



Global Watch®

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**The International Import-Export Institute's
New World Headquarters**

Phoenix, Arizona -- As a result of tremendous growth and acceptance of our programs worldwide

over the past few years, the International Import-Export Institute was forced to move to expanded facilities. Our new offices, which are nearly three times larger, are located in central Northwest Phoenix just off the I-17 freeway and Peoria Avenue.

The new building will give us the room to expand our staff to serve you better. Over the next few months, you will see many new faces in GlobalWatch® as we fill the new offices.

When in Arizona, stop by and say hello.

Saudi Arabia Concludes WTO Accession Negotiations

The Director-General of the World Trade Organization (WTO), Pascal Lamy, on 28 October 2005, welcomed the conclusion of the Working Party negotiations on the accession of Saudi Arabia to the WTO. "This is a very important step in Saudi Arabia's accession to the WTO. I am glad to see that the tremendous amount of work done by Saudi Arabia has now brought it closer to WTO entry. We look forward to confirmation by the General Council in the days to come," he said.

The accession process for Saudi Arabia began July 21, 1993. The next step will be a vote by WTO Member nations at a WTO General Council meeting scheduled for November, 11, 2005. WTO rules provide that an acceding nation can become a WTO member 30 days after it has informed the WTO that it has ratified its accession agreement.

Source: www.wto.org/english/thewto_e/acc_e/acc_e.htm

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**Even While you Sleep
International Trade is Increasing
Rapidly. Read the Details
inside this Issue.**

**March 2006
ICPA Conference
Expected to
Sell Out Quickly**
See Page 4 for Details

GlobalWatch® is a publication of
**The International
 Import-Export Institute**
 Phoenix, Arizona, USA

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Notes from the Executive Director

“Thank You!!”

by Dr. Donald N. Burton



I would like to thank the thousands of people who have chosen the IIEI for their training and educational needs. It is gratifying to see the increasing stream of hundreds and hundreds of people enrolling in the online courses here at the Institute. I realize that you take your college education and training for international trade certification very seriously. We take it seriously too and strive everyday to exceed your expectations.

In support of this growth, our headquarters has moved to much larger facilities--only minutes from our old facility. We have added staff, and continually add more, to keep ahead of the tremendous increase in students. I am pleased that we have an incredible staff that loves what they are doing, and most importantly, enjoy the new friendships they make everyday as they help people obtain the international trade knowledge they desire through our online courses.

Speaking about courses, you will be pleased to know that a Project Management emphasis will be added to our bachelor degree program in early 2006. Its full title will be Bachelor of Science in International Trade Management - Project Management. And in the Spring of 2007, we expect to offer a fully accredited Master of Science in Trade Compliance Program. The bachelor program em-

phasis we announced earlier this year, the Global Supply Chain Management will begin enrolling students in the Spring of 2006. All and all, a lot of education and training is going on here at the IIEI.

I have received directly and indirectly numerous notes of “thank you” from students who earned their CUSECO® certification and as a result have been promoted to even more responsible positions or hired away to great career opportunities. I am immensely pleased. It is about time that the compliance profession be acknowledged for its value. And I am doubly pleased that the CUSECO® certification is the recognized standard in the industry. Routinely the trade compliance industry now enroll students in the CUSECO® Program.

In December, I will be in the People’s Republic of China signing an agreement with the government that will open China to all nine of the certification programs offered by the IIEI.

Seasons Greetings to everyone.

Visit the
**Certification
 Board of Governors’**
 website

www.industrycertification.org

Meet the Certification Board of Governors' Ethics & Professional Standards Committee

The Ethics and Professional Standards Committee, which is comprised of seven individuals that each serve two-year terms, establishes the industry standards that serve as the cornerstone of the certification process. This board of distinguished colleagues monitors the global arena to determine what the industry standards should be and then sets appropriate standards. This task insures that the certification program continues to meet the evolving needs of the industry. This committee works in unison with the Compliance and Enforcement Committee in fulfillment of its duties.

John P. Priecko - Chairman

Mr. Priecko is a retired Colonel in the United States Air Force. During a more than 25-year career, he served in a variety of key positions. He was a Distinguished Air Force Reserve Officer Training Corps Graduate with Bachelor's Degrees in Architecture and Art Design. While in the Air Force, he earned two Master of Arts Degrees in Psychology and Aviation Management.

Mr. Priecko also acts as the Senior Export Administration and Compliance Officer on a contract supporting Headquarters, Department of the Army, the Office of the Deputy Assistant Secretary of the Army, Defense Exports and Cooperation. Along with numerous other responsibilities, he helps oversee the Army's export case process and related training.

Philip Rhoads - Vice Chairman

Mr. Rhoads is a private practice attorney with concentration on compliance and enforcement under the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR). He performs diagnostic audits of regulated companies and investigations, as well as training and compliance systems design. Mr. Rhoads is also the former Chief of the Compliance and Enforcement Branch under the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, U.S. Department of State.

