

# Industry Panel & Best Practices on How to Successfully Negotiate the ITAR Minefield

## TABLE OF CONTENTS

- **Background of Moog's business and export program**
- **Documentation/Recordkeeping**
- **Periodic External & Internal Assessments/Audits**
- **Violations/non-compliance and Voluntary Disclosures**
- **Lessons Learned**
- **Bio and Contact Information**

# Industry Panel & Best Practices on How to Successfully Negotiate the ITAR Minefield

## Background of Moog's Business and Export Program

- \$2 B per year Company with 9000 employees worldwide
- Manufactures ITAR controlled aircraft and missile flight control systems and components
- Major manufacturing facilities in India, Philippines, UK and Ireland
- Moog uses a “Federated Approach”, i.e. small corporate with compliance the responsibility of each operating group

# Industry Panel & Best Practices on How to Successfully Negotiate the ITAR Minefield

## Documentation/Recordkeeping

- Moog not as strong in this area as would like to be
- ITAR requires detailed records of export transactions, including exemptions and all agreements
- Identify what records must be kept and maintained
- Determine how you will comply with this recordkeeping requirement (written policy and procedure)
  - Purchase Software programs
  - Manual recordkeeping

# Documentation/Recordkeeping

- **Keep detailed records of all important communications with DoS, both written and verbal**
- **Identify persons or functions responsible for maintaining records**
  - **Moog provides that its Contract Administrators or Program Managers are responsible for recordkeeping**
- **Provide for regular internal review of files to ensure proper recordkeeping practices**
- **Document relevant communications with Foreign visitors/customers and document what data has been provided to them during visits, under agreements, etc.**

# Industry Panel & Best Practices on How to Successfully Negotiate the ITAR Minefield

## Periodic External & Internal Assessments/Audits

- Having policies and procedures does not mean they are being followed
- Audit personnel should be trained, competent, and neutral
- Company should schedule internal corporate audits
- Company should schedule outside audits (using outside auditors) of its export compliance program

# Industry Panel & Best Practices on How to Successfully Negotiate the ITAR Minefield

## Periodic External & Internal Assessments/Audits

- Audit reports must be reported in accordance with an established procedure to a senior corporate manager or officer
- Follow-up procedures must be established and responsibilities assigned to ensure export audit deficiencies are corrected and do not re-occur

# Industry Panel & Best Practices on How to Successfully Negotiate the ITAR Minefield

## Violations/non-compliance and Voluntary Disclosures

- Moog has filed 6 voluntary disclosures this year (no fines and no consent agreements)
- The DoS strongly encourages the disclosure of information to DTC by companies that believe they may have violated any provision of the ITARs, or any license, authorization, or agreement. Voluntary self-disclosure may reduce any penalties imposed by the DTC.
- Moog does extensive training to all employees regarding export compliance (orientation, on-line, annual intermediate training)

# Industry Panel & Best Practices on How to Successfully Negotiate the ITAR Minefield

## Violations/non-compliance and Voluntary Disclosures

- Moog makes it clear that ALL employees are responsible for compliance with the export regulations
- Moog makes it clear that in the event of ANY question, ANY employee can call Legal or any other member of the Trade Compliance Council – need a clear procedure for reporting any violations
- Conduct and follow-up on audits, which follow-up may include a Voluntary disclosure
- Want to discover any non-compliance BEFORE DoS does



# Industry Panel & Best Practices on How to Successfully Negotiate the ITAR Minefield

## Lessons Learned

- Don't assume your export procedures are being followed – be very afraid of what you don't know
- All companies, large or small, make mistakes and it is not the end of the world to disclose a violation to DoS
- May not be able to do everything to be compliant, but do what you CAN do
- Management support, procedures, training and auditing are key to a good export compliance program.

# BIO OF SCOTT L. OLSEN, ESQ.

Scott L. Olsen, Esq. is currently an in-house counsel with Moog Inc., a worldwide, leading aerospace corporation producing satellite, missile actuation, flight control systems and other products for government and commercial marketplaces. He is the Empowered Official and Export Compliance Officer for the Moog Inc. Salt Lake Operations. In addition, he is a member of the Moog Worldwide Trade Compliance Council. His duties also include overseeing the legal, contractual and export activities of two other Moog operations in the southern California area. Mr. Olsen received his J.D. degree, *cum laude*, from Southwestern University School of Law in Los Angeles, California. Mr. Olsen also has a Bachelor of Arts (BA) degree from Brigham Young University and an Associates degree in Manufacturing Engineering from Weber State University. Prior to his current position, he also served as the Export Compliance Manager for EDO Corporation, E-Systems, and Sarcos. He has over 15 years working in the trade compliance field.

**CONTACT INFO:**      Scott L. Olsen, Esq.  
  
Moog Inc.  
2268 S. 3270 W.  
Salt Lake City, Utah 84119

**Telephone:**  
Office: 801-974-7472  
Cell:        801-230-5398  
email:      [solsen@moog.com](mailto:solsen@moog.com)