

Export Control Compliance Procedure Guide

June 8, 2012



TABLE OF CONTENTS

Contents

TABLE OF CONTENTS.....	1
SUMMARY	2
INTRODUCTION	3
SCHOOL POLICY	4
EXCLUSIONS.....	4
WHAT IS AN EXPORT?.....	4
CONDUCTING AN EXPORT ASSESSMENT	4
APPLYING FOR A FEDERAL LICENSE.....	5
COMPLETING A TECHNOLOGY CONTROL PLAN (TCP).....	5
TRAINING	6
INTERNATIONAL TRAVEL	6
TRAVEL LICENSES	7
TRAVEL WITH LAPTOPS	7
OFFICE OF THE VICE PROVOST FOR RESEARCH (OVPR).....	7
INFORMATION SERVICES.....	8
ENVIRONMENTAL HEALTH AND SAFETY	9
IMMIGRATION SPONSOR LETTERS	9
PROCESSING SPONSOR LETTERS.....	9
REPORTING, DOCUMENTATION AND RETENTION	9
OVERSIGHT AND VIOLATIONS	10
INVESTIGATION	10
GOVERNMENT SUBPOENAS.....	10
PENALTIES	10

SUMMARY

Export controls are federal **laws and regulations** that **regulate and restrict** the **release of critical materials and services** to foreign nationals and foreign countries for reasons of national security, foreign policy, anti-terrorism or non-proliferation. When faculty, staff, and students look to collaborate internationally or with foreign persons within the US or abroad, individuals are dealing with the Export Control Regulations of the United States. Export control regulations **apply to all activities** – not just sponsored research.

The US Government controls exports primarily by examining four factors and the related mechanisms. They are:

1. The destination – Treasury Department’s *Office of Foreign Assets Control* (OFAC)
2. The good or service – The Department of Commerce through its *Export Administration Regulations* (EAR), and the State Department through its *International Traffic in Arms Regulations* (ITAR).
3. The end user – OFAC, EAR
4. The end use – Part 744 of the EAR

It is important to remember goods or services can have dual use. Dual use items are those that have military and civil applications. It is important to screen goods and services against ITAR regulations because of the potential of dual use.

Depending on the applicability of OFAC, EAR, and ITAR regulations, an export may not be permitted or a license may be required. It is possible a license may not be required if the Fundamental Research Exception is applicable. Fundamental research is basic or applied research in science and engineering, the results of which are ordinarily published and shared broadly within the scientific community. Restrictions on the publication of research results and personnel access restrictions can invalidate the fundamental research exclusion. The Fundamental Research Exclusion applies only to the dissemination of research data and information, not to the transmission of material goods.

UMMS is required to demonstrate its export control due diligence and to document its adherence to US export controls and trade sanctions laws. **Criminal violations** of Export Controls by the university can incur significant financial penalties for each willful violation. For individuals, penalties can include significant fines, imprisonment, or both, per violation.

Responsibilities of faculty, staff and students include:

1. Securing the research and technology, chemicals and biological materials handled, and proprietary and Government articles entrusted to individuals against unauthorized use or theft.
2. Screening any potential foreign research collaborator and foreign visitor against “Lists to Check” to ensure said person is not embargoed or sanctioned.
3. Ensuring any physical good or material being shipped or transferred to a foreign country is not on the Commerce Control List (CCL) of the Export Administration Regulations (EAR)

Faculty, staff, and students are required to fill out an Export Control Checklist to determine the need for additional review and further action for a particular project. Consultation with the Office of the Vice Provost for Research (OVPR) may be required and a license from the Department of State or Department of Commerce may be necessary. If the project is not cleared, no expenditures will be allowed until full disclosure is obtained from OVPR.

INTRODUCTION

Export controls and trade sanctions are the United States' laws and regulations that regulate and restrict the release of critical technologies, software, equipment, chemical, biological materials, other materials, and services to foreign nationals and foreign countries for reasons of foreign policy and national security.

These laws apply to virtually all fields of science and engineering and restrict the shipment, transmission or transfer of certain commodities, software, technology and services from the U.S. to foreign countries.

Deemed exports, i.e. the release of controlled information to foreign nationals located in the U.S., are also restricted under these laws and regulations.

Export control laws apply to all activities, not just sponsored research projects.