Mr. Rhoads is also a published professional with numerous works regarding international trade in both domestic and foreign markets. He is a regular participant in national conferences and international trade association programs. Mr. Rhoads received his bachelor's degree in International Affairs from George Washington University, his M.I.A. in International Affairs/ U.S. Foreign Policy Studies from Columbia University, and finally his Juris Doctorate from the University of Kentucky School of Law.

Dave Bowman - Member

Mr. Bowman is Director of Export/Import Compliance for Bell

Helicopter Textron based in Fort Worth, Texas. In this capacity, he is responsible for oversight of Bell's global export/import compliance program. He first came to Bell Helicopter Textron from Honeywell International where he managed the trade compliance function for Engines, Systems & Services in Phoenix, Arizona. His achievements there included successfully driving the development of technology classification systems to support the company's globalization initiatives. Mr. Bowman began his Contracts and Export/Import Compliance career at ITT Industries' Cannon Division in Santa Ana, California. Additionally, he was Program Manager at ITT Industries' Cannon Division in Phoenix, Arizona overseeing the development and production of the electrical interconnect system currently utilized on the International Space Station.

He has an extensive financial and tax background having worked in the public accounting sector and for the Internal Revenue Service. Mr. Bowman holds a Master of Business Administration degree and a Bachelor of Science degree in Accounting, both from Arizona State University.

Alan Black - Member

Mr. Black is Manager of Global Regulatory Compliance at FedEx Express. He is responsible for the regulatory compliance within FedEx Express, overseeing operations and training for import and export compliance for more than 300,000 shipments per day and over 3500 SEDs daily. His experience with Federal Express Corporation began in 1984 as a Hub Operations Manager and in 1989 he assumed the

What impact could this certification have on your career?

You owe it to yourself to find out!

CALL 1-800-474-8013





U.S. Bureau of Industry and Security Update

Updated Penalties for Violations of the Export Administration Regulations (EAR)

Criminal:

“Willful violations:”

Corporation - A fine of up to the greater of \$1,000,000 or five times the value of the exports for each violation;

Individual - A fine of up to \$250,000 or imprisonment for up to ten years, or both, for each violation.

“Knowing violations:”

Corporation - A fine of up to the greater of \$50,000 or five times the value of the exports for each violation;

Individual - A fine of up to the greater of \$50,000 or five times the value of the exports or imprisonment for up to five years, or both, for each violation.

BIS Penalties - Continued on page 12

- REMINDER -

Ethics in Trade Compliance (IIEI-320) is now a required course for the Certified US Export Compliance Officer® Program. For those already certified, you must complete it by January 31st, 2007, to remain certified. Don't wait! The next six-week online classes begin December 8th 2005 & January 12th, 2006.

South African Company Pays \$1.54 Million Civil Penalty

ProChem (Proprietary), Ltd., as successor corporation to Protea Chemicals (Proprietary), Ltd., based in Gauteng, South Africa, agreed to pay civil penalties totaling \$1.54 million to settle administrative charges pertaining to unau-

\$1.54 million - Continued on page 9

“Don't Let This Happen to You.”

Real life examples of export control and antiboycott violations have been printed in magazine form in this Department of Commerce publication titled “Don't Let This HAPPEN TO YOU!” Obtain it online at:

Source: www.bis.doc.gov/enforcement/eeoprogram.htm

Performance Medical Supplies Denied Export Privileges

The U.S. Department of Commerce announced that the export privileges of one Australian company, Performance Medical Supplies, has been denied for 5 years for violating and conspiring to violate the Export Administration Regulations (EAR) in connection with the unauthorized export of physical therapy equipment from the United States to Iran via Australia.

The Commerce Department's Bureau of Industry and Security charged that, in April 2000, Performance Medical Supplies of Victoria, Australia, committed 10 violations of the EAR by conspiring to export physical therapy equipment to Iran.



Viva Compliance! 3rd Annual ICPA Conference

Mark your Calendar

March 6th - 9th
Las Vegas, NV.

www.icpainc.org

Don't Miss “Viva Compliance!”

If you couldn't get into the Department of Commerce Update 2005 or the Society for International Affairs Fall Advanced Defense Trade Licensing Conferences, there's another upcoming opportunity you definitely don't want to miss!

The International Compliance Professionals Association (ICPA) is having their 2006 conference, “Viva Compliance” in Las Vegas, March 6th-9th. ICPA is a dynamic 501(c)(3) non-profit association that takes an integrated approach to international trade compliance.

Like Update, ICPA's Conference offers multiple options to choose from. The hardest decision is deciding what session to attend. There's something for everyone. Take a look at their online promotion at: <http://viva.webbrochure.net>.

Here's an organization that has their act together and are forward looking in some “very creative” ways. How refreshing!!!

