



Annual Report to Congress

FISCAL YEAR 2022

**U.S. Department of Commerce
Bureau of Industry and Security**



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INTRODUCTION: U.S. SECRETARY OF COMMERCE GINA RAIMONDO



Fiscal Year 2022 (FY 2022) presented some of the most complex and important geopolitical challenges we've faced in 20 years. The Bureau of Industry and Security (BIS) was critical to addressing this pivotal moment in history. In response to Russia's unjust and illegal war against Ukraine in February of 2022, BIS acted quickly to implement comprehensive export controls against Russia (and later Belarus) to limit key items necessary to build Russia's military and defense industrial base. Importantly, we did not do this alone. BIS worked tirelessly to build an unprecedented coalition of 38 governments imposing substantially similar controls on Russia and Belarus, which enhanced our ability to deny Russia the inputs it needed to fuel its war machine. These substantially similar controls from like-minded governments also reduced the extraterritorial impact of our controls, preserving U.S. companies' major presence in the supply chains of our allies and partners.

BIS has also taken creative steps to enhance the effectiveness of our Russia-related export controls. In FY 2022, BIS worked with the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) to issue a joint alert on attempts to evade our export controls against Russia and Belarus. These efforts, in conjunction with educating the public on comprehensive changes to our export controls, have augmented our impact on Russia's ability to effectively reconstitute its weapons systems.

BIS's work related to Russia and Belarus is a part of our broader effort to administer and enforce export controls to prevent the use of certain commodities, software, and technology from supporting the militaries and destabilizing actions of countries and entities of concern. BIS also works to address the misuse of U.S. technologies in committing human rights abuses and administers controls to limit the proliferation of chemical, biological, and nuclear materials. The Bureau understands that national security is a shared responsibility. BIS law enforcement agents work closely with counterparts throughout the federal government and internationally, as well as with the private sector at home and abroad, to detect, investigate, and prosecute export control violations

and promote compliance. Further, BIS's purview grew in 2022, when the Bureau assumed authorities to review transactions linked to foreign adversaries, including China and Russia, through the information and communications technology and services (ICTS) supply chain program.

The effectiveness of these efforts is advanced by working multilaterally with like-minded countries. Thanks to President Biden's leadership, America is rebuilding bonds with allies and partners that share our values – a force multiplier for our export controls and work to secure the ICTS supply chain from foreign adversaries. We are re-engaging with allies through the U.S.-EU Trade and Technology Council (TTC), which I co-chair. The TTC's Export Controls Working Group enables further coordination with our European partners on shared export control priorities. Coordinating with allies and partners helps maximize the effectiveness of our controls, maintain a level playing field for U.S. companies, and sustain U.S. technological leadership and competitiveness.

Furthermore, BIS's effective administration of the Section 232 steel and aluminum tariffs, industrial base assessments, and input into the Committee on Foreign Investment in the United States (CFIUS) process collectively support our national security, competitiveness, defense industrial base, supply chain security, and critical infrastructure.

Through these diverse efforts, BIS is instrumental to our Department-wide vision to build a stronger global security architecture that is anchored by U.S. and allied leadership, and animated by our shared commitments to democratic governance, rule of law, respect for human rights, and peaceful commerce.



ACRONYMS

| | |
|--------------|--|
| ACE | Automated Commercial Environment |
| ACEP | Advisory Committee on Export Policy |
| AG | Australia Group |
| ANPRM | Advance Notice of Proposed Rulemaking |
| BIS | Bureau of Industry and Security |
| BWC | Biological Weapons Convention |
| CBP Outbound | U.S. Customs and Border Protection's Outbound Division |
| CCL | Commerce Control List |
| CFIUS | Committee on Foreign Investment in the United States |
| CJ | Commodity Jurisdiction |
| CWC | Chemical Weapons Convention |
| DPAS | Defense Priorities and Allocations System |
| EAR | Export Administration Regulations |
| ECCN | Export Control Classification Number |
| ECP | Export Compliance Program |
| ECRA | Export Control Reform Act of 2018 |
| EMCD | Export Management and Compliance Division |
| ERC | End-User Review Committee |
| ETTAC | Emerging Technology Technical Advisory Committee |
| FIRRMA | Foreign Investment Risk Review Modernization Act of 2018 |
| IAEA | International Atomic Energy Agency |
| IEEPA | International Emergency Economic Powers Act |
| IIM | Intersessional Implementation Meeting |

| | |
|--------|--|
| ITA | International Trade Administration |
| ITU | Information Triage Unit |
| LD | Licensing Determination |
| MIC | National Defense Stockpile Market Impact Committee |
| MTCR | Missile Technology Control Regime |
| NATO | North Atlantic Treaty Organization |
| NETTEM | New and Evolving Technologies Technical Experts Meeting |
| NOI | Notice of Inquiry |
| NRC | Nuclear Regulatory Commission |
| NSIP | National Security Investment Program |
| NSG | Nuclear Suppliers Group |
| OAC | Office of Antiboycott Compliance |
| OC | Operating Committee |
| OESD | Office of Exporter Services' /Outreach and Educational Services Division |
| OPCW | Organization for the Prohibition of Chemical Weapons |
| RPOC | Reinforced Points of Contact |
| SCC | Special Compliance Coordinator |
| TAC | Technical Advisory Committee |
| TEM | Technical Expert Meeting |
| TS | Technical Secretariat |
| UAV | Unmanned Aerial Vehicles |
| USML | United States Munitions List |
| UVL | Unverified List |
| VEU | Validated End-User |
| WMD | Weapons of Mass Destruction |
| WRO | Western Regional Office |



BIS MISSION STATEMENT AND OVERVIEW

MISSION: BIS advances U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership.

OVERVIEW: BIS administers and enforces controls on the export of: (1) commercial and dual-use items, which have chiefly commercial uses but could be used in conventional arms and/or weapons of mass destruction, or to abuse human rights; and (2) certain less-sensitive military items that are not otherwise controlled by the Department of State under the International Traffic in Arms Regulations (ITAR).

Department of Commerce controls are implemented primarily under the Export Control Reform Act of 2018 (ECRA) through the Export Administration Regulations (EAR), in coordination with several other federal agencies. The EAR set forth license requirements and licensing policy for exports of these items and incorporate controls on items identified on the control lists of the four major multilateral export control regimes: the Australia Group (AG) (chemical and biological nonproliferation); the Missile Technology Control Regime (MTCR); the Nuclear Suppliers Group (NSG); and the Wassenaar Arrangement (conventional arms and related commodities, software, and technologies). BIS also implements unilateral controls under ECRA authorities.

BIS participates in U.S. nonproliferation efforts related to the Chemical Weapons Convention (CWC), the Additional Protocol to the U.S.-International Atomic Energy Agency (IAEA) Safeguards Agreement, and the Biological Weapons Convention (BWC).

Enforcement of the EAR is an essential aspect of the BIS mission. Enforcement efforts serve to encourage compliance, prevent and deter violators, disrupt illicit activities, and bring violators to justice. BIS investigates potential violations, supports administrative and criminal prosecutions, and helps evaluate the parties, end uses, and destinations of exports, re-exports, and in-country transfers of sensitive commodities, software, and technology. BIS also actively enforces prohibitions related to certain unsanctioned foreign boycotts.

BIS carries out activities to support the U.S. defense industrial base, including: investigating whether certain imports threaten to impair national security; conducting industry sector surveys and analyses; participating in the Committee on Foreign Investment in the United States (CFIUS) process; administering the Defense Priorities and Allocations System (DPAS); co-chairing the Market Impact Committee (MIC) of the National Defense Stockpile; and providing the Department of Defense with recommendations on the proposed release of excess defense articles.

BIS consults closely with industry on the development of regulatory policy through its Technical Advisory Committees (TACs). The TACs provide valuable input on trends in technology and the likely impact of export control developments. BIS also conducts and participates in numerous outreach events throughout the United States and overseas to educate and update the public and international partners on export controls and policy.

Fiscal Year Highlights – 2022



1. **Russia/Belarus Controls:** In response to the Russian Federation’s unjust and illegal war against Ukraine and Belarus’ complicity in that war, BIS issued 15 rules denying Russia and Belarus access to the technologies, equipment, and other items they need to continue the military invasion and assault on Ukraine and its people. These included rules restricting all items on the Commerce Control List destined for Russia and Belarus. Other rules targeted Russia’s oil industry sector, luxury goods destined for Russia and Belarus, as well as certain oligarchs worldwide, and military end users in both countries. BIS also issued rules to restrict the provision to Russia or Belarus of foreign-produced items, including equipment, that are derived from U.S.-origin technology, software, or production equipment.
2. **Multilateral Regulatory Response:** BIS marshalled 38 international partners to implement similar stringent controls on Russia and Belarus and initiated ongoing strategic coordination to better align U.S. export controls with those of our allies.
3. **Enforcement Actions Against Russia/Belarus:** BIS applied innovative enforcement efforts, such as outreaching more than 600 U.S. exporters to Russia on regulation changes and publicly identifying commercial aircraft operating in Russia or Belarus in violation of U.S. export controls, including Iranian aircraft operated by Mahan Air, which remains subject to a Temporary Denial Order (TDO). During FY 2022, BIS identified 184 such aircraft. Additionally, BIS issued 10 TDOs against Russian and Belarusian airlines, which apply even when they are operating outside Russia and Belarus, to enhance the already stringent controls on items destined to Russia and Belarus. BIS has also built enhanced partnerships with the Department of the Treasury to better link export controls and sanctions for enforcement purposes. BIS created a Russia-Belarus Resource Page cataloguing all its actions (rules, enforcement actions, etc.) in response to Russia’s aggression against Ukraine.
4. **Senate-Confirmed Leadership:** All three Presidential appointees were confirmed by the Senate. For the first time since 2017, BIS has a full leadership team in place.
5. **Section 1758 Technologies:** BIS remains committed to continuing to execute its statutory responsibilities under Section 1758 of ECRA to identify and implement appropriate controls on emerging and foundational technologies essential to our national security. Since the enactment of ECRA through the end of FY 2022, BIS has identified 42 technologies for control pursuant to section 1758 of ECRA: 41 multilateral controls and 1 unilateral control. In FY 2022, BIS published rules implementing multilateral controls on five technologies and one rule implementing a unilateral control. Additionally, BIS published notices requesting comments on whether controls are appropriate for six other technologies.
6. **International Standards Rule:** On September 9, 2022, BIS published an interim final rule titled “Authorization of Certain ‘Items’ to Entities on the Entity List in the Context of Specific Standards Activities” to clarify the scope and application of the authorization that allows for “releases” of certain “technology” or “software” to certain entities when that “release” is for a “standards-related activity” and the resulting