An export is:

- Shipment of a controlled commodity, equipment, material, or software outside of the U.S.
- Disclosing controlled technology or technical data to a foreign national, whether in the U.S. or abroad
- Performing technical assistance or defense services for or on behalf of a foreign national, whether in the U.S. or abroad
- Release of technology or source code subject to the EAR to a foreign national in United States is "deemed" to be an export to the foreign national's home country.

The following are factors to consider in determining the applicability of export regulations:

1. Is the activity considered fundamental research? (Will research results be published and publicly available?)
2. Is the activity limited to teaching or instructional activities?
3. Is there a physical export of a good?
4. Are foreign nationals restricted from participating in the activity?
5. What is the Item's Export Control Classification Number (ECCN) or U.S. Munitions List (USML) category?
6. Where is it going (country)?
7. Who is the end-user (person or entity)? What is the intended end use?
8. Are you screening for persons or entities identified on any lists of sanctioned or barred persons or entities?
9. Is a license required? If so, is enough time allowed to secure one?
10. Will the activity involve a sanctioned or embargoed country?

Those who manufacture civilian items, such as electronics and computer technology, may not be aware that export controls can apply to their goods. Civilian products that have military application are called "dual-use" items. Within the specifications defined in the Export Administration Regulations (EAR), these items may require an export license.

Controlled goods are identified by either an Export Control Classification Number (ECCN) from the Commerce Control List (CCL) for civilian items, or a U.S. Munitions List (USML) category for military items. The CCL consists of ten categories each with five group types designating dual-use items governed by the EAR. The USML consists of 21 categories outlining goods and technologies applicable to the International Traffic in Arms Regulations (ITAR). Export controls, when applicable, may require UMMS to receive authorization from the US Government in the form of an export license. An export license permits controlled items to be sent outside of the US, or for controlled information to be shared with foreign persons in the US ("deemed exports") or abroad.

SCHOOL POLICY

The UMMS Export Control policy is located at:

<http://www.umassmed.edu/uploadedFiles/research/Export/Export%20Control%20Policy%20Draft%202010.09.01%20-%20Final%20PDF%20Version.pdf>

EXCLUSIONS

A license may not be required if the Fundamental Research Exclusion is applicable. Fundamental research means basic and applied research in science and engineering, the results of which ordinarily are published and shared broadly within the scientific community, as distinguished from proprietary research and from industrial development, design, production, and product utilization, the results of which ordinarily are restricted for proprietary or national security reasons. (National Security Decision Directive 189).

WHAT IS AN EXPORT?

Any item that is sent from the United States to a foreign destination is an export. “Items” include commodities, software or technology, such as clothing, building materials, circuit boards, automotive parts, blue prints, design plans, retail software packages and technical information.

How an item is transported outside of the United States does not matter in determining export license requirements. For example, an item can be sent by regular mail or hand-carried on an airplane. A set of schematics can be sent via facsimile to a foreign destination, software can be uploaded to or downloaded from an Internet site, or technology can be transmitted via e-mail or during a telephone conversation. Regardless of the method used for the transfer, the transaction is considered an export. An item is also considered an export even if it is leaving the United States temporarily, if it is leaving the United States but is not for sale (e.g., a gift), or if it is going to a wholly-owned U.S. subsidiary in a foreign country. Even a foreign-origin item exported from the United States, transmitted or transshipped through the United States, or being returned from the United States to its foreign country of origin is considered an export. Finally, release of technology or source code subject to the EAR to a foreign national in the United States is “deemed” to be an export to the home country of the foreign national under the EAR.

CONDUCTING AN EXPORT ASSESSMENT

1. The requestor and the appropriate Responsible Policy Administrator will determine whether a project is covered under ITAR, EAR, or OFAC (collectively, “export control regulations”). Through the use of the online Visual Compliance tool which provides updated information on export control regulations and the ability to search the Commerce Department’s Bureau of Industry Standards (BIS) Commerce Control List and the ITAR U.S. Munitions List. The determination will be reached by answering the following questions:
 - A. Is the equipment, software, chemical, bio-agent, or technology on the ITAR U.S. Munitions List? (22 CFR § 121). *Central office to screen with Visual Compliance.*
 - B. Is the equipment, software, chemical, bio-agent, or technology designed or modified for military use, use in outer space, or is there reason to know that it will be used for or in weapons of mass destruction? Could this item have a dual military, civilian, or proliferation application or function as defined under EAR? (15 CFR § 772.1)? *Central office to screen with Visual Compliance.*
 - C. Is the equipment, software, chemical, bio-agent, or technology on the EAR Commodity Control List? (15 CFR §774). *Central office to screen with Visual Compliance.*
 - D. Does the grant or contract contain a restriction on exporting to foreign nationals?

