



Global Watch®

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Arab Nations Establish Union of Free Zones

(MENAFN - Jordan Times) The two-day “Investment Forum in the Free Zones” concluded on Saturday, June 7, 2008, with an announcement establishing “Arab Union of Arab Free [Trade] Zones”. The forum, opened by Finance Minister Hamad Kasasbeh on behalf of Prime Minister Nader Dahabi, was viewed as an important step towards enhancing partnership and investment amongst Arab countries through a system of integrating different laws and legislation, comprises Jordan, Syria, Sudan, Egypt, Oman, Bahrain, Libya, Iraq and the United Arab Emirates in addition to private free zones in Arab states.

The forum, opened by Finance Minister Hamad Kasasbeh on behalf of Prime Minister Nader Dahabi, aimed at creating a practical business climate in the Arab

Free Zones - Continued on page 10

250,000 Military Members Enrolled in DETC Schools

The Distance Education Training Council’s (DETC) new military website (<http://www.detc.org/military>), estimates that 250,000 military members are now enrolled in schools they accredit.

“An estimated quarter million military members enroll in DETC institutions. They average in age about 27, and the students are typically at the mid-point of their military careers. They include officers and enlisted personnel at every level, from Privates to General Officers.”

Online learning can be a huge asset to those in the Armed Forces. Not only can they learn during their free time, but the military will often pay for their courses.

Dunlap-Stone University is proud to have recently been re-accredited by DETC for another five years.

Read about the 1st Annual Branding Forum in the Middle East

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If you are a history student at heart, this new course might be interesting to you

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New GI Bill May Soon Become Reality

By Terry Howell Courtesy of Military.com

Many post 9/11 veterans and servicemembers will soon see a new package of education benefits. This new Post 9/11 GI Bill (Chapter 33), or so-called GI Bill for the 21st Century, boasts the most comprehensive education benefits package since the original GI Bill was signed into law in 1944.

The new bill goes well beyond helping to pay for tuition; many veterans who served after Sept. 11, 2001, will get full tuition and fees, a new monthly housing stipend, and a \$1,000 a year stipend for books and

GI Bill - Continued on page 3



Left to right: Mr. Muslim Al-Zamil, Chairman, Al-Zamil Int'l Real Estate Co. Kuwait; Mahmoud Jarrah, Managing Director of the Forum; His Excellency Maen Nsour, CEO Jordan Investments Board; His Excellency Hamad Al-Kasasbeh - Jordan Minister of Finance; His Excellency Mahmoud Qtaishat, President of Arab Free Trade Zones Corp.; His Excellency Husni Abu Ghaida – Chief Commissioner for Aqaba Special Economic Zone Authority.

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Notes from the President

A Global Footprint and More...

by *Dr. Donald N. Burton*



I was very pleased that the 1st Annual Identity Branding Forum (See page 3) co-sponsored by the International Import-Export Institute (IIEI) was a huge success in Amman Jordan this past month. Representatives from most Arab nations attended. Also in Jordan last month, IIEI was involved in the Arab nations summit meeting on Free Trade Zones (See story on page 1). It seems that the IIEI has activities going on simultaneously on nearly every continent anymore. It's fun... and a lot of work for us and our partners.

U.S. Commerce Department's enforcement activities are heating up as you can see in this issue's "BIS UPDATE" column. Doug Jacobson's article (page 6) speaks to the dangers of exporting controlled items from the perspective of the sharper teeth the government now possesses as a result of new laws. A very well done piece. Thanks, Doug.

We've been adding more courses here at the IIEI to fill your

requests. I apologize for it taking so long to complete the two announced in this issue. Our quality control process takes time. But I think you'll be happy about these two six-week online courses: The first, Export Compliance for Non-U.S. Companies. (IIEI-116) (page 12) will be enrolling students soon; and secondly, a fun course for the history buffs out there. It's titled Introduction to the Revolutionary War (IIEI-188). (Page 9) It looks at specific historical events and how they impact the world today.

You'll see details of the two new import certifications that you demanded last year. Well, they're finally ready. (page 12)

Our staff put together the 10 things you need to know about CEU (See article page 10) requirements. (Continuing Education Units). If you've had any questions this article should answer them.

If there was more room, I'd tell about what's happening for the IIEI in China and also in the Middle East, particularly with respect to the proposed IIEI university campus in Aqaba Jordan.

As always, there's something for everyone is in this issue. I thank you for your strong continued support. As you can see from the new course offerings, we listen. Keep those emails with your ideas coming this way.

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1st Annual International Branding Forum A Success in the Middle East

By Sandra Halteh ag-IP-news



AMMAN – The International Branding Workshop, organized by the International Import-Export Institute and the Arab American eUniversity, concluded at the Kempinski Hotel, Amman Jordan.

Policymakers representing private and public sectors attended the four-day workshop which tackled issues related to brand identity research and analysis; understanding the business, using market research tools, customer insight. The participants also discussed how to design and build a brand identity among other topics.

“This venue is part of a series of workshops to be held in the region mainly in Egypt, UAE, Qatar and Bahrain,” Identity Branding Forum CEO Abed Baidas told ag-IP-news Agency.

The Forum is one of the eUniversity’s regional and international economic initiatives that was launched last November.

“The Forum aims at raising the awareness of policy makers about the significance of branding in generating more revenues,” he added.

The attendees represented Jordan’s public sector; the Aqaba Special Economic Zone Authority (ASEZA) and the King Abdullah II Design and Development Bureau (KADDB), the banking sector including the Arab Bank and the ABC, factories, radio and TV stations, printing companies the Saudi Basic Industries Corporation (SABIC), in addition to others.

