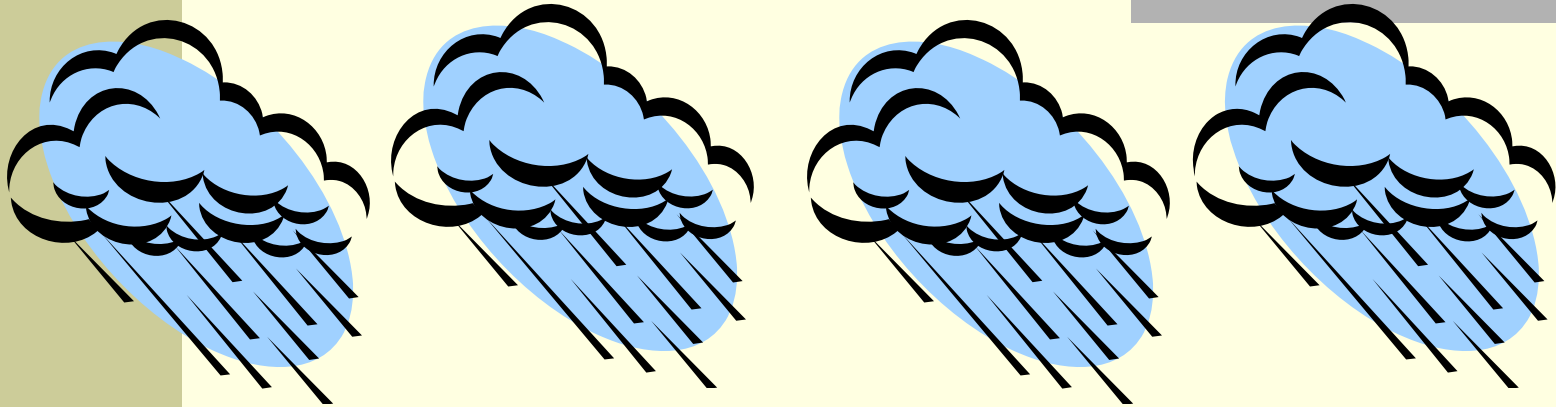
The Public Information Exclusion covers any information that is already published or out in the public domain. Information in the public domain is not subject to Export Controls.

Examples include:

- Books, newspapers, pamphlets
- Publically available technology and software
- Information presented at conferences, meetings or seminars open to the public
- Information included in published U.S. patents
- Websites freely accessible to the public

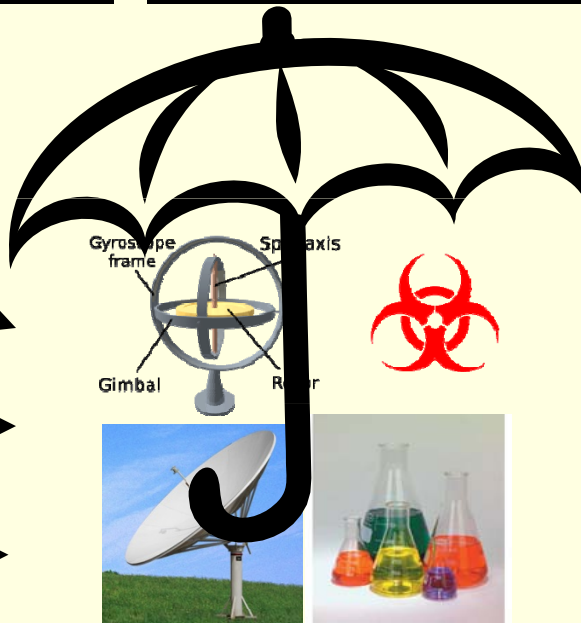
Information in the public domain is **not** subject to Export Controls and no export license is required to share information with foreign nationals in the U.S. or abroad.

EXPORT CONTROL REGULATIONS



Educational Information • Fundamental Research • Public Information

- *Research with 3rd party
Controlled technology **X** →
- *Interactions with blocked
or sanctioned entities **X** →
- *Research subject to
contract restrictions on
publication or access
by foreigners **X** →



- X** ← *Research in controlled areas
(e.g., encryption technology)
- X** ← *Research in chemical/biological
weapons
- X** ← *Research in nuclear technology
or Weapons of Mass Destruction
- X** ← *Research conducted outside
the U.S.