- a. Does it contain a restriction on foreign travel?
 - b. Does the project involve the governments or citizens of a State Department embargoed or sanctioned nation? (See http://www.pmddtc.state.gov/embargoed_countries/index.html).
 - c. Does the project involve an OFAC country sanctioned program? (See <http://www.ustreas.gov/offices/enforcement/ofac/programs/index.shtml>).
- E. Is there encrypted software involved?
- F. Is the technology outside of the public domain? Is the material restricted, secured, or classified?
- G. Does the grant or contract restrict publication or the presentation of research results?
- a. Is DFARS 252-204-7000 included?
 - b. Did the PI execute a Non-Disclosure or Confidentiality Agreement?
 - c. Is the research funded with other than 6.1 or 6.2 Congressional funds?
- H. Does the grant or contract prohibit results or deliverables from being disclosed to any foreign country or foreign person?

If the answer to any of the above questions is yes, the project is subject to export control regulations.

2. For sponsored projects, OVPR will attempt to negotiate, whenever possible, the removal of any publication or access provisions in an award document to allow the sponsored project to be conducted as fundamental research, not subject to export control regulations.
3. If amending the agreement is not possible, the Principal Investigator (PI) must determine whether or not any foreign nationals (including foreign students) will be involved in any phase of the research.
 - a. If foreign nationals (including foreign students) will be involved, then an export license is required from the relevant federal agency prior to conducting any controlled research activity.
 - b. If no foreign nationals (including foreign students) will be involved, then a Technology Control Plan (TCP) must be developed by the PI prior to conducting any controlled research activity. All project participants must sign the certification. The TCP template is included as Attachment (TBD).

APPLYING FOR A FEDERAL LICENSE

UMMS in conjunction with the requestor will make the business decision on whether request a federal license. If there is a decision to move forward with the request, OVPR in conjunction with the appropriate Responsible Policy Administrator will work with the requestor to complete all necessary documentation and submit the license application to the appropriate federal agency involved.

COMPLETING A TECHNOLOGY CONTROL PLAN (TCP)

The PI will prepare a TCP before any research can begin. This detailed plan will outline the procedures, methods, and safeguards that will be put in place to secure all research data, technology, and results from being orally or visually exported to anyone not involved on the project. Each project participant must sign the Briefing and Certification on the Handling of Export Controlled Information indicating their understanding of the requirements, consequences of a

violation, and willingness to comply with the provisions of the TCP. This TCP, together with the executed Briefing/Certification, will be submitted to the University's Designated Official: the Vice Provost for Research (VPR). The UMMS TCP and Briefing/Certification are included as Attachment A.

The PI is responsible for conducting regular and routine self-assessments during the course of the restricted research to ensure the procedures outlined in the Technology Control Plan (TCP) are sufficient and in operation. (A routine self-assessment guide is included as Attachment B). If, at any time during the project, it is determined that a revision is required to the TCP to ensure compliance with the export control regulations, the PI will make such amendments and submit the revised plan to the VPR. The PI will maintain appropriate records throughout the research period.

If a violation, real or perceived, of the export control regulations or TCP occurs during the course of the sponsored research, it must be brought to the attention of the VPR immediately. At that time, it will be determined whether a self-disclosure to the federal agency is required.

TRAINING

Training is a critical component to maintaining compliance with export control laws. The primary goal of training is to increase awareness of and maintain compliance with export control laws and trade sanctions. It is especially critical that faculty and administrative staff with export controlled activities participate in training.

Training on Export Control Regulations is offered by UMMS via the use of the CITI Program Export Controls Training Module or EH&S at <http://inside.umassmed.edu/ehs/training/Index.aspx?linkidentifier=id&itemid=10572> The training consists of an export control overview, a review of the EAR and ITAR regulations and OFAC requirements.

Training on export controlled materials is offered by Environmental Health and Safety. EH&S can assist you in making determinations, applying for a license, and evaluating whether any exemptions or exceptions apply. EH&S will assist faculty, students, and staff to better understand the types of items/information controlled, how to meet regulatory requirements, how to deal with a restricted project and how to vet certain transactions (excluding international travel).