standard will be “published.” The authorization states that a license is not required for the “release” of certain technology or software subject to the EAR to a party listed on the Entity List for such “standards-related activities.” BIS made these revisions in response to industry uncertainty, to ensure that export controls and associated compliance concerns related to the Entity List do not impede the leadership and participation of U.S. companies in national and international standards-related activities.

7. **FinCEN-BIS Joint Alert:** In June 2022, BIS issued the first-ever joint alert with FinCEN to urge increased vigilance for potential Russian and Belarusian export control evasion attempts. The alert highlighted commodities of special concern due to their potential for use to bolster Russia’s or Belarus’ military and defense capabilities. The alert also identified red flag indicators of export control evasion. As a result of the joint alert, FinCEN and BIS received investigative leads from Suspicious Activity Reports (SARs) filed by financial institutions under the new Russia Sanctions code.
8. **Task Force Kleptocapture:** BIS worked cooperatively with the Department of Justice’s Task Force Kleptocapture to prioritize criminal investigations of illicit Russian procurement networks.
9. **International Enforcement Coordination:** BIS announced a partnership with the Canada Border Services Agency (CBSA), which includes, for the first time ever, an analyst permanently stationed in Ottawa.
10. **Strengthened Administrative Export Enforcement:** BIS strengthened its administrative enforcement policies to keep the most critical U.S. technology out of the most dangerous hands by: (1) making charging letters public when filed; (2) eliminating “no admit, no deny” settlements; (3) raising penalty amounts; (4) introducing non-monetary resolutions for cases without serious national security harm; (5) revising the voluntary self-disclosure process; and (6) speeding up issuance of post-conviction denial orders.

Following the implementation of these changes, BIS issued five charging letters (all public) against entities and individuals, including a Russian oligarch, in connection with illegally exporting sensitive U.S.-origin items to Iran, Syria, China, and Russia.

11. **Strengthened Antiboycott Enforcement:** BIS strengthened antiboycott enforcement by making policy changes that apply to the resolution of administrative antiboycott enforcement matters. Specifically, BIS has: (1) re-ordered the categories of violations set forth in the EAR’s penalty guidance to more accurately reflect the seriousness of the violations; (2) raised penalty amounts; (3) ended “no admit, no deny” settlements; and (4) enhanced focus on foreign subsidiaries of U.S. companies.
12. **Additions to the Entity List:** In FY 2022, BIS added 463 entities to the Entity List (EL), actions that specifically addressed critical U.S. national security and foreign policy objectives. At the conclusion of FY 2022, the EL there were over 2000 entities in 79 countries. BIS’s response to Russia’s further invasion of Ukraine included the addition of 336 entities, including 25 entities in fifteen countries for contributing to or otherwise supporting Russia’s military or defense industrial base. BIS also strengthened EL license requirements by applying the Russia/Belarus-Military End User foreign direct-product rule to over 250 entities on the list to address the associated national security concerns. In addition to the increased attention on Russia, BIS

added nearly 20 parties to the EL to address the efforts of nefarious actors to procure U.S.-origin items for unsafeguarded nuclear activities or missile-proliferation.

13. **Additions to the Unverified List (UVL):** BIS added 33 parties in the PRC to the Unverified List (UVL) in FY 2022, which means BIS was unable to verify the legitimacy and reliability (bona fides) of certain parties to engage in transactions involving exports under BIS jurisdiction for reasons outside of the U.S. Government's control. Additional restrictions under the EAR apply to parties added to the UVL.
14. **Academic Outreach Initiative:** BIS established the Academic Outreach Initiative to help academic institutions maintain an open, collaborative research environment in a way that also protects them from national security risk. The domains of national security and academia are increasingly interconnected, and U.S. technological leadership and economic dynamism stem from the strength of U.S. academic institutions. BIS has initially partnered with twenty academic research institutions whose work gives them an elevated risk profile and assigned an OEE Special Agent to each institution. Additionally, Export Enforcement hosted several webinars for the academic community on issues like identifying red flags and conducting open-source research.
15. **Continued Response to Russia's Use of Chemical Weapons:** BIS supported efforts to hold Russia accountable for its use of Chemical Weapons in our national dialogue and initiatives in the OPCW Policy-Making Organs in The Hague, Netherlands. This included raising the issue of additional emerging threats such as central nervous system acting agents, which are also known as pharmaceutical based agents.

Reporting Metrics



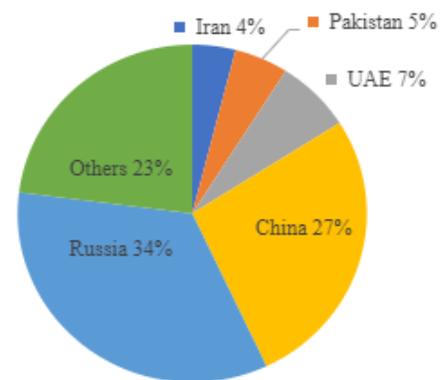
BIS protects and promotes U.S. national security and foreign policy interests through a variety of tools that implement and enforce the EAR and support the U.S. defense industrial base. BIS also engages in a range of activities to implement and ensure compliance with the Chemical Weapons Convention (CWC), the Additional Protocol to the U.S. – IAEA Safeguards Agreement, and the Biological Weapons Convention (BWC).

The following sections detail BIS’s accomplishments in furtherance of these objectives.

Additions to the Entity List

BIS chairs and implements the decisions of the End-User Review Committee (ERC), the interagency group consisting of representatives from the Departments of Commerce, Defense, Energy, State, and, where appropriate, the Treasury, that decides upon all additions to, removals from, or other modifications to the Entity List. The Entity List identifies foreign parties that are generally prohibited from being a party to a transaction involving items subject to the EAR unless the exporter, re-exporter, or transferor first receives a license. The ERC has determined that persons and entities on the Entity List have been involved, are involved, or pose a significant risk of being or becoming involved in activities that are contrary to the national security or foreign policy interests of the United States. Those entities present a greater risk of diversion to WMD programs, terrorism, or other activities contrary to U.S. national security or foreign policy interests. The Entity List is an important tool in preventing unauthorized trade in items subject to the EAR.

Total Entities on the Entity List



In FY 2022, BIS added 463 entities to the Entity List via 13 final rules.

In FY 2022, BIS published 13 rules that added 463 parties to the Entity List for acting contrary to the national security or foreign policy interests of the United States. As of the end of FY 2022, there are a total of over 2,000 entries on the Entity List in 79 countries.

Export License Processing

BIS processed 40,765 license applications, approved 35,562 applications (87.2%), returned 4,423 applications without action (10.8%), and denied 780 applications (1.9%). BIS's average license application processing time in FY 2022 was 37 days, including time for review by the Departments of Defense, Energy, and State, as appropriate.



Through the licensing process, BIS carefully assesses each application, seeking recommendations and information from the Departments of Defense, Energy, and State, the Intelligence Community, and other agencies as appropriate. BIS's Information Triage Unit (ITU) is responsible for assembling, analyzing, and disseminating information from all pertinent sources to inform agencies about the bona fides of foreign parties to a license application. During FY 2022, the ITU provided information relevant to 613 license applications. In addition, BIS end-use checks help ensure that exported and re-exported items have been, or will be, properly used as authorized and that license conditions are implemented. These activities prevent unauthorized trade and ensure entities and persons of concern are ineligible to receive items subject to the EAR.

Exports Under License

BIS obtains data from the Bureau of the Census (Census) on exports subject to BIS licensing requirements to evaluate the impact of controls on U.S. exports. In FY 2022, U.S. companies exported \$7.7 billion of items under a BIS license (0.4% of total U.S. exports). Exports made under a BIS license exception totaled \$15.3 billion, representing approximately 0.7% of overall U.S. exports.

BIS continues to work with Census and Customs and Border Protection (CBP) to improve the Automated Commercial Environment (ACE) and to increase exporter compliance with the EAR. During FY 2022, U.S. exporters were given access to ACE portal reports to allow them to review their own export transactions filed through the system.

License Applications Escalated for Interagency Resolution

Under Executive Order 12981, Administration of Export Controls, BIS's Operating Committee (OC) – with membership including the Departments of Commerce, Defense, Energy, and State – is tasked with resolving interagency disagreement on specific license applications. In FY 2022, the OC reviewed 446 cases, and 33 cases were further escalated to the Assistant Secretary-level Advisory Committee on Export Policy (ACEP) for resolution.

