



# Global Watch®

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

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## Major Milestone Achieved by DSU's New Law Center

The Graduate Law Center at Dunlap-Stone University (DSU) achieved a major milestone within the U.S. legal education community when in November 2013 it became the first school in the nation to offer graduate law degrees in the rapidly growing discipline of Regulatory Trade Compliance Law. More information about DSU's new online law degrees is available online at [www.dunlap-stone.edu](http://www.dunlap-stone.edu).

## WTO Reaches Historic Trade Reform Package at Bali Summit

December 7, 2013 - Trade Ministers from 159 countries have reached a historic World Trade Organization trade agreement in Bali that will create more than 21 million jobs worldwide.

Australia's Trade and Investment Minister, Andrew Robb, warmly welcomed this WTO outcome.

The trade reform package will make it easier and cheaper for goods to flow through the ports and customs processes of 159 countries.

The agreement streamlines customs procedures worldwide, making border-crossing processes more predictable and transparent. Studies by the World Bank and the Organisation for Economic Cooperation and Development have said it would add hundreds of billions of dollars to the world economy.

It also includes some changes to the rules on agriculture and some

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## International Cyber Criminal Pleads Guilty to Developing and Distributing Notorious Spyeye Malware Globally

Aleksandr Andreevich Panin, a Russian national also known as "Gribodemon" and "Harderman," has pleaded guilty to conspiracy to commit wire and bank fraud for his role as the primary developer and distributor of the malicious software known as "SpyEye," which, according to industry estimates, has infected over 1.4 million computers in the United States and abroad.

"Today, thanks to the tireless work of prosecutors and law enforcement agents, Aleksandr Panin has admitted to his orchestration of this criminal scheme to use 'SpyEye' to invade the privacy of Americans by infecting their computers through a dangerous botnet. As this prosecution shows, cyber criminals – even when they sit on the other side of the world and attempt to hide behind online aliases – are never outside the reach of U.S. law enforcement."

"As several recent and widely reported data breaches have shown, cyber-

attacks pose a critical threat to our nation's economic security," said U.S. Attorney Yates. "Today's plea is a great leap forward in our campaign against those attacks. Panin was the architect of a pernicious malware known as 'SpyEye' that infected computers worldwide. He commercialized the wholesale theft of financial and personal information. And now he is being held to account for his actions. Cyber criminals be forewarned: you cannot hide in the shadows of the Internet. We will find you and bring you to justice."

According to the charges and other information presented in court, SpyEye is a sophisticated malicious computer code that is designed to automate the theft of confidential personal and financial information, such as online banking credentials, credit card information, usernames, passwords, PINs, and other personally identifying information. The SpyEye virus facilitates this theft of information by secretly infect-

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## Notes from the President

### Heading Toward 20 Years of Service

by **Dr. Donald N. Burton**



As we head toward our 20<sup>th</sup> year serving the international trade industry, our staff never forgets that students and their employers are at the center of what we do and why we exist. The tremendous expansion of courses, programs and schools within the university all happened because our staff listened to our students, potential students and their employers and responded to their wants and needs. I personally pledge to ensure that we continue serving you, always providing world-class learning experiences and cutting edge knowledge to those we serve.

In this issue of GlobalWatch® you will see us continue our effort to serve you better. Our new law degrees (See pages 1 and 5) offered by our new Graduate Law Center got rave reviews and acceptance from students when we rolled them out in recent months. Our staff has reason to be proud that our university is the first and only school to offer accredited law degrees covering the newly emerging discipline of regulatory trade compliance law. It sure has gotten the industry's leadership's attention. Both other articles on page 1, WTO and the Spyware articles, are certainly attention getting too.

The article on page 4 of this issue does a good job at explaining the coming of age of the compliance industry as a body of laws. Many should find it interesting and valuable--and a wake up call.

People had questions about the entry knowledge requirements for

the two law related masters degrees. The article on page 5 explains the details. The controls over chemical and biological exports are introduced in the IN-Compliance column on page 6.

New Year Resolutions come and go, but putting off finishing your degree has serious consequences as the compliance industry matures. See the article on page 9 that explores the issue. The ATF&E agency has new expanded regulations, which are taught in the new TRD-340 U.S. Import of Munitions Regulations course being offered soon. See the articles on pages 10 and 12.

As usual, we make note of the sanctions and violations for both BIS and DDTC in this issue. (See pages 10 & 12.)

Employers with "newbees" to compliance may find the article on page 12 will give them the solution on how to get their new employees in compliance up to speed faster.

There are two people I want to mention that are named in this issue. One is Ji Kinnear, our 2014 Outstanding Student Award recipient and Lisa Fritsch, known by many as one of our enrollment advisors here at DSU. Lisa just graduated *Cum Laude* from the Bachelor degree program. Congratulations to both of you. Well done.

As always, thanks to all of our students and followers for your strong continued support. Be well.

## European Union Updates Community Customs Code

( [Regulation \(EC\) 648/2005](#)) Update3 as of 26/09/2013

European Union: One of the main elements of the security amendment of the Community Customs Code ([Regulation \(EC\) 648/2005](#)) is the creation of the AEO concept.