“The information presented in the workshop is relevant, straight to the point, and added value in a short

period of time,” said SABIC Senior Specialist in Branding Planning and Communication Yousef Ahmed Saleh.

“I believe that branding is important for all businesses since it



One of the sessions at the Branding Forum Workshop in Amman Jordan

represents their identity, vision and mission,” he continued.

Among the Instructors were Chairman of the Board, Certification Board of Governors, Richard Oxford and Strategic Marketing Consultant Keith Bezant Niblett highly commended the participants’ interaction and eagerness to learn.

Niblett pointed out that the level of awareness among the attendees is very high, however they lack the needed knowledge and understanding of how to build and develop their brand.

“Branding is a complex subject; businesses must first recognize their market segments in order to develop a branding strategy,” he noted.

Oxford expressed his satisfaction with the participants’ level of interaction and understanding of the information and skills presented during the workshop.

“What is more important is the fact that the attendees will be able to apply the skills they acquired at the workshop to their business,” he concluded.

The Forum’s 2008-2009 calendar includes workshops on advertising, creating visual metaphors for brands, branding your web presence, in addition to branding workshops for the media, financial institutions, airline and tourism businesses.

Source: www.ag-ip-news.com/GetArticle.asp?Art_ID=5883&lang=en

GI Bill - Continued from page 1

supplies. The new bill also gives Reserve and Guard members who have been activated for more than 90 days since 9/11 access to the same GI Bill benefits.

In an effort to push through Sen. James Webb’s (D-VA) popular “Post 9/11 GI Bill” (S. 22), Congress inserted it in the Military Construction and Veterans Affairs and Related Agencies Appropriations Act (HR 2642).

Under pending GI Bill reforms a servicemember or veteran with over 36 months of active-duty service since Sept. 11, 2001, could see an increase of approximately \$2,000 a month over the current Montgomery GI Bill payment rate of \$1,101.

The House has sent their final version to the Senate, where it is expected to pass quickly. Once this is accomplished it’s off to the President’s desk for signature.

It is important to note that Sen. Webb’s proposed Post 9/11 GI Bill is not a replacement for the Montgomery GI Bill (MGIB). Many servicemembers and veterans will be able to choose the program that best suits their personal situation.

Source: www.military.com/new-gi-bill/?ESRC=gibill_alert.se



BIS Update

Bureau of Industry and Security

Bureau of Industry and Security Export Enforcement

*Keeping the most sensitive goods
out of the most dangerous hands*

The mission of the Commerce Department's Bureau of Industry and Security (BIS) is to advance U.S. national security, foreign policy and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership.

BIS integrates its export licensing, outreach and enforcement activities to effectively regulate international trade in sensitive dual-use items, prevent violations and combat illicit trafficking and proliferation. BIS's enforcement arm, the Office of Export Enforcement (OEE), is an elite law enforcement organization recognized for its expertise, professionalism, integrity and accomplishments in export enforcement. OEE's export enforcement goal is to *keep the most sensitive goods out of the most dangerous hands*.

BIS's export enforcement activities target the most significant threats facing the United States today: the proliferation of Weapons of Mass Destruction (WMD) and missile delivery systems, terrorism and state sponsors of terror, and diversions of dual-use goods to unauthorized military end-uses. During Fiscal Year 2007 (October 1, 2006 through September 30, 2007), OEE investigations resulted in 16 criminal convictions with criminal fines totaling \$25 million. During that same time period, BIS has also imposed more than \$5 million in administrative penalties, 17 export denial orders and other administrative sanctions as a result of 65 closed administrative enforcement cases. The BIS published its major case list in May 2008. (See right.)

MAJOR CASES LIST

- *Cryogenic Submersible Pumps to Iran*
- *Computers to Iran*
- *Computer Equipment to Iran*
- *Engineering Software to Iran*
- *Nuclear Detonators to Pakistan*
- *Omission of Nuclear End-Use in Submission of License Applications to the Department*
- *Electronic Components to List Entities in India*
- *Industrial Furnace to China*
- *Nickel Powder to Taiwan*
- *Graphite Products to the United Arab Emirates*
- *Carbon-Carbon Industrial Manufacturing Equipment to Missile Laboratory in India*
- *Controlled Items to Ballistic Missile Facility in Iran*
- *Chemical and Biological Weapons Controlled Toxins to Syria*
- *Thermal Insulation Blankets to China*
- *Digital Oscilloscopes Controlled for Nuclear Nonproliferation Reasons to Israel*
- *Computer Chips with Guidance System Applications to China*
- *Pulse Generators to India*
- *Bubonic Plague to Tanzania*
- *Biological Research Products to Indian Government Organizations on the Entity List*
- *Exports of Chemical and Biological Weapons Controlled Chemicals to Multiple Locations*
- *Illegal Exports of Biotoxins to Canada*
- *Diaphragm Pumps to Iran, Syria Israel and China*
- *Computers to Syria*
- *Telecommunications Equipment and Technology to Iran*
- *Textile Goods to Iran*
- *Support to a Foreign Terrorist Organization*
- *Nickel Alloyed Pipes to Iran*
- *Petrochemical Valves to Iran and Iraq*
- *Payments to a Terrorist Organization*
- *Aircraft Parts to Iran*
- *Machines to Iran*
- *Laboratory Equipment to Iran*
- *Tractor Parts to Iran*
- *Tensile Strength Measuring Equipment to Iran*
- *Night Vision Equipment to Hezbollah*
- *Terrorist Dealings/Computer Exports to Libya and Syria*
- *Aircraft Parts to Iran*
- *Forklift Parts to Iran*
- *Aircraft Parts to Libya*
- *Night Vision Lenses to Iran*
- *Oil Burning Nozzles to Iran*
- *Cryogenic Submersible Pumps to Iran*
- *Trenching Equipment to Libya*
- *Falsification on Self Disclosure of Iran Exports*
- *Computers and Related Hardware to Sudan*
- *National Security Controlled Items to China*
- *Attempted Export of Encryption Modules to Taiwan*
- *National Security Controlled Electronic Equipment to China*
- *Satellite and Radar Technology to China*
- *Low Noise Amplifiers to China*
- *False Statements on Export Documents; Microwave Amplifiers to China*
- *Unauthorized Exports and Reexports of Thermal Imaging Cameras to Various Locations*
- *Exports of Gun Sights to Various Locations*
- *Video Amplifiers to China/National Security Controlled Technology to Chinese Nationals*
- *National Security Controlled Technology to Chinese and Ukrainian Nationals*
- *National Security Controlled Items and Technology to China*
- *National Security Controlled Technology to Chinese and Iranian Nationals*
- *Power Amplifiers to China*
- *Export of Rifle Scopes*
- *Gun Parts to Sudan*
- *Export of Navigation Equipment Components*
- *Exports of Night Vision to Various Locations*
- *False Statements on Shipper's Export Declarations*
- *Diaphragm Pumps to Taiwan, Singapore, Brazil and Ecuador*
- *Ballistic Helmets to Suriname*
- *Violation of the Cuba Sanctions*
- *Energy Equipment to Iran, Iraq, Libya, and Cuba*
- *Failure to Abide by Licensing Conditions on Undersea Mapping Equipment*
- *Crime Control Items to South Africa*
- *Polygraph Machines to China*
- *Crime Control Items to South Africa and Mexico*