INTERNATIONAL TRAVEL

International Travel is monitored by UMMS' Office of Global Health and all travel for UMMS-related activities (defined as activities performed as required by one's duties, activities performed in fulfillment of requirements for a degree program, and/or activities funded by institutional funds or sponsored research) requires online travel registration prior to travel. The registration form is available on the Office of Global Health website at <http://umassmed.edu/globalhealth/registration/index.aspx>.

On the travel registration form, you must indicate the countries to which you will travel and the scope of activities, including presentations, travel with a laptop, and/or shipment of materials. Travel to a country designated by the EAR as a Country Group D or E country or a country on the US State Department Alert or Warning list must be vetted and cleared by the Office of Global Health prior to travel by filling out a travel waiver request form (<http://umassmed.edu/globalhealth/special-registration.aspx>). The list of country groups are located in Suppl. 1 to Part 740 which can be found at the EAR regulations database at: http://www.access.gpo.gov/bis/ear/ear_data.html . The list of countries on the US State Department Alert or Warning list can be found at: <http://travel.state.gov/>.

When traveling abroad, UMMS researchers should be familiar with export control regulations. Researchers need to make sure that any information discussed or items taken out of the U.S. are either not controlled, or if controlled, the proper licenses are in place. Researchers, as individuals, and UMMS can be held liable for improperly transferring controlled technology. Thus, it is important to review and understand the federal requirements. Prior to discussing technology or making a presentation when traveling, verify that the technology, information, and/or commodity qualifies for an

exclusion. Please note that the exclusions do not apply when controlled equipment or biological samples are hand-carried or shipped abroad. Biological samples should never be transferred without prior authorization.

TRAVEL LICENSES

OFAC publishes travel guidelines for securing licenses for travel to embargoed countries. A useful guide for understanding the OFAC sanctions against Cuba is located at:

<http://www.treas.gov/offices/enforcement/ofac/programs/cuba/cuba.pdf> Travel guidelines for travel to Cuba are available at http://www.treasury.gov/offices/enforcement/ofac/programs/cuba/cuba_tr_app.pdf OFAC also provides lists of approved companies to arrange for travel licenses and flights to embargoed countries. Authorized providers for travel to Cuba are available at http://www.treasury.gov/offices/enforcement/ofac/programs/cuba/cuba_tsp.pdf

Be aware that more than one license may be required for some travel. For example, travel to an OFAC embargoed country would require a license issued by the Treasury Department. An EAR license may be required as well depending on whether an export of controlled technology (information) is anticipated.

Exclusions that are relevant for researchers when traveling include:

- Published Information and Software – information that is generally accessible to the public through publication in books or periodicals, or information presented in the United States at a conference, meeting, seminar, trade show or other open gathering (members of the general public are eligible to attend and attendees are permitted to take notes) is considered to be in the public domain. Software available from a web site and accessible to the public is also considered to be publicly available. (Encryption software with symmetric key length exceeding 64 bits does not meet this exclusion.)
- Educational Information – Course material taught in U.S. universities in course catalog classes and information that is in the public domain fall within the educational information exception. (Encryption software with symmetric key length exceeding 64 bits does not meet this exclusion.)

TRAVEL WITH LAPTOPS

For general travel with UMMS-issued laptops, the PI should ensure that no controlled or sensitive information is contained on the laptop. Special care should be taken of computers that contain non-commercial, special purpose or certain encryption software. These items could be subject to seizure or customs duties and could pose a threat if stolen. See discussion above under “Encryption Technology.” If you need to travel with such items, an export review should be performed and if necessary, a license obtained prior to travel, and it should be completed well ahead of expected travel dates.

OFFICE OF THE VICE PROVOST FOR RESEARCH (OVPR)

Whether funded by federal agencies, industrial sponsors or institutional funds, all research projects receive careful review and consideration by the appropriate institutional representatives and committees. OVPR continues to maintain high standards for the oversight of research.

OVPR uses the Export Control Review Request Checklist (<http://www.umassmed.edu/forms.aspx?id=155128>) to aid the research community in determining if Export Control applies, and to determine the need for additional review and further action for a particular project. OVPR reviews the checklist and helps determine if a license from the Department of State or Department of Commerce may be necessary.