On the basis of Article 5a of the security amendments, Member States can grant the AEO status to any economic operator meeting the following common criteria: customs compliance, appropriate record-keeping, financial solvency and, where relevant, appropriate security and safety standards.

The status of authorised economic operator granted by one Member State is recognised by the other Member States. This does not automatically allow AEO to benefit from simplifications provided for in the customs rules in the other Member States. However, other Member States should grant the use of simplifications to authorised eco-

conomic operators if they meet specific requirements and without re-examining criteria that have been already checked.

Economic operators can apply for an AEO status either to have easier access to customs simplifications or to be in a more favourable position to comply with the new security requirements. Under the security framework, which has been applicable since 1 July 2009, economic operators have to submit pre-arrival and pre-departure information on goods entering or leaving the EU. The security type of AEO certificate and the combined one allow their holders to benefit from facilitations with regard to the customs controls relating to security. They also allow benefiting from **Mutual Recognition Agreements (MRA)** with countries outside the EU.

The detailed provisions are laid down in the amendment (by [Regulation 1875/2006](#)) of the Implementing Provisions of the Community Customs Code. These provisions were drafted on the basis of experiences from the AEO Pilot conducted in 2006. [Regulation \(EC\) 197/2010](#) has established new time limits for issuing the AEO certificate

[Regulation \(EC\) No 1192/2008](#) aligns the rules for granting both the AEO certificate for customs simplifications and the single authorisation for simplified procedures (**SASP**). Being an AEO facilitates the process of achieving a single authorisation for simplified procedures as the relevant criteria are deemed to be met.

### The AEO Guidelines

The AEO Guidelines, recently updated to keep in consideration the experience gained so far, ensure harmonised implementation of the AEO rules throughout the EU, guaranteeing the equal treatment of economic operators and transparency of the rules.

The AEO Guidelines are a compilation of both the guidelines and the three annexes: the Self-Assessment Questionnaire (SaQ) and its explanatory note, the list of possible risks, threats and solutions and a template of Security declaration.

The AEO guidelines explain the AEO concept based on the adopted legislation, including:

- Explanations about what an AEO is and on the different categories of AEO;
- A description of the AEO **benefits**, including a specific section on mutual recognition;
- A detailed description of the AEO criteria;
- A detailed explanation of the application and authorisation process including guidance on which is the competent Member State **where the AEO application has to be submitted**, on the acceptance of the application, and on how to conduct effective and efficient risk analysis and audits;
- A specific section dedicated to **Small and Medium sized Enterprises (SME)** with guidance on how to examine



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## The Discipline of Regulatory Trade Compliance Law Comes of Age

### Regulatory Trade Compliance Law Comes of Age

The legal discipline of regulatory trade compliance law, though well established as a practice area within international trade circles and well known by export professionals, is largely unknown to most attorneys, according to research conducted by Dunlap-Stone University's Graduate School. The lack of awareness of the discipline impacts the next generation of legal practitioners, reducing the pool of qualified legal professionals needed to meet the increasing need.

### Broader topic of International Trade Law

For over a hundred years, law students have studied *the broader academic area of International Trade Law* (ITL) which includes the rules and customs for handling trade between nations. With the advent of the World Trade Organization, ITL expanded to include rules within private sectors that impacted trade between nations. Those practicing international trade law typically represent corporate clients' legal claims involving commercial issues with an organization in another country.

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

As a sub-specialty area of law, regulatory trade compliance law emerged in the first decade of 21<sup>st</sup> Century. Prior to the events of 9/11, it was a small topic area discussed briefly, if at all, in interna-

tional trade law courses or programs in law schools. Since that time, the level of complexity of corporate compliance, regulatory trade compliance, and the specific rules and regulations governing compliance has multiplied, and most importantly, the consequences (fines and penalties) for violations have become 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 entering 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 discipline on its own. The focus of regulatory trade compliance law is individual sovereign nations' rules and regulations controlling the movement of goods across national borders and the multilateral agreements between nations that impact these regulations.

### Opportunities for Law Students

Often in the news, fines and penalties are announced for companies that violate export laws.

Savvy law school students should note that wherever there are fines, there are organizations willing to invest to mitigate those risks, and career opportunities exist. However, without first hand experience in a firm or organization specializing in the topic, it was not possible for law students or practicing JDs to develop the skills and expertise necessary to practice trade compliance law, according to data collected. Those who may have had the desire to practice in the field were only able to reference their law school curriculum in ITL, which could not teach the depth and breadth of the topic, or learn on the job, cultivating the basic knowledge over years.

The challenge in acquiring the appropriate skill set historically has been the dynamic nature of the regulatory trade compliance industry. The regulations change constantly, originating with nearly 20 different US Government (USG) agencies' or governing bodies. Each of these entities changes their rules and regulations as needed to reflect emergent needs, threats, or practices. Traditional law programs are not designed to prepare specialists within the area, and often view the discipline as a simple administrative law niche.