ICPA is one of the fastest growing organizations in trade today and dedicated to the enrichment and advancement of the compliance professional. They are an independent entity that best serves the needs and interests of the global international trade community. If you want to know more go to <http://www.icpainc.org>. ICPA members will have preference in registering for the conference.

DDTC Update

Directorate of Defense Trade Controls

Russia bids for WTO

License Applicants

Understanding the role of DDTC license applicants is critical in safeguarding our nation's security. This role is critical because the licensing system itself was established with the applicant as the most important single element. With the tremendous volume of license requests, it wasn't feasible to have government police every detail--there simply wasn't enough manpower to do it. To insure our shipments and borders are safe, the task falls to the exporter with limited oversight and control provided by the government -- the DDTC.

For this partnership of exporters and government to work, the DDTC has laid down some basic rules for exporters of defense related products and services to follow. DDTC refers to this as the role of the license applicant.

First, the applicant must register with the DDTC and designate a responsible person, whose task it is to ensure all shipments are in compliance with the rules contained in the International Traffic in Arms Regulations (ITAR). The ITAR refers to this person as the Empowered Official (EO).

The EO is the person who reviews orders from foreign customers and confirms the bona fides of the parties to the transaction, making sure that all aspects of the transaction meet the requirements of the ITAR. Notice how much responsibility is placed on the EO even before the order is processed. This

foreshadows the importance of the EO in the overall process of ensuring exports are in full compliance with the ITAR.

Even once the license application has been submitted to DDTC and been granted, the work of the EO is not over. At that point, it is up to the EO to ensure full compliance with the provisos contained in the license and continue to screen the shipment-- in all its details-- to ensure that the transaction meets the spirit and intent of the ITAR.

Even though the shipment reaches the foreign customer, the EO still has considerable responsibility remaining. Records must be kept for a minimum of 5 years on every licensed transaction. If something changes, such as a customer is now showing up when denied screening is performed, the historical records you've kept will be important to DDTC in determining the seriousness of the current risk to our national security. Even though you may not be held responsible for prior shipments before the entity was on the denied list, your failure to report their purchase history with your company could be viewed seriously in the current situation.

The role of the EO as the license applicant as can be seen from this example is extremely important in maintaining the security of our country. It is up each applicant to be responsible in policing exports. Without you as the front line of defense, our security is in peril.

TOKYO Japan agreed Monday, November 21st, to back Russia's bid to join the World Trade Organization, as leaders of the two countries promised to work toward resolving a territorial dispute that has hampered relations for 60 years.

Russian President Vladimir Putin and Japanese Prime Minister Junichiro Koizumi also agreed on a joint program to combat terrorism and cooperate in energy, communications and tourism.

Their summit focused largely on economic ties, which the leaders said would help pave the way toward progress in the dispute over four tiny, sparsely populated islands that has prevented the nations from signing a World War II peace treaty.

The islets in the Kuril chain, known as the Northern Territories in Japan, were seized by Soviet troops in the closing days of the conflict. Control over the islands, which are surrounded by rich fishing grounds and also speculated to have natural gas deposits, has since become a hot political and nationalistic issue on both sides.

"We will further deepen our economic cooperation to strengthen mutual confidence, so that in the future we can sign a peace treaty," Koizumi said at a joint news conference with Putin.

"Russia's accession into this organization will help strengthen trade ties with Japan and make them more stable," Putin said.

Putin will return home with Japan's blessing for its WTO bid.

Courtesy Associated Press

In Compliance....

Do You Know About the SEC's Office of Global Security Risk? You Should.

By Peter L. Flanagan and Les P. Carnegie

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Many U.S. companies are well aware of their compliance obligations under the various economic sanctions programs administered by the Treasury Department's Office of Foreign Assets Control, better known under the acronym "OFAC." Particularly since the tragic events of September 11, 2001, U.S. legislators and enforcement agencies, as well as corporate America, have shown a heightened attentiveness to anti-terrorism and OFAC-related issues.

Although U.S. companies and their compliance officials may be aware of recent sanctions-related trends, they may have overlooked provisions of Congress' omnibus appropriations bill for Fiscal Year 2004 that established a new office within the Securities and Exchange Commission ("SEC") tasked with making sure that companies listed on U.S. exchanges appropriately disclose business operations in countries designated by the U.S. Department of State as sponsors of terrorism. This new SEC office, the Office of Global Security Risk, is part of the SEC's Division of Corporation Finance. It was established, in part, to address concerns that U.S. investors may lack adequate information about perceived risks associated with investing in companies that have operations in or ties to countries that are identified as sponsoring international terrorism (comprising, at present, Cuba, Iran, Libya, Sudan, Syria and North Korea).

Since its establishment, the Office of Global Security Risk has been staking out an increasingly active role in collecting and requesting information about the ties of publicly listed companies to designated terrorist-supporting states. Publicly listed companies need to be mindful of the reach of the SEC's new watchdog office and attentive to potentially evolving concepts of materiality with respect to public disclosure of business ties to terrorist-supporting states.

