

END-USE CHECKS AND LICENSE CONDITIONS



Mark D. Menefee
Director, Office of Export Enforcement
Bureau of Industry and Security
U.S. Department of Commerce

3 October 2002
Warsaw

Checks for Dual Use Items Are:

- Visits by government personnel from the country of origin of the items
- To foreign recipients of the items
- To determine the suitability of end-users to receive items prior to the issuance of export licenses (Pre-License Checks)
- To verify that previously exported items are at their authorized locations and are being used for the appropriate end-uses (Post-Shipment Verifications)

End Use Checks Support Export Controls

- Increase the accuracy and reliability of information exporters and end-users provide to licensing authorities
- Make license terms and conditions more precise and realistic
- Improve communication among governments concerning specific transactions
- Educate exporters and importers about their legal responsibilities

U.S. Safeguards Program

- Began in 1989 as part of our assistance to Poland, Hungary and then-Czechoslovakia to help them develop their own national export control programs
- Office of Export Enforcement conducted 10 Safeguards trips to Poland between 1990-1993

U.S. Safeguards Program Today

- **Worldwide operation: 50 countries visited**
- **Most Post-Shipment Checks now conducted by Safeguards Program**
- **Most Pre-License Checks conducted by U.S. Embassy staff to reduce licensing delays**

End-use Checks

- Pre-License Checks

–FY '01: 373

- Post-Shipment Checks

–FY '01: 689

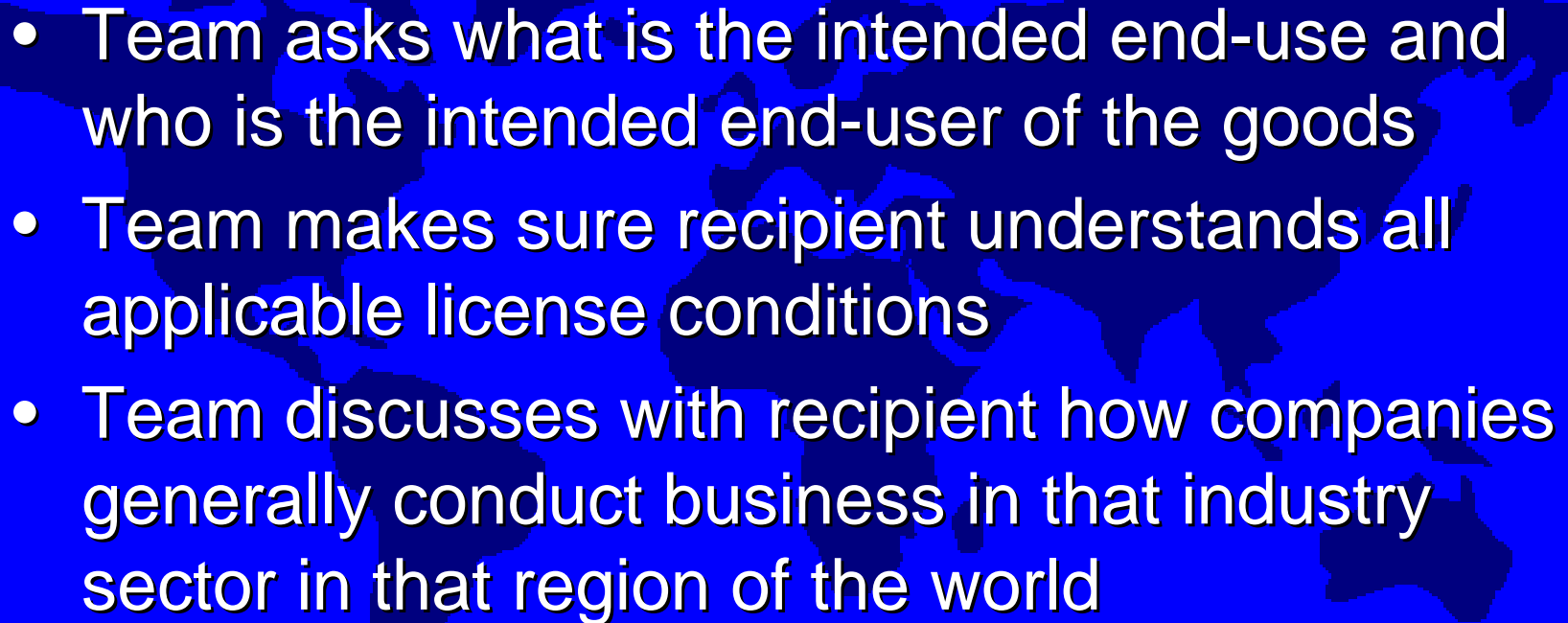
Safeguards Visit Procedures

- Team of 2 people from Office of Export Enforcement travels overseas
- Host governments grant permission for us to conduct checks
- Host government officials are invited to participate
- OEE conducts 10-12 Safeguards Trips each year

Safeguards Team Activities

- Team obtains from U.S. exporter: invoice, shipping documents, and end-use statements (if any)
- Usually U.S. Embassy staff schedules meetings between Safeguards Team and recipients of exports
- Team visits recipient and verifies serial numbers and shipping documents

Safeguards Team Activities

- 
- Team asks what is the intended end-use and who is the intended end-user of the goods
 - Team makes sure recipient understands all applicable license conditions
 - Team discusses with recipient how companies generally conduct business in that industry sector in that region of the world

Lessons We Have Learned

- Make sure you have a complete set of documents
- Visit the end-use location in person
- Visually inspect the equipment yourself
- Verify serial numbers on equipment against invoice and shipping documents
- Ask end-user if they have a copy of the license and its conditions
- Ask end-user if they have encountered particular problems in obtaining the goods

You are Invited

- We encourage you to conduct end-use checks of items exported from your country to the U.S.
- Points of contact:
 - Office of Export Enforcement
U.S. Department of Commerce
202-482-2252
 - Exodus Command Center
Strategic Investigations Division
U.S. Customs Service
202-927-1550