### A Gap in Legal Education Options

The connection between industry's needs for compliance professionals with specific and up-to-date training and a lack of attention from the legal education community has left a gap. Prior to the development of Dunlap-Stone University's professional training



**Entry Requirements for Graduate Degrees in Trade Compliance**

Both graduate compliance related degrees offered by the Law Center at DSU are advanced fields of study. Entry into these programs requires basic proficiency with the U.S. regulatory trade compliance environment, including proficiency with the International Traffic in Arms Regulations, the Export Administration Regulations and their administration. Those without this knowledge can gain provisional entry into either program by enrolling in and successfully completing the University's course: Regulatory Trade Compliance Basics (TRD-500). It is an eight-week online course that helps prepare students with basic knowledge needed to succeed in the school's graduate degree programs.

Unsure if you need to enroll in TRD-500? There are several ways in which the university assesses candidate's knowledge and readiness to enter into either graduate program. Those who have completed courses from accredited universities covering the ITAR, EAR and supporting documentation can submit official transcripts to validate their knowledge. Those who hold either the CUSECO or ECTI's industry certifications can submit



**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 36 credit hour, year and a half accredited online 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.

## 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 from an accredited law school and meet the university's other entry requirements.

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...demonstrate your knowledge by completing a self-administered screening test...

ation. (Certifications do not need to be current.) Having attended industry seminars that were not graded are not acceptable proof of knowledge.) Those who possess a working knowledge of the requisite regulations and do not want to take TRD-500, can demonstrate your knowledge by completing a self-administered screening test available from the university. It is an unproctored 100 question, un-timed

test of knowledge covering the ITAR, EAR and Trade Documentation. Those taking the test may use their copy of the regulations or online resources to help them answer the questions. You can complete the test over a number of days, if desired. Those who score 75% or higher on the test are excluded from the requirement to take TRD-500 and may enter directly into the program of their choice.

For more information speak with an enrollment advisor.

# In Compliance....

## Chemical and Biological Controls

The Chemical and Biological Controls Division (CBC) is the focal point within the United States Government (USG) for implementing dual-use export controls for chemical and biological (CB) equipment, materials and technology (e.g., toxins, chemicals, fermenters, pumps, valves). These export controls are in place for chemical and biological weapons concerns and to prevent the diversion of such items to destinations and end-users of concern. These items are generally found in Category 1 (Materials, Chemicals, Microorganisms and Toxins) and Category 2 (Materials Processing) of the CCL.

CBC carries out this responsibility by:

- Participating in multilateral export control activities with the Australia Group
- Responsible for export licensing of CB items
- Responsible for commodity classifications, advisory opinions, licensing determinations, and commodity jurisdiction requests for chemical, biological, and medical items.
- Ensuring U.S. industry interests are taken into consideration in the development of export control laws and regulations.
- Participating in inter-agency discussions on biological and chemical safety and security initiatives
- Managing the Materials Technical Advisory Committee

CBC plays a strong role in implementing policies that promote U.S. nonproliferation and security goals while minimizing the burden to industry and protecting company business information.

### Recent Licensing Activity

CBC processed 4668 licenses and 1400 commodity classifications in Calendar Year 2012. The top three licensed ECCNs are 2B350 (3073 licenses), 1C351 (875 licenses) and 1C350 (445 licenses)

· See all [CBC ECCNs](#) What is controlled:

- § [Chemicals](#)
- § [Biological](#)
- § [Equipment](#)
- § [General Overview](#)

CBC is here to answer any questions you have regarding chemical and biological items, please contact us:

- [Staff Directory](#)
- [CBC FAQs](#)

For all questions pertaining to general licensing procedures or how to apply for an export license, please contact our Exporter Services Hotline at 202-482-4811

### CBC LICENSING

In order to help exporters evaluate export requirements, the documents below provide detailed guidance on determining if a license is required and how to fill out an export license application.

Does your item require a license?

- 1 [CBC ECCNs](#)
2. CB related advisory opinions - [Note to ECCN 2B350](#)
3. Deemed Export and Fundamental Research for CB related items
4. RPL License Exception
  - [How to complete an application for CB items](#)

### Recent Regulations affecting CB Items

- [STA](#) — a new license exception that authorizes the export, reexport, and transfer (in-country) of specified 1C351 toxins to destinations that pose relatively low risk. This rule also allows the use of license exception GOV for items controlled for CB reasons of concern.

- GOV - this license exception applies to export of all CB items to cooperating government entities. See Section 740.11 of the EAR for more information.

- Implementation of Understandings reached at the June 2011 AG [Plenary](#) – this rule clarifies terms in ECCN 2B350 and updates the names of two pathogens.

Source: <http://www.bis.doc.gov/index.php/policy-guidance/product-guidance/chemical-and-biological-controls>



## Industry Certification Holders Come into View

**Phoenix AZ**—January 28, 2014 - The International Trade Certification Authority Inc. announced today that it plans a major enhancement to its web site. It will be placing a searchable database on the web site. This will aid employers and others in verifying the industry certification status of individuals. The database will initially contain basic information employers and employee search firms have requested: certification holders' name and their current status. The status will be shown as "Active" or "Lapsed". Future suggestions have included the possibility of certification holders having access to the database to update personal information and for automatic notices be sent to holders whose certification is about to lapse.