***These activities are not protected and are subject to Export Controls**

How Do You Know?



Determining when Export Controls May apply to your Research

The following list of questions is designed to help you determine if Export Controls may apply to your research:

1. Does the research involve military, weapons, defense, chemical or biological weapons, encryption technology & software, space or other dual-use items or export restricted technologies?
2. Does the research involve collaboration with foreign colleagues (including graduate students) either here in the U.S. or abroad?
3. Does the research involve the transfer or shipment of equipment, materials or funding out of the U.S.?

Determining when Export Controls May apply to your Research (cont)

4. Does any part of the research take place outside of the U.S. (e.g. field work)?
5. Does any part of the research involve the receipt or use of Export Controlled information or items provided by a 3rd party?
6. Are there any contractual restrictions on publication or access to or dissemination of the research results?
7. Does the research involve the shipment or transfer of materials, money or any other type of collaboration with foreign nationals from a sanctioned or embargoed country (i.e., Iran, Cuba, Syria, Sudan, or North Korea)?

Determining when Export Controls May apply to your Research (cont)

8. Do you have any reason to believe that the end-user or the intended end-use of the item or information violates any existing export controls?

A “Yes” answer to any of the proceeding questions indicates that the research may be subject to Export Controls or OFAC regulations and an assessment should be done. Contact exportcontrol@osu.edu

Export License Needed?



Export Licenses

An Export License is a document issued by the U.S. government granting you the right to export a specific product, technology, or software to a specific country under a set of defined conditions.

Whether your research will require a license is driven by 4 key factors:

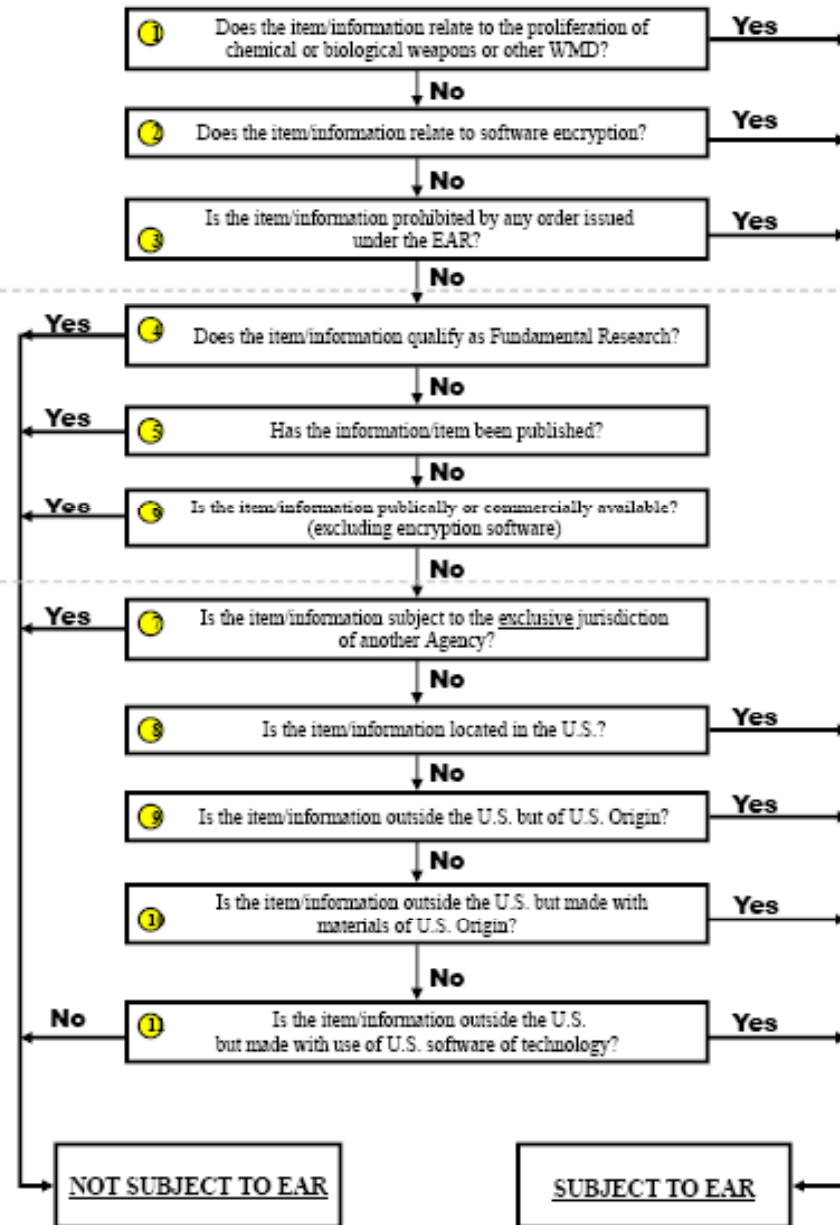
- The nature of information or item
- Where the information or item is going
- To whom the information or item is going
- What the end-user will be doing with it