Commodity Classifications

If an item is subject to the EAR, exporters need to assess if the item is described by an ECCN on the CCL. Items that are subject to the EAR but not described on the CCL are designated "EAR99." The ECCN or EAR99 designation helps determine if a license requirement applies and, if so, the review policy that will inform the exporter of the likely outcome of a license application review. Other factors that help determine licensing requirements and review policies include the country to which the item is being exported and the end user and intended end use of the item.

Although BIS provides web-based assistance to exporters to self-classify items, exporters often seek official classification determinations from BIS. Exporters may submit an official classification request to BIS where there is uncertainty and, in limited instances, may be required to do so because of the nature of the item. In FY 2022, BIS processed 3,319 classification request applications, including 924 encryption requests, with an average response time of 141 days per classification request.

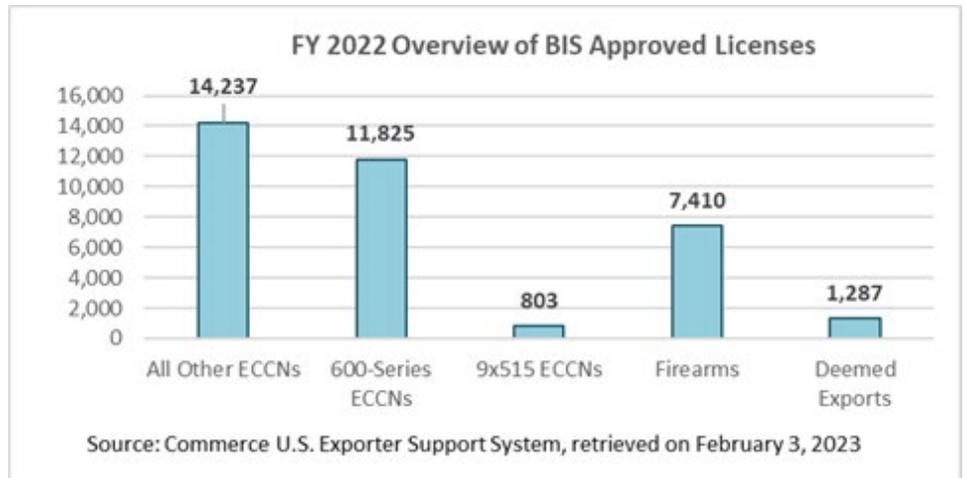
Commodity Jurisdiction Determinations

A commodity jurisdiction (CJ) request is used by exporters to determine whether an item or activity is subject to the EAR or is a defense article or defense service subject to the Department of State's International Traffic in Arms Regulations (ITAR). Exporters may request a CJ determination by submitting the request to the Department of State's Directorate of Defense Trade Controls, which has final jurisdiction determination authority. In FY 2022, BIS provided recommendations to the Department of State on 248 CJ requests.

Licensing and Export of Items Transferred from the USML to the CCL

In FY 2022, BIS's Office of Strategic Industries and Economic Security processed 12,741 export license applications for exports of "600 series" items that were transferred from the USML to the CCL. Of the "600 series" license applications, BIS approved 11,825 applications (93.0%), returned 848 applications without action (6.7%), and denied 38 applications (0.3%).

The “600 series” items with the highest number of approved license applications included military aircraft and related commodities under ECCN 9A610 (5,129), followed by military electronics under ECCN 3A611 (2,237), military aircraft technology under ECCN 9E610 (1,353), and military gas turbine engines and related commodities under ECCN 9A619 (1,075).



In FY 2022, U.S. companies exported 108,078 shipments of “600 series” items, with a value of over \$6.3 billion. The top exported “600 series” category (by value) was military aircraft and related commodities under ECCN 9A610, with 58,924 shipments valued at \$2.7 billion.

The top destinations for U.S. exports of “600 series” items (by value) included Japan, the United Kingdom, and Canada. The license designations most often used by U.S. exporters to export “600 series” items were: BIS license (43.2%), License Exception Strategic Trade Authorization (12.5%), and License Exception Servicing and replacement of parts and equipment (7.3%).

Spacecraft systems and related items previously controlled on the USML that were transferred to the CCL are classified under “9x515” ECCNs. In FY 2022, BIS processed 880 export license applications for these spacecraft-related items. Of these, BIS approved 803 (91.3%), returned 70 applications without action (8.0%), and denied seven (0.8%). During the same time period, U.S. companies exported 3,746 shipments of “9x515” items for a total value of \$822.8.9 million.

Spacecraft and related commodities classified under ECCN 9A515 were both the greatest number of “9x515” items exported, with 4,550 shipments valued at \$829.8 million, and the greatest number of approved licenses (452) in the category. The top destinations for these exports, by value, included the United Kingdom, Kazakhstan, and India. The license designations most frequently reported by exporters were BIS license (37.4%), “No License Required” (21.8%), and License Exception Strategic Trade Authorization (17.4%).

For firearms, ammunition, and related commodities moved from the USML to the CCL, in FY 2022 items controlled under ECCN 0A501 (Firearms (except 0A502 shotguns) and related commodities) accounted for the greatest number of approved applications (5,352 licenses valued at \$5.8 billion).

BIS's Munitions Control Division conducted 183 600-series compliance reviews during FY 2022. Compliance reviews allow for the counselling of exporters on the EAR, record keeping requirements, and identification and correction of filing errors as well as identification and referral to Export Enforcement. Of the 183 completed compliance reviews, 75% were considered compliant or otherwise identified no violations of the EAR. Any reviews identifying apparent violations are referred to Export Enforcement for further action as appropriate.

Validated End-User Program

The Validated End-User (VEU) program is a program that facilitates high-technology civilian trade between the United States and VEU-eligible countries (currently China and India). Exporters' use of Authorization VEU reduces the licensing burden on industry by allowing U.S. exporters to ship designated items to pre-approved entities under a general authorization instead of individual export licenses and allows U.S. Government review of technology roadmaps, compliance plans, and customers.

At the close of FY 2022, there were 11 VEUs in China with 37 eligible destinations and one VEU in India with one eligible destination. Since the effective date of the VEU program in June 2007, U.S. companies have made approximately 2,600 shipments totaling \$698 million worth of controlled items to the VEUs, including 517 export shipments worth approximately \$3.8 million to VEUs in FY 2022.

Unverified List and Military End-User List

In addition to the requirements found elsewhere in the EAR, persons listed on the Unverified List (UVL) are ineligible to receive items subject to the EAR by means of a license exception. Such persons must also sign an end-use statement and consent to an end-use check before receiving any items subject to the EAR that are not subject to a license requirement. BIS added 33 persons in the PRC to the UVL in FY 2022. The UVL's requirements enhance BIS's ability to conduct end-use checks and increase U.S. Government insight into potential transactions of concern involving foreign parties whose bona fides BIS has been unable to verify.

The Military End-User (MEU) List identifies entities that have been determined by the ERC to be "military end users" pursuant to § 744.21 of the EAR. That section imposes additional license requirements on, and limits the availability of, most license exceptions for exports, re-exports, and transfers (in country) to listed entities on the MEU List, as specified in supplement no. 7 to part 744 and § 744.21 of the EAR. In November 2021, BIS added one entity in Russia to the MEU List. Subsequently, in February 2022, in response to Russia's further invasion of Ukraine, BIS removed all 45 Russian entities from the MEU List and made them subject to the more restrictive license requirements of the

Entity List. In December 2021, BIS also added a country heading for Cambodia to the MEU List, but no entities were added under this country heading.

Licensing Determinations

Licensing Determinations (LDs) establish whether a license is or was required for a given transaction and are the first step in many successful enforcement actions. In making LDs, BIS licensing officers analyze the commodities, software, and technologies involved in potential violations to determine the proper classification of the item and the licensing requirements associated with them based on the facts of the case. LDs are used to support enforcement actions by BIS and other agencies in connection with potential violations of the EAR.

In FY 2022, BIS completed 1,371 LDs for BIS's Office of Export Enforcement. In addition, BIS processed 2,141 LDs for the Federal Bureau of Investigation and DHS in support of their respective investigations of potential unlawful exports.

Information and Communications Technology and Services (ICTS) Supply Chain

BIS formally took over the ICTS mission with enactment of the FY2022 Consolidated Appropriations Act (March 15, 2022). This mission originates in Executive Order 13873, Securing the Information and Communications Technology and Services Supply Chain, pursuant to which BIS may review and determine whether an ICTS transaction or class of transactions involving an entity subject to the jurisdiction, control, or direction of a foreign adversary and U.S. persons pose an "undue" or "unacceptable" risk and, if so, whether to prohibit or mitigate the transaction (as set forth by EO 13873 and 15 CFR Part 7). The ICTS program focuses its reviews on ICTS used in critical infrastructure, as designated by Presidential Policy Directive 21; used in the digital economy; that uses, processes or retains sensitive personal data of U.S. Persons; and that connects with and communicates via the internet. BIS has issued regulations to implement these authorities, has undertaken (as publicly acknowledged) investigations, and with recently provided appropriations is building the ICTS team to help protect the U.S. ICTS supply chain.



INTERNATIONAL REGIMES UPDATE

Fulfilling BIS's mission of promoting security depends heavily upon international cooperation with our allies and partners and countries of strategic importance, such as major technology suppliers and transshipment hubs. Whether seeking to control the spread of dangerous goods and technologies, protect critical infrastructure, or ensure the existence of a strong defense industrial base, international cooperation is critical.