The Checklist asks whether the project:

- Involves travel or transporting materials, equipment, software or technology to a foreign country during the course of the project?
- Restricts project participation (faculty, student, others) based on country of origin or citizenship?
- Involves specific access and dissemination restriction (e.g., restriction of participation by foreign nationals, or restrictions of publication including reporting of research results) or restriction of presenting at conferences?
- Involves equipment, software, chemicals, bio-agents, or technology designed or modified for military use?
- Involve research containing source code for encrypted software (other than publicly available software)?
- Involves a foreign sponsor?
- Involves a sponsor that is a defense agency or contractor?
- Involves the PI or any research personnel providing data, services, conducting transactions or traveling to embargoed/sanctioned countries?

An affirmative response to any of these questions requires consultation with the OVPR Responsible Policy Administrator and a license from the Department of State or Department of Commerce may be necessary. Any resulting compliance requirements must be satisfied prior to commencement of the project. No expenditures will be allowed until these compliance requirements are satisfied.

INFORMATION SERVICES

U.S. Export Control Laws require special attention to technology devices that will be used during travel. Electronics and Computers are considered in-scope for these controls, and include;

- Mobile devices including portable storage media (e.g., USB memory sticks, external hard disk drives)
- Portable computing and communications devices with information storage capability (e.g., notebook/laptop computers, personal digital assistants, cellular telephones, digital cameras, and audio recording devices).

Usage restrictions related to mobile devices include special configurations for:

1. Device identification and access, mandatory implementation of protective software (e.g., anti-virus and malicious code detection software, firewalls),
2. Scanning devices for malicious code, updating virus protection software, scanning for critical
3. Ensuring that software updates and patches are applied,
4. Conducting system integrity checks, and disabling unnecessary hardware (e.g., wireless, Bluetooth, infrared).
 - a. Examples of functionality that provide the capability for automatic execution of malicious software include AutoRun and AutoPlay functionality

Countries where technology is most restricted (as of this writing) include: Cuba, China, Iran, Iraq, North Korea, Rwanda and Syria. When traveling to these embargoed countries, the most stringent of controls must be maintained. Specially configured devices must be used. These devices must be hardened against attack, and must not contain data other than what is required for travel. Additionally, upon return these devices must be inspected for any malware that may have been placed on them during travel.

It is the responsibility of the individual who is traveling to determine which locations are of concern, define required configurations for the devices, ensure that the devices are configured as intended before travel is initiated, and apply specific measures to the device after travel is completed.

Specially configured mobile devices include, for example, computers with sanitized hard drives, limited applications, and additional hardening (e.g., more stringent configuration settings). Specified measures applied to mobile devices upon return from travel include, for example, examining the device for signs of physical tampering and purging/reimaging the hard disk drive.

For further assistance, please contact the Help Desk at umwhelpdesk@umassmed.edu, subject: *IT Security Group*.

ENVIRONMENTAL HEALTH AND SAFETY

The Department of Environmental Health and Safety (EHS) provides for a safe environment for all people associated with the institution. This includes assuring that the facility is in compliance with applicable municipal, state, federal and other recognized standards involved with safety, and to minimize the potential for unsafe events occurring at the institution. The department is responsible for monitoring the use of hazardous materials; ensuring that work is conducted in a safe and healthful manner, safety of personnel, and the general environmental safety of the institution.

EHS will leverage their existing training program to offer students, faculty, and others training in Export Control compliance.

IMMIGRATION SPONSOR LETTERS

An immigration sponsor letter is a formal, detailed statement made by a UMMS department that explains the type of work that a foreign worker will be performing while he or she is present in the United States. For Principal Investigators who want to issue a sponsor letter on behalf of a foreign person, Human Resources Immigration Services will review the letter as part of the visa sponsorship application. If the letter involves a high risk discipline or anyone from Country Groups D or E (lists can be found at http://www.bis.doc.gov/policiesandregulations/ear/740_supp1.pdf) the letter must be forwarded for vetting and approval. The Office of the Executive Vice Chancellor for Administration and Finance will consult with the Manager of Immigration Services, Office of the Vice Provost of Research, as well as General Counsel as needed, in making a determination. The high risk disciplines for UMMS are: Research with Lasers, Research with Encrypted Software, and Research with Controlled Chemicals, Biological Agents and Toxins. All support letters should be accompanied by the foreign person's resume and a copy of his/her recent publication abstracts. The PI is responsible for documenting activities of all sponsored foreign visitors and be able to provide records to verify such activities upon request.