Determining if a license is required

The following steps are used when determining if an export license is required:

- 1) Is the item/activity subject to Export Controls?
Does the item/activity qualify for the FRE or other exclusion?
- 2) Determine jurisdiction – Does the item/activity fall under the jurisdiction of the EAR, ITAR, OFAC or other agency?

Subject to EAR Decision Tree



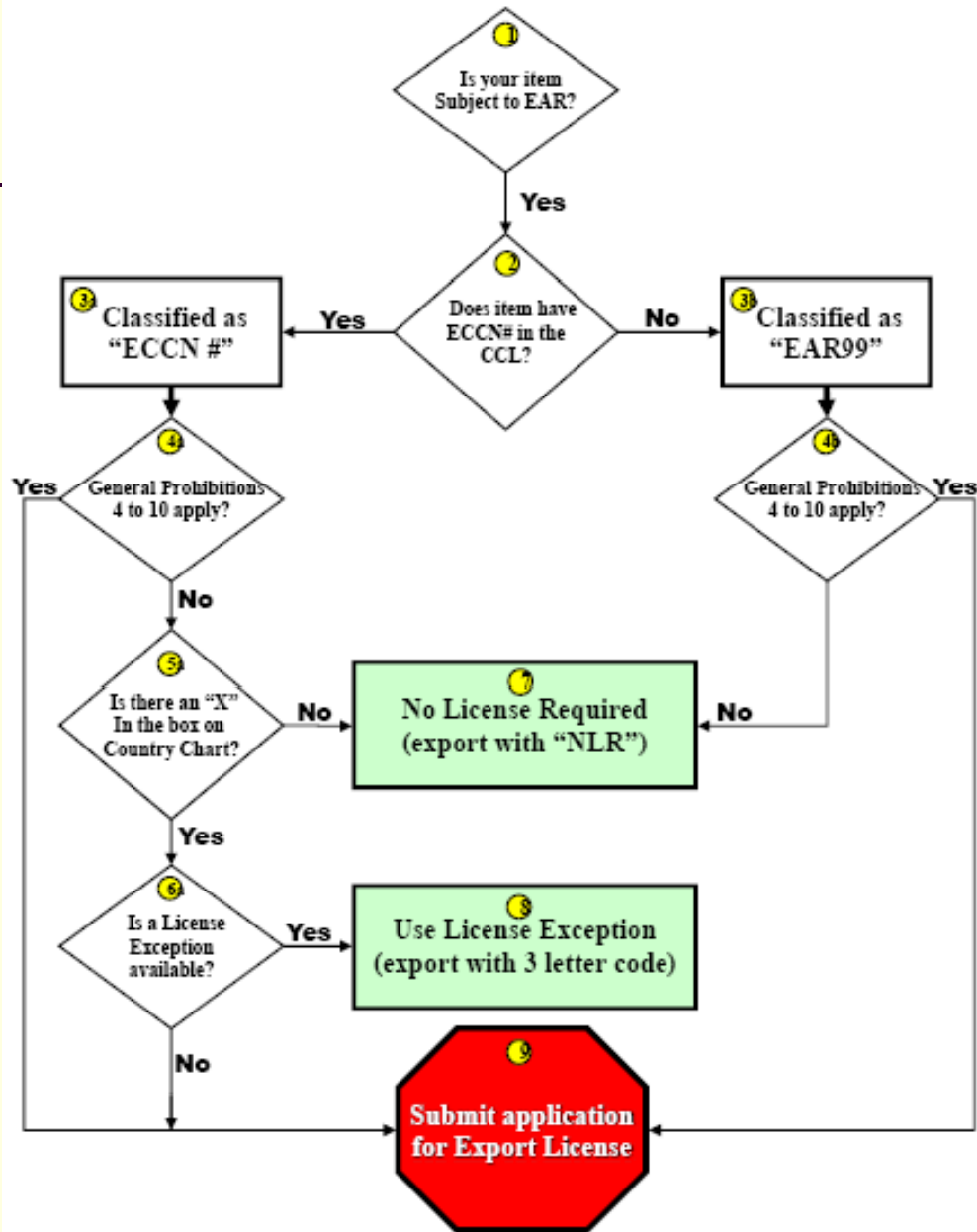
Determining if a license is required

- 3) Determine if a export license is required -
License needs are item and country specific.

Exercise: Researcher is interested in doing field research in Sudan, mapping the effects of refugee relocations on local culture. Researcher will be taking GPS units, is a license required?



Export License Decision Tree



Modified from Supp. No. 1 to part 732 EAR.

7A117 "Guidance sets" capable of achieving system accuracy of 3.33% or less of the range (e.g., a "CEP" of 10 km or less at a range of 300 km). (These items are subject to the export licensing authority of the U.S. Department of State, Directorate of Defense Trade Controls. See 22 CFR part 121.)

7A994 Other navigation direction finding equipment, airborne communication equipment, all aircraft inertial navigation systems not controlled under 7A003 or 7A103, and other avionic equipment, including parts and components, n.e.s.

License Requirements

Reason for Control: RS, AT

Control(s)

Country Chart

RS applies to QRS11-00100-100/101 and QRS11-00050-443/569 Micromachined Angular Rate Sensors. See Related Controls.

RS Column 1

AT applies to entire entry

AT Column 1