As ECRA recognizes, effective implementation and enforcement of export controls is greatly enhanced by both international cooperation and an effort to harmonize the substance of U.S. laws with those of our allies and partners.

The U.S. Government maintains a cutting-edge export control system, developing controls that protect national security by preventing unauthorized uses of controlled items and fostering economic competitiveness. BIS works closely with international partners to share information and establish consistency in controls.

Australia Group

The Australia Group (AG), formally established in 1985, is a multilateral export control regime composed of 43 member countries, including the United States and European Union member states. The AG seeks to prevent the proliferation of chemical and biological weapons through the harmonization and enhancement of national export controls, sharing of information, enforcement best practices and experiences, exchanges on global proliferation activities, and outreach to non-members. The AG plenary is held annually, and one intersessional implementation meeting is often held at a separate time during the year. Additionally, AG members communicate between meetings to review and refine the list of controlled chemicals, biological agents, and related equipment and technology.

The AG hosted one virtual and one in person meeting in FY 2022, due to the COVID-19 pandemic, including the Information Exchange (IE), Enforcement Exchange (EE), New and Evolving Technologies Technical Experts' Meeting (NETTEM), and Implementation Meeting (IM). The IE is an informational meeting where member countries share intelligence. The EE is an informational meeting, allowing AG members to share enforcement-related case studies, WMD visa screening experiences, and export control enhancements. The NETTEM is an informational meeting,

allowing AG members to share advances in synthetic biology and new developments in production equipment and technology. The IM is a meeting where updates to the AG Common Control List (AG CCL) are made via consensus decision.

Prior to the AG virtual and in-person meetings, the United States was able to reach consensus on a proposal from FY 2021, to add software for the operation of nucleic acid synthesizers and assemblers to the AG CCL.

The AG held an in-person Plenary meeting on July 4-8, 2022, in Paris, France, where the United States gave two presentations for decision. The first was a proposal to remove cholera toxin from the AG CCL, and the second was a proposal to add the four marine toxins (brevetoxins, gonyautoxins, nodularins, and palytoxin) to the AG CCL. Both proposals reached consensus, and the updates will be reflected in the Commerce Control List in FY 2023.

In FY 2022, BIS approved 4,428 license applications valued at \$2.5 billion for the export or re-export of AG CCL items, which BIS controls for chemical and biological weapons nonproliferation reasons. BIS denied 33 applications for such items valued at \$11.5 million and returned without action 292 applications valued at \$244.3 million.

Missile Technology Control Regime

The Missile Technology Control Regime (MTCR), established in 1987, is a multilateral export control regime of 35 member countries (Partners) that have agreed to coordinate their national export controls to prevent missile proliferation.

An MTCR Plenary was held October 4-8, 2021, in Sochi, Russia, that also included a Technical Experts Meeting (TEM), Information Exchange (IE), and a Licensing and Enforcement Experts Meeting (LEEM). A U.S. delegation did not attend because of the COVID-19 pandemic. However, the United States contributed papers and presentations for all the meetings prior to their commencement and held bilateral discussions with close allies about U.S. initiatives and positions.

AG Members (43): Argentina, Lithuania, Australia, Luxembourg, Austria, Malta, Belgium, Mexico, Bulgaria, Netherlands, Canada, New Zealand, Croatia, Norway, Czech Republic, Poland, Denmark, Portugal, Estonia, Republic of Cyprus, European Union, Republic of Korea, Finland, Republic of Turkey, France, Romania, Germany, Slovak Republic, Greece, Slovenia, Hungary, Spain, Iceland, Sweden, India, Switzerland, Ireland, Ukraine, Italy, United Kingdom, Japan,

An ongoing topic at the Plenary meeting is the U.S. proposal to treat Category I unmanned aerial vehicles (UAVs) that operate below a certain speed and range/payload capability as Category II, such that they are no longer subject to the strong presumption of denial that applies to exports of Category I UAVs (i.e., those systems capable of

MTCR Members (35):

Argentina, Australia, Belgium, Brazil, Bulgaria, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, India, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Russia, South Africa, South Korea, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, and United States

delivering a 500kg payload to a range of at least 300km). The United States first proposed this change in 2017 in the TEM. Since that date, most Partners agree that the technical aspects of the proposal have been worked out and the remaining hurdles are political and more appropriately discussed in the Plenary. While the United States continues to lobby in the Plenary for the change, with a need for U.S. manufacturers to stay competitive with current global trends, the United States unilaterally adopted a policy in July 2020 of case-by-case review for applications involving UAVs with a range of at least 300 km and a payload capability of at least 500 kg and a maximum speed of less than 800 km/hr and issued an EAR amendment in January 2021 implementing this policy change.

The Plenary also discussed membership issues, regional proliferation, and emerging technologies. MTCR outreach to various non-MTCR Partner countries was discussed at length, including the role and autonomy of the MTCR Chair (the MTCR is chaired by the country that hosts the Plenary until the next plenary is held).

The TEM discussed several proposals, including a new U.S. proposal to add hypersonic glide vehicles to the MTCR's Equipment, Software, and Technology Annex (the Annex). While the U.S. proposal was not yet adopted, three minor changes to the Annex were agreed to by the TEM. Other proposals considered by the TEM were related to small turbojet/turbofan engines, silicon nitride, the definition of technical data, and gyroscopes.

Russia held the MTCR chairmanship from the Sochi Plenary until the October 2022 Plenary. Due to Russia's further invasion of Ukraine and the international response to it, no other MTCR meetings were held in FY 2022, as it was determined that it was not possible to conduct a normal and constructive meeting.

In FY 2022, BIS approved 1,271 export or re-export applications that included missile technology-controlled items, valued at \$38.6 billion. In addition, BIS denied seven applications for such items valued at \$3.6 million and returned without action 46 applications valued at \$421.2 million.

Nuclear Suppliers Group

The Nuclear Suppliers Group (NSG) is a multilateral export control regime that was formally established in 1992 and now includes 48 participating governments (PGs). The regime seeks to impede the proliferation of nuclear weapons through the implementation of guidelines for the control of nuclear and nuclear-related exports. Members pursue the aims of the NSG through voluntary adherence to the NSG Guidelines, which are adopted either by consensus or through exchanges of information on developments of nuclear proliferation concern.

At the 2022 NSG Plenary Meeting, held in Warsaw, Poland, June 20-24, 2022, the NSG maintained its focus on technical issues important to the implementation of the Control Lists, by exchanging views and agreeing on several proposals to clarify and update the NSG Dual-Use List. The NSG has now revised the control parameters for flow forming machines and rotor equipment that can be used to produce gas centrifuge rotors to harmonize with the control parameters of the centrifuges themselves.

NSG Members (48): *Argentina, Australia, Austria, Belarus, Belgium, Brazil, Bulgaria, Canada, China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Latvia, Lithuania, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, South Korea, Russia, Serbia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, and United States*

Every three years, the NSG forwards consolidated changes (three Plenary Meeting decisions) to the IAEA for official publication as part of the INFCIRC series (INFCIRC/254 Part 1 and Part 2). States decide whether they implement changes to the Guidelines and Control Lists based on the annual publication of agreed changes to the Guidelines and Control Lists on the NSG website or wait for the IAEA publication. The timing of implementation may vary across PGs according to national practice though all are encouraged to adopt changes in a timely manner.

The updated NSG Part 2 Dual-Use List as agreed by the 2022 NSG Plenary in Warsaw, Poland (June 2022) is available at [Updated NSG Part 2 – Dual-Use List \(PDF file\)](#).

A document explaining the rationale behind each of the latest changes to the Part 2 Dual-Use List can be found at [Explanation and Comparison Table of Changes to the Guidelines for Nuclear Transfers and the Annex of the Guidelines for Nuclear Transfers \(INFCIRC/254/Part 2\)](#).

In FY 2022, BIS approved 1,741 export or re-export applications that included items controlled for nuclear non-proliferation reasons, valued at \$8.8 billion. In addition, BIS denied 43 applications for such items valued at \$78.0 million and returned without action 144 applications valued at \$1.1 billion.

Wassenaar Arrangement

The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies (Wassenaar Arrangement or Wassenaar) is a multilateral regime addressing export controls on conventional arms and sensitive dual-use goods and technologies. The Wassenaar Arrangement was founded in 1996 to replace the East-West technology control program under the Coordinating Committee for Multilateral Export Controls regime that ended in 1994. There are currently 42 countries participating in the Wassenaar Arrangement. As with other international export control regimes, Wassenaar Arrangement participating states are required to report approvals and denials of certain items controlled under the Wassenaar Arrangement. Reporting denials helps bring to the attention of member countries attempts to obtain strategic items that may undermine the objectives of the Wassenaar Arrangement.

International security developments, technological change, and market trends continued to inform the work of the Wassenaar Arrangement. In FY 2022, Wassenaar members agreed to update the Wassenaar Arrangement Munitions and Dual-Use Lists and to continue implementation of the work program and the functioning of its Secretariat. Changes to the Wassenaar Arrangement Control Lists include the introduction of controls for computer-assisted-design software tools for high-end circuitry and new classes of substrate materials used in semiconductor device fabrication. Some controls were relaxed, such as those applying to fluorinated silicon fluids, metal-working manufacturing processes for commercial applications, the performance level of High-Performance Computers and semiconductor lasers used in automotive anti-collision applications.

