

# The Role of Export Controls in the Fight Against International Terrorism



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# Globalization and its Effect on Terrorism

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- Globalization brings not just potential benefits, but also significant threats and vulnerabilities
- Challenge of preventing terrorism is made difficult by our openness
- Technology and communication networks essential for modern trade are also used by terrorists to advance their goals worldwide

# Economic Cooperation and Security Cooperation are Intertwined

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- Terrorism is global in nature
- Efforts to fight terrorism must also be coordinated on a global basis
- Security should be viewed not as an obstacle to economic activity, but as the foundation for it

# Bureau of Industry and Security

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- Paramount concern is security: national, economic, cyber, and homeland security
- A principal mission is to promote the effective international implementation of export controls and treaty obligations
- Responsible for administering and enforcing U.S. export controls on dual-use goods and technologies

# U.S. Government Activities

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- Executive Order 13224 - Sept. 23, 2001
  - Blocks property and prohibits transactions with persons who commit terrorism, threaten to commit terrorism, or support terrorism
  - Establishes fundamental legal structure for financial war on terrorism

# Executive Order 13224

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- Focus: Global Terrorism
- Structure: List-based, not geographic-based
- Implementation: Designations by Administration

# Executive Order 13224

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- Implementation:

Office of Foreign Assets Control (OFAC),  
U.S. Department of Treasury- Specially  
Designated Nationals (SDN) list

- Persons designated thus far: 101 pages
- Last updated on June 2, 2003
- [www.treasury.gov/ofac](http://www.treasury.gov/ofac)

# Specially Designated Nationals and Blocked Persons

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- SDNs
  - Individuals or entities all over the globe
  - Owned, controlled by or acting on behalf of targeted governments or groups
  - May be front companies, parastatals, high-ranking officials or specifically identified persons
  - Designated terrorists or narcotics traffickers

# Specially Designated Nationals List

Composed in part by:

- Specially Designated Global Terrorists (SDGT)
- Specially Designated Terrorists (SDT)
- Foreign Terrorist Organizations (FTO)

# Examples of SDNs

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- Holy Land Foundation for Relief and Development (SDGT)
- Usama Bin Ladin (SDT/SDGT)
- Banque Intercontinentale Arabe, France (LIBYA)
- Al-Hamati Sweets Bakeries (SDGT)
- Mamoun Darkazanli Import-Export, Germany (SDGT)

# Specially Designated Global Terrorists (SDGT)

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- BIS published rule on June 6, 2003, creating Part 744.12 of the Export Administration Regulations (EAR)
- Imposes controls on SDGTs, pursuant to Executive Order 13224
- License is required for exports and reexports of any item subject to the EAR to SDGTs

# Specially Designated Terrorists (SDT)

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- Part 744.13 of the Export Administration Regulations (EAR)
- June 6, 2003 rule expanded reexport controls on SDTs
- License is required for exports and reexports of any item subject to the EAR to SDTs

# Foreign Terrorist Organizations (FTO)

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- Part 744.14 of the Export Administration Regulations (EAR)
- June 6, 2003 rule expanded reexport controls on FTOs
- License is required for exports and reexports of any item subject to the EAR to FTOs

# Sanctioned Entities

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- Commerce (BIS)
  - Denied Persons List
  - Entity List in Part 744 of the EAR
- Treasury (OFAC)
  - Specially Designated Nationals and Blocked Persons
- State
  - Debarred Persons
  - Entities designated under various sanctions statutes

# Sanctioned Entities

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- BIS website links to the lists:

[www.bis.doc.gov](http://www.bis.doc.gov)

- click on “Compliance and Enforcement”
- click on “Lists to Check”

# Transshipment Country Export Control Initiative

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- Launched in fiscal year 2002
- Designed to counter illegal diversion of controlled goods through the world's major transshipment hubs
  - BIS works with counterpart agencies in key transshipment countries to strengthen export control regimes
  - BIS seeks to combat diversion by increasing cooperation with industry present in or operating through transshipment hubs

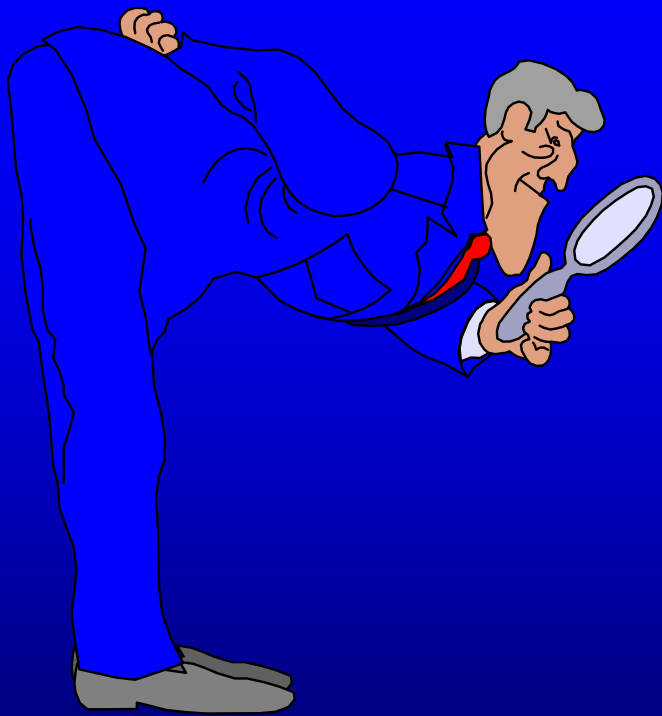
# Preventive Enforcement

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- All export license applications are screened electronically
- Safeguards Verification Program
  - Pre-License Checks and Post-Shipment Verifications (PLCs and PSVs)
  - Unverified List- includes names and countries of foreign persons who were parties to a transaction for which BIS could not conduct a PLC or PSV

# Identifying Sources of Information

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- Government sources of information
- “Open” sources of information
- Industry and business contacts

# Government Sources of Information

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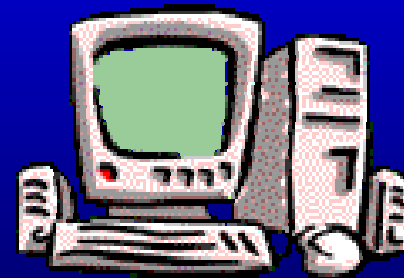
- Intelligence community
- Other law enforcement agencies
- Agencies with special expertise



# Open Sources of Information

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- Trade publications
- Trade shows
- Newspapers and magazines
- Internet



# Industry and Business Contacts

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- Law abiding companies are eager to cooperate
- Their information often allows Export Enforcement to interdict shipments before leaving the docks

# For More Information

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BIS website: [www.bis.doc.gov](http://www.bis.doc.gov)