License Requirement Notes: There is no *de minimis* level for foreign-made commercial primary or standby instrument systems that integrate QRS11-00100-100/101 or commercial automatic flight control systems that integrate QRS11-00050-443/569 Micromachined Angular Rate Sensors (see §734.4(a) of the EAR).

License Exceptions

LVS: N/A
GBS: N/A
CIV: N/A

List of Items Controlled

Unit: \$ value

Related Controls: QRS11 Micromachined Angular Rate Sensors are subject to the export licensing jurisdiction of the U.S. Department of State, Directorate of Defense Trade Controls, unless the QRS11-00100-100/101 is integrated into and included as an integral part of a commercial primary or standby instrument system of the type described in ECCN 7A994, or aircraft of the type described in ECCN 9A991 that incorporates such systems, or is exported solely for integration into such a system; or the QRS11-00050-443/569 is integrated into an automatic flight control system of the type described in ECCN 7A994, or aircraft of the type described in ECCN 9A991 that incorporates such systems, or are exported solely for integration into such a system. (See Commodity Jurisdiction requirements in 22 CFR Parts 121; Category VIII(e), Note(1)) In the latter case, such items are subject to the licensing jurisdiction of the Department of Commerce. Technology specific to the development and production of QRS11 sensors remains subject to the licensing jurisdiction of the Department of State.

Related Definitions: N/A

Items:

The list of items controlled is contained in the ECCN heading.

B. TEST, INSPECTION AND PRODUCTION EQUIPMENT

7B001 Test, calibration or alignment equipment specially designed for equipment controlled by 7A (except 7A994).