In FY 2022, the 25th anniversary of its establishment, the Wassenaar Arrangement continued its efforts to contribute to international and regional security and stability by promoting transparency and greater responsibility in the transfer of conventional arms and dual-use goods and technologies, thus preventing destabilizing accumulations. During FY 2022, commemorative collective outreach activities included a 25th anniversary technically focused Practical Workshop in webinar format for 46 regular outreach partner countries.

Although COVID-19 related disruptions continued to affect the Wassenaar Arrangement work program, Wassenaar members resumed some in-person meetings and cooperated across sessions in order to exchange information and experiences for the effective export control of conventional arms and dual-use goods and technologies, as well as to continue the comprehensive and systematic review of the WA Control Lists, thus ensuring their ongoing relevance.

WA Members (42): Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, India, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom, and United States

In FY 2022, BIS approved 24,610 applications, valued at \$99.0 billion for the export or re-export of Wassenaar items, which BIS controlled for national security reasons. In addition, BIS denied 232 applications valued at \$61.0 billion and returned without action for 1,364 applications valued at \$12.2 billion.



TREATY COMPLIANCE

The Department of Commerce, through BIS, serves as the lead agency for ensuring U.S. industry compliance with the CWC, BWC, and the OPCW, as well as the lead agency for implementation of the Additional Protocol to the U.S.-IAEA Safeguards Agreement and the International Atomic Energy Agency for the Application of Safeguards in the United States. BIS also participates in activities to strengthen international implementation of the BWC.

Chemical Weapons Convention

The United States ratified the CWC on April 25, 1997. The CWC provides for an extensive verification regime to ensure CWC States Parties' adherence to its terms. BIS works actively with the Department of State, other CWC States Parties, and the Technical Secretariat (TS) of the Organization for the Prohibition of Chemical Weapons (OPCW), the international organization charged with implementing the CWC, to ensure that all States Parties are implementing the CWC's provisions in a rigorous, analytically sound, and equitable manner. The United States recognizes 192 States Parties to the CWC.

The CWC requires many commercial chemical facilities to submit compliance data in the form of declarations that include chemical production, processing, consumption, and import/export activities. It also requires chemical traders to submit reports on exports and imports of scheduled chemicals. BIS compiles and submits this information to the U.S. National Authority (Department of State) to transmit to the TS of the OPCW. The CWC also requires on-site facility inspections when certain quantitative threshold activity levels are triggered. BIS is the lead agency for on-site inspections conducted at U.S. facilities not owned or leased by the Department of Defense or Energy.

During FY 2022, BIS submitted 518 declarations and reports from U.S. facilities and trading companies to the OPCW. BIS's Host Teams managed 10 inspections at domestic chemical facilities in FY 2022. BIS staff participated in meetings with the U.S. National Authority to ensure when domestic inspections resumed in FY 2022, the safety of all participants through adherence to COVID-19 protocols was prioritized. Due to COVID-19 restrictions, the OPCW completed only 71 percent of its 241 budgeted inspections during the first three quarters of FY 2022.

BIS gathered responsive data and prepared the congressionally mandated annual certification that the legitimate commercial activities and interests of the chemical, biotechnology, and pharmaceutical industry in the United States were not significantly harmed by the limitations imposed by the CWC on access to Schedule 1 chemicals. Additionally, BIS gathered and provided responsive data to the U.S. National Authority for its annual report on the cost of inspections for both industry and the U.S. Government.

BIS supported the permanent U.S. delegation to the OPCW during meetings of the Conference of States Parties, Executive Councils, and other meetings of the policy-making and technical organs of the OPCW in The Hague, Netherlands.

Additional Protocol to the U.S.-IAEA Safeguards Agreement

The Additional Protocol is a bilateral treaty between the United States and the IAEA that supplements and amends verification arrangements under the existing U.S.-IAEA Safeguards Agreement. The Additional Protocol requires the United States to provide the IAEA with information on certain civil nuclear and nuclear-related items, materials, and activities not covered by the Safeguards Agreement.

The Additional Protocol entered into force for the United States on January 6, 2009. Under Executive Order 13458, Implementation of the Protocol Additional to the Agreement Between the United States and the International Atomic Energy Agency for the Application of Safeguards in the United States of America, BIS is the lead agency for all subject commercial activities and locations not licensed by the Nuclear Regulatory Commission (NRC) or an NRC Agreement State and not located at certain other government sites. BIS administers the compliance program involving private sector nuclear fuel cycle activities that are not subject to the jurisdiction of the NRC. BIS receives declarations from industry, academia, the NRC, and the Department of Energy to assemble the U.S. national declaration and other reports for submission to the IAEA. All declared activities and locations are vetted by the agencies for national security concerns and reviewed by Congress. In FY 2022, BIS submitted to the IAEA the annual Additional Protocol declarations containing 257 changes and new activities, and quarterly reports to the IAEA covering a total of 479 exports of nuclear-related equipment and materials.

Biological Weapons Convention

The BWC prohibits developing, producing, stockpiling, or otherwise acquiring or retaining biological agents or toxins for non-peaceful purposes. The BWC entered into force in 1975. In 2001, international efforts to develop a verification protocol for the BWC failed because the draft protocol would not have strengthened confidence in compliance with the BWC and would have restricted the potential scope of its prohibitions, removed effective barriers to proliferation, and put national security and confidential business information at risk. As written, the BWC establishes the international norm prohibiting the development, production, and stockpiling of biological weapons.

In FY 2022, BIS actively supported U.S. Government efforts to improve confidence in and compliance with the BWC. At the 9th BWC Review Conference, BIS supported U.S. Government efforts to adopt and implement widely supported measures to strengthen the Convention. BIS also supported a new effort (a “temporary expert group”) to examine options to enhance confidence and promote compliance informed by developments in science and technology and the evolution of the biological weapons threat over the last two decades. BIS continued to bring U.S.

industry's perspective into discussions on the full range of issues pertinent to the BWC through consultations with the U.S. private sector through its Materials Technical Advisory Committee and various trade and professional associations.



INDUSTRY OUTREACH AND COMPLIANCE

BIS continues to inform the regulated community about changes to regulations. Outreach activities in FY 2022 included BIS seminars, industry group meetings, small- and medium-sized business conferences, webinars, meetings with foreign governments, and outreach to foreign business communities. These events occurred predominantly online during the fiscal year. BIS also deployed web-based decision tools to assist exporters.

Seminars and Conferences

BIS conducted its 35th annual Update Conference on Export Controls and Policy from June 29-July 1, 2022. The hybrid conference was attended in-person by 683 registrants, and virtually by 407 registrants, including attendees from 16 foreign countries. The theme of the two-and-a-half-day conference was “Building a Network of Global Cooperation,” and several sessions featured international partner speakers, including a Global Plenary session led by Assistant Secretary of Commerce for Export Administration Thea D. Rozman Kendler; a Russia/Belarus sanctions session on international partner regulatory frameworks with Deputy Assistant Secretary for Export Administration Matthew S. Borman; and a session providing guidance on due diligence with international partner compliance recommendations. Other sessions covered a wide range of topics, including the foreign direct product and *de minimis* rules, emerging technology, surveillance and human rights, industrial base and supply chain resiliency, the cyber tools rule, and perspectives from BIS export control officers abroad on protecting U.S. national security through global engagement. The U.S. Bureau of the Census at the Department of Commerce and the Directorate of Defense Trade Controls of the U.S. Department of State also presented sessions. The conference featured keynote addresses from Director of National Intelligence Avril Haines, Secretary of Commerce Gina Raimondo, Deputy Secretary of Commerce Don Graves, Under Secretary of Commerce for Industry and Security Alan F. Estevez, and Assistant Secretary for Export Enforcement Matthew S. Axelrod.

BIS’s export outreach and educational offerings constitute the first line in BIS’s contact with exporters and provide guidance and transparency to new, as well as experienced, exporters regarding the EAR. BIS counseling operations have been instrumental in assisting the exporting community in understanding and complying with critical national security and foreign policy-based regulations. Each year, counselors in the BIS Office of Exporter Services’ Outreach and Educational Services Division (OESD) and Western Regional Office (WRO) provide regulatory, policy and process guidance to tens of thousands of exporters, freight forwarders, universities, and individuals assisting them in meeting their obligations under the EAR.

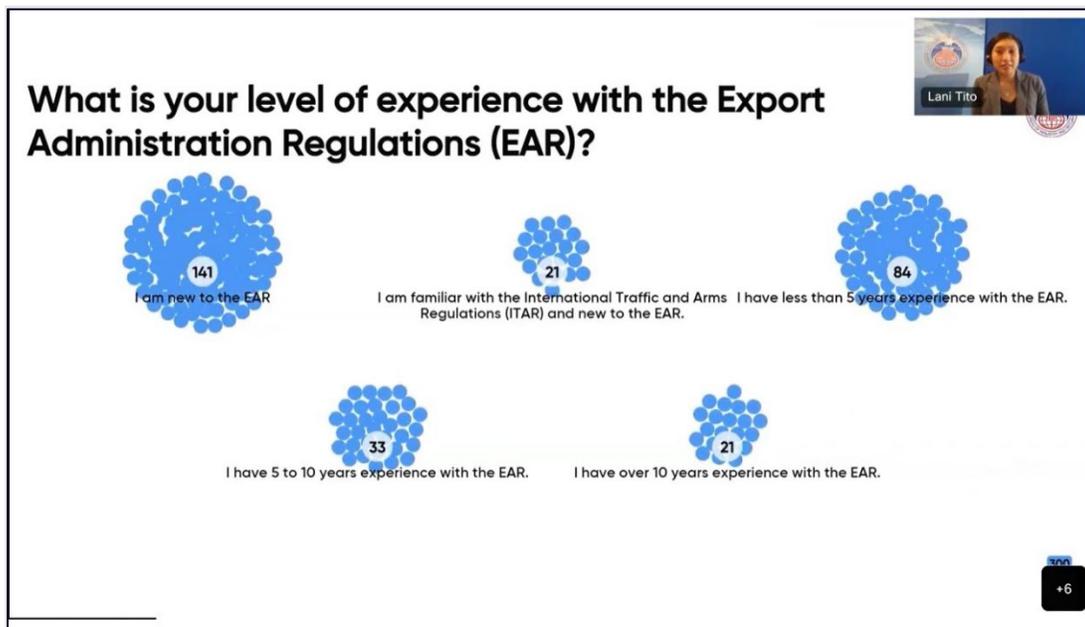
In FY 2022, the Office of Exporter Services conducted 22,677 counseling calls with stakeholders and responded to 6,408 written requests in e-mail for assistance, in addition to 7,900 requests from users of the applications software for the EAR, the Simplified Network Application Process – Redesign system, or SNAP-R. In addition, there were an

unusually large number of public requests for expedited processing of applications, predominantly related to Ukraine.

