

# EXPORT MANAGEMENT



- Ethics
- Empowered Officials
- Responsible Officials
- Training

# EXPORT ADMINISTRATION REGULATIONS

- The EAR provides guidance, and information regarding export compliance.
- EAR does not cover arms, or weapons, as those items are covered by the U. S. State Department ITAR.
- To determine licensing requirements, you will need to know the ECCN for your items.

# LESSONS LEARNED



- ROTHCO's past is a learned lesson
- We do not alter documents.
- We do not devalue invoices.
- We do not deviate in any way from the EAR.

# EXPORT COMPLIANCE

- Policy applies to all employees
- Identity and all available information for a new customer should be reviewed by the Compliance Officer
- No order will be executed if there is a suspicion it will be unlawfully diverted.
- No order will include licensed items unless the license has been received.

# EXPORT AGENCIES

- DEPARTMENT OF STATE
- ITAR - International Traffic in Arms Regulations
- EAR - Export Administration Regulations
- Department of Commerce
- DTC - Defense Trade Controls
- BIS - Bureau of Industry and Security
- <https://snapr.bis.doc.gov/snapr>

# EMBARGOED COUNTRIES

3/2006

- CUBA
- IRAN
- LIBYA
- NORTH KOREA
- SUDAN
- SYRIA
- ANGOLA
- RWANDA
- MYANMAR
- IRAQ - a gray area,  
requires examination  
by Dept. of Commerce  
consult

# COMMERCE CONTROL LIST

- Identifies each item that requires a license
- Provides an ECCN number for that item
- Provides a list of countries that cannot receive that item
- ROTHCO items included are handcuffs, thumbcuffs, bulletproof vests, shields, helmets, bayonets, pepper gas

# EXPORT RESTRICTED ITEMS



- ROTHCO will not export any restricted item to any destination without first obtaining a license.
- But we will apply for your license, on your behalf, as a courtesy for our customers!



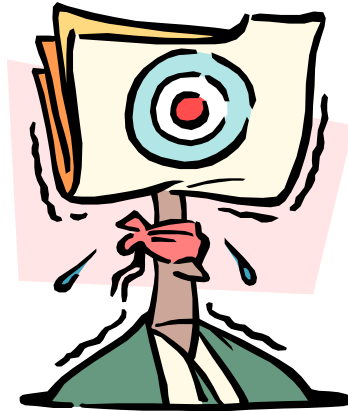
# LICENSE REQUIREMENTS

- We'll need to know the full name, and complete address for your end user!
- We'll need the quantity of each item you require.
- You'll have to tell us what the end-use will be.
- \* License process is usually 4 – 6 weeks.

# RESPONSIBILITY TO KNOW

- We have the responsibility to know who is purchasing our goods, where they are going, and what the end-use will be.
- We can't say "Yes, this deal looked fishy, but I don't know what they are going to do with those handcuffs."
- **NO SALE** is worth the problems that result from doing the wrong thing.

# ORDER PROCESSING



- If you try to enter a controlled item to a restricted export destination, you will hear a beep, and a screen will pop up that will provide the ECCN number for that item, and the reason for the restriction.

# PROCEDURES

- All backup correspondence, proformas and related information **MUST** be kept in a file in the Export Correspondence area.
- Sales people must provide backup for each export. Shipping instructions, payment information, must be available to staff. That is the reason for our central file area.

# EXPORT DESTINATION FIELD

- The Export Destination Field indicates the most restricted country to which that customer exports.
- A customer located in the U. S., who ships to Bolivia, will have Bolivia as the export destination field, regardless of his shipping, or sold-to address!

# EXPORT DESTINATION FIELD

- The export destination field is the control field for our export management system.
- This field must not be changed, regardless of the shipping or sold-to address, without the approval of the Compliance Officer.
- When placing an order, this is the field that determines acceptance of a particular item.

# LICENSING

- The Compliance Officer is responsible for applying for all license and for insuring that once a license is issued, ROTHCO complies with its provisions.
- Complete end-user information is required for all license applications. If the item is to be re-exported, the license must include all foreign destinations.

# INVOICING



- All export invoices must contain a destination control statement. This is why a proforma is essential.
- Invoices must contain accurate description, and correct pricing.



# MONEY LAUNDERING

- Uses multiple international transfers of funds
- Use cash transactions by visiting different banks.
- “Smurfs buy monetary instruments and use multiple endorsements



# MONEY LAUNDERING

- Beware of repeated requests for refunds of overpayments
- Beware of South America, Nigeria, and other secrecy havens using wire transfers (these pose a high risk)
- Watch for suspicious identification, or a customer reluctant to disclose information
- Our wires are monitored by Citibank!!!

# JUST BE ALERT!

- Our export program is excellent, but not foolproof.
- If we err, we must err on the side of caution.
- Document, document, document, and ASK QUESTIONS!