Adding the database of certification holders comes in response to the increased number of inquiries IIEI Certification is getting from potential employers and from employee's current employers seeking to validate the readiness of their employees to maintain compliance with the ever changing regulations.

To ensure privacy, those using the database must enter the correct spelling of a certification holder's last and first names. The database will be historically correct, meaning that even if someone

held a certification a decade earlier and it lapsed, the person's name will be shown.

IIEI Certification staff members conceded that one reason for the new searchable data base is because some certification holders have allowed their certification to lapse and the new database will make it easier to identify those individuals.

Individuals who are concerned about the status of their certification should contact IIEI Certification directly. As the certification organization has part time staff members, the best way to check your status is by email [certificationstatus@iiei.org](mailto:certificationstatus@iiei.org). Those knowing they need to earn CEUs should contact their favorite Approved Provider of Continuing Education. For listing of providers, click here <http://www.iiei.org/ceus/ceu-providers/> For more information visit [www.iiei.org](http://www.iiei.org)

**It will aid employers in verifying the industry certification status of individuals.**

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### What is the Advance Commercial Information program?

The **Advance Commercial Information (ACI)** <http://www.cbsa-asfc.gc.ca/prog/aci-ipec/menu-eng.html> program allows more effective risk management of cargo entering Canada by providing

provide electronic pre-arrival information

CBSA officers with electronic pre-arrival information so that they are equipped with the right information at the right time to identify health, safety and security threats related to commercial goods before the goods arrive in Canada. The **eManifest** <http://www.cbsa-asfc.gc.ca/prog/manif/menu-eng.html> program is an integral element of ACI.

For general information about the ACI program you can visit the **ACI Web page** <http://www.cbsa-asfc.gc.ca/prog/aci-ipec/menu-eng.html> which includes guidelines and requirements. You can also contact the CBSA's Commercial Unit by e-mail at [aci-ipec@cbsa-asfc.gc.ca](mailto:aci-ipec@cbsa-asfc.gc.ca). or through the Border Information Service line at **1-800-461-9999**.

**EU Customs- Continued from page 3**

the AEO requirements if the applicant is an SME.

- A section giving information on the factors that help customs authorities **to speed up the authorisation process**;
- Guidance for both customs authorities and economic operators on how to facilitate the procedure for **parent/ subsidiary companies**;
- A specific section on how Member States cooperate in exchanging information;
- Guidance on how to perform **monitoring** after an AEO certificate has been issued;
- A complete explanation on the concept of **“business partners’ security”**, including their identification and possible measures for securing.

[AEO guidelines\(461 Kb\)](#) .

The guidelines are available in 22 languages.

### **The AEO Self-Assessment questionnaire– Annex 1 to the AEO Guidelines**

This document is a practical tool to enable an economic operator to perform a self-assessment and it is strongly recommended that it be submitted together with the application for the AEO status. The self-assessment questionnaire (SAQ), agreed between EU Member States and the European Commission, is harmonised at European level in order to guarantee a uniform approach throughout EU.

[AEO Self-Assessment \(40 Kb\)](#)  
[Explanatory Notes for AEO Self-Assessment\(158 Kb\)](#)

The SAQ and its explanatory notes are being translated and will soon be available in other languages

It should be noted that there may be some instances where specific national provisions may require additional information or adaptation of the model.

### **Threats, Risks and possible solutions document – Annex 2 to the AEO Guidelines**

It is a lively document aimed at helping both economic operators and customs authorities throughout the AEO procedure, providing them a list of the most significant risks related to the AEO authorisation and monitoring process, and possible solutions on how to keep these risks under control.

[Threats Risk and possible solution document\(173 Kb\)](#) .

See also [AEO COMPACT Model](#)

### **AEO Security declaration Template – Annex 3 to the AEO Guidelines(31 Kb)** .

**Source:** [http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/customs\\_security/aeo/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm)

## **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).

**Spyware- Continued from page 1**

ing victims’ computers, enabling cyber criminals to remotely control the infected computers through command and control (C2) servers. Once a computer is infected and under their control, cyber criminals can remotely access the infected computers, without authorization, and steal victims’ personal and financial information through a variety of techniques, including “web injects,” “keystroke loggers,” and “credit card grabbers.” The victims’ stolen personal and financial data is then surreptitiously transmitted to the C2 servers, where it is used to steal money from the victims’ financial accounts.

Panin was the primary developer and distributor of the SpyEye virus. Operating from Russia from 2009 to 2011, Panin conspired with others, including codefendant Hamza Bendelladj, an Algerian national also known as “Bx1,” to develop, market and sell various versions of the SpyEye virus and component parts on the Internet. Panin allowed cyber criminals to customize their purchases to include tailor-made methods of obtaining victims’ personal and financial information, as well as marketed versions that specifically targeted designated financial institutions. Panin advertised the SpyEye virus on online, invitation-only criminal forums. He sold versions of the SpyEye virus for prices ranging from \$1,000 to \$8,500. Panin is believed to have sold the SpyEye virus to at least 150 “clients,” who, in turn, used them to set up their own C2 servers. One of Panin’s clients, “Soldier,” is reported to have made more than \$3.2 million in a six-month period using the SpyEye virus.