Representative Frank Wolf (R-Virginia), who chairs the House Commerce-Justice-State Appropriations subcommittee that oversees the SEC's budget, originally proposed the new Office of Global Security Risk. The language establishing the Office was included in the Committee Report (Number 108-221) that accompanied the spending bill that was eventually signed by President Bush on January 23, 2004 (Pub. Law 108-199). The House Report outlines the Office's responsibilities as follows:

- To develop a process that will allow the SEC to "identify all companies on U.S. exchanges operating in" terrorist-sponsoring states designated by the State Department;

- To ensure that all companies traded on U.S. exchanges operating in terrorist states disclose such "activities" to investors;

- To implement "enhanced disclosure requirements based on the

asymmetric nature of the risk to corporate share value and reputation stemming from business interests in these higher risk countries";

- To coordinate with other government agencies to ensure the "sharing of relevant information across the federal government"; and

- To "initiate a global dialogue to ensure that foreign corporations whose shares are traded in the United States are properly disclosing their activities in State Department-designated terrorist states to American investors."

Notably, neither the Conference Report nor the underlying House Report clarifies the scope of the contemplated disclosure requirements. For instance, it was and remains unclear precisely what range of activities would be sufficient to qualify as "operating in" a terrorist-supporting state; whether any such test would extend to activities undertaken through non-U.S. subsidiaries (or parents) of U.S.-listed companies; and what specific "activities" would be subject to disclosure. On the other hand, the report language on its face would seem to go well beyond traditional securities law principles requiring disclosure of "material" information.

The establishment of the Office of Global Security Risk was the culmination of a series of efforts by Representative Wolf to press the SEC to require listed companies to disclose the extent of their business dealings in U.S.-sanctioned markets. The SEC, however, consistently resisted efforts

Why does the Certification Board of Governors exist?

When the International Import-Export Institute (IIEI) formed over a decade ago to provide international trade certification to the world, it was determined that a need existed for a non-profit, sister organization, the Certification Board of Governors (CBG) be created to allow individuals from governments and organizations worldwide to participate in helping set meaningful standards for the various certifications. The reason is simple. Generally governments and organizations globally will not allow their employees to support, recommend or endorse a for-profit, regardless of the benefits. They cannot favor one “for-profit” over another. The non-profit status of the CBG overcomes this obstacle.

As is the case in the United States Government (USG), agencies are permitted by law to support and participate in non-profit organizations and their efforts on a level playing field. That’s why the US Department of Commerce, Foreign & Commercial Service formally recognized the efforts of the CBG and its supporting partners in bringing the much needed international trade certification to the world. The USG realizes the value of establishing meaningful professional standards in our dynamic, demanding and regulation-driven international trade industry. Because of the non-profit, 501(c)(3) status of the CBG, others from the USG, foreign governments and industry leaders around the world enthusi-

astically support and serve on the various volunteer committees.

So what exactly does the CBG do? It was created for a single purpose: to enable everyone in governments and organizations worldwide to participate openly and freely in setting the global standards for international trade certification without the perceptions and possible concerns over the CBG’s motives and actions that might be associated were it a for-profit entity. Accordingly, the CBG and its volunteer organization are solely responsible for setting, establishing and maintaining meaningful standards for international trade certification. In real terms this means the CBG’s volunteers offer their expert knowledge in setting standards for the various certifications. Once those standards are established by the CBG, the IIEI uses them in the development of the International Trade Certification Programs it administers. The IIEI has no control over the standards set, only the manner in which they are administered around the world.

Through the numerous volunteers serving on the various committees, including the Executive Committee (EC), Advisory Council, Ethics and Professional Standards Committee (EPSC) and Compliance and Enforcement Committee, suggestions are considered for new certifications or

updates to existing certifications. If the members of the ESPC agree on the need for such a certification or for changes to an existing certification standard, then they determine what the general knowledge requirements should be for a person attaining this certification standard. They also determine the minimum threshold requirement to show competency. Once the CBG’s EC has approved and set the standard for a certification, it is submitted to the IIEI, whose task it is to operationalize the standard and make it available to participating colleges, universities and training organizations throughout the world.

It is important to note the clear distinction between the CBG and IIEI in this process. The CBG sets the standards and the IIEI provides the standards to industry through its

Certification Programs.

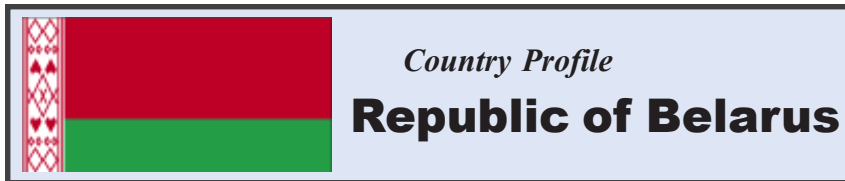
It is the IIEI that offers the Certification Programs, which are based on the input from the many volunteers serving in the CBG.

