



# Global Watch®

THE NEWSLETTER OF THE INTERNATIONAL IMPORT-EXPORT INSTITUTE  
AT DUNLAP-STONE UNIVERSITY  
19820 NORTH 7TH STREET, SUITE 100, PHOENIX, ARIZONA USA 85024

MARCH/APRIL 2014, VOLUME 13, ISSUE 2

**Government  
Sequestration Relief**

## U.S. Government Employees Granted Special Tuition Rates at DSU

Dunlap-Stone University's Board made a policy change that impacts all direct US Government (USG) employees. In response to requests from USG employees in all agencies for discounted pricing for the school's regulatory trade compliance law related classes due to the USG funding cut-backs—the sequestration, the school's Board approved their request: Effective March

1, 2014, all USG employees receive a 25% tuition discount.

**All USG  
Employees  
can receive a  
25% tuition  
discount...**

The discount applies to all individual courses, certification programs and undergraduate and graduate degree programs, including the new, highly regarded accredited Master of Laws in U.S. Regulatory Law program, the Master of Science in Regulatory Trade Compliance degree as well the BS degree with an emphasis in Trade Compliance Law.

Those seeking the special discount must first submit a signed letter on government letterhead requesting the discount prior to registering for a class. The letter will be kept on file in their student records. This discount is not retroactive and can not be used or combined with any other discount, military tuition discount or university grant. All other university registration and enrollment requirements still apply.

Contact an enrollment advisor for complete details and limitations. Note: Does not include contractors.

## *You Don't Always Have to Get an "A" in a Class or Do You?*

When students taking trade compliance related classes at Dunlap-Stone are told that they don't have to get an "A" in the class they are in, the response from students may shock some people not familiar with DSU's students and the regulatory compliance industry in general. The suggestion of getting less than an "A" made by an advisor when a student complains, when students say they are buried at work and don't have the time to juggle their life, work and the class, was meant to reduce the stress and demands on them. In every case when the suggestion is made about getting a grade less than an "A", the same explosion comes from the student. Getting less than an "A" is completely unacceptable! It is unthinkable say students. The reason is DSU's compliance oriented students are overachievers, if

"overachievers" is a strong enough word to describe them. Some call them driven, obsessive compulsive, perfectionist, thorough and similar adjectives. The school calls its students typical, dedicated trade compliance professionals.

Most of the school's students are unwilling to earn less than an "A" regardless of their personal work load. In the classroom they give a 110% effort in mastering the regulations and in clearly communicating and helping their classmates. It is a wonderful thing to have a class full of over achieving students embrace the learning of trade regulations so fully.

Sometimes advisors, knowing a student enrolled in a course for the knowledge and that a grade is not important,

*Achiever- Continued on page 5*

**Attorneys  
"Middle Class" Route Opens  
Page 3**

**Classes Starting Soon  
Page 14**

**Read about Treasury's  
New Code "FSE"  
Page 5**

**In-Compliance:  
Read What Happens Next  
Page 6**

**Export Control Time  
Table Published  
Page 8**

**Training Frustration  
Page 9**

**BIS: NEWS & Sanctions  
Page 10**

**DDTC Update  
Decision Tree Tools  
Page 11**

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## Notes from the President

**Simply Amazing!**

*by Dr. Donald N. Burton*



You have seen the changes over the past few years here at Dunlap-Stone University. It is simply amazing to me. It is when each new issue of GlobalWatch® is about to go to press that I have the opportunity to reflect on all of the little and big changes at the same time as I write my column. I am pleased that so many people have helped us meet the needs that now circle the globe.

The two lead articles on page one couldn't be more different and yet they are directed to the same people—the people who help make international trade safe, our nation's export compliance gatekeepers, whether they are inside or outside the government. I think the article about "A" will hit home with many.

The article on page 3 about attorneys' need to detour came about because of the flood of attorneys we hear from who are looking for a new practice area to replace something that is now gone. I hope it encourages hope and opportunity to those in need. Our new masters degrees advertised on page 5 might be the ticket for attorneys needing to start a new.

Most senior managers of exporting companies don't know what to expect when their company violates export laws. Our article on page 6 sheds some light on the possibilities. The changes in export laws, moving items from the ITAR to the EAR, are still in progress. The Ex-

port Control Reform (ECR) table on page 8 lays out the government's ECR timeline.

Everyone knows compliance personnel need to know the regulations. What they experience is frustration in trying to meet that need. The article on page 9 examines the topic and issues. As usual, GlobalWatch® includes updates from both BIS (see page 10) and DDTC (See page 11).

Our staff thought it might be worthwhile seeing how New Year's Resolutions are going for everyone. (See the article on page 12) On page 13 you will see the number of class offerings is continuing to grow. What is different is that those who wait to enroll until the last minute are finding classes are often full. Enroll early.

Most people don't closely examine our bachelor degree in international trade management. The article on page 14 does that. That gives you some idea of why people that already have a bachelor get a second bachelor degree here at DSU. It makes perfect career sense. (Cents and dollars too.)

Congratulations to Kristen Pittas! She has graduated *Magna Cum Laude* earning her Bachelor of Science in International Trade Management. (See page 15) And well done to all those who earned a place on our Honor Roll!

As always, thank you for your continued, strong support. Be well.

## Historical Path to the “Middle Class” for Attorneys Takes a Detour and Gets a Green Light

### Changing Law Landscape

The practice of law is changing and some attorneys are beginning to adapt. According to published reports, job prospects for those soon to be graduating from law school are bleak or dismal for all but the best students graduating from the best schools. Experts say half of all law firms that traditionally hire new attorneys are hiring a small fraction of the number they used to hire. This tells soon to graduate law students that a “vanilla JD law degree” is not enough. This poses a serious challenge to law students who must start repaying huge student loans after they graduate. But these law students are not your average student. They are smart, focused and looking for career potential. They watch the news; they see what’s happening in the world around them. They recognize the change that is happening and they are looking for new opportunities.