The investigation also has led to the arrest of four of Panin’s SpyEye clients and associates in the United Kingdom and Bulgaria.

**Source:** [www.justice.gov/opa/pr/2014/January/14-crm-091.html](http://www.justice.gov/opa/pr/2014/January/14-crm-091.html)



## What Are You Waiting For?

What are your career objectives? Do you see yourself working in trade compliance a decade from now? If so, at what level? To advance into higher levels within the industry, many organizations now require a college degree. If you are satisfied in performing the same task at the same level until you retire then the concern mentioned here does not apply to you. If you want to step up on the career ladder, you may want to consider obtaining your bachelor degree in trade compliance law at Dunlap-Stone University (DSU). There are several considerations.

The biggest reason to consider attending DSU is the school is the only accredited university that offers a degree with an emphasis in trade compliance law. The program was developed with industry and government leaders specifically for practitioners working within industry.

The school has been the leader in teaching regulatory trade compliance topics for over 19 years.

All of the courses are online.

The compliance courses within the program provide a strong ba-

sic understanding of the rules and regulations

Over 98% of students say they would recommend our school to friends.

Over 40% of students report they received a pay raise or promotion after completing their studies at DSU.

Unlike other schools that may require you to take elective courses that are not relevant to your degree or career, DSU elective can be any of the over 60 trade related courses offered year round at DSU.

Nearly all of DSU's degree seeking undergraduate students transfer in college credits earned at other schools, even credits earned decades earlier in most cases can be applied.

Attend online classes with other compliance people: Build your own network of trade compliance experts.

Those in the program say that regardless of how busy they are in their job at work, as a parent and other commitments, that the 24/7 access and flexible schedule of classes can fit into their lives.

So what are you waiting for? Call and speak with a friendly enrollment advisor today as you plan for tomorrow. Haven't you put this off long enough? Graduates say they wanted a degree that is relevant to what they do. Every compliance related course in the program gives you skills and knowledge you can leverage in your career. Ask your friends about our courses and programs. Then call with your questions. We offer associates, bachelor and master degrees tailored to meet the needs of busy professionals like you! Call today: (800) 474-8013 or (602) 648-5750.

*Comes of Age- Continued from page 4*

and undergraduate programs in 2002, and its LLM in Regulatory Trade Law in 2013, there was no single, accredited institution that offered a rigorous and complete curriculum to address the emergent practical regulatory trade compliance need. Founded in 1995 with a commitment to excellence in international trade education, the college believes its graduate legal programs fill a critical gap and offer opportunities to current law students and recent law graduates by raising awareness about the growing regulatory trade law discipline.

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## BIS Update - NEWS and Sanctions

### Chinese National Sentenced To 57 Months- Incarceration For Attempting To Illegally Export Aerospace-Grade Carbon Fiber

**Brooklyn, New York,** Ming Suan Zhang, a citizen of the People's Republic of China, was sentenced to 57 months' incarceration for violating the International Emergency Economic Powers Act by attempting to export high-grade carbon fiber from the United States to China. Zhang attempted to negotiate a long-term contract for massive quantities of the controlled commodity, which he asserted was to be provided to a Chinese company involved in the development of a military aircraft. Zhang was arrested after traveling to the United States to meet with an undercover agent ("UC") in an effort to obtain a sample of the specialized fiber, which has applications in the defense and aerospace industries and is therefore closely regulated by the United States Department of Commerce.

Zhang came to the attention of federal authorities last year after two Taiwanese buyers, acting on his behalf, attempted to procure several tons of specialized carbon fiber, including Toray type M60-JB-3000-50B ("M60"), via Internet marketplace forums. Zhang met with one of the buyers in mainland China and directed him to purchase a large quantity of high-grade carbon fiber, which Zhang intended to provide to a customer in China. The buyers searched for a source of the commodity and contacted the UC. The

UC informed the buyers that he was willing to negotiate a deal, but that a license from the U.S. government was required to export the M60 from the United States.

When Zhang's agents failed to obtain and deliver a sample of the carbon fiber, Zhang became personally involved. He ultimately contacted the UC and stated that he had an urgent need for the carbon fiber. Zhang indicated that his customer, an executive at a prominent Chinese military company, was involved in the test flight of a "jet fighter plane."