Source: www.bis.doc.gov/complianceandenforcement/mcl052008.pdf

DDTC Update

Directorate of Defense Trade Controls

Two Munitions Dealers Arrested and Charged in Conspiracy to Export Military Aircraft Parts to Iran

Defendants Hassan Saied Keshari and Traian Bujduveanu were arrested on charges of conspiring to export military aircraft parts to Iran, announced R. Alexander Acosta, United States Attorney for the Southern District of Florida, Michael Johnson, Special Agent in Charge, U.S. Department of Commerce, Office of Export Enforcement, Anthony V. Mangione, Special Agent in Charge, U.S. Immigration and Customs Enforcement, Office of Investigations, and Christopher Amato, Special Agent in Charge of the Pentagon's Defense Criminal

Investigative Service, Southeast Field Office. Hassan Saied Keshari and Traian Bujduveanu are charged in a federal Criminal Complaint with conspiring to violate the International Emergency Economic Powers Act, the United States Iran Embargo, and the Arms Export Control Act for their participation in a conspiracy to export U.S.-made military aircraft parts to Iran.

According to the affidavit filed in support of the Criminal Complaint, Keshari owns and operates Kesh Air International, a business located in

DDTC - Continued on page 11

The Real Value of Certification

By Caulyne Barron

As the administrator of the certification program using the Certification Board of Governors recommended standards, the International Import-Export Institute receives numerous calls each month from a growing number of companies seeking to verify the IIEI Certification status of individuals. But what does it mean to you, the certified individual? Perhaps more than you may think.

Conversations with students, hiring managers, and key operations managers indicate how surprised they are that an occasional person they work with has allowed their certification to expire. The person may have changed departments, companies or industries and feels that a compliance or international trade certification is no longer relevant to their current position. Perhaps the person was hired with their certification as a plus and have no plans to change jobs so they let their certification lapse. All sorts of rationalizations are made by students as to why maintaining their certification is just too much work. They seem to have forgotten the time and effort that they've already invested in the process: the classes, the exam, etc. The biggest irony is that in many cases these certified individuals have enough activities they attend or do annually to meet the continuing education requirement and simply do not submit the paperwork.

But why does it matter? If you're CUSECO certified and no longer working in compliance, or CITLS and no longer in the logistics field, why maintain your certification? Why keep it up if you've been hired in your dream job within your chosen field? One reason is because it is a volatile job market. Tales of downsized departments, merged or acquired companies and the woes of looking for a new position in a period of economic downturn abound. Candidates are scrutinized not only when it comes to being hired, but also when it comes to

keeping existing positions. Every factor comes into play. At conferences, I've talked to students about the tangible value of their certification. I've been told certification could have resulted in a 5% or more in starting salary—and in this economy, 5% is nothing to sneeze at. Students tell me the CUSECO certification got them the job over a field of candidates with tremendous credentials. Hiring managers want to know the caliber of individual that they hire—certification gives them that quantifiable measure. Search firms tell us certification is important and that a growing number of applicants put their CUESCO for other certifications in their résumé and that potential employers are asking specifically for industry certified applicants. What is your status?

Some students believe no one will ever check the status of their certification—but that's the wrong assumption to make. There's nothing worse than hearing the resume screener sigh and say "That's a shame." Having a lapsed certification can place your resume in the wrong pile.

In a panic because you're about to expire? Or did you already let your certification lapse? Call a certification advisor today and talk about your situation and we'll see if we can work with you to get you back on track. Chances are, you've already done the work and it might be as simple as completing the paperwork. You've earned your certification and it continues to distinguish you from lesser prepared individuals. Even if you're now working in another field showing that you maintain your certifications—in whatever field they are in—speaks volumes about your pride in your accomplishments and your professionalism.

New Guidelines for Preparing Agreements Published by DDTC

GUIDELINES FOR PREPARING AGREEMENTS:: Technical Assistance Agreements Manufacturing License Agreements And Warehouse and Distribution Agreements published July 2, 2008.