BIS provides one-on-one counseling assistance on both coasts for extended periods of operation each day. Counselors also conduct numerous highly regarded seminars for the high-technology communities most affected by export control regulations. BIS restructured the seminar organization and content to offer this training online, dramatically expanding the potential audience for these programs. These online events have proven to be particularly beneficial for small- and medium-sized businesses that operate with limited time and financial resources for compliance training.

BIS conducted four live online export control seminars. These seminars attracted a total of 1,348 participants and provided guidance to new and experienced exporters regarding the EAR, including an overview of changes in export policy and licensing procedures, the requirements for developing Export Management Control Programs, re-export controls, and encryption compliance, as well as technical data issues. Of the attendees who participated in post-event surveys, 96% rated the seminars either “very good” or “excellent.”

During FY 2022, BIS continued to offer online training videos introducing key regulatory and process concepts to the business community. The agency has produced a total of 16 videos that have over 140,000 views. The intent behind the initiative was to enable small and new-to-export firms’ access to clear and concise guidance, delivered in a viewer-friendly format, via the agency’s website and YouTube channel. These videos facilitated the agency’s ability to train the business community when in-person training programs were not possible under CDC guidelines. In FY 2022, the videos were viewed over 42,000 times.



BIS also participated in numerous industry events focused on specific issues. BIS participated in events regarding revised controls on exports to China, export controls and universities, emerging technology, and end-user restrictions, among others. In total, BIS employees from Export Administration offices (including the OESD and WRO) participated in 101 outreach activities with 60,093 attendees.

In addition, BIS continued to focus on enforcement aspects of deemed export compliance involving individuals and companies that had not previously submitted applications for export or deemed export licenses. In FY 2022, BIS's Office of Export Enforcement conducted 765 enforcement outreach visits to such individuals and companies within the export community. BIS also initiated 95 leads and cases involving allegations of deemed export licensing violations.

Technical Advisory Committees (TAC)

BIS's Technical Advisory Committees (TACs) advise the Department of Commerce on the technical parameters and administration of export controls applicable to commodities, software, and technology subject to BIS jurisdiction. The TACs are composed of representatives from industry, academia, and Government representing diverse points of view on the concerns of the exporting community. Industry representatives are selected from firms producing a broad range of goods, technologies, and software presently controlled for national security, foreign policy, nonproliferation, and short supply reasons or that are proposed for such controls, balanced to the extent possible among large and small firms.

TAC members are appointed by the Secretary of Commerce and serve terms of not more than four consecutive years. The membership reflects the Department's commitment to attaining balance and diversity. TAC members must obtain secret-level clearances prior to appointment. These clearances are necessary so that members can be permitted access to relevant classified information needed in formulating recommendations to the Department of Commerce. Each TAC meets approximately four times per year. Members of the TACs are not compensated for their services.

BIS has seven TACs. While the President's Export Council Subcommittee on Export Administration was not staffed in FY 2022, the other six are:

- 1.) **Emerging Technology Technical Advisory Committee (ETTAC)** - consists of members with specific technical or export control expertise to identify emerging technologies with potential dual-use applications as early as possible in their developmental stages both within the United States and abroad. In its work the committee focuses on both the current state of such technologies and projecting their likely effects five to ten years in the future on national security, the U.S. defense industrial base, and the overall health and competitiveness of the U.S. economy.

- 2.) **Materials and Equipment Technical Advisory Committee (METAC)** - consists of members with specific technical or export control expertise in materials, chemicals, microorganisms, toxins, chemical and biological weapons, metals, nuclear power and associated materials, and specific technical or export control expertise in machine tools and robotics.
- 3.) **Transportation Technical Advisory Committee (TRANSTAC)** - consists of members with specific technical or export control expertise in transportation and related equipment, including gas turbine engines, airframes and overall aircraft integration, avionics, accelerometers, gyroscopes, and inertial navigation.
- 4.) **Information Systems Technical Advisory Committee (ISTAC)** - consists of members with specific technical or export control expertise in information systems and related software and technology, including encryption and information security, semiconductors and semiconductor manufacturing equipment, high performance computers and microprocessors, telecommunications technology, and instrumentation.
- 5.) **Sensors and Imaging Technical Advisory Committee (SITAC)** - consists of members with specific technical or export control expertise in sensor and laser systems, including video cameras, radars, uncooled and cooled infrared imagers, shortwave imagers, low light-level imagers, magnetic sensors, infrared thermometry equipment, firefighting cameras, diode pumped lasers, optical fibers, wireless sensors, and hydrophones.
- 6.) **Regulations and Procedures Technical Advisory Committee (RPTAC)** - consists of not more than 50 members from a multi-discipline group of exporters, consultants, freight forwarders, and attorneys whose focus is on review of regulations prior to their issuance.

Each TAC meeting is led by a chairperson, nominated by the committee. In addition, a Designated Federal Officer from BIS is also assigned to each TAC to ensure that the mission of the TAC is fulfilled, and the process of the TAC is consistent with the Federal Advisory Committee Act. In FY 2022, despite COVID-19 constraints, BIS TACs convened 24 virtual meetings.



EXPORT COMPLIANCE PROGRAM

During FY 2022, the BIS Office of Exporter Services' Export Management and Compliance Division (EMCD) conducted seven Export Compliance Program (ECP) reviews of corporate export compliance programs. Though EMCD did not undertake any in-person outreach due to COVID-19, the office led or participated in virtual training opportunities, including collaborating with the Minnesota District Export Council to present the "Importance of Creating an Export Compliance Program" to exporters; collaborating with the Export Compliance Training Institute to present "Export Controls and Compliance in the University Environment" to the Ohio State University; participating in the Society for International Affairs' (SIA) virtual "Back to Basics 2021 Winter International Trade Export Licensing & Compliance Conference" and its virtual conference on "Trade Compliance Programs, Enforcement and Disclosures"; participating in a Webinar Series for U.S. Higher Education Institutions hosted by the Department of Commerce International Trade Administration; and participating in a Department of State-sponsored compliance information exchange on compliance outreach and internal compliance programs between representatives of the U.S. government and the governments of Brazil, South Africa, and the United Kingdom.

EMCD also conducted 34 remote compliance reviews to identify and counsel exporters with apparent filing errors in the Automated Export System (AES). EMCD initiated these reviews to identify the specific reasons these reporting errors occurred, provide guidance to exporters on correcting them, and offer export counseling assistance to enhance their compliance with the EAR. The overwhelming majority of these parties were small- to medium-sized exporters who had never previously received any formal export control training.

Project Guardian

BIS also maintains a constructive and cooperative relationship with the business community through outreach programs sponsored by BIS's Office of Export Enforcement. BIS's Project Guardian focuses on specific items that illicit proliferation networks actively seek to acquire. BIS contacts U.S. manufacturers and exporters of these items to apprise them of these acquisition threats and to solicit cooperation in identifying and responding to suspicious purchase requests. BIS initiated 85 Project Guardian leads (i.e., alerts to Special Agents about a suspicious transaction) in FY 2022.

Counseling

BIS received 32,791 phone and email inquiries through its counseling programs at OESD in Washington, D.C., and 5,735 through the Western Regional Office in California. Through these programs, BIS offers guidance on regulations, policies, and practices and helps to increase compliance with U.S. export controls.



INTERNATIONAL COOPERATION

In addition to participation in the multilateral regimes, BIS staff participated in discussions related to export control policy, licensing, or enforcement issues with Australia, Brazil, Canada, China, the European Union, Estonia, Finland, France, Germany, the European Union, Hong Kong, India, Israel, Japan, Latvia, Malaysia, Mexico, the Philippines, Poland, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Taiwan, the United Arab Emirates, the United Kingdom, and Vietnam. BIS also had specific conversations with government representatives from Armenia, Georgia, Kazakhstan, Mongolia, and Uzbekistan regarding potential violations of BIS Temporary Denial Orders (TDOs) related to their airport service providers' support to designated Russian and Belarusian airplanes.