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On the web at: [/www.bis.doc.gov](http://www.bis.doc.gov)

**Come Visit Wini Hunt at our school's Booth #1 at the conference.**

## ATF&E Has Enforcement Teeth and Can Bite

Working with other US Government (USG) Agencies, particularly with the Directorate of Defense Trade Controls at the State Department, ATF&E (Bureau of Alcohol, Tobacco, Firearms and Explosives within the U.S. Department of Justice) has enhanced its rules and regulations to protect America's imports of firearms and other items within its mandate. In recent years, since it became part of the DOJ and set down its new regulations, ATF&E has been a significant participant in the USG task force helping to protect the nation's imports. What that means to importers and exporters is they have another set of regulations to contend with that involve more than just explosives and firearms. This creates potential problems for companies because ATF&E gains its authority for a wide range of laws and regulations that many companies may not be familiar with. As with all federal regulations, ignorance of the law is no excuse for violating the laws. To help importers, Dunlap-Stone University has worked with industry experts to assemble and organize this new body of knowledge into a cohesive course of study to help

ATF&E- Continued on page 12

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

Service Members from all eras, including Vietnam Veterans and their Family Members Qualify\*.

**Call for details and to enroll (800) 474-8013 (602) 648-5750 Outside the U.S.**

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

WTO - Continued from page 1

special treatment for the poorest countries.

The agreements adopted today reaffirm the global commitment to eliminate agricultural export subsidies, address genuine food security needs through non-trade distorting policies, and to maximise export opportunities under tariff rate quotas.

“Despite some suggestions, the Ministerial meeting was not about North-South differences. The overwhelming majority of WTO Members wanted a result, and we got there,” Mr Robb said.

“After 13 years of talks, the Bali outcome offers us a real opportunity to re-energise the WTO and get back to its core business of delivering trade liberalisation.”

“This result is a testament to the tireless efforts of WTO Director-General Azevedo and to Indonesia as the host of the Bali meeting.”

Source: [http://trademinister.gov.au/releases/2013/ar\\_mr\\_131207.html](http://trademinister.gov.au/releases/2013/ar_mr_131207.html)

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**DDTC**

Directorate of Defense Trade Controls

**Update**

**Notice (01.03.14) :** 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).

#### DDTC Questions & Answers

**Q:** How should items be classified in the Automated Export System (AES) for items transitioning to the CCL but being exported under a legacy State Department authorization?

**A:** You should enter the USML category as indicated on your license, not the new ECCN.

**Q:** If I have an EAR-controlled item on a USML license what are the AES filing requirements for legacy licenses and new licenses?

**A:** In both cases, an AES filing is required regardless of the dollar value. For legacy licenses the applicant is not required to file an EAR classification in AES or enter 600 series ECCNs on export control documents that accompany the shipment.

However for licenses under §120.5(b) received after the effective date of a revised category, the appli-

#### Federal Register Notice

79 FR 34, January 2, 2014, Public Notice 8580.

Amendment to the International Traffic in Arms Regulations: Third Rule Implementing Export Control Reform

As part of the President's Export Control Reform (ECR) effort, the Department of State is amending the International Traffic in Arms Regulations (ITAR) to revise five more U.S. Munitions List (USML) categories and provide other changes. The revisions contained in this rule are part of the Department of State's retrospective plan under E.O. 13563.

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



#### Become a CIP

The highest industry standard of proficiency offered by IIEI Certification for those charged with administration of the International Traffic in Arms Regulations.

To discover how you can train to become an elite, in-demand ITAR professional, call a training Advisor TODAY.

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Experienced ITAR Professionals are in demand throughout industry

cant must identify the EAR classification(s) in AES in the ECCN field for all EAR items, as well as provide the EAR classification in accordance with §123.9(b)(2).

Source: <http://www.pmdtc.state.gov/faqs/ecr.html>

ATF&E- Continued from page 10

companies bring this much needed expertise in-house.

The expanded scope and reach of the ATF&E's duties and requirements are addressed in the university's new online course: U.S. Import of Munitions Regulations for ATF&E (TRD-340). It will be offered for the first time April 24, 2014. Space is limited. In its first running, companies may only enroll one employee. As an elective course it will be offered minimally two times per year. Register early to assure enrollment space. Contact an enrollment advisor today for more information. See course description article below. ((800) 474-8013 or (602) 648-5750. Email

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

## Classes Designed Specifically For Compliance "Newbees"

Do you have new people in the compliance department, people that are brand new to the industry? One of the most challenging tasks is getting "newbees" up to speed before they do something that could cause an export violation. Unfortunately, most new people are "thrown into the thick of it" and they try to learn fast enough so that they are not a liability. The fear of management is that the front line compliance worker is most likely where the violation will originate. To solve this dilemma, the experts at DSU have worked with employers to develop courses specifically for people new to compliance. Employers' biggest concern has been for years that simply sending "newbees" to a two or three day conference or two only terrorizes new employees. Hearing the latest

updates when they don't have a clue about the basics is similar to building a house on sand. Employers wanted the university to design short-term training foundation courses that will give their new hires a good understanding of compliance. They also wanted the entry-level courses to prepare their employees for entry into the advanced courses offered at the university. Above all, they wanted to get their "newbees" up to speed fast on compliance as a discipline. The International Import-Export Institute within DSU met that challenge.