The new Guidelines were prepared by the U.S. State Department Bureau of Political Military Affairs, Directorate of Defense Trade Controls (DDTC), Office of Defense Trade Controls Licensing. They are intended to serve as an aid in applying the International Traffic in Arms Regulations; provide clarity to Defense Trade Policy as it pertains to Agreements; and to establish a standard basis for submissions of agreements and related correspondence. Should changes to the regulations take place, the regulatory changes take precedent.

Source: <http://www.pmdtcc.state.gov/>

Non-U.S. Companies Learn Critical U.S. Regulation Issues

Companies the world over want to do business within the U.S. marketplace. Many want to provide goods and services, perhaps as a 3rd or 4th tier supplier, to U.S. aerospace and defense contractors, or to U.S. companies dealing mainly with goods generally licensed from the U.S. Department of Commerce's Bureau of Industry and Security or the U.S. State Department's Directorate of Defense Trade Controls. That has been a huge barrier to entry for small companies because of the difficulties involved. As a non-U.S. company what do you need to know to overcome this barrier to enter the U.S. market?

Non-U.S. - Continued on page 11

In Compliance....

Exporters Beware: U.S. Government Significantly Steps Up Enforcement Efforts

By Douglas Jacobson, Mark Andrews and Laura Martino
Strasburger & Price, LLP

Earlier this year, a Minnesota company was hit with \$800,000 in criminal and civil penalties for omitting certain facts in license applications submitted to the U.S. Department of Commerce's Bureau of Industry and Security (BIS) for the export of seismic testing equipment to India. These penalties were assessed for violations of the Export Administration Regulations (EAR), which impose licensing requirements and other controls on the export of controlled goods, software and technology. Last year, the maximum penalty would have been \$122,000 for the same infractions.

The increased penalties resulted from the enactment of the International Emergency Economic Powers Enhancement Act ("IEEPA Enhancement Act") on October 16, 2007, which raised the maximum civil penalty from \$50,000 per violation to the greater of \$250,000, or twice the amount of the transaction that is the basis of the violation.¹ The law also raised the maximum criminal penalty for violations of U.S. export control laws from \$50,000 to \$1,000,000 and imposed a maximum jail sentence of 20 years.

The U.S. government has signaled that it will pursue a wide range of violations of U.S. export laws with greater vigor than ever before. In addition to bringing more criminal cases for export control violations, the government has indicated that it will start enforcing even relatively minor violations of export laws, such as late or inaccurate filing of export data required by the U.S. Census Bureau. In response to this enforce-

ment crackdown, companies can prevent violations of export control laws and reduce the risk of exposure to the enhanced export penalties by reviewing, updating and improving their export compliance programs.

IEEPA Enhancement Act

The dramatic increase in potential civil and criminal penalties under the IEEPA Enhancement Act marks a major change in the enforcement landscape for companies involved in U.S. export transactions. The new IEEPA penalties apply not only to EAR violations detected by BIS, but also to various economic sanctions programs established and enforced by the Office of Foreign Assets Control (OFAC).

When IEEPA was originally passed in 1977, the maximum civil penalty was only \$10,000 per violation. Other than an inflation adjustment raising the maximum penalty amount to \$11,000, the first time that export penalties were increased was in 2005, when the civil penalties were raised to a maximum of \$50,000 per violation.² In the belief that even this amount was insufficient to deter violations of export control laws, BIS and other agencies involved in export enforcement pressed Congress to increase the penalties. The result of this effort was the IEEPA Enhancement Act with its \$250,000 maximum for civil penalties and escalation of criminal penalties. Even after this latest legislation, BIS is still seeking even higher penalties. A bill now pending in Congress, the Export Enforcement Act (S. 2000),

would increase the maximum civil penalties for violating export control laws to \$500,000 per violation and increase the criminal penalties on companies violating export laws to the greater of \$5 million or ten times the value of the exports involved.

Exporters should also be aware that IEEPA Enhancement Act civil penalties may be applied retroactively. Under current law, BIS and OFAC have the discretion to apply the increased civil penalties on violations that occurred prior to the October 16, 2007 effective date of the IEEPA Enhancement Act. For example, a company planning to file a voluntary self-disclosure for a violation that occurred prior to that effective date could be subject to the increased penalties.

Stepped-Up Justice Department Export Enforcement

Other departments of the U.S. government, including the U.S. Department of Justice (DOJ), have stepped up enforcement of criminal penalties for violating export control laws. Last year, DOJ and several partner agencies launched the Export Enforcement Initiative. Led by DOJ's National Security Division, the initiative is now training law enforcement officers, federal prosecutors and others to work in task forces to investigate and prosecute illegal exports and technology transfers. As a result of the new initiative, U.S. attorneys are better equipped to prosecute criminal cases involving export controls, which has resulted in more such cases being brought. For example, according to DOJ statistics in fiscal year 2007 there was more than a 50 percent increase in defendants charged with violating the primary ex-

In-Compliance - Continued from page 6

port control laws compared to the previous year.

Recent Cases

While only a small number of cases brought under the enhanced penalty provisions of the IEEPA Enhancement Act have been closed to date, it is clear that BIS and DOJ are moving aggressively to use their new powers, oftentimes pursuing parallel civil and criminal cases involving the same export violations.

For example, BIS assessed increased IEEPA penalties in the amount of \$400,000 against MTS Systems Corporation, the Minnesota company noted above. BIS charged MTS Systems with violating U.S. export law because its application to export seismic testing equipment to India failed to mention that the equipment would be used to test nuclear power plant components. The company also failed to mention in a second export license application that a U.S. restricted party in India provided funding for the sale or the possibility of a nuclear end-use. For each violation, BIS assessed a \$200,000 civil penalty – 80 percent of the maximum under the IEEPA Enhancement Act.