### Follow the Money

For many decades the smartest, career motivated students in college have generally followed the old axiom: “*Follow the money*” (earning potential) when looking at careers. This historically has assured them of access to the middle class. In earlier years, many of the most ambitious and brightest became engineers, business men, computer scientists, and doctors when those occupations were at their zenith of earning potential. Entering these career paths paved the way for the brightest to potentially gain entry into the upper middle class. For decades, law was no different. It was the ticket. Now with the industry climate in decline, many law students and potential law students are having serious second thoughts about their choice of becoming a lawyer. The truth is some fields of law will never again be the “gravy train” to the middle class the way they once were. Times have changed. Most current law students are caught unprepared. They are scrambling to find a viable path that will enable them to repay their student loans. It is almost secondary to many at this point that the path chosen has career potential. They are trying to adjust to the economic realities and stay afloat.

The information age is a huge factor in the changing landscape they face. The nearly free availability of knowledge—legal knowledge—changes the demand for legal services. The Internet has made legal knowledge readily available to the consumer with just a few clicks. The knowledge historically provided by an attorney, costing consumers hun-

dreds of dollars, is now available from a Google search. Legal Zoom and others provide simple services at a fraction of the cost that was once the “bread and butter” of many practices. It paid the rent. But a much more profound change has occurred as a result of the Great Recession.

Large national companies have had to tighten their belts during the Recession. They looked hard for any savings. What they discovered was to continue running an “open tab” with their law firm was too expensive. In huge numbers they cut back and asked for a quote first and then a simple bill for services. They discovered that by watching their costs there was tremendous savings possible. Seeing the huge savings, all agree they will never go back to the “open tab” method. That move cost large national law firms, according to several sources, as much as half of their previous revenue. No longer were cost undefined, buried in reams of hard to read tabulated statements. Now they were managing costs. With reduced revenues, law firms had to quit hiring all the associates that for decades had made senior management rich on their large clients’ expense-tabs. This changed the career path and job possibilities for many young lawyers. The majority of law students who thought they were going to ride that historical wave up the ranks into middle class within a large law firm now must find another way.

### Attorneys Change with the Times

Smart attorneys always follow the “need”, especially in times of change. They are quick to adapt to market needs. They listen to what is happening around them. In business they know corporations need to mitigate any risks to shareholder value. These clients are the most



This lapel pin signifies the wearer has attained IIEI Certification’s highest-level of industry recognition of proficiency over the ITAR regulations and its administration.

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Advertisement



*Attorney- Continued from page 3*

likely to be willing to pay for expensive legal services, especially if there is huge financial risk at stake. Looking at different legal specialties, there are not many legal areas that offer newly-minted attorneys the opportunity to compete against experienced practitioners to help clients with this level of risk management. There is one legal specialty, however, that has emerged over the past few years that is in high demand and has a shortage of trained practitioners that meets this criterion: the new discipline of *Regularly Trade Compliance Law*.

### **Regulatory Trade Compliance Law: A Sub-Discipline of ITL**

As a sub-specialty area of International Trade Law (ITL), *Regulatory Trade Compliance Law* gained stand-alone importance in the first decade of 21<sup>st</sup> Century. Prior to the terrorist events of 9/11, it was a small topic area discussed briefly, if at all, in international trade law courses or programs in law schools. Since that time, the level of complexity of corporate cross-boarder trade compliance, regulatory trade compliance, and the specific rules and regulations governing trade compliance have multiplied, and most importantly, the consequences (fines and penalties) for violations have become much more significant. The potential for a violation to seriously threaten companies' existence is real. As fines reach into the millions and tens of millions of dollars for violations, companies have elevated the role of compliance from that of overlooked shipping clerk to that of legal professional.

In part this shift can be seen in the exponential increase in both the volume and complexity of export regulations governing goods enter-

ing or leaving a country, particularly the U.S. Governed by administrative agency rules, the discipline of regulatory trade compliance has developed its own language and definitions. As a result, this sub-discipline of international trade law has become an important, massive discipline on its own. The specialty of regulatory trade compliance law also contains individual sovereign nations' rules and regulations controlling the movement of goods across national borders and the multilateral agreements between nations that impact these regulations.

### **Firms of All Sizes Need to be Served**

Large, multinational firms serving global markets and small firms just entering international sales both need legal assistance at two times—when they have been cited for a violation of export laws by the U.S. Government and to prevent and mitigate the potential risks associated with trade violations. The consequences of a violation can be crippling to even the largest multinational corporations. Serious violations can cause the loss of export privileges and that can put even the largest firm out of business. Small firms with international sales face the same risks. Both need legal advice and assistance. Exporting firms are willing to pay for the legal expertise that minimizes their exposure to these risks. The rules and regulations that impact trade emanate from nearly 20 different government agencies and governing bodies. It has grown into a highly paid, complex legal specialty that has a severe shortage of trained legal professionals to draw upon.

### **Need Exists All Across America**

Attorneys with this expertise are needed by companies all across the nation as small and medium size businesses begin to broaden their markets globally. Every town and city

across America needs attorneys that are educated to keep the nations exports safe and to protect their clients from the risks associated with international trade violations. For lawyers with this knowledge the money is flowing in an ever larger stream yearly as the global marketplace evolves.

### **New Law Degrees Emerge to Meet this Educational Need**

To meet this increased demand, Dunlap-Stone University has developed two graduate law degrees to supply the needed knowledge, skills and expertise needed to meet this demand. It is the only accredited university to offer accredited graduate law degrees in *Regulatory Trade Compliance Law*.