BIS planned, organized, and implemented several outreach engagements on strategic trade controls with industry and government counterparts independently and in conjunction with the Department of State's Export Control and Related Border Security (EXBS) program and the Department of Energy's International Nonproliferation Export Control Program (INECP). This interagency collaboration with EXBS and INECP included a series of in-person and virtual engagements with the governments of Brazil, Czechia, Georgia, India, Israel, Lithuania, Malaysia, Mexico, Norway, Panama, the Philippines, Serbia, Singapore, Slovakia, South Africa, Taiwan, and Thailand, Türkiye, the United Arab Emirates, the European Commission, as well as a co-hosted annual Joint Industry Outreach event with the governments of Singapore and Japan.



OVERVIEW: REGULATORY CHANGES

BIS published 39 regulatory notices and rules pertaining to the EAR in the Federal Register during FY 2022, including the following:

Section 1758 Technologies

Section 1758 of ECRA requires the Secretary of Commerce, in coordination with the Secretary of Defense, the Secretary of State, and the heads of other Federal agencies, as appropriate, to identify and control emerging and foundational technologies and to submit a report to Congress on actions taken to implement this requirement.

As of the end of FY 2022, BIS has implemented controls on 42 technologies pursuant to Section 1758 of ECRA. In FY 2022 specifically, BIS published five Actions on Section 1758 technologies:

- On October 5, 2021 (86 FR 54814), BIS published controls on “software” capable of being used to operate nucleic acid assemblers and synthesizers for the purpose of generating pathogens and toxins without the need to acquire controlled genetic elements and organisms in a final rule implementing a decision of the Australia Group to adopt these controls.
- On October 26, 2021 (86 FR 59070), BIS published a notice seeking comments concerning the imposition of export controls on certain Brain-Computer Interface (BCI) technology.
- On May 23, 2022 (87 FR 31195), BIS proposed controls on four naturally occurring, dual-use biological toxins.
- On August 15, 2022 (87 FR 49979), BIS published controls on four recently developed or developing technologies, which were identified by the Wassenaar Arrangement (WA) December 2019 WA Plenary Meeting:
 - Two substrates of ultrawide bandgap semiconductors (Gallium Oxide and diamond);
 - Electronic Computer Aided Design (ECAD) software specially designed for the development of integrated circuits with any Gate-All-Around Field-Effect Transistor (GAAFET) structure; and
 - Pressure Gain Combustion (PGC) technology for the production and development of gas turbine engines components or systems.
- On September 13, 2022 (87 FR 55930), BIS published a notice seeking comments on the imposition of export controls on instruments for the automated chemical synthesis of peptides.

Entity List

As previously discussed, in FY 2022, BIS published 13 rules that, together, added 463 parties to the Entity List for acting contrary to the national security or foreign policy interests of the United States. As of the end of FY 2022, there are approximately 2,000 entries on the Entity List under 79 country headings. These entries impact non-U.S. persons that are party (e.g., purchaser, intermediate or ultimate consignee, end-user) to a transaction for whom the export, re-export or transfer (in-country) of specified items subject to the EAR is prohibited without a license. In accordance with Section 744.11(b) of the EAR, BIS added these entities because the ERC determined they had engaged, were engaging, or posed a significant risk of engaging in activities contrary to U.S. national security or foreign policy interests.

Human Rights

As part of the Biden Administration's commitment to put human rights at the center of U.S. foreign policy, BIS plays an important role in attempting to prevent human rights abuses and religious persecution against members of Muslim minority groups in the Xinjiang Uyghur Autonomous Region (XUAR) in China. BIS has imposed export controls in numerous contexts to protect human rights around the globe, including to address the ethnic and religious repression in the XUAR.

The ruling Chinese Communist Party (CCP) continues to carry out a campaign of repression in the XUAR, targeting Uyghurs, ethnic Kazakhs, ethnic Kyrgyz, and members of other Muslim minority groups. Since at least April 2017, the government of the People's Republic of China (PRC) has detained for indefinite periods more than one million members of Muslim minority groups in internment camps designed to eradicate detainees' cultural and religious identities. In order to maintain this state of repression, the PRC government has established an unprecedented, intrusive, and high-technology surveillance system across the XUAR as part of a province- and region-wide apparatus of oppression.

The EAR controls the type of items cited by the Congressional-Executive Commission on China's 2019 Annual Report as used by PRC security personnel at extrajudicial mass internment camps in the XUAR. These items include: restraint devices such as handcuffs, leg irons, and shackles; riot helmets and shields; stun devices and electrified batons; and pepper spray and tear gas. Additional items not cited in the Commission's report but currently also subject to a license requirement under the EAR for Crime Control reasons include fingerprint analyzers and automatic fingerprint and identification retrieval systems; polygraph and psychological stress analysis equipment; and electronic monitoring devices and communications intercepting devices. To date, BIS has received very few license applications for exports of such items to PRC security agencies and has denied all applications received, consistent with U.S. policy.

To ensure that the EAR's item-based controls to protect human rights reflect technological advances, BIS continues to conduct a comprehensive, in-depth review of advanced surveillance tools, including facial recognition systems, machine learning, and biometric and artificial intelligence technologies, for possible inclusion on the Commerce Control List (CCL). This review is informed by public comments received from a 2020 Notice of Inquiry concerning the current list of items on the CCL that are controlled for crime control and detection (CC) reasons.

BIS also continues to consider knowledge-based controls on the export, re-export, and transfer (in-country) of items subject to the EAR destined for certain law enforcement and internal security end users.

Russia/Belarus

In response to the Russian Federation's (Russia's) further invasion of Ukraine and Belarus' complicity in that invasion, and in coordination with a coalition of substantially aligned partners, BIS issued 15 rules denying Russia and Belarus access to the commodities, software, and technologies needed to continue the military invasion and assault on Ukraine and its people. Highlights of this period include:

- February and March 2022: BIS initially restricted trade in most items on the Commerce Control List (CCL) to Russia and Belarus, focusing on electronics, aviation, and maritime items in Categories 3-9 of the CCL. BIS expanded controls over all items subject to its jurisdiction to Russian or Belarusian military end-users and added new foreign direct product rules to control certain foreign-made items destined to Russia or Belarus. Shortly after the invasion, BIS expanded controls on the oil refining sector in Russia by going beyond the CCL to add new controls based on tariff codes. BIS later added controls on luxury goods to Russia and Belarus and to certain sanctioned oligarchs worldwide. Finally, BIS added 91 entities in Russia and several third countries to the BIS Entity List related to their support of Russian security services, military and defense sectors, and military and/or defense research and development efforts.
- April, May, and June 2022: BIS expanded export controls on Russia and Belarus to include all items on the CCL, including items in Categories 0-2 of the CCL. BIS added nearly 200 additional entities in Belarus and Russia to the BIS Entity List related to their support for Russia's military, including as military end-users. BIS added a number of new tariff code-based export controls on Russia to further restrict Russia's ability to withstand the economic impact of the multilateral sanctions, further limit sources of revenue that could support Russia's military capabilities, and to better align with controls imposed by allies and partners. BIS expanded recognition of its substantially aligned allies (from 32 in February 2022 to 37 by the end of April).
- September 2022: BIS harmonized industry sector controls to ensure restrictions on Russia also apply to Belarus, added a number of additional industrial items to controls on Russia and Belarus through reference to tariff codes, and modified luxury goods controls on Russia, among other actions.

International Standards Rule

In September 2022, BIS published an interim final rule ("Authorization of Certain 'Items' to Entities on the Entity List in the Context of Specific Standards Activities") to eliminate certain restrictions on U.S. stakeholder participation in international standards setting activities consistent with U.S. national security and foreign policy. International

standards organizations set the essential global standards that ensure the functionality, interoperability, and safety of products. Given the critical industrial, commercial, and national security implications of U.S. participation and leadership in standards setting, it is imperative that U.S. stakeholders are able to fully engage in all legitimate standards setting activities.

The September 2022 rule made updates to the Export Administration Regulations to help ensure that export controls do not impede the leadership and participation of U.S. companies in national and international standards-related activities. The rule addressed concerns from U.S. industry and other stakeholders about whether a BIS license was required to release low-level technology or software in legitimate standards-setting fora. The uncertainty of not knowing whether a BIS license was required (due to known or potential participation of parties listed on the Entity List in standards organizations) resulted in U.S. companies limiting their input and participation in standards-related activities to ensure that the release of any information to other global participants was not in violation of U.S. export controls.

The September 2022 rule amended the EAR to authorize the release of low-level technology and software without a license to entities listed on the Entity List when that release: (1) occurs in a standards-setting activity and (2) there is intent to “publish” the resulting standard. BIS continues to prioritize ensuring export controls do not impede U.S. standards leadership.



EXPORT ENFORCEMENT ACTIONS

Across the United States and in seven embassies and consulates around the world, BIS Special Agents and intelligence analysts enforce U.S. export laws by utilizing criminal and administrative investigative tools. By leveraging BIS’s authorities, as well as collaborating with other U.S. Government law enforcement, intelligence agencies and international partners, Export Enforcement identifies, disrupts, and deters violations of the EAR.