With the help of industry experts, the university developed three courses to meet this need. Each online course is three weeks in duration—long enough for employees to master the material, but short enough not to interrupt business. Upon completion of a course, employers can receive their employee's proficiency grade thus validating their employee's knowledge of the topics of the course of study. All three courses are scheduled for early 2014 and are repeated at various times throughout the year. Each course is stand alone, which means that employers can have their "newbees" enroll in the courses in any sequence.

The courses are:

- Trade Compliance Environment 1 (TRD-214) Already started.
- Trade Compliance Environment 2 (TRD-215) February 20
- Trade Compliance Environment 3 (TRD-216) March 13

Contact an enrollment advisor for complete details and to register your employees.

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



## Classes Starting Soon

February 2014

TRD-307 Understanding the EAR  
 TRD-320 Ethics in Trade Compliance  
 TRD-365 Ethics in Import Compliance  
 TRD-505 Export Fundamentals  
 TRD-306 Understanding the ITAR  
 BUS-118 Introduction to Business Writing  
 BUS-401 Global Culture  
 FAE-263 Principles of Microeconomics  
 FAE-302 Global Finance Methods  
 HAS-105 Writing Across the Curriculum  
 HAS-132 Introduction to Psychology  
 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  
 TRD-225 Documentation for the Global Village  
 TRD-304 US Customs Broker Exam Prep  
 TRD-215 Trade Compliance Environment 2  
 TRD-299 Agreements Under the ITAR  
 HAS-184 Introduction to the Short Story

March 2014

BUS-405 Global Business Plan  
 TRD-141 Introduction to Incoterms 2010(R)  
 TRD-143 Introduction to CTPAT  
 TRD-525 Auditing and Assessing Trade Compliance Process  
 TRD-318 Introduction to OFAC  
 TRD-320 Ethics in Trade Compliance  
 BUS-101 Getting Started in International Trade  
 TRD-216 Trade Compliance Environment 3  
 TRD-307 Understanding the EAR  
 HAS-260 Terrorism in the 21st Century  
 TRD-257 Empowered Officials Essentials  
 TRD-322 Understanding the NAFTA  
 TRD-325 UK Export Controls  
 TRD-306 Understanding the ITAR  
 BUS-403 Global Marketing  
 BUS-440 Legal Environment of Business  
 FAE-230 Business Accounting  
 FAE-450 International Economics  
 HCA-133 Introduction to Public Health  
 MGT-345 Organizational Behavior  
 SCM-412 Global Supply Chain Strategy  
 STM-160 Statistics in Business  
 TRD-140 Importing Duties and Regulations  
 TRD-311 Documentation for Export Compliance

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

### 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."

There are many reasons why organizations want only their members in the class:

- They may want to include topics for discussion that are proprietary.
- Have topics that they want to explore further than might otherwise be covered.
- They may want to have certain people in the 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

Professionally Significant Degrees®

## Plan Ahead for Your Enrollment in a Trade Compliance Masters Degree Program

Whether you are planning to enroll in the masters degree in trade compliance for trade professionals or for practicing attorneys, the key is registering early. It takes time for transcripts to be received from your previous school and for all the application process to be complete. As classes in these two masters degrees are only open to students admitted into a program, you are able to begin taking classes only after the admission process is complete.

With the limited start dates of both programs, those who are not fully admitted are finding their entry date to begin taking classes is postponed by several months. Contact an enrollment advisor today to coordinate your start date with your application.

**Over half of Bachelor Degree Students (BS-ITM) Choose to Graduate with a Dual-Degree:**

**Trade Compliance Law & Global Supply Chain Management**

**Call and find out why.**

**The next start date for the Master of Laws in U.S Regulatory Trade Law is July 3rd**

### Customs Broker Exam Preparation Course (TRD-304)

Learn with others. 24/7 online access with expert instructors to guide you to success. This course is constantly updated as the regs change. Now in its 19th year. Space is limited. Register today.

**Class starts February 20th.**

## DSU Names 2014 Outstanding Graduate Award Recipient

Dunlap-Stone University is proud to announce the recipient of the 2014 Outstanding Graduate Award: Ji Kinnear. When asked about her experience, Ji said, "After 20 years in management positions, I decided it's never too late to up my game. By pursuing a bachelor's degree in International business at DSU, it allowed me to specialize in my field and compete at a higher level."

Ji graduated with a Bachelor of International Trade Management program, with an emphasis in Trade Compliance. She is a management professional in Southern California after originally earning a degree in Economics from Cal State- Long Beach. She has most recently worked in the military tactical accessories market. She helped develop the Interna-



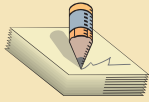
Ji Kinnear: 2014 Outstanding Student Award

tional Department for SureFire and worked as a Vice President of Operations for tactical flashlight manufacturer NovaTac. She has traveled around the world as a consultant on export and compliance matters for several U.S based manufacturers and is now a Partner and Operations

Director for S3-International, an Exporter of mostly American manufactured products to Asia and Europe.