License Requirements

Reason for Control: NS, MT, AT

Commerce Country Chart

Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearm s Convention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
	Spain	X					X		X	X						
Sri Lanka	X	X		X		X	X	X	X	X		X		X		
Sudan	X	X		X		X	X	X	X	X		X		X	X	X
Suriname	X	X		X		X	X	X	X	X	X	X		X		
Swaziland	X	X		X		X	X	X	X	X		X		X		
Sweden	X					X		X	X	X		X		X		
Switzerland																
Syria	X	X	X	X		X	X	X	X	X		X		X	X	
Taiwan	X	X	X	X		X	X	X	X	X		X		X		
Tajikistan	X	X	X	X		X	X	X	X	X		X	X			
Tanzania	X	X		X		X	X	X	X	X		X		X		
Thailand	X	X		X		X	X	X	X	X		X		X		
Togo	X	X		X		X	X	X	X	X		X		X		
Tonga	X	X		X		X	X	X	X	X		X		X		

For Sudan there is an AT1 and RS1 license requirement

Determining if a license is required

So... YES, a license from BIS would be required to take the GPS units from the U.S. to Sudan.

Exercise (part 2) : Your researcher decides to do a different project involving research in Spain instead of Sudan with the same GPS units, would a license be required?



Commerce Country Chart

Reason for Control

Countries	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Missile Tech	Regional Stability		Firearm s Convention	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
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Sri Lanka	X	X		X		X	X	X	X	X		X		X		
Sudan	X	X		X		X	X	X	X	X		X		X	X	X
Suriname	X	X		X		X	X	X	X	X	X	X		X		
Swaziland	X	X		X		X	X	X	X	X		X		X		
Sweden	X					X		X	X			X		X		
Switzerland																
Syria	X	X	X	X		X	X	X	X	X		X		X	X	
Taiwan	X	X	X	X		X	X	X	X	X		X		X		
Tajikistan	X	X	X	X		X	X	X	X	X		X	X			
Tanzania	X	X		X		X	X	X	X	X		X		X		
Thailand	X	X		X		X	X	X	X	X		X		X		
Togo	X	X		X		X	X	X	X	X		X		X		
Tonga	X	X		X		X	X	X	X	X		X		X		

For Spain there is no AT1 license requirement, only RS1

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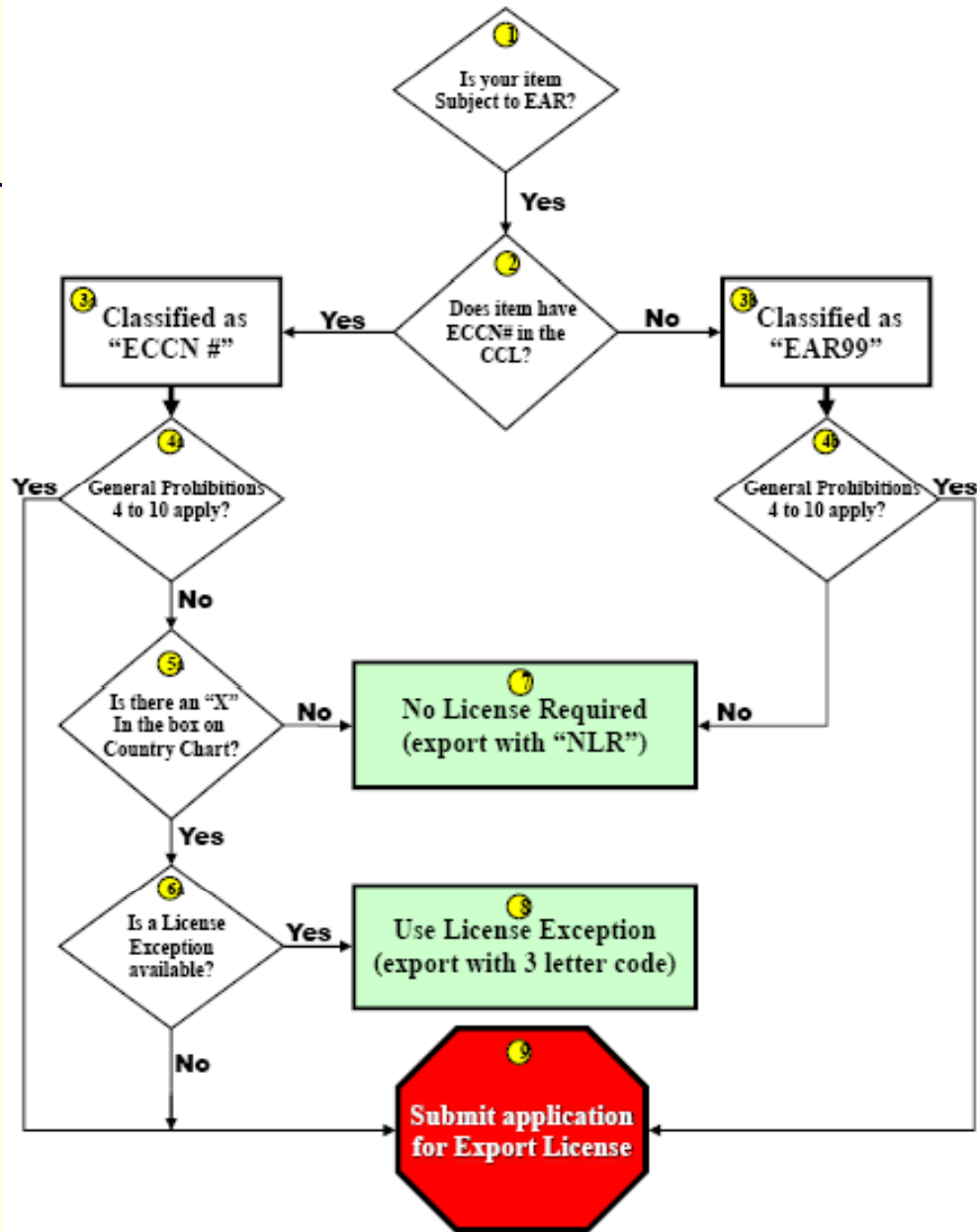
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Determining if a license is required