In a companion criminal case, DOJ obtained a sentence of two years probation and a criminal fine of \$400,000

against the same company for the same misrepresentations discussed above in its license applications. The plea agreement also required MTS Systems to implement and maintain a model export compliance program and sponsor an export compliance conference. This case is just one example of DOJ's expanded role in export enforcement.

As part of a similar multi-pronged attack, BIS assessed a civil penalty of \$132,791 against Engineering Dynamics, Inc. for violating export laws. The company was charged with conspiring with its agent in Brazil to sell Iran a U.S.-origin engineering software program for designing offshore oil and gas structures. The civil penalty assessed was equivalent to 53 percent of the maximum penalty under the IEEPA Enhancement Act. Furthermore, OFAC imposed an additional penalty of \$132,791 on Engineering Dynamics for violating OFAC's Iranian Transactions Regulations.

These civil penalties were supplemented with criminal penalties assessed against Engineering Dynamics' corporate owners and officers and the co-conspirator in Brazil for the same transaction. In the criminal case, DOJ obtained a guilty plea by two owners and officers of the company for one count of conspiracy to violate U.S. export laws by exporting engineering software to Iran through Brazil without proper government authority. Each of these defendants will face a maximum of five years in prison and a \$250,000 fine when they are sentenced in August 2008.³ The Brazilian co-conspirator was recently sentenced to 13 months in prison, while also being ordered to pay \$100,000 in fines and to forfeit more than \$109,000 in profits for his role in the prohibited exports to Iran.

Other Enforcement Initiatives

Another area of stepped up enforcement is the mandatory filing of Electronic Export Information (EEI), previously known as Shipper's Export

Declarations (SEDs). The U.S. Census Bureau recently issued a new rule requiring exporters to submit export data electronically on the Automated Export System (AES) prior to exporting goods from the U.S.⁴ The new regulation will go into effect on July 2, 2008 but will not be enforced until September 30, 2008. It imposes criminal penalties for knowingly failing to file EEI or for knowingly submitting false export information, while increasing civil penalties for filing mistakes or late filings. This new regulatory scheme transforms what used to be routine paperwork requirements into a new area for export enforcement.

Previously, the Census Bureau allowed exporters to submit export data either by filing paper SEDs or by transmitting the data electronically. As a result of the new rule, exporters, freight forwarders and carriers may only file such data electronically and must do so within stated time frames prior to exportation. The time frames depend on the mode of transportation used to carry the goods out of the U.S. For example, exporters must file EEI for ocean cargo with the exporting carrier 24 hours prior to loading of the cargo on the vessel at the port of export, while EEI for truck shipments must be filed one hour prior to arrival of the outbound truck at the U.S. border crossing.

Under the new regulation, exporters, forwarding agents and carriers are subject to civil penalties of \$1,100 per day or a maximum of \$10,000 per violation for filing failures or delays. Exporters may also face criminal penalties of up to \$10,000 or up to five years imprisonment (or both) for knowingly submitting false or misleading export information through AES.⁵



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in-Compliance - Continued on page 9



Country Profile
Republic of Latvia

The Republic of Latvia, commonly called Latvia, is in Eastern Europe, bordering the Baltic Sea, between Estonia and Lithuania. It is a democratic parliamentary republic and is divided into 26 districts. The largest religion is Christianity, although only 7% of population attend religious services regularly. It has a maritime climate with humid, wet, moderate winters and is slightly larger than West Virginia. Most of the country is composed of fertile, low-lying plains, with some hills in the east. Across Europe, Latvia's coast was known for its amber. The ancient Balts traded Latvian amber with Ancient Greece and the Roman Empire. Even today it is frequently used in traditional Latvian jewelry.

The name "Latvia" originates from the ancient Latgalians, one of four eastern Baltic tribes that formed the ethnic core of the Latvian people (ca. 8th-12th centuries A.D.). The region subsequently came under the control of Germans, Poles, Swedes, and finally, the Russians. A Latvian republic emerged following World War I, but it was annexed by the USSR in 1940. Latvia reestablished its independence in 1991 following the breakup of the Soviet Union. Latvia officially joined the World Trade Organization in Feb-

ruary 1999. Latvia joined both NATO and the EU in the spring of 2004.

Latvia's business environment has benefited from a shift to service industries after the country regained independence; the main environmental priorities are improvement of drinking water quality and sewage system, household, and hazardous waste management, as well as reduction of air pollution; in 2001.

Since the year 2000 Latvia has had one of the highest (GDP) growth rates in Europe. In 2006, annual GDP growth was 11.9% and inflation was 6.2%. The current account deficit - more than 22% of GDP in 2007 - and inflation - at nearly 10% per year - remain major concerns. Unemployment was 8.5% — almost unchanged compared to the previous two years. However, it has recently dropped to 6.1%, partly due to active economic migration, mostly to Ireland and the United Kingdom. The majority of companies, banks, and real estate have been privatized, although the state still holds sizable stakes in a few large enterprises. EU membership, a top foreign policy goal, came in May 2004.