When attorneys look at the two newly accredited masters degrees that make attorneys "practice ready" from Dunlap-Stone University it isn't a given which law degree they will choose. There are advantages to lawyers for choosing both. The type of law practice or focus will help determine their choice.

For attorneys whose focus is on assisting U.S. firms in matters of U.S. export laws and regulations, the Master of Laws (LL.M.) in U.S. Regulatory Trade Law may be a good fit. As a practical and applied program, it addresses the body of laws and regulations of the United States as they impact U.S. importers and exporters. It has the advantage of being a one year program. It also educates attorneys on the multilateral trade regimens in which the U.S. is a party. This is an ideal program of study for those who wish to add regulatory trade compliance expertise to their existing practice area or for those seeking to focus narrowly in this area.

The Master of Science in Regulatory Trade Compliance is broader

*Attorney- Continued on page 12*

**Achiever-** *Continued from page 1*

will recommend to students who are super busy and in overload mode to consider changing their status to “Audit” for a course so that the pressure of earning a grade is removed. It almost always gets the same response from students. It is unthinkable.

One thing is for sure: If students enroll in one of the university’s trade compliance related courses, chances are their classmates will work just as hard to ensure every other student in the class learns the regulations as they do learning them themselves. They are obsessive about compliance. Period.

**Read about a New Course Starting Soon**

*U.S. Import of Munitions Regulations for ATF&E*

See page 14

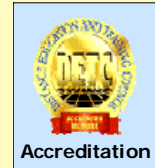
**U.S. Treasury Department Introduces New List Code, “FSE”**

*By Cindy Shull Lakey, MK Data Services*

Office of Foreign Assets Control (OFAC) introduced a new list on February 6, 2014. The introduction of Foreign Sanctions Evaders List (FSE List) is to identify foreign persons sanctioned under Executive Order 13608, “Prohibiting Certain Transactions With and Suspending Entry Into the United States of Foreign Sanctions Evaders with Respect to Iran and Syria”. This new list will be combined with the OFAC’s Specially



**Education Requirements for Advancement within the Trade Compliance Industry are Changing Quickly. Are you Prepared?**



## Graduate Law Degrees

### Master of Science (MSc) - Regulatory Trade Compliance

This online 36 credit-hour, year and a half accredited masters of science degree is open to those who possess an accredited bachelor degree from a U.S. institution (or equivalent) and who meet the program’s entry requirements.

**Next Start Dates**  
**May 8<sup>th</sup>, July 31<sup>st</sup> and**  
**October 23, 2014**

### Master of Laws (LL.M.) - Regulatory Trade Law

This is DSU’s first online accredited law degree. Students enrolling in this one year (28 credit-hour) program are required to have earned a Juris Doctorate (JD) degree and meet the university’s other entry requirements.

**Next Start Date**  
**July 3, 2014**

## Now Enrolling

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Designated Nationals and Blocked Persons List (SDN) with the layout of names and address information to be identical to the current layout of names on the SDN List.

E.O. 13608 gives Treasury new authorities. First, it strengthens Treasury’s ability to address behavior by foreign individuals and entities determined to have violated, attempted to violate, conspired to violate, or caused a violation of U.S. sanctions on Syria or Iran.

Placement on the list is considered “identification,” not “designation,” because according to



a *Treasury FAQ page*, the action doesn’t block any assets. But Americans can’t do business with anyone on the new list without authorization from Treasury’s office of Foreign Assets Control.

# In Compliance....

## What Happens Next When Export Violations Occur

*DSU Staff*

After identifying a possible violation of export laws has occurred, US Government (USG) officials quickly zero in to determine the cause of the violation and the agency's course of action. Depending on the severity of the violations, their impact on national security and their cause, the breadth and depth of the instance and the reputation of the offending firm, an on-site investigation may be ordered. If the violation was voluntarily disclosed and investigating officials feel it was explained and documented to the government's satisfaction, a visit may not occur. However, if the violation was not voluntarily disclosed and there are concerns, a visit is often deemed warranted; it may be announced or unannounced.

During the visit, one of the most important considerations is the demonstrated effort put forth by the offending firm in proactively maintaining complete compliance with all USG agencies' rules prior to the violation and the effort put forth in fixing what caused the current violation. Equally important is what the organization has done in light of the violation to ensure that whatever caused the violation will not happen again. These key points cannot be overstated in importance. The quality of the overall effort by the offending firm helps USG officials determine what actions, sanctions and remedial efforts are to be leveled against the violator. The regulations require officials to carefully consider what effort the violating firm has made to guard against future violations. Though

not an official breakdown listing of the possible causes of violations, here are a few of the general categories:

### Human Error

No matter how hard humans try to prevent mistakes they can happen. Mistakes in this realm are called systemic errors. The compliance system works properly, it is just human error that caused the violation. Systems fail for technical reasons and people make human errors. Other than human error, all other failures should not happen as the reasons for such violations can be prevented with systems checks and balances. Even human error can be reduced with a systems approach providing proper oversight and controls to prevent errors by any single person. Thus in the USG's view, these violations are preventable when a systems approach is taken.

### Dominancy Factors Outside of the Compliance Department

When other factors take dominance over compliance, such as deadlines, sales quotas, fear of loss of job due to terms of an agreement not being met, the likelihood of violations increase. In this instance the system of controls put in place to assure compliance are ignored or circumvented and replaced with higher-ranking personal agendas that do not consider trade regulations. This shows a failure of the compliance effort as a system and is taken most seriously by the USG.

### Purposefully Ignoring the Law

Organizations that put sales in front of compliance generally get the most severe penalties, including possible debarment.