- 4) Check to see if there are any valid license exceptions available for the item.
- 5) Apply for an export license if needed.
- 6) Ship/transport your item using the appropriate License, License Exception or No License Required (NLR) information on all shipping documents.

Export License Decision Tree



Modified from Supp. No. 1 to part 732 EAR.

What Can You Do?



Strategies for ensuring compliance with Export Controls

- Review research/activities for potential export control issues and if you think that they may be subject to Export Controls, contact your Export Control officer or BIS. Obtaining a license can take 3 to 6 months and there is no guarantee that a license will be granted.
- If project involves the receipt or use of Export Controlled information or technology from outside the University, contact Technology Licensing & Commercialization to notify them of the incoming export controlled information.
 - Require that any controlled information or materials is clearly marked
 - Require that disclosing organization must obtain written approval before they can provide export controlled information
 - Mark associated projects in People Soft as Export Controlled

Strategies for ensuring compliance with Export Controls

New codes for marking projects in the PeopleSoft as export restricted

CODE	Description	When Used
ECAPP	Export Controls Apply	Top-level code put on all projects that have export restrictions including any project not under FRE, use of export controlled info, contract restrictions, etc.
ECOFC	OFAC restriction	Used on projects that involve provision of funds overseas (e.g., payment for participation on a research survey in a foreign country)
ECFNL	Use of foreign national restriction	Used when contract restricts use of FNs
ECEQP	Equipment shipping restriction	Used when we know that project has international shipping requirements that will need license review
ECMTL	Material/Information transfer restriction	Used when we know that project has material or information transfer restrictions (usually due to contract language)
ECDTA	Data restrictions	Used when we know that project has data transfer restrictions (usually due to contract language)
ECGEN	Project results are export controlled	Used when project results are not freely releasable (usually due to contract language, e.g. AFMC clause)
ECPUB	Publication Restricted	Used when publication requires prior approval by Sponsor or other publication restriction applies.

