

Voluntary Self-Disclosure at the Bureau of Industry and Security



BY:

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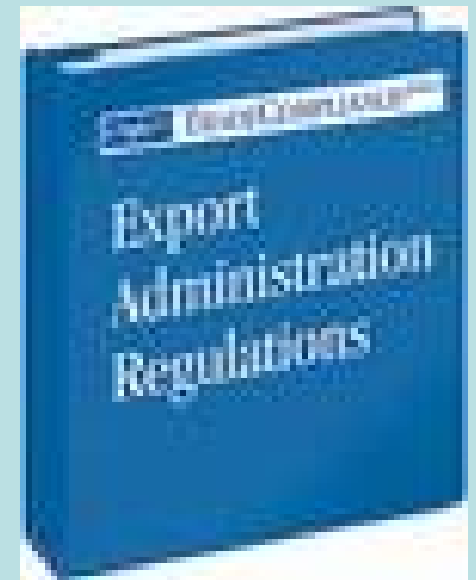
Voluntary Self-Disclosure : Background



- Global Marketplace
- Turning yourself in: Bureau of Industry and Security
- Outline: Violations, The Process, Sanctions, & Disclosure v. Non-Disclosure

Voluntary Self-Disclosure: Violations

- Export Administration Act (EAA)
- Export Administration Regulations (EAR)
- Bureau of Industry and Security



Voluntary Self-Disclosure: What is a Violation?

- (a) *Engaging in prohibited conduct*
- (b) *Causing, aiding, or abetting a violation*
- (c) *Solicitation*
- (d) *Conspiracy*
- (e) *Acting with knowledge of a violation*
- (f) *Possession with intent to export illegally*
- (g) *Misrepresentation and concealment of facts*
- (h) *Evasion*
- (j) *License alteration*
- (k) *Acting contrary to the terms of a denial order*



VSD: The Process

- ALL Voluntary Self-Disclosures should be made to the BIS Office of Export Enforcement
- OEE: Procedures
- VSD: Only a Mitigating Factor
- Other Mitigating and Aggravating Factors

VSD: Procedural Requirements

- Initial Disclosure:
Initial notification
- After the initial notification:
Narrative account
 - (i) The kind of violation involved
 - (ii) Explanation of violation
 - (iii) Identities
 - (iv) Description of Items involved
 - (v) Supporting documents, shipping documents & mitigating circumstances

VSD: Sanctions

- Civil Penalty
- Denial of Export Privileges
- Exclusion from Practice
- Criminal Sanctions



VSD: Recent Case Analysis

- MedSystems Scenario:

- **Heart Monitor Equipment Shipped to Iran*

- **Export Violations Purely Technical*

- **BIS Attacks the VSD*

MedSystems Case: Lessons to Learn

- If a VSD is filed: Make sure it is completely accurate
- An effective voluntary disclosure requires more than simple disclosure
- Properly educate overseas staff

Conclusion

- Send Voluntary Self Disclosure to:
 - Office of Export Enforcement, Bureau of Industry and Security, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Room H-4520, Washington, D.C. 20230, Tel: (202) 482-1208, Facsimile: (202) 482-0964