### Ignorance of the law

Based on codified law "ignorance of the law" is no excuse. By entering into an international trade transaction, the exporter or importer affirms that he will abide by all applicable laws. That means all parties to the transaction are held to the same knowledge standard thus imposing the legal necessity that exporters and importers be knowledgeable and in compliance with all regulations impacting trade. Although a third-party such as a shipper or freight forwarder may be involved in the transaction, in most cases, the final responsibility for regulatory compliance remains with the exporter of record (U.S. *Principal Party in Interest* (USPPI)). There is no defense "for ignorance of the law".

### Dedicating too few resources/people

Mistakes made because of lack of compliance knowledge or expertise is seen as a systems failure by the oversight authorities. This often happens because senior management considers trade compliance as a "cost center" and thus a cost to be minimized. This can mean too few people in the compliance system, too minimal an organization structure, limited training of compliance staff or inadequate operation budgets. In short, to the USG allocating too few resources to the compliance effort is a system failure.

Each time a resource is reduced by senior management in times of budget constraints it may be viewed as acceptable if processing orders continue and no obvious violations occur. Over time the compounding



**Violations-** *Continued from page 6*

effects of these cuts or the lack of more resources as compliance becomes more complex virtually assures the organization of a system failure at some point. The important question is: what is the correct budget level and resource allocation to the trade compliance department within your company? One simple test to answer this question is: How many hours per day do the salaried compliance personnel have to work to do their job? In many companies the answer is 3-5 hours more per day. How accurate is a compliance staff member after weeks and weeks of 13-14 hour work days? Exhaustion causes mistakes and mistakes are violations.

Not supported by senior management/ lack of supervision

When senior management is not vested with a compliance attitude much can go wrong. Investing in an active company culture supporting compliance across the whole enterprise is the least costly alternative. As companies who have made violations will tell you, the remedial costs—fines, penalties and legal fees far outweigh the cost of building a first rate compliance system.

Compliance Personnel Ineffectively Used

Historically many compliance personnel spend a considerable amount of their time—sometimes 40 to 50%—NOT providing licensing and oversight control of the compliance process they were hired to perform. Instead they are used for something they are not trained or educated to do: They are used as trainers and teachers to teach the rest of the organization about trade controls. When they are training others, at that moment, the organization does not have a guardian of exports attentively being the watchdog of

every step of export licensing effort. Even though compliance personnel are knowledgeable about the regulations, it does not make them effective educators—they are hired to be experts at maintaining compliance with the regulations. Letting them do their job full time as the compliance gatekeeper is needed; it is a full time occupation.

Lack of knowledge/ competency

When front-line compliance workers lack the requisite knowledge or competency to provide oversight for licensed exports it puts the firm at considerable, mitigatable risk. The axiom that an organization's trade compliance effort is only as strong as its least trained frontline worker holds true: Even if the compliance worker is dedicated and attempting to do things right, lack of knowledge of part of the rules and regulations is most likely where the violation will occur. That person will be the weakest link in the chain.

Failure to have policies and practices in place to manage compliance

Even if policies exist, if the organization does not follow its compliance policies and procedures, the organization will be seen by the USG during an audit as having a systemic failure to comply with regulations. If the compliance process manual for the firm is out of date or the training materials are out of date, the USG views this as a systems failure.

If the organization relies upon frontline workers to maintain the

policies and compliance training materials for the organization, those workers may be spending a huge percentage of their work hours updating records and not focusing on the daily monitoring activities of exports and licensing controls. The key is keeping compliance staff members' focus on the daily gatekeeper actions and licensing effort. Failure to do that is seen as a systemic failure of your compliance effort.

Repeat Offenders

Organizations that are repeat offenders for the same violation receive the most severe consequences for the USG. This management failure proves that the remedial efforts agreed to after the first violation were not followed. Even more severe is if it is discovered that the organization is incapable or incompetent of maintaining compliance. Loss of export privileges are a real possibility for this failure. Having compliance staff members focus on issues not pertaining to the daily monitoring of export license has been reported as cause for repeat offenses.

The US Government sees any violation, whether systemic or otherwise, as a serious offense. As the adage goes, "an ounce of prevention is worth a pound of cure". Having a highly trained and focused trade compliance apparatus whose sole purpose is to develop and maintain a systemically strong compliance effort is the only way to prevent violations. A wise manager does not to know what happens next after a violation occurs at his or her organization.



**Discover why training to become a Certified U.S. Export Compliance Officer® is important to all U.S. aerospace & defense contractors and their trade compliance personnel.**

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## Export Control Reform (ECR) Time Table

