



Highlights of [GAO-09-725T](#), a testimony before the Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives

Why GAO Did This Study

Terrorists and foreign governments regularly attempt to obtain sensitive dual-use and military technology from manufacturers and distributors within the United States. Although the Department of State (State) or Department of Commerce (Commerce), or both, must grant approval to export sensitive military and dual-use items, publicly reported criminal cases show that individuals can bypass this requirement and illegally export restricted items such as night-vision goggles. In the wrong hands, this technology poses a risk to U.S. security, including the threat that it will be reverse engineered or used directly against U.S. soldiers.

Given the threat, the subcommittee asked GAO to conduct undercover tests to attempt to (1) purchase sensitive dual-use and military items from manufacturers and distributors in the United States; and (2) export purchased items without detection by domestic law-enforcement officials.

To perform this work, GAO used fictitious individuals, a bogus front company, and domestic mailboxes to pose as a buyer for sensitive items. GAO, in coordination with foreign law-enforcement officials, also covertly attempted to export dummy versions of items. GAO interviewed relevant agencies to gain an understanding of which items were in demand by terrorists and foreign governments. GAO actions were not designed to test controls of other countries. Relevant agencies were also briefed on the results of this work.

[View GAO-09-725T](#) or [key components](#). For more information, contact Gregory Kutz at (202) 512-6722 or kutzg@gao.gov.

MILITARY AND DUAL-USE TECHNOLOGY

Covert Testing Shows Continuing Vulnerabilities of Domestic Sales for Illegal Export

What GAO Found

GAO found that sensitive dual-use and military technology can be easily and legally purchased from manufacturers and distributors within the United States and illegally exported without detection. Using a bogus front company and fictitious identities, GAO purchased sensitive items including night-vision scopes currently used by U.S. soldiers in Iraq and Afghanistan to identify targets, triggered spark gaps used to detonate nuclear weapons, electronic sensors used in improvised explosive devices, and gyro chips used in guided missiles and military aircraft. Interviews with cognizant officials at State and Commerce and a review of laws governing the sale of the types of items GAO purchased showed there are few restrictions on domestic sales of these items.

GAO was also able to export a number of dummy versions of these items using the mail to a country that is a known transshipment point for terrorist organizations and foreign governments attempting to acquire sensitive technology. Due to the large volume of packages being shipped overseas, and large volume of people traveling overseas, enforcement officials within the United States said it is impossible to search every package and person leaving the United States to ensure sensitive technologies are not being exported illegally. As a result, terrorists and foreign governments that are able to complete domestic purchases of sensitive military and dual-use technologies face few obstacles and risks when exporting these items. The table below provides details on several of the items GAO was able to purchase and, in two cases, illegally export without detection.

Sensitive Items Purchased by GAO Using Fictitious Identities

Item	Use	Notes
Gyro chip	Dual-use – Used in advanced aircraft, missile, space and commercial systems for stabilization, control, guidance, and navigation	<ul style="list-style-type: none"> In 2006, company paid a \$15 million civil penalty for the export of civil aircraft containing a gyro chip to China The gyro chip is fully self contained, lightweight, and has a virtually unlimited life GAO exported without detection
Night-vision monocular	Military – Used by U.S. troops to identify targets in nighttime operations	<ul style="list-style-type: none"> In 2006, criminal convictions for two people involved in export of night-vision devices to the terrorist group Hezbollah GAO's bogus company became a certified distributor for the item, gaining access to an unrestricted quantity. Contains an image intensifier tube made to military specifications
Accelerometer	Dual use – Accelerometers are suitable for use in "smart" bombs and for measuring motions generated by nuclear and chemical explosives	<ul style="list-style-type: none"> Item is in high demand by foreign countries and was the subject of a 2007 U.S. Immigration and Customs Enforcement investigation In 2007, an individual was sentenced for conspiracy to smuggle military-grade accelerometers from the United States to China GAO exported without detection

Source: GAO.