Source: CIA World Fact Book

Latvia at a Glance

- GDP: \$39.73 billion (2007 est.)
- GDP - real growth: 10.2% (2007 est.)
- GDP - per capita (PPP): \$17,400 (2007 est.)
- Inflation Rate: 10.1% (2007 est.)
- Labor Force: 1.167 million (2007 est.)
- Unemployment Rate: 5.7% (2007 est.)
- Population: 2,245,423 (2008 est.)
- Exports: \$8.143 billion f.o.b. (2007 est.)
- Exports - Commodities: wood and wood products, machinery and equipment, metals, textiles, foodstuffs
- Exports - Markets: Lithuania 14.2%, Estonia 12.3%, Russia 11.5%, Germany 9.8%, UK 7.6%, Sweden 6.3%, Denmark 4.8% (2006)
- Imports: \$14.82 billion f.o.b. (2007 est.)
- Import - Commodities: machinery and equipment, chemicals, fuels, vehicles
- Import - Markets: Germany 15.5%, Lithuania 12.9%, Russia 8%, Estonia 7.7%, Poland 7.2%, Finland 5.7%, Sweden 5%, Belarus 4.7% (2006)
- Foreign Exchange Rate: lati per US dollar - 0.5162 (2007)
- Internet Users: 1.071 million (2006)
- Internet Hosts: 234,014 (2007)



in-Compliance - Continued from page 7

The Census Bureau has indicated that BIS and the Department of Homeland Security (DHS) – including Customs and Border Protection (CBP) – will have enforcement authority over export violations under the new rules, such as filing errors made via AES. The escalated penalties and enhanced enforcement authority under the new regulation require a new level of due diligence by exporters, freight forwarders and carriers in submitting export data.

Export Compliance Programs

As U.S. export enforcers intensify their enforcement activities, there is a greater need for companies to increase their compliance efforts. An effective internal compliance program can help prevent companies from committing violations of export control laws and regulations, and can also help to substantially reduce penalties when violations occur. According to BIS's penalty enforcement guidelines, the presence of an effective compliance program is a mitigating factor to which BIS accords "great weight" in determining penalty amounts.

BIS's Office of Export Enforcement has set out nine specific factors that are considered in assessing whether a compliance program is effective, such as the existence of a customized training program for personnel and management, compliance manuals, centralized oversight, and evaluation plans that prompt remedial measures for violations.⁶ BIS will also consider such factors as to whether a party's export compliance program was effective in uncovering a problem (thus suggesting that the program will help prevent further violations), and whether the party has taken steps to correct deficient internal procedures that may have led to the violation.⁷

Conclusion

The U.S. government now has greater discretion and capacity than ever before to enforce U.S. export laws and to apply higher penalties for export control violations. It is clear that companies having effective compliance programs can reduce their exposure to penalties for export control violations. It is increasingly important, therefore, for companies and their management — working with export compliance experts as appropriate — to understand the laws that apply to the export of their products and to enhance their export compliance programs.

¹ Pub. L. 96-110, 50 U.S.C. § 1705.

² USA Patriot Improvement and Reauthorization Act of 2005, Pub. L. 109-177, March 9, 2006.

³ DOJ has agreed not to impose the increased IEEPA criminal penalties retroactively.

⁴ See Foreign Trade Regulations: Mandatory Automated Export System Filing for All Shipments Requiring Shipper's Export Declaration Information; Final Rule, 73 Fed. Reg. 31,548 (June 2, 2008).

⁵ 15 CFR § 30.71 (effective July 2, 2008).

⁶ www.bis.doc.gov/complianceand enforcement/pec_program.pdf.

⁷ See 15 CFR Part 766, Supplements 1 and 2.

About the Authors:

Doug, Mark and Laura are members of Strasburger & Price's international trade compliance practice team and are located in the firm's Washington, DC office. See www.strasburger.com/practice/index.asp for more information on Strasburger's international trade compliance practice and the firm's international trade law blog, www.tradelawnews.com.

Are you a Student of History?

If you are a history buff or just curious about history, you may want to look at a new course available at the IIEI. It's called Introduction to the American Revolutionary War. (IIEI-188) It's about the events and people that helped shape the world today. In this six-week course, students examine four key historic engagements in American military history, the eras in which they took place, key figures associated with the battles and the long-term effects of each that became turning points not just in military history but world history. Students master basic relevant terminology and symbology. Students learn the causes and outcomes of each battle, and how these events shaped the military in the world today. This course helps student develop an analytical framework to examine conflict throughout modern history and throughout the world.

This elective course, which examines American Revolutionary War events, also helps students fill the general broad bachelor degree credit requirement. It does not advocate war or military might. IIEI offers the course simply as an elective that may be of interest to individuals worldwide with an interest in world history and events that have shaped the world of today.

For more information, contact an Enrollment Advisor at (800) 474-8013 and reserve your space in this exploration of American history.

Free Zones - Continued from page 1

free zones in order to attract different types of foreign investments.

Mahmoud Qteishat, director general of the Free Zones Corporation (FZC), was selected as secretary general of the union, which will be based in Amman.

According to Qteishat, the participants stressed the importance of coordination between all 35 Arab free zones in order to take measures and amend legislations to attract Arab investments.

The participants discussed challenges and difficulties hindering the development of joint Arab trade as well as the impact of bilateral and international trade agreements on the free zones, Qteishat said.

The forum stressed the importance of including free zones in the Arab free trade agreements and increasing custom exemptions and incentives for investments in free zones.

On the sidelines of the event, the forum's administration signed an agreement with the International Import-Export Institute under which the institute will give a \$60,000 grant to 10 institutions at Arab free zones concerned with the implementation of relevant international standards and market strategies.

Ahmad Abdul-Aziz, director general of the Syrian Free Zones, said that after obtaining the endorsement of the Arab League on the union, membership forms will be distributed to all Arab free zones, explaining the aims and objectives of the union. He added that membership was open to free zones and not limited to countries.

According to Qteishat, there are 35 Arab free zones spread over 13 countries with a total of \$8 billion of investments.