### ECR Implementation Status

USML Category		Key Milestones		Federal Register Notice(s)	
No.	Description	Effective Date	Transition End Date	Final Rule	Correction Rule
I	Firearms	TBD	TBD	TBD	TBD
II	Artillery	TBD	TBD	TBD	TBD
III	Ammunition	TBD	TBD	TBD	TBD
IV	Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs, and Mines	07/01/2014	06/30/2016	<u>79 FR 34</u>	TBD
V	Explosives and Energetic Materials, Propellants, Incendiary Agents, and Their Constituents	07/01/2014	06/30/2016	<u>79 FR 34</u>	TBD
VI	Surface Vessels of War and Special Naval Equipment	01/06/2014	01/05/2016	<u>78 FR 40922</u>	<u>79 FR 26</u>
VII	Ground Vehicles	01/06/2014	01/05/2016	<u>78 FR 40922</u>	<u>79 FR 26</u>
VIII	Aircraft and Related Articles	10/15/2013	10/14/2015	<u>78 FR 22740</u>	<u>78 FR 61750</u>
IX	Military Training Equipment	07/01/2014	06/30/2016	<u>79 FR 34</u>	TBD
X	Personal Protective Equipment	07/01/2014	06/30/2016	<u>79 FR 34</u>	TBD
XI	Military Electronics	TBD	TBD	TBD	TBD
XII	Fire Control/Sensors/Night Vision	TBD	TBD	TBD	TBD
XIII	Materials and Miscellaneous Articles	01/06/2014	01/05/2016	<u>78 FR 40922</u>	<u>79 FR 26</u>
XIV	Toxicological Agents	TBD	TBD	TBD	TBD
XV	Spacecraft and Related Articles	TBD	TBD	TBD	TBD
XVI	Nuclear Weapons Related Articles	07/01/2014	06/30/2016	<u>79 FR 34</u>	TBD
XVII	Classified Articles, Technical Data, and Defense Services	10/15/2013	10/14/2015	<u>78 FR 22740</u>	<u>78 FR 61750</u>
XVIII	Directed Energy Weapons	TBD	TBD	TBD	TBD
XIX	Gas Turbine Engines and Associated Equipment	10/15/2013	10/14/2015	<u>78 FR 22740</u>	<u>78 FR 61750</u>
XX	Submersible Vessels and Related Articles	01/06/2014	01/05/2016	<u>78 FR 40922</u>	<u>79 FR 26</u>
XXI	Articles, Technical Data, and Defense Services Otherwise Not Enumerated	10/15/2013	10/14/2015	<u>78 FR 22740</u>	<u>78 FR 61750</u>

Source: <https://www.pmdtc.state.gov/ECR/index.html>



# Training Frustrations

ManageElite recently released results from a survey of HR and training managers about their **biggest frustrations with training**. Below, we have listed their top complaints and how DSU trade compliance training can help you overcome them.

Their top 11 pain points when it comes to training (in order of painfulness) are:

- 1 Lack of time to conduct training
- 2 Scheduling employees for training
- 3 Training doesn't stick
- 4 Cost/budget
- 5 Trainees don't listen or pay attention
- 6 Getting manager buy-in
- 7 Upper management buy-in and support
- 8 Finding training that fits our situation
- 9 Keeping training material current
- 10 No time to research, prepare materials
- 11 Quality of training materials

Here is a look at this painful reality with a solution in mind.:

**Lack of time to conduct training/ scheduling employees for train-**

**ing** - With an online, asynchronous course, you don't need your employees to meet at certain times. In fact most courses are offered at multiple times throughout the year, so your employees don't have to take away valuable work time in the office to attend or host training sessions.

**Training doesn't stick/ trainees don't listen or pay attention** – with assessments built into each course, and grades assigned for each assignment and for the course as a whole, your employees have to pay attention or their grade will reflect it. Students

## Accepting Applications

Dunlap-Stone University is accepting applications for positions serving as adjunct faculty within the Graduate School at DSU.

Applicants must possess a terminal degree and possess expert knowledge in the area they wish to teach.

For complete information and requirements, please email Dr. Caulyne Barron, V.P - Chief Academic Officer at:

[cbarron@dunlap-stone.edu](mailto:cbarron@dunlap-stone.edu)

apply what they learn in DSU courses, adding to the retention and building knowledge and skills that last longer than a conventional training program.

**Manager and upper manager buy in** – DSU students often find themselves in management positions. You may be surprised by how many report that DSU coursework is mandatory for their new hires because they know the quality of the experience in a DSU class.

**No time to prepare materials,** no time to keep the materials current, quality of the training materials – Trade Compliance changes in the blink of an eye. DSU works to keep materials up to date and instructors can even adjust on the fly to make sure that you know what you need to know. With over 60 trade compliance courses, no other organization can match the depth of knowledge of the DSU course catalog, especially no other accredited college.

Looking at that list it's no wonder 1 out of 2 organizations only train their managers once a year or less.

**Why reinvent the wheel** when your organization can benefit from a comprehensive, effective, timely and affordable solution?

Enroll Today!

Dunlap-Stone University's

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Classes Now Enrolling

Bachelor of Science - International Trade Management

Emphasis: Trade Compliance Law

Ask an Enrollment Advisor for details -. (800) 474-8013 - (602) 648-5750

## BIS Update NEWS and Sanctions

### Arkema Rotterdam B.V. Fined \$16,000 for EAR99 Violation

The Dutch business unit of French chemical giant Arkema SA on Friday struck a deal to settle allegations brought by the U.S. Department of Commerce that the company violated U.S. export regulations by shipping a chemical fuel agent to Syria without authorization from the government. Arkema Rotterdam was assessed a civil penalty of \$16,000. Until the fine is paid, Arkema's export license is suspended.

On or about July 17, 2009 Arkema Rotterdam allegedly re-exported 33 long tones of ethyl mercaptan from the Netherlands to Syria without the required U.S. Government authorization. The goods were originally ordered from a U.S. based sister company. The items are subject to U.S. regulations and are designated EAR99. The company violated 15 CFR §764.2a of the EAR.

A global chemical major, *Arkema* has operations in over 40 countries, with leadership positions in specialty chemicals and performance materials.

### CCL Order of Review

The CCL Order of Review Decision Tool will assist users in understanding the steps to follow in reviewing the CCL.

#### Click link to view the tool.

<http://www.bis.doc.gov/index.php/export-control-classification-interactive-tool>

## Defense Manufacturer Fined \$20 Million For ITAR Violations

On March 6, 2014, the Directorate of Defense Trade Controls (DDTC) within the Department of State announced it had entered into a \$20 million settlement agreement with Esterline Technologies Corp., a Washington-based specialized manufacturer. Esterline agreed to settle claims over hundreds of alleged civil violations of the Arms Export Control Act (ACEA) and the International Traffic in Arms Regulations (ITAR).