Criminal Penalties

In FY 2022, BIS investigations resulted in the criminal conviction of 58 individuals and companies for export violations. This represents the highest number of convictions since FY 2013, and the second highest since FY 2010. The penalties for FY 2022 convictions amounted to \$488,600 in criminal fines; \$1,568,319 in forfeitures; \$8,301,259 in restitution, which represents almost triple the number in the previous two fiscal years; and more than 1,509 months of imprisonment, which represents the highest number since FY 2010.

| Convictions of Individuals and Companies | |
|--|----------------|
| Total convictions | 58 convictions |
| Criminal Fines | \$488,600 |
| Forfeitures | \$1,568,319 |
| Restitution | \$8,301,259 |
| Prison Time | 1,509 months |



Administrative Penalties

BIS strengthened administrative enforcement to keep the most critical U.S. technology out of the most dangerous hands. Strong and transparent export enforcement actions are key to creating a level playing field that incentivizes investments in compliance. Accordingly, BIS made the following changes to our administrative enforcement policies:

- made charging letters public upon filing with an administrative law judge;
- eliminated “no admit, no deny” settlements;
- raised penalty amounts for the most serious violations; implemented non-monetary resolutions for cases without serious national security harm; revised the voluntary self-disclosure (VSD) process to fast track most resolutions while focusing on those of most serious potential harm to national security;
- sped-up issuance of post-conviction denial orders; and
- refreshed BIS’s enforcement webpage to make enforcement actions easy to access.

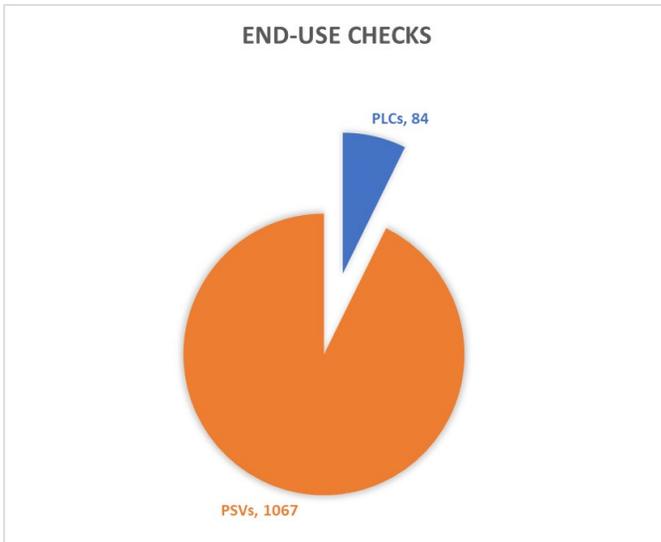
BIS investigations resulted in the completion of 69 administrative enforcement actions, and the imposition of a total of \$1,949,372 in civil penalties in FY 2022. Additionally, BIS issued an all-time high of 14 Temporary Denial Orders (TDOs), including 10 against Russian and Belarusian airlines, two renewals of a TDO against Mahan Airlines of Iran that violated both export controls on Iran and Russia, one against two parties for acquiring or attempting to acquire under false pretenses accelerometers from the United States on behalf of prohibited end-users or for prohibited end-uses in China, and one against three companies for exporting to China technical drawings and blueprints used to 3-D print satellite, rocket, and defense-related prototypes. In addition, BIS publicly listed 184 aircraft from Russia, Belarus, and Iran that triggered General Prohibition 10 restrictions, which prohibit parties from taking subsequent actions like refueling, maintenance, and repair.

Prevention and Compliance

BIS continued to emphasize enforcement activities that focus on prevention and compliance. Export Enforcement officials participate in the export licensing process by providing all-source Bona Fides Information Reports (BFIRs) to licensing officers on foreign transaction parties, making recommendations on license applications, detaining shipments that may have been undertaken in violation of the EAR, and in some significant cases, seeking the issuance of TDOs to prevent imminent export violations.

End-use checks involving the verification of parties to an export transaction continue to serve as a valuable safeguard and preventive enforcement tool for verifying the bona fides of foreign end users. In addition, end-use checks seek to ensure the recipients of the exported items are or will be using the items as authorized and that they are adhering to license conditions.

BIS end-use checks have been effective in revealing unauthorized end uses, including improper or unauthorized diversion of items subject to BIS jurisdiction.



In FY 2022, BIS completed 1,151 end-use checks in 54 countries. Of these, 84 were Pre-License Checks, which BIS conducts prior to shipment to prevent the export of sensitive items to unreliable parties, and 1,067 were Post-Shipment Verifications, which assist the U.S. Government in monitoring export transactions to conclusion.

Approximately 64% of the checks were conducted by BIS Export Control Officers stationed at U.S. Embassies and Consulates in Beijing, Dubai, Frankfurt, Hong Kong, Istanbul, New Delhi, and Singapore. These Export Control Officers also have regional responsibilities. The remaining checks were conducted by Office of Export Enforcement

Special Agents and analysts deployed from the United States, or Foreign Commercial Service Officers at various U.S. Embassies. BIS uses the results of negative checks to prevent future exports to unsuitable end users and to take enforcement action where appropriate. Another 14% of the check were conducted by temporary Export Control Officers deployed to Finland, Japan, Poland, South Korea, and Taiwan as part of BIS’s efforts to identify and prevent the diversion of controlled commodities to Russia after its invasion of Ukraine.

Pursuant to Section 1213 of the National Defense Authorization Act of 1998, there were no Post-Shipment Verifications conducted on high performance computers in “Computer Tier 3” eligible countries during FY 2022, as there were no licenses issued for the specified items. Tier 3 destinations, as listed in Section 740.7(d) of the EAR, are: Afghanistan, Algeria, Andorra, Angola, Armenia, Azerbaijan, Bahrain, Belarus, Bosnia & Herzegovina, Cambodia, China (People’s Republic of), Comoros, Djibouti, Egypt, Georgia, India, Iraq, Israel, Jordan, Kazakhstan, Kosovo, Kuwait, Kyrgyzstan, Laos, Lebanon, Libya, Macau, Macedonia (The Former Yugoslav Republic of), Mauritania, Moldova, Mongolia, Montenegro, Morocco, Oman, Pakistan, Qatar, Russia, Saudi Arabia, Serbia, Tajikistan, Tunisia, Turkmenistan, Ukraine, United Arab Emirates, Uzbekistan, Vanuatu, Vietnam, and Yemen.

In situations where an end-use check indicates a diversion of U.S.-origin goods has or may have occurred, or the U.S. Government was unable to conduct the check or was otherwise unable to verify the existence or authenticity of the end user, BIS will take action to mitigate such concerns, including license denials, Entity List or UVL designations, or investigative referrals. Twenty-five percent of BIS end-use checks resulted in such follow-up actions.

BIS completed a significant number of additional preventive enforcement actions in FY 2022, including the issuance of 517 warning letters, 658 detentions, and 93 seizures. BIS issued 51 Denial Orders against parties convicted under certain federal statutes following their criminal convictions, which represents the highest number of denial orders since 2010 when tracking began and made 2,188 outreach contacts with industry, of which more than 600 were directly related to Russia’s invasion of Ukraine.

| Prevention Actions | |
|--------------------|-------|
| Warning Letters | 517 |
| Detentions | 658 |
| Seizures | 93 |
| Outreach Contacts | 2,188 |

In addition to working with industry, BIS also partnered with academia, foreign government counterparts, and domestic interagency partners in FY 2022 to enhance enforcement of the EAR. BIS launched an Academic Outreach Initiative to help academic institutions maintain an open, collaborative research environment in a way that also protects them from national security risk. The first-ever joint alert between FinCEN and BIS was issued focusing on Russia evasion indicators and including a special Suspicious Activity Report (SAR) code. BIS also announced a partnership with the Canada Border Services Agency (CBSA), which includes – for the first time ever – having an Export Enforcement analyst permanently stationed in Ottawa.

Antiboycott Activities

The United States Government continues to oppose actions by U.S. persons in support of foreign boycotts of countries friendly to the United States. The Anti-Boycott Act of 2018, a subpart of ECRA, encourages, and in specified cases requires, U.S. persons to refuse to participate in foreign boycotts that the U.S. does not sanction. BIS, through its Office of Antiboycott Compliance (OAC), takes enforcement action against U.S. persons who violate the antiboycott provisions set forth in part 760 of the EAR.

During FY 2022, BIS strengthened antiboycott enforcement to ensure that U.S. firms are not used to support unsanctioned foreign boycotts, most notably the Arab League Boycott of Israel by: re-ordering penalty tiers in the regulations; raising penalty amounts; eliminating “no admit, no deny” settlements; and announcing an enhanced focus on foreign subsidiaries of U.S. companies.

Programmatically, OAC responded to 544 requests from U.S. companies for guidance on compliance with the antiboycott provisions of the EAR. Through its Advice Line, OAC provided extensive same-day counseling to individual companies, both large and small, with boycott-specific concerns, including the removal of boycott-related language from letters of credit, tenders, and contracts originating in boycotting countries. In addition, through

presentations at banking and international trade conferences, OAC reached out to exporters, manufacturers, freight forwarders, bankers, and attorneys involved in international trade.

Data compiled by OAC indicate that the number of prohibited requests received by U.S. firms decreased in FY 2022. Iraq, again this fiscal year, continues to be the leading source of reported prohibited requests (41) in FY 2022. Several of the prohibited requests from Iraq reported to OAC were contained in boycott-related requirements in documentation from the medical and pharmaceutical sectors, appearing in invitations to bid from the Iraqi Ministry of Health requesting information about a firm's business relationship with Israel.

For additional information related to significant BIS enforcement activities, see Appendices A and B.



SUMMARY OF APPROVED LICENSE APPLICATIONS TO PROSCRIBED PERSONS

In FY 2022, BIS refined its methodology for identifying proscribed persons from querying data matches to the Consolidated Screening List (CSL) to those only those included on the Entity List. This ensures the accuracy and replicability of the data reported, as it is produced and managed entirely in-house, in contrast to the CSL, which consolidated persons on a variety of lists maintained by the Departments of Commerce, State, and the Treasury.

In FY