With the CBG’s volunteers open and free contribution to setting meaningful standards, serving as the basis of the certification process, the value of the certifications help make the IIEI’s Certification Program “the globally accepted standard.”

The CBG sets the standards... and the IIEI provides the standards to industry...

World Trade is growing 7% per year compounded. Is your business keeping up?

WTO report



Slightly smaller than Kansas, the landlocked Republic of Belarus is generally flat and has a great deal of marshland. It has cold winters, cool and moist summers; and is transitional between continental and maritime. Belarussians are a friendly people.

After seven decades as a constituent republic of the USSR, Belarus attained its independence in 1991. It has retained closer political and economic ties to Russia than any of the other former Soviet republics. Belarus and Russia signed a treaty on a two-state union on 8 December 1999 envisioning greater political and economic integration. Although Belarus agreed to a framework to carry out the accord, serious implementation has yet to take place. Government restrictions on freedom of speech and the press, peaceful assembly, and religion currently exist.

Belarus's economy is improving. In 2003-04 it posted 6.1% and 6.4% growth. Still, the economy continues to be hampered by high inflation, persistent trade deficits, and ongoing rocky relations with Russia, Belarus' largest trading partner and energy supplier. Belarus has seen little structural reform since 1995, when President Lukashenko launched the country on the path of "market socialism." In keeping with this policy, its President reimposed administrative controls over prices and currency exchange rates and expanded the state's right to intervene in the management of private enterprises. This policy has hampered foreign investment and international trade.

For the time being, Belarus remains self-isolated from the West and its open-market economies. Growth has been strong in recent

Belarus at a Glance

GDP: \$70.5 billion (2004 est.)
GDP - real growth: 6.4% (2004 est.)
GDP - per capita: \$6,800 (2004 est.)
Inflation Rate: 17.4% (2004 est.)
Labor Force: 4.305 million (2003)
Unemployment Rate: 2% officially registered unemployed; large number of underemployed workers (2004)
Population: 10,300,483 (2005 est.)
Exports: \$11.47 billion f.o.b. (2004 est.)
Exports - Commodities: machinery and equipment, mineral products, chemicals, metals, textiles, foodstuffs
Exports - Markets: Russia 47%, UK 8.3%, Netherlands 6.7%, Poland 5.3% (2004)
Imports: \$13.57 billion f.o.b. (2004 est.)
Import Commodities: mineral products, machinery and equipment, chemicals, foodstuffs, metals
Import Partners: Russia 68.2%, Germany 6.6%, Ukraine 3.3% (2004)
Exchange Rate: Belarusian rubles per US dollar - 2,160.26 (2004)
Internet Users: 1,391,900 (2003)
Internet Hosts: 5,308 (2004)

Source: CIA World Fact Book



years, despite the roadblocks in a tough, centrally directed economy and the high, but decreasing, rate of inflation. Growth has been buoyed by increased Russian demand for generally noncompetitive Belarusian goods.

Belarus holds great potential for international trade in the future. With the continued expansion of its economy, Belarus should be in the market for western consumer goods in the near future.

Web Sites of Interest

Culture
www.belarusguide.com/culture1

Wide Range of Topics
www.belarus.net

Ethics and Professional Standards -
Continued from page 3

role as International Operations Manager, which he held until his current assignment. He holds a Bachelor of Business Administration from Memphis State University with a major in Marketing/Sales. He is a recipient of FedEx's most prestigious recognition, the Five Star Award in 1998, 2001 and 2003. He has served as Chairman of Cargo Facilitation at Airline Transport Association (ATA) 1999-2003. He is a strong force in the international trade community and is a regular attendant and speaker at global business conferences.

Gene Christiansen - Member

Mr. Gene Christiansen is Acting Division Chief, Office of Strategic Trade Division where he leads a 14 member staff responsible for the licensing of all dual-use items controlled for National Security reasons. As a Senior Engineer, he is involved in many intra and inter-agency working groups that are considering changes to export controls and practices. He reviews all commodity classifications as part of the Department's quality control program and also performs the final review of all of the license decisions of the Licensing Officers in the Office of Strategic Trade Division before those licenses are issued.

Mr. Christiansen joined the Department of Commerce in 1983 after serving 20 years in the US Air Force. He is a frequent participant in the Department's Export Administration Regulations training program. He holds a B.S. degree in mechanical engineering from Brigham Young University and a Masters in mechanical engineering from the University of Missouri.

W. Brad Lewis - Member

Mr. Lewis is currently President of Trade Compliance Associates (TCA), LLC located in San Diego,

California. TCA, LLC provides trade compliance consulting services to companies in a variety of industries. He is also an instructor/advisory committee member for the University of California, San Diego Extension program, where he teaches the Trade Regulations module portion of the Global Supply Chain Management Program.