Esterline voluntarily disclosed that several of its subsidiaries violated the ITAR. Following that disclosure, DDTC alleged that Esterline and its subsidiaries had committed multiple violations consisting of, among other actions, unauthorized exports of defense articles including aviation electronics, control devices, and subsystems for military airplane cockpits and vehicles, unauthorized temporary imports of defense articles, violations of terms and conditions of licenses, and improper use of exemptions.

DDTC also determined that Esterline exercised inadequate corporate oversight.

Article by David N. Kay, OBE and Joan Koenig

Drinker Biddle & Reath LLP

#### Read complete article at:

<http://www.mondaq.com/unitedstates/x/302570/Corporate+Commercial+Law/Settlement+Defense+Manufacturer+20+Mn+For+ITAR+Violations>

## DTrade Update for USML Categories VI, VII, XIII, and XX

In support of Federal Register Notice 78 FR 40922, all DTrade DSP forms, DS2032, and the Common Schema have been upgraded to accommodate the additions and revisions to USML Categories VI, VII, XIII, and XX.

Beginning January 6, 2014, DTrade users must use version 8.1 for the DSP-5, 6, 61, 62, and 74 and version 8.2 for the DSP-73 to submit license applications and amendment forms; registrants must use version 4.1 to submit the DS2032; and the Common Schema has been updated to version 7.1, earlier versions of these forms and schema will automatically be rejected by the system.

If you have any questions related to this announcement, please contact the DDTC Help Desk at 202-663-2838 or

[DTradeHelpDesk@state.gov](mailto:DTradeHelpDesk@state.gov).  
(01.03.14)

Source: [www.pmdtdc.state.gov/](http://www.pmdtdc.state.gov/)

## Australia - United States Defence Trade Cooperation Treaty

Government of Australia End-Use List has been updated.  
(02.26.14)

#### Read more at:

[https://www.pmdtdc.state.gov/treaties/documents/AS\\_End-Use.pdf](https://www.pmdtdc.state.gov/treaties/documents/AS_End-Use.pdf)

## U.S. Military Family Members Can Receive 25% Military Scholarship

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\* Certain restrictions and conditions apply. Speak with an Enrollment Advisor for complete details

**DDTC**

Directorate of Defense Trade Controls

**Update**

## DDTC Decision Tree Tools

As part of the Directorate of Defense Trade Controls outreach efforts for the initial implementation of Export Control Reform final rule published on April 16, 2013, DDTC has developed a new web-based decision tool that will assist users in understanding and applying the new rules and regulations as established in Federal Register Notice [78 FR 22740](#). *Caution:* These tools are for educational purposes only. They are not binding and are not a substitute for a Commodity Jurisdiction.

### Decision Tree Tools:

- **Specially Designed** [https://www.pmdtcc.state.gov/licensing/dt\\_SpeciallyDesigned.htm](https://www.pmdtcc.state.gov/licensing/dt_SpeciallyDesigned.htm)  
This tool is effective for exports on or after October 15, 2013. It applies only to commodities and software related to United States Munitions List (USML) Categories that have been revised in accordance with the President's Export Control Reform (ECR) initiative.
- **Order of Review** [https://www.pmdtcc.state.gov/licensing/dt\\_OrderofReview.htm](https://www.pmdtcc.state.gov/licensing/dt_OrderofReview.htm)  
This tool will assist users in understanding the steps to follow in reviewing the USML.
- **Part 130** [https://www.pmdtcc.state.gov/licensing/dt\\_Part130.htm](https://www.pmdtcc.state.gov/licensing/dt_Part130.htm)  
This tool has been designed for industry use as an aid for completing Part 130 reports to DDTC.

Source: [https://www.pmdtcc.state.gov/licensing/decision\\_tools.html](https://www.pmdtcc.state.gov/licensing/decision_tools.html)

### Prepare Yourself for Career Opportunities

#### Non-Attorneys

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### South Korea to Purchase F-35s

South Korea's defense procurement agency has officially said that it will purchase 40 F-35 joint strike fighters, *Reuters* reported.

According to the report, which cited two unnamed sources with knowledge of the matter, the Defense Acquisition Program Administration (DAPA) told lawmakers that South Korea is looking to pay 7.34 trillion won (\$6.79 billion) for 40 F-35s, which are made by Lockheed Martin. A DAPA spokesperson confirmed that South Korea's Finance Ministry has approved the budget, and said that it hopes to finalize the deal in the third quarter of this year, with deliveries of the jet beginning in 2018.

Source: <http://thediplomat.com/2014/03/south-korea-to-purchase-f-35s/>

### Attorneys

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## How are those New Year's resolutions going?

If you're like most people, January 1 represented a chance to set a goal and work toward it. However, by the end of February, you might notice that the gyms are emptier, that the changes you wanted to make might have lost their luster. But, any time is a good time to gain more skills, to start towards a new degree, or keep moving toward a career goal.

We all have different goals, and each have a different path to get there. But know that as a Dunlap-Stone University student, you are in good company. Over 40% of students surveyed re-

ported that they received a raise or promotion based on the skills and knowledge gained in their coursework. And over 98% of DSU students would recommend the college to others. When students describe their choice to learn with DSU, they often note that they were influenced by the range of topics we offer, and the difference between DSU as an accredited college and training companies. The work that you do serves multiple goals: 1) you gain the knowledge and are asked to apply it, and 2) you earn college credit while you learn.

In the next three months, we have dozens of different classes starting.

