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Advisors in Export
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LATEST EXPORT CONTROLS AND COMPLIANCE UPDATE

April - May 2010

This newsletter is a listing of the changes in US export control regulations April 12, 2010 through May 7, 2010. The newsletter is provided as a complimentary service to assist readers with their ITAR and EAR export compliance responsibilities. It provides a summary of recent changes to US export control regulations or other regulatory matters of interest that may impact your company's international trade and export compliance functions. Call us at 703-847-5801 or email info@fdassociates.net with questions or comments.

See also our "Latest Sanctions Fines & Penalties" section below for an update on companies and persons denied export privileges by the United States Government.

REGULATORY UPDATES

Department of Commerce

April 20, 2010 – 75 Fed. Reg. 20520: The Bureau of Industry and Security (BIS) amended the Export Administration Regulations (EAR) to reflect changes adopted in November 2009 by the member countries of the Missile Technology Control Regime ("MTCR"). The amendments clarify the definition of "production facilities" (EAR Sec. 772.1); expand controls over certain tungsten and molybdenum items in Export Control Classification Number (ECCN) 1C117; and delete the phrase "(including turbocompound engines)" from the heading of ECCN 9A101. In the same notice, BIS revised the coverage of certain boron alloys in ECCNs 1C011 and 1C111 to correct an error in a rule published December 10, 2009 (74 Fed. Reg. 65661).

Department of State

April 22, 2010: The Directorate of Defense Trade Controls (DDTC) posted a notice that Glass Mountain Optics, Inc. has changed its name to FlightSafety International, Inc. See the notice at http://www.pmdtc.state.gov/licensing/documents/WebNotice_FlightSafety.pdf for the effect of this change on licenses and agreements.

April 26, 2010: DDTC published revised Guidelines for Preparing Electronic Agreements on its website at <http://pmdtc.state.gov/licensing/documents/agreement-ElectronicGuidelines.pdf>.

May 3, 2010: DDTC updated its guidelines regarding company names on license documentation at http://pmdtc.state.gov/DTRADE/documents/Guidelines_CompletingDSPForms.pdf. The guidelines specify that only legal business names may be used and also include a requirement to include a middle name or initial when an individual's name is required on any online license application.

Department of the Treasury

This newsletter is provided as a service to our clients and is not intended to replace the ITAR or EAR as a reference source. If you have questions concerning the correct interpretation of the regulations please call us at (703) 847-5801 or email us at info@fdassociates.net.

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April 29, 2010 -- *75 Fed. Reg. 22679*: The Treasury Department issued its quarterly list of countries that participate in international boycotts (*i.e.*, countries of concern under the U.S. antiboycott regulations). The countries listed are Kuwait, Lebanon, Libya, Qatar, Saudi Arabia, Syria, United Arab Emirates, and Republic of Yemen.

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LATEST SANCTIONS FINES & PENALTIES

April - May 2010

*This section of our newsletter provides information on the latest sanctions, fines and penalties for export violations or matters of non-compliance with the ITAR or EAR issued by the US government enforcement agencies since April 12, 2010. It is provided as a service to clients and associates of FD Associates to remind them of the importance of extreme due diligence in all international trade and export compliance matters, particularly those involving exports subject to the ITAR or the EAR. **Don't let this happen to you or your company!** Call us with questions or concerns at 703-847-5801 or email info@fdassociates.net.*

Sanctions

Department of Commerce

May 7, 2010 – 75 Fed. Reg. 25202: BIS renewed Temporary Denial Orders against Orion Air, S.L. of Madrid and Valencia, Spain and Syrian Pearl Airlines of Damascus, Syria for an additional 180 days.

Fines and Penalties

March 26, 2010: United Source One, Inc. of Belcamp, MD agreed to pay a civil penalty of \$19,800 to settle 11 charges of failing to report the receipt of a boycott request.

April 28, 2010: Emenike Charles Nwankwoala of Laurel, MD pleaded guilty in Maryland federal court to export control violations in connection with a scheme to export firearms and ammunition to Nigeria. Nwankwoala, a probation officer employed by the State of Maryland, shipped a container holding 24 shotguns, 6 pistols, and a large quantity of ammunition, along with a 2008 Toyota Camry, after completing a Shipper's Export Declaration stating that the shipment consisted of "used household goods and personal effects" and "used auto." He informed an undercover agent from Immigration and Customs Enforcement (ICE) that he had shipped shotguns to Nigeria in shipping containers, declaring the contents of the containers to be vehicles and hospital beds, for about 10 years. He faces a maximum sentence of 35 years in prison.

April 29, 2010: Star CNC Machine Tool Corp. of Roslyn Heights, NY agreed to pay a civil penalty of \$16,000 to settle charges of exporting Swiss lathe machine tools controlled under ECCN 2B001 to Brazil, Colombia, and Costa Rica without the required export licenses.

May 3, 2010: The U.S. Attorney for the District of Maryland commenced a civil action seeking the forfeiture of a Boeing 747 flight simulator that had been seized on August 26, 2008, at the Port of

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Baltimore, where it was being prepared for shipment to Dubai, United Arab Emirates, under an alleged plan to reexport it to Iran.