Mr. Lewis began his career in 1992 with Teledyne Industries International in the company's Washington D.C. office as an assistant export administrator. In November of 1995, he relocated to Redondo Beach, California where he was the Export/Import Compliance Manager for TRW Space & Electronics Group (S&EG). While at TRW, Mr. Lewis was responsible for growing and managing the export/import compliance office and related activities which included: license preparation, review and management, training and assessments, and U.S. Customs requirements for the five operating divisions of TRW S&EG.

Mr. Lewis received a Masters of International Management degree from the American Graduate School of International Management ("Thunderbird") in Glendale, Arizona, where he concentrated his studies on international finance and trade. Mr. Lewis also holds a Bachelor of Science degree in Finance, with a minor in French, from Nebraska Wesleyan University in Lincoln, Nebraska

Jill Thurau - Member

Jill Thurau is currently the Customs Analyst for PETsMART, Inc. Corporate Headquarters located in Phoenix, Arizona. She acts as the Company's customs broker, importing product into the U.S. per the U.S. Customs Regulations. She is responsible for import and export compliance for the Company's U.S. and Canadian operations.

Previously, Jill was employed by Honeywell International Inc. for 5 years. There she served as an Export/Import Officer, responsible for all international trade compliance activities at the Air Transport Division in Phoenix, Arizona. Her duties included: research and application of the EAR, ITAR, and U.S. Customs Regulations; submittal of export licenses; export/import classifications; and customs broker management. Prior to that position, she was the Customs Specialist for Honeywell Corporate, International Trade Compliance Division, in which she assisted all Honeywell U.S. Business Unit Import Officers with customs compliance issues. She conducted training and provided the necessary support in the setup of new import compliance programs.

Jill holds an MBA from Thunderbird, The American Graduate School of International Management, and a BA in Business Administration and Spanish from Truman State University. She is a licensed U.S. Customs Broker, an International Import-Export Institute Certified U.S. Export Compliance Officer® (CUSECO®), and Certified Six Sigma Green Belt.

\$1.54 million - Continued from page 5

thorized resales of U.S.-origin sodium cyanide and potassium cyanide to end-users in South Africa.

BIS charged that, on 112 occasions between November 1999 and December 2003, Protea resold U.S.-origin sodium cyanide and potassium cyanide to various unauthorized business entities in South Africa.

BIS controls the export of potassium cyanide and sodium cyanide for chemical and biological weapons proliferation reasons. These chemicals are considered precursors for potential chemical weapons.

Wearing Your CUSECO® Pin



Not surprisingly, the Certified US Export Compliance Officer® lapel pins are showing up in greater numbers at national trade conferences around the country, and for good reason. They are symbols of excellence, a mark of distinction in the ever-competitive world of international trade. The striking lapel pin design is easily recognizable in a crowd and causes many questions for those who earn the right to wear it from others in attendance. What is it? What does it mean? How do I earn one?

At the most recent SIA Fall Conference, after speaking with many who attended, Dr. Donald Burton, IIEI's President, estimated over 10% of those in attendance were Certified U.S. Export Compliance Officers®, although only a small portion of that number actually wore their pins. We encourage those of you who have earned their CUSECO® certification to honor their hard work and dedication by proudly wearing their pin to conferences. It generates interest in the standards program and creates more value for you through its industry recognition and support. As more and more people understand what the CUSECO® Program is and what is required to earn the right to wear the pin, the value you receive by being certified will become a hallmark of your professional status.

You invested in it; you earned it. Wear your CUSECO® pin proudly!

"I Passed the Certification Exam... Now what?"

Students who have successfully passed their CUSECO® exams have reached an important goal. Certification means recognition from employers, from the industry, and from your peers. But what happens after you receive the certificate?

In the ever-changing world of export compliance, staying up to date is more than just important. It is crucial. That's why IIEI's CUSECO® certification expires after one year. To maintain certification, a certified individual must complete 10 continuing education units (CEUs) within twelve months of completing their certification to extend their certification for another year. IIEI offers several classes to maintain your certified

status. Mastering ITAR Exemptions (IIEI-308), Commerce License Exceptions (IIEI-309), Ethics in Trade Compliance (IIEI-320) and others will each fulfill the requirements for all ten CEUs. Conferences and in-house training may also merit CEUs. For a list of approved events, please visit:

www.usexportcompliance.com/Certification2.htm. Student's Non-IIEI CEUs can be reviewed each year for a \$25.00 fee.