PROCESSING SPONSOR LETTERS

Human Resources Immigration Services interfaces with international students, researchers, faculty, and visitors to UMMS and advises on and processes appropriate visa applications. In doing so, HR-Immigration Services works under the presumption that persons holding valid U.S. visas have been cleared by the U.S. Citizenship and Immigration Services (USCIS). HR-Immigration Services personnel are provided with a list of the high risk disciplines and the list of Country Group D and E Countries. Before processing any H-1 B visa intake forms, HR-Immigration Services reviews these lists to determine whether the intake form and sponsor letter require additional review. If so, HR-Immigration Services informs the Executive Vice Chancellor for Administration and Finance. Once the review is complete, the Executive Vice Chancellor Administration and Finance issues an Export Compliance Clearance Form to HR-Immigration Services, the PI and the Dean indicating approval or denial or other conditions. The PI is responsible for documenting activities of all sponsored foreign visitors and is expected to provide records to verify such activities upon request. Export Control approval is required for all sponsor letters for a P1 working on a project which has a TCP in place.

REPORTING, DOCUMENTATION AND RETENTION

Departments, programs and the appropriate Responsible Policy administrator MUST keep soft or hard copies of all export documentation, including financial records and shipping documentation and certifications in their research project files for a period of five years from the date of export, re-export or transfer of a tangible item abroad or of controlled information to a foreign national outside of or within the US (a "deemed export"). The PI and Academic Unit in conjunction with the appropriate central office is responsible for maintaining documentation such as financial records, purchase orders,

and shipping documentation related to export controlled activity. OVPR will maintain approved TCPs and federal licenses related to sponsored projects.

OVERSIGHT AND VIOLATIONS

Faculty, staff and students should report any potential violations to the OVPR.

An integral part of export compliance is that employees report suspected violations of export laws and these suspected violations are thoroughly investigated. It is the policy of UMMS to voluntarily self-disclose violations as required. Members of the UMMS community are expected to contact OVPR should they have any questions about the application of the export control laws to their research or other activities. UMMS faculty, administrators, staff and students should report any potential violations to OVPR. No employee shall be punished solely on the basis that he or she reported what was reasonably believed to be an act of wrongdoing or a violation of the export control laws.

INVESTIGATION

Once an alleged violation has been reported, an investigation will be initiated to determine the validity of the allegation and an appropriate response. If the allegation merits further fact finding and investigation, the Designated Official will work with the appropriate parties to conduct a thorough investigation. Any results will be made known to senior management to consider further action, including notification of the appropriate government agency and corrective action. All documents and records relating to any suspected violation must be immediately secured and maintained in accordance with all applicable record keeping requirements. Information Technology and Campus Police support these investigations as needed.

GOVERNMENT SUBPOENAS

In the event any subpoena or other request for documents is received from any Federal agency, immediately contact the Office of the General Counsel for appropriate and timely response. Likewise, if a Federal agency representative arrives on campus, immediately contact the Office of the General Counsel. You shall not interfere with or obstruct any Federal agent or law enforcement officer in the performance of his/her duties.

PENALTIES

There are severe civil and criminal penalties, including fines and imprisonment, for violating the export control laws and trade sanctions and both the organization and the individuals involved are subject to these penalties. The University and the individual(s) involved may also lose their ability to export. The University may be suspended or debarred from government contracting. The criminal and civil penalties for unlawful export and disclosure of information in violation of U.S. export control laws and trade sanctions include the following, depending on the items involved and the jurisdiction:

EAR: Criminal violations by the university can incur penalties up to \$1 million for each willful violation. For individuals, these penalties can reach up to \$1 million or 20 years imprisonment, or both, per violation. Civil penalties for both the university and individuals can reach up to \$250,000 per violation, or two times the value of the export, whichever is greater. These violations can also result in a denial of export privileges as well as other potential collateral penalties (see <http://www.bis.doc.gov/complianceandenforcement/othereetopics.htm>)

ITAR: Penalties for violations can be substantial. Per Stanford University's Export Control website, <http://export.stanford.edu/penalty.html#itar>, criminal penalties can reach up to \$1 million per violation and 10 years imprisonment for individual willful violations. Civil penalties imposed upon departments, agencies, and officials can reach up to \$500,000 per violation. A university found to be in violation of ITAR regulations can be debarred from contracting with the government and could lose its export privilege.

OFAC: Penalties for violations can be substantial (<http://www.treasury.gov/resource-center/faqs/sanctions/pages/answer.aspx>). Criminal violations by the university can reach up to \$1 million, and criminal penalties for individuals can reach \$1 million or 20 years in prison, or both. Civil penalties can be imposed up to \$250,000 per violation, or two times the transaction in question, or both.