The forum, opened by Finance Minister Hamad Kasasbeh on behalf of Prime Minister Nader Dahabi,

Free Zones - Continued on page 11

10 Things to Know About CEUs

(IIIEI Certification's Continuing Education Units)

by Brice Macartney and Caulyne Barron

1. What are CEU's?

CEUs are Continuing Education Units, not to be confused with Credit Hours. Each certification requires certified individuals to earn a certain number of credits within the assigned time interval.

2. Why are CEUs required every year for the CUSECO unlike the other certifications that have a five-year requirement?

The world of Export Compliance changes at an incredibly rapid pace. You are the spearheads of this fast-paced industry. As such, we support your need to continue growing and setting the standard in export compliance. By requiring yearly CEUs for the CUSECO certification we are advocating that internal drive you have to keep learning and growing.

3. Do I have to sign up for IIIEI classes for CEU requirements?

No. IIIEI courses are perhaps the easiest option because one course fulfills the 10 CEU requirement, and is attributed to your certification automatically.

4. Do all of your classes qualify for CEUs?

Not every IIIEI course qualifies as continuing education credits for every certification. General education courses (not centered on international trade) do not qualify. But the majority of courses do. Discuss your learning objectives with your advisor to find the best qualifying course to meet your personal needs and goals.

5. What else qualifies?

Conferences, internal training, other courses and workshops meet the

CEU requirement. For a list of accepted training, visit

www.expandglobal.com/programs/certifications/continuing-education-requirement/ Events and training not listed are reviewed on a case-by-case basis.

6. My company has internal training, does that qualify?

It can and often does. Forward the agenda of topics covered to the certification department for review.

7. If I accrue more than the required 10 CEUs for the year, do the extra CEUs "roll over" to the next year?

Unfortunately, we cannot "roll over" CEUs to the next re-certification period. Many certified individuals greatly exceed the CEU requirement each year, further demonstrating their commitment to staying abreast of changing trends within their industries.

8. What can I do if I am 2 or 3 CEUs short?

Most students neglect to submit internal training with their CEUs. BIS also offers webinars that can earn additional CEUs.

9. Don't wait until the last minute to submit your CEU application.

Many certified individuals wait until the last moment to submit their CEU application, only to find that they are a few CEUs short. Rather than scrambling to find that missing CEU or two, early action can make the process simple and smooth.

CEUs - Continued on page 11

Non-U.S. - Continued from page 11

In answer to this question, the IIEI's Curriculum Development Team has developed a new six-week online class titled: "Export Compliance for non-U.S. Companies" (IIEI-060). It was designed at the request of industry leaders worldwide who sought training that focused on giving their employees answers to the practical issues and concerns of doing business in this highly regulated environment—when they were not a U.S. company. This non-college credit course will be available Fall 2008. Keep watching IIEI's web site for start dates. It is expected to fill up quickly. Want to be placed on the waiting list to reserve your seat? Call (800) 474-8013 and speak with an IIEI Advisor today.

DDTC - Continued from page 5

Novato, California. Bujduveanu owns and operates Orion Aviation Corp., located in Plantation, Florida. The affidavit alleges that since August 2006, Keshari and Bujduveanu have procured U.S.-made military aircraft parts in the United States for buyers in Iran and have illegally shipped the parts to a company in Dubai, United Arab Emirates, for shipment to buyers in Iran. Keshari allegedly received the orders for specific parts by e-mail from buyers in Iran. Keshari then requested quotes, usually by e-mail, from Bujduveanu and made arrangements with Bujduveanu for the sale and shipment of the parts to a company in Dubai. From Dubai, the parts were then shipped on to Iran.

Among the aircraft parts that Keshari and Bujduveanu are alleged to have obtained and illegally shipped to buyers in Iran are parts for the CH-53 military helicopter, the F-14 Tomcat fighter jet, and the AH-1 attack helicopter.

Source: /www.usdoj.gov/opa/pr/2008/June/08-nsd-558.html

CEUs - Continued from page 10

10. Ask for help—that's what training advisors at IIEI are for.

Your certification advisor is an advocate for you. The goal is to make getting and staying certified a process in which you feel supported. If you have a question about your certification, don't hesitate to call.

Brice Macartney is a certification advisor and can be reached at bmacartney@expandglobal.com. Caulyne Barron is IIEI Vice President of Online Programs and can be reached at cbarron@expandglobal.com.

Free Zones - Continued from page 10

aimed at creating a practical business climate in the Arab free zones in order to attract different types of foreign investments.

Source: http://www.menafn.com/qn_news_story_s.asp?StoryId=1093198769

Announcement

Export Compliance for Non-U.S. Companies Course (IIEI-060) soon to be completed. Foreign companies should get on the waiting list for this highly demanded three-week non-college credit course.

Contact Brice Macartney at bmacartney@expandglobal.com

ITAR Conference in Phoenix in May 2008



(Left to right) Julie Abbit, Senior Compliance Manager and Empowered Official with Boeing's, McDonald-Douglas Apache Helicopter; Brenda Nicacio, Contract & Export Manager, Nivisys Industries; Dan Bjerk, Compliance Manager, ICx Radar Systems and Larry Christenson with Miller and Chevalier.

Visit www.usexportcompliance.com



ALL of the top **50** U.S. aerospace and defense companies have enrolled employees in courses leading to industry certification.



IIEI Reaccredited

Dunlap-Stone University is pleased that during the semi-annual meeting in June 2008 of the Accrediting Commission of the Distance Education and Training Council, the Commission granted our university, of which IIEI is a part, accreditation until 2013. Well done everyone. This culminates a process that took nearly a year to complete. DETC is recognized by the U.S. Department of Education as a provider of accreditation.