The certification staff and advisors will be contacting certified students over the next few months to ensure that their efforts to maintain certification will meet the requirements. If you have any questions about your certification status, please

John Priecko is New CBG President

The Board of Directors of the Certification Board of Governors (CBG) has appointed John Priecko as the CBG's President replacing Ted Nicholson, who is retiring to northern Arizona. For the past two years, John served as the CBG's Executive Vice President. In his new volunteer position, John is responsible for helping to craft and manage the CBG's global effort at raising the professional standards in international trade. The CBG is a 501(c)(3) non-profit organization that sets, promotes and refines professional certification standards for the international trade community worldwide. For more information about the CBG, visit their website at:

www.industrycertification.org

Additionally, in his professional career, JPMorgan Chase Vastera, Inc. has announced the addition of John to their Dulles Headquarters (Washington DC) staff as Vice President, Global Trade Compliance Solutions. Among many other tasks, John assists companies in developing integrated trade compliance solutions.

contact Caulyne Barron, Director of Certification Programs, at 800-474-8013 or

cbarron@expandglobal.com. To register for one of our courses to maintain your certification, please visit our website at:

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Compliance - Continued from page 6

to mandate disclosure requirements based principally on social or political concerns as opposed to more traditional financial and operational considerations having a potential impact on the performance of a public company. Purportedly without shifting established standards of “materiality,” the SEC was essentially obliged to yield to Congress’ directive to track more closely the disclosure practices of companies doing business in designated terrorist-supporting states.

In May 2004, long-time SEC official Cecilia Blye was named the head of the Office of Global Security Risk. Prior to this post, Ms. Blye served for 20 years as special counsel in the Division of Corporation Finance. To date, Ms. Blye has filled two of the four authorized staff attorney positions within the Office. At the request of Congress, the Office has published a one-page mission statement on the SEC’s website, which is available at <http://www.sec.gov/divisions/corpfm/globalsecrisk.htm>.

When then SEC Chairman William Donaldson testified before the House Appropriations Subcommittee in March 2005, he explained that the Office’s global security risk disclosure process entails a review of company disclosures as well as other publicly available information, such as press reports and company websites, to determine whether disclosing companies have business in or with terrorist-designated countries that might be considered material to investors. Although former Chairman Donaldson noted that a company should generally weigh the materiality of its dealings in a terrorism-sponsoring country against the company’s entire operations, he

testified that the Office has adopted an “asymmetrical risk theory.”

Under this risk theory, even relatively small risks associated with terrorist-designated countries can have a disproportionate effect on corporate share value and corporate reputation. According to former Chairman Donaldson’s testimony in March 2005, the Office had closely reviewed the disclosure practices of 43 companies and had reached resolution with 13 companies in connection with the materiality of statements made in filings with the agency, apparently requiring five companies to revise the description of their activities. Recent press reports also suggest that the Office sent letters in June 2005 to a number of companies, requesting that they disclose in their SEC filings any business dealings in countries that support terrorism.

In reviewing company disclosures, the Office of Global Security Risk coordinates with other relevant agencies, most notably the Treasury Department’s Office of Terrorism Finance and Economic Sanctions, the Office of Monetary Affairs, and OFAC. According to the agency’s Congressional testimony in March, the Office is pursuing the purchase of an online global security risk assessment product because it has not traditionally had access to national security classified and sensitive information. The Office also reportedly plans to organize a global risk conference, which may include participation by other agencies that work in the global risk area, once it has additional experience with the disclosure review process.

According to recent press reports, the Office has also been asked by public pension funds administrators and other institutional investors to compile and publish a comprehensive list of companies that conduct activities in countries

sanctioned under U.S. law. It is unclear whether the SEC will be prepared to compile and distribute such a watchlist, but it could be difficult to avoid if the initiative attracts Congressional support (as seems possible). Some have speculated in this regard about whether the transition to Chairman Christopher Cox, who took office in August 2005 after more than 15 years in Congress, would mark a strengthening in the priorities of the Office of Global Security Risk. Chairman Cox has a deep background in foreign policy matters and was associated with a number of bills addressing economic sanctions issues.

Publicly listed companies and others making routine filings with the SEC should carefully consider whether their business in or relating to terrorist-designated states, if any, is appropriately captured in their securities filings. Moreover, particularly as activity at the Office of Global Security Risk continues to ramp up, publicly listed companies should recognize the risk of evolving standards of “materiality” in this area and remain mindful of the inter-agency information-sharing mission of the new SEC office.

About the Authors

Peter L. Flanagan (pflanagan@cov.com) and Les P. Carnegie (lcarnegie@cov.com) are attorneys with the Washington, D.C. firm of Covington & Burling. They routinely counsel clients in a diverse range of industries, both in the United States and abroad, on U.S. export controls, economic sanctions, and the impact of foreign blocking measures. Note: Peter is also a member of the CBG’s Compliance & Enforcement Committee.

Administrative:

For each violation of the EAR any or all of the following may be imposed:

- The denial of export privileges;
- The exclusion from practice; and/or
- The imposition of a fine of up to \$11,000 for each violation, except that the fine for violations involving items controlled for national security reasons is up to \$120,000 for each violation.

Temporary Denial Orders:

Temporary Denial Orders are issued by the Assistant Secretary for Export Enforcement, denying any or (typically) all of the export privileges of a company or individual to prevent an imminent export control violation. These orders cut off not only the right to export from the U.S., but also the right to receive or participate in exports from the U.S.