*Attorney- Continued from page 4*

in scope than the LL.M. Lawyers seeking to master the broad landscape of international trade may want to consider the MS degree. The year and half long program covers the topics in the LL.M. program, but also includes extensive coverage of the fundamentals of importing and exporting mechanics, the import regulatory environment of the U.S. and the multilateral trade agreements impacting trade and the regulations of major trading nations. The MS degree prepares legal practitioners and industry professionals to address trade compliance issues throughout the global supply chain.

**Click a URL Web Link on any page**

### Attorneys See the Opportunities

Attorneys are bright and resourceful as they need to be to survive this change in the practice of law. They see the opportunity of serving the legal needs of companies as commerce expands in the global marketplace. They see this new area of law can replace the legal practice they once envisioned and that it can easily take them into the middle class and beyond. That is what has made the two masters degrees in *Regulatory Trade Compliance Law* introduced in late 2013 by the Graduate Law Center at Dunlap-Stone University so popular with new law school graduates and displaced legal practitioners that were victims of the changing legal landscape.

**Maybe you'd like to refresh your knowledge about EAR or ITAR in light of the changes that have taken place?**

Enroll in the constantly updated EAR (TRD-307) or ITAR (TRD-306) courses to master the changes. See [Classes Starting Soon](#).

**Maybe you would like to see what transfer credit could be accepted to get you toward your goal of a bachelor's degree?**

See more about undergraduate programs.

**Or maybe you'd like to join the next cohort in May to begin the first of its kind Master of Science in Regulatory Trade Compliance.**

**See more about graduate programs.**

Talk to an advisor today to see how DSU can help you set and reach your professional and educational goals in one of our Professionally Significant programs.

### Trial Discount Program Announced for Foreign Government Tuition

On a case by case basis, trade officials from foreign governments can request the tuition discount recently afforded USG employees. Dunlap-Stone University's Board said on a trial basis that the school will grant trade officials from countries around the world the discount USG employees are entitled. This offer does not apply to Quazi governmental agencies. The purpose of the program is to ensure that governmental trade partners of the U.S. understand the USG's regulations. The same general rules apply to foreign nationals. Parties interested in determining if this program applies to them should email: [info@dunlap-stone.edu](mailto:info@dunlap-stone.edu) for more information.



## Classes Starting Soon

### April 2014

TRD-510	Import Trade Fundamentals
TRD-201	Exporting / Importing Environment
TRD-307	Understanding the EAR
TRD-308	Mastering ITAR Exemptions
TRD-330	Export Compliance Audits
HAS-151	Introduction to American Government
HAS-191	Introduction to Theatre History
SCM-127	Freight Forwarder Practices
STM-108	Mathematics Fundamentals
STM-175	Introduction to Earth Science
TRD-325	UK Export Controls
TRD-143	Introduction to CTPAT
TRD-306	Understanding the ITAR
TRD-340	U.S. Import of Munitions Regulations for ATF&E
TRD-315	Deemed Exports
TRD-350	PRC Export Controls
TRD-323	Australia Export Controls

### May 2014

TRD-311	Documentation for Export Compliance
BUS-204	Innovation and Entrepreneurship
TRD-505	Export Fundamentals
TRD-317	Introduction to the Foreign Corrupt Practices
TRD-520	Trade Compliance Special Circumstances
TRD-307	Understanding the EAR
TRD-320	Ethics in Trade Compliance
BUS-102	Introduction to Business
BUS-111	Customer Service Basics
BUS-113	Topics in Contemporary Business
BUS-303	International Business Ethics
FAE-263	Principles of Microeconomics
FAE-302	Global Finance Methods
HAS-103	Critical Thinking and Analysis
HAS-132	Introduction to Psychology
SCM-125	Port Authority
SCM-202	21st Century Logistics
SCM-379	Warehousing Practices and Principles
STM-385	Information Systems in Global Business
TRD-141	Introduction to Incoterms 2010(R)
( TRD-201	Exporting / Importing Environment
TRD-299	Agreements Under the ITAR
TRD-306	Understanding the ITAR
TRD-143	Introduction to CTPAT
HAS-170	Introduction to World Religions
TRD-326	UK Bribery Act of 2010
TRD-304	US Customs Broker Exam Prep
TRD-315	Deemed Exports

### June 2014

TRD-311	Documentation for Export Compliance
TRD-525	Auditing and Assessing Trade Compliance Processes
TRD-129	Introduction to Importing
BUS-404	Researching the Global Village
TRD-320	Ethics in Trade Compliance
TRD-307	Understanding the EAR
BUS-118	Introduction to Business Writing
BUS-401	Global Culture
FAE-450	International Economics
HAS-105	Writing Across the Curriculum
MGT-135	Introduction to Leadership
MGT-335	Modern Management Principles
MGT-402	Global Strategic Management
MGT-445	Competitive Human Resource Management
SCM-376	Purchasing in the Global Marketplace
STM-160	Statistics in Business
TRD-140	Importing Duties and Regulations
TRD-225	Documentation for the Global Village
TRD-306	Understanding the ITAR

#### Private Classes

The university routinely has private classes for organizations that want to have just their employees or members in the class. Any course can be scheduled as a "Private Class." Whatever your reason, call and speak with an enrollment advisor for details on how your organization can make use of this service. (800) 474-8013.

## ENROLL TODAY!

**Call (800) 648-5750 or  
(602) 648-5750**

### \$4,000 FREE Grant Money Offer Extended

The University's Governing Board has extended the grant application deadline for the Health Care Achiever Grant. It's open to all students worldwide who gain acceptance into DSU's Bachelor of Science in Health Care Administration degree program prior to September 30, 2014. For more information and exact requirements contact an enrollment advisor

(800) 474-8013 or (602) 648-5750



# Dunlap - Stone University

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## DSU's Bachelor Degree is Like No Other

Why the DSU's Bachelor of Science in International Trade Management (BS-TIM) is so popular.