Bachelor of Science in International Trade Management Degree Conferred

The faculty and administration of Dunlap-Stone University's International Import-Export Institute proudly announce that Raj Ohneswere graduated *Summa Cum Laude* at the end of the Spring Term 2008.

Raj earned his Bachelor of Science in International Trade Management Degree with dual emphasis areas: Trade Compliance Management and Global Supply Chain Management. Congratulations, Raj, from all of our staff.

Export Compliance Appreciation for Non-Compliance Personnel Course (IIEI-116) Announced

Developed at the request of many organizations, this three-week course provides non-trade compliance personnel with a general understanding of export compliance regulations and illustrates how these regulations impact the duties and responsibilities of individuals throughout the organization. It is best suited for employees of organizations whose products are regulated by either the U.S. International Traffic in Arms Regulations (ITAR) (22 CFR 120-130) as administered by the Directorate of Defense Trade Controls, the Export Administration Regulations (EAR) (15 CFR. 728-774) as administered by the Bureau of Industry and Security and compliance regulations from other government agencies.

Individuals who should consider taking this course are: international sales personnel, international sales managers, operation managers (who have subordinates that perform the export compliance function), and

other logistics or operations support personnel who are involved (directly or indirectly) in exporting or movement of goods or services toward foreign markets that fall under these two important sets of regulations.

The focus of this course is providing a general understanding of the broad issues and problem sets that should be considered by a company that must conform to these regulations. Causes of export violations are explored and proactive measures and policies are considered that can help the entire company comply and mitigate the liabilities associated with compliance. Discussion also centers on personal liability issues individuals (directly and indirectly involved parties) may encounter as a party to an export violation.

Starts July 31st. Enroll today. For questions, contact an enrollment Advisor at (800) 474-8013.

Two New IIEI Certifications for Imports in Final Revision

Volunteers of the Certification Board of Governors' Ethics and Professional Standards Committee (EPSC) will soon complete their review of two new import certifications. In this next step, the EPSC will make recommendations to IIEI Certification on the specific content and courses of study they recommend should be included in each of the certifications. The working description of each certification is shown below. The new certifications are career oriented: A Certified U.S. Import Professional™ is a "journeyman" in the field and a Certified U.S. Import Compliance Officer™ is a senior official who oversees the importing function.

These programs should be available beginning in late Fall 2008. For more details and for questions regarding these certifications, speak with an Enrollment Advisor at (800) 474-8013.

Certified U.S. Import Professional™ (CUSIP)

A CUSIP™ possesses an exceptional working knowledge and competence of U.S. Government import rules, regulations and processes and demonstrates proficiency in performing the associated tasks and activities required as an import professional overseeing the movement of goods into the U.S.

Certified U.S. Import Compliance Officer™ (CUSICO)

A CUSICO™ demonstrates extensive and superior working knowledge of all U.S. Government regulations and practices impacting the importation of goods into the U.S. and has a full and complete understanding of all aspects of the duties and responsibilities of managing the importation of goods into the U.S.



IEI Certifications

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

Certified Exporter®

Kully Nelson – CA Lori Sweetman – VA

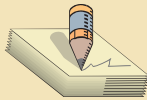
Certified U.S. Export Compliance Officer®

Larry Abadie – CA	Kathryn Lafay – NY
LaQuita Donald – TN	Kristine McMahon – MN
Cecilia Emmanuel – MD	Juan Misle – FL
Andrea Gomez – AZ	Charles Murphy – TX
Paula Ireton – MD	Carlos Vela – TX
Karen Kibler – CA	Tyler Ward – CA
Ryszard Kokoska – IL	Phil Yewlett – WI

Disclaimer: IIEI Certification credential testing is separate from Dunlap-Stone University and the International Import-Export Institute. Distance Education and Training Council (DETC) accreditation does not cover such certification. All courses offered by DSU/IEI that help prepare individuals for IIEI Certification testing are accredited by DETC.

Two New Import Certifications Announced

See article page 12



IEI Student Honor Roll

Honor - Distinction - Excellence

The students shown here have demonstrated outstanding "A" performance for two or more consecutive semesters.

Stanley Allen
Lisa Baumer
Robert Beaman
Jennifer Beddingfield
Janna Bevins
Robert Bromley
Cyeda Burnette
Tim Busch
Eddie Chan
Brad Chatfield
Kandis Chocek
George Clark
Diana Courter
Alice Dakujaku
Karen Flanigan
Cathy Forgey
Jarred Fishman
Suzanne Garmon-Dukes

Janice Glad
Jodi Grewe
Kimberly Gurski
Julie Hartman
Cindy Hollohan
Sean Houle
Paula Ireton
Melissa Italia
Brett Johnson
Nathan Johnston
Ji Kinnear
Ryszard Kokoszka
Kristen Kopp
Laura Koss
Katie LaFay
Sarah Leeming
Jennifer
Lewandowski
Maria Lievanos

Lisa Maldonado
Patti Mann
Frederick Martin
Patrick Matsumura
Rita McCabe
Kaori McCoy
Mackalister Medina
Michael Montez
Angie Nelson
Michael Noack
Raj Ohneswere
Mandy Overholts
Kristen Pittas
Evelina Protasova
Robyne Roberts
William Roden
Heidi Sankey
Shelley Staggs
Toni Stivers

Lori Sweetman
William Tallon
Li Tao
Terri Taylor
Sharon Tenglin
Darlene Torres
Robert Valdivia
Brent Vanwey
Jason Wells
Shallyn Williams
Michael Wineinger
Alicia Worthington
Phil Yewlett
Anne Young
Philip Zerbe

Congratulations!



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