Strategies for ensuring compliance with Export Controls

Marking Projects in the PeopleSoft as Export Controlled (cont)

Example: a project under a DOD contract that had the DFAR 252.204.7000 clause attached. We would mark the project with the following codes and terms:

- ECAPP – Export Controls Apply – Term: DFAR 252.204.7000
- ECFNL - Export Control use of foreign national restriction – Term: “Use of foreign nationals requires sponsor approval”
- ECPUB – Publication Restricted – Term: “Publications require prior written approval by sponsor”

Example: a project with AFMC clause attached. We would mark the project with the following codes and terms:

- ECAPP – Export Controls Apply – Term: AFMC 5352.227-9000
- ECFNL - Export Control use of foreign national restriction – Term: “Use of foreign nationals requires sponsor approval”
- ECGEN- Project results are export controlled – Term “All project equipment and technical data subject to ITAR”
- ECPUB – Publication Restricted – Term: “Publications require prior written approval by sponsor”

Strategies for ensuring compliance with Export Controls (cont)

- If there is a plan to hire a foreign national or project involves working with foreign collaborators on export controlled research University must determine if an Export License is required. If required, the License must be obtained **before** work can proceed.
- All foreign collaborators may need to be screened against the Blocked parties, Specially designated nationals, and other “lists” to ensure that they are not barred or blocked entities. There are commercially available software packages that compile all of the lists to facilitate the screening process.
- Before hiring or involving a foreign national in research involving export controlled items you may be required to develop a plan for securing the information and controlling access by foreign nationals.

Strategies for ensuring compliance with Export Controls (cont)

- Sponsored Program Officers need to ensure that all publication and access restrictions are negotiated appropriately to preserve the Fundamental Research Exclusion whenever possible.
- Maintaining the FRE is critical to allowing academic institutions to pursue the academic mission of free and open exchange of information and the pursuit and dissemination of knowledge.
- Beware the troublesome clauses and unnecessary flow down from restrictions placed in the prime contracts when subcontracting.

Fight back! If research being doing is fundamental research we should not accept restrictions.

Strategies for ensuring compliance with Export Controls (cont)

- If it is determined that an Export License is required, check to see if there is a valid License Exception available. Work with your Export Control Officer to obtain any necessary licenses.
- When shipping export controlled items, include the appropriate licensing information (e.g., license number, License Exception symbol or No License Required) on all export documents.
- Document, document, document
 - Maintain original records of all Export documents including all assessments/reviews for five (5) years.
- Continue to follow any access or control provisions through out the life of the project and beyond (as required).

The Cost of Noncompliance

Failure to comply with Export Controls can result in severe criminal and monetary fines to both the individual researcher and the University.

The severity of the fine/penalty depends on many factors including which regulations were violated, the extent of the violation and more importantly the intent of the violation.

Non-compliance can lead to loss of export privileges, loss of federal funding, and significant harm to the integrity and reputation of the University.

Fines and Penalties - EAR

Department of Commerce – Violations against the Export Administration Regulations (EAR):

- CIVIL FINES

- Fines of \$10,000 to \$120,000 **per violation**
- Suspension/debarment from Government contracts
- Loss of export privileges

- CRIMINAL PENALTIES

- \$50,000 to \$1,000,000 **per violation**
- Up to 10 years in prison

Fines and Penalties - ITAR

Department of State– Violations against the International Traffic in Arms Regulations (ITAR):

- CIVIL FINES

- Up to \$500,000 **per violation**
- Suspension/debarment from Government contracts
- Loss of export privileges

- CRIMINAL PENALTIES

- Up to \$1,000,000 **per violation**
- Up to 10 years in prison

Fines and Penalties - OFAC

Department of the Treasury– Violations against U.S. sanctions or embargoes administered by the Office of Foreign Assets Control (OFAC):

- CIVIL FINES

- Up to \$250,000 **per violation**
- Suspension/debarment from Government contracts
- Loss of export privileges

- CRIMINAL PENALTIES

- Up to \$1,000,000 **per violation**
- Up to 10 years in prison



Summary

Summary

For Academic institutions, the vast majority of research is shielded from export controls under the Fundamental Research, Educational Information and Public Domain exclusions.

Almost everything made in the U.S. or made with U.S. technology, and/or located in the U.S. will be subject to the EAR, though very little of it is export restricted or actually requires an export license.

Summary

Export Controls apply to **all** international University activities not just shipping equipment overseas.

Export Controls apply regardless of funding source.

If project involves any type of international component (e.g., shipping an item abroad, collaborating with an international colleague, subcontracting with a foreign entity, etc.) then an export control assessment needs to be done to determine export license requirements.



Questions?

Help and additional information available at
<http://www.orc.osu.edu/exportcontrol>