Today students pay much more attention to the specifics of the degree programs they choose than they used to. There are many reasons. For starters, they have more choices today and many of those choices enable them to attend classes online. But that only touches the surface of the concerns of students. Topping the list of reasons for choosing the BS-ITN is for its career value. The university is the only school that can label its programs as "Professionally Significant Degrees®". This trademarked descriptor says it all. But in truth, it is the defined learning outcomes of the program that really stand out in the minds of those who enroll in it.

Students are quick to note that there is not another bachelor degree in the nation whose focus is on inter-

national trade from the practitioner's perspective. Students appreciate that it's a hands-on, applied program that teaches students the how-to of international trade. Some people miss that it is not a degree in international management. Many schools offer a management degree with an international management focus. What separates the university's degree program is the key word "trade". Its focus is on the management of international trade as a body of knowledge. Its courses are very different from those at other schools. In fact, many if not most of the courses can only be found at DSU.

Another reason students enroll in the BS-ITM degree is because of the regulatory Trade Compliance Law emphasis. There is no other university in the nation that offers a bachelor degree with an emphasis in trade compliance law. Equally important, knowledge of compliance law is of

growing critical importance as the global marketplace continues to grow.

Some of the fastest growing careers can be found in the 1100 different jobs that have emerged in the last decade in response to the growth in the global supply chain. In response, DSU has developed the Global Supply Chain Management emphasis for the BS-ITM degree. The practical applied nature of the BS-ITM degree is further enhanced when this emphasis area is chose.

Over half of all BS-ITM graduates choose two emphasis concentrations in their degree: they opt for the Trade Compliance Law and Global Supply Chain Management. This combination positions them perfectly for important career opportunities in the years ahead as companies expand into global markets.

Look at other degree programs before you choose the BS-ITM from DSU. Look at the differences in the curriculum. From the very first course in the BS-ITM, Exporting Importing Environment (TRD-201), you will see the difference. The degree specific courses provide students the practical know-how to enter the world of international trade immediately.

So what makes the BS-ITM popular? Students do not just learn the theory of international business. They learn how to make international trade happen. It provides students with the practical skills, knowledge and credentials to meet career advancement needs in the rapidly growing field of international trade today and tomorrow. If international trade is in your future, this degree will give you the tools you need to enter into one of the biggest and fastest growing fields in the world—global trade.

### *U.S. Import of Munitions Regulations for ATF&E Course*

**NEW**

*(TRD-340)*

**Course Description:** This six-week course examines the rules, regulations, and best practices for the importation of arms, ammunition, and implements of war into the U.S. as regulated and administered by the U.S. Department of Justice's Bureau of Alcohol, Tobacco, Firearms & Explosives and other USG agencies. This course specifically addresses 27 CFR Part 447 Subpart C-F, including the ATF's U.S. Munitions Import Control list (USMIL), as well as 27 CFR Part 478, which implements the Gun Control Act (18 USC Chapter 44), and 27 CFR Part 479, which implements the National Firearms Act (26 USC Chapter 53).

It also addresses Title 19 USC Sec 1102 Chapter 40, and 27 CFR Part 555. Other laws and regulations included in this course are 22 USC 2778 Arms Export Control Act, and the implementing regulations under 22 CFR Parts 120 – 130, International Traffic in Arms Regulations (ITAR).

**Prerequisite:** None. It is strongly suggested, but not required, that students have experience with ITAR and have completed: Understanding the ITAR (TRD-306)

**Course Credit:** 3.0 Credit hours

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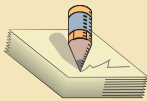
**Speak with an Enrollment Advisor  
to get your  
Graduation Date Scheduled**

## GRADUATION ANNOUNCEMENT

The administration, faculty, and staff of Dunlap-Stone University are proud to announce the following individual graduated in March 2014. Congratulations Kristen!

### Kristen Pittas

Degree Awarded: BS in International Trade Management  
Emphasis: Trade Compliance Law  
Graduated with Honors: *Magna Cum Laude*



## Dunlap-Stone University Student Honor Roll

*The students shown here have demonstrated outstanding "A" performance .*

Honor - Distinction - Excellence

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KATIE ALI - PA  
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MEREDITH BOND -  
NETHERLANDS  
STACY BUTNER - FL  
ELMA (EJ) CASTOR - FL  
ANDRE CAVAZOS - TX  
VALERIE CHU - IL  
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KEITH FERGUSON - MI  
RAY FISCHER  
ONTARIO CANADA  
KAYLA FITZGERALD - MD  
BARBARA FLYNN - NC  
ALICIA FOWLER (FKA  
WORTHINGTON) - PA  
JAMES FOX - NY  
DANIEL GALLEG0 - CA  
JANICE GLAD - FL

ZACHARY GRAY - MI  
KIMBERLY GURSKI - MD  
JILL HUGHES - NY  
ANDREA KELLEY - TX  
LEE KIFER - CA  
JENNIFER KING - CA  
CONNIE LEEMASTERS - NC  
KATHRYN LIPARI - TX  
PETER LOMMEN - CA  
SHEREE LUPO - NC  
LEEANN MANASCO - AL  
JOHN MCCULLOUGH - AL  
SARAH MCQUADE (FORMERLY  
OXFORD) - AZ  
ANGELA MINER - UT  
MARYANN MORENO - CA  
DENISE OCHOA - TX  
EVA PEST - NC  
EDWARD PETRONZIO - DC  
KRISTEN PITTAS - MD  
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SARAH YOUNG - IL

## Congratulations to these Outstanding Students

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Perseverance and Hard  
Work are to  
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Well done!**

As of March 29, 2014



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