She said, "I wish I could tell everyone how great an educational institution DSU is. Not only in the way of providing the necessary courses to pursue higher education but actually enabling students to achieve their dreams by helping with everything possible, whether its by providing text material when you can't afford it, giving you advice when you need it or by offering encouragement when things are tough. DSU has been there for me thick and thin and I am so thankful. I truly credit DSU for my success. Thank you so much for everything." She lives with her husband and four children in Newport Beach, CA and loves to cook and read.

Her profile is featured in the forthcoming 2014 DETC Outstanding Graduate publication.



## Dunlap-Stone University Student Honor Roll

Honor - Distinction - Excellence

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

DIANA ALBERT - AZ  
 CONNIE ALLEN - VA  
 DAVID BALDWIN - TX  
 JEFF BELANGER - CA  
 ANDREW BOOTH - VA  
 JANET BROOKS - DC  
 LACEY BROWN - NH  
 ALICIA BRYANT - MO  
 JOSEPH BURKS - GA  
 STACY BUTNER - FL  
 BRUCE CARLINI - CANADA  
 ANDRE CAVAZOS - TX  
 VALERIE CHU - IL  
 CHARLES CLIFTON - GA  
 TRENTON CONNER - IL  
 MICHELE DOTSON - CA  
 ERIN DOUBLE - CANADA  
 IAN DOUGLASS - CA  
 THOMAS DURAND - NH  
 REGINA ESSENMACHER - TX  
 KRISTIN ESTENGER - CA  
 SHERIDA FEAZELL - VA  
 RAY FISCHER - CANADA  
 BARBARA FLYNN - IN  
 ELIZABETH FOLEY - NJ  
 CARRIE FOSTER - MA  
 JAMES FOX - NY  
 MICHELLE GALLAGHER - VA  
 JANICE GLAD - FL  
 ANDREW GRASSO - WI  
 ZACHARY GRAY - MI  
 TERESHA GROSECLOSE - VA  
 SUSAN HAERTLING - MO  
 VALERIE HECTOR - TX  
 TORSTEN HELK - NJ  
 CLAIRE HOBERECHT - WA  
 RAY JONES - NV  
 SUZANNE KACHIGIAN - AZ  
 KRISTINA KEATING-BENTLEY - IL  
 ANDREA KELLEY - TX  
 JENNIFER KING - CA  
 RYSZARD KOKOSZKA - IL  
 LAURA KRAUS - FL  
 LINDSAY LAMBERSON - IL  
 PATRICIA LATAXES - LA  
 BETH LISANTI - NY  
 KEITH LONDOT - CA

## GRADUATION ANNOUNCEMENT

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

Many may recognize that she is one of the school's enrollment advisors. Well done, Lisa.



### Lisa Fritsch

Degree Awarded: BS in International Trade Management  
 Emphasis: Global Supply Chain Management  
 Graduated: *Cum Laude*

DEBBIE LUIZ - AL  
 DANA MADHU - TX  
 LISA MALDONADO - TX  
 ROXANNE MALIK - MA  
 RHONDA MARCH - VA  
 DAVID MARTELL - WI  
 KEN MAY - TX  
 CAROL MCCOY - TX  
 KAORI MCCOY - WA  
 SARAH MCQUADE - AZ  
 KATRINA MICHAELIS - ID  
 ALICIA FAITH MODESKI - NH  
 DANIELLE MULKA - MI  
 COLON NG - TX  
 DENISE OCHOA - TX  
 TANYA PELHAM - FL  
 NICOLAS PENA - TX  
 EVA PEST - NC  
 KRISTEN PITTAS - MD  
 KIMBERLY PRITULA - NH  
 PAUL RASOLETTI - MI  
 ALAN ROBERTS - PA  
 ROBYNE ROBERTS - FL  
 WILLIAM RODEN - FL  
 ROBERT RULAVAGE - PA  
 ANDREW RYAN - NY  
 GISELA SCHAEFER - IL  
 JAMIE SCHAEFFER - PA  
 ELIZABETH SIMON-HOLSCHBACH - FL  
 JAMES SLACK - UK  
 TAMARA SPRINKLE - CA  
 HEATHER STECKEL - OH  
 MARJ STONER - CANADA  
 MARTIN STONER - TX

BRIAN TAYLOR - FL  
 ZACHARY TEEGARDEN - AZ  
 KATHRYN TERRY - TX  
 MARTIN TERVO - MI  
 BRITTANY THIGPEN - TX  
 TAM TRAN - FL  
 JOSEPH TURNER - TX  
 KIMBERLY UNICK - AL  
 SELVIN VALENZUELA - FL-  
 PATRICIA VAN WEST - AZ  
 RUBEN VASQUEZ - TX  
 GABRIELA VEGA - TX  
 SUSAN WASHBURN - NM  
 JOHN WOOD - VA  
 ANNE YOUNG - CA  
 BETTY ZAMBRANO - FL

## Congratulations to these Outstanding Students

Your Dedication,  
 Perseverance and Hard  
 Work are to  
 be commended.  
 Well done!

As of January 30, 2014



# The International Import-Export Institute

at *Dunlap-Stone University*

19820 North 7<sup>th</sup> Street, Suite 100

Phoenix, Arizona USA 85024

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