Section 11(h) Denials:

Section 11(h) of the Export Administration Act (EAA) provides that, at the discretion of the Secretary of Commerce, no person convicted of a violation of the EAA, International Emergency Economic Powers Act, or Section 38 of the Arms Export Control Act (or any regulation, license, or order issued under any of these laws) will be eligible to apply for or use any export license issued under the EAA for up to ten years from the date of the conviction. In addition, Section 11(h) provides that the Secretary of Commerce may revoke any export license in which the party had at the time of the conviction.

Source: www.bis.doc.gov

IIEI School Notes

Did you know that the IIEI has a free library resource open to everyone? Yes, it is nothing more than organized links to information found on the web. However, it connects to thousands of web sites related to international trade. And those web sites link to thousands more. At the end of our web site URL (www.iiei.edu) put /library or simply click on Library Store and More on the left banner on our home page and then click library. Enjoy!

Job Postings

You may want to check out the Job Posting section on our web site. You may find your next job waiting for you there. From our home page, click Library Store and More and then click IIEI JobNet!

Christmas/ Holiday Break

Online courses here at the IIEI are suspended beginning December 22, lasting until January 4th. Any classes in session during that time period will pause until after the new year. The online classroom will be open to enrolled students; however, no attendance or participation will be monitored. Happy Holidays!

Instructors Needed

If you are interested in becoming an Instructor for the IIEI online, now may be the time for you to apply. There are two specific requirements and a few general conditions that must be met by all instructors. All faculty must have a masters degree from an accredited college or university. This is a requirement from our accrediting body, Distance Education and Training Council, and is required of all accredited institutions. Secondly, instructors must be a subject area expert in the areas they teach. This expertise may be from actual experience or shown via educational transcripts.

In addition, the IIEI requires special training for instructor candidates prior to teaching for us. Equally important is that instructors have a strong desire to share knowledge with others and be able to devote the time required to teach an online class. If you meet these requirements, we would like to hear from you. Want to know more? Email Caulyne Barron for complete information at: cbarron@expandglobal.com

Red Flag Indicators
Things to Look for in Export Transactions
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Over 40 of the top 50 U.S. aerospace and defense companies have enrolled their employees into courses leading to industry certification.



Dropping a Course

By Tyra Andrews

Life is unpredictable, and we at the International Import Export Institute (IIEI) understand that when family emergencies, business obligations or unexpected events arise, sometimes education has to be put on hold longer than a couple of days. There is a standard protocol for dropping a course, which we offer to students as a last resort under these unusual circumstances.

In nearly all instances, our supportive faculty will work with you, so that you can complete your courses, whether you are having problems with the material or something of a personal nature intervenes. Our entire staff is aimed at supporting you to give you the opportunity to succeed.

If for whatever reason you cannot commit to finishing a course and want to withdraw, you must communicate your desire to your Enrollment Advisor as early as possible in the class, letting them know what is going on. Remember, they are here to support you and your education. Once your advisor is aware, an IIEI Transfer/Withdrawal Form will be emailed to you. To process your withdrawal, our staff **must** have that form returned with your signature and the date. The day we receive the signed form is the effective date of your withdrawal. There are no exceptions to this rule.

Upon receipt of your signed request, IIEI Administration will then remove you from the course. Please read the withdrawal/transfer and refund policy in the Student Handbook and online for the complete details on all of the steps in the process. If you are simply seeking to trans-

fer to the same course at a later date, it is an easy process. However, if you are seeking to withdraw and obtain a refund, be aware the refund amount varies greatly depending on what week of the course you are in. After half of the course is over, there is no refund. Please read the refund policy fully and if you must withdraw, submit your request as quickly as possible.

Keep in mind that once you enroll in a course extensive paperwork and administrative duties happen that support your enrollment. Our best recommendation is that the student contact their instructor and work it out with them to finish the class.

Do remember, your instructor can not approve a withdrawal for you. If you notify them of your desire to withdraw, it isn't official until IIEI Admin has your signed and dated Withdrawal/Transfer Form in our office. You instructor can, however, issue an Incomplete (I), which will give you additional time (up to three weeks) after the end of a course to complete assignments. For example, if you need to take a week off for external and unavoidable circumstances, at the end of a course you may ask the instructor to give you an "I". He or she may grant it if they deem it appropriate and necessary. You, the student signs a contract with the instructor detailing exactly what needs to be completed and the due date. Assuming the terms of the incomplete grade were met, the instructor would then release the students' grade to the IIEI Administration—changing the "I" to the grade earned. By working it out with the instructor privately, the student will not risk losing their tuition or having a W on their transcripts.

IIEI Certifications

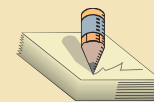
Congratulations to the following on successful completion and recent award of the respective certifications:

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