



Principles of Effective Compliance Programs for Great Weight Mitigation in BIS's Administrative Cases

Presented by BIS Export Enforcement

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Principles of Effective Compliance Programs for Great Weight Mitigation in BIS's Administrative Cases

1. Whether the company has performed a meaningful risk analysis
2. The existence of a formal written compliance program
3. Whether appropriate senior organizational officials are responsible for overseeing the export compliance program
4. Whether adequate training is provided to employees
5. Whether the company adequately screens its customers and transactions
6. Whether the company meets recordkeeping requirements
7. The existence and operation of an internal system for reporting export violations
8. The existence and result of internal/external review or audits
9. Whether remedial activity has been taken in response to export violations



- An Effective Compliance Program is a Mitigating Factor in an Administrative Case {Supp 1 & 2 to Part 766}
- Great Weight (GW) Mitigation up to 25%
 - Was it in *Effect* Prior to Violation?
 - Did it Lead to Discovery of Violations?
 - Preventing further Violations
 - Was it Improved to Address Violations?



What Export Enforcement Looks For:

- Design: There is no “One-Size-Fits-All”
 - Use EMS Guidelines
 - Cited in 15 CFR sec 766 sup. 1
 - Described in detail on the BIS Web Site
 - Use ICP Guidelines (15 CFR sec 752.11)
 - Industry Best Practices



What ACRB Looks For:

- Was *Effective* Program in Place Prior to violation?
 - Establishing program after the fact to correct action not enough for GW
- Was Program Subsequently Upgraded?
- How is the Program Implemented?
- Is There Verifiable Evidence of implementation?



Evidence of Effective Compliance

Documentation

- Training Records
- Disciplinary Records for Violation of Company Policy
- Due Diligence/Screening Checklists
- Evidence of Record Retention
- Provide Results of Compliance Audits
- Clear and Written Designation of Responsible Officials



Design & Implementation Template (DIT)

- Complete the DIT and submit to OCC Attorney
 - Provide supporting documentation
- ACRB uses this information for determining effectiveness of Compliance Program
- Remember: The Design is Up to You but Implementation Has to be Measurable

BIS Administrative Case – Effective Compliance Program Design & Implementation Template (DIT)

Criteria		Relevant Evidence for Compliance Program Mitigation
1. Whether the Company Has Performed a Meaningful Risk Analysis	Design	
	Implementation	
2. The Existence of a Formal Written Compliance Program	Design	
	Implementation	
3. Whether Appropriate Senior Organizational Officials Are Responsible for Overseeing the Export Compliance Program	Design	
	Implementation	
4. Whether Adequate Training is Provided to Employees	Design	
	Implementation	
5. Whether the Company Adequately Screens its Customers and Transactions	Design	
	Implementation	

BIS Administrative Case – Effective Compliance Program Design & Implementation Template (DIT)

6. Whether the Company Meets Record keeping Requirements	Design	
	Implementation	
7. The Existence and Operation of an Internal System for Reporting Export Violations	Design	
	Implementation	
8. The Existence and Results of Internal/External Review or Audits	Design	
	Implementation	
9. Whether Remedial Activity Has Been Taken in Response to Export Violations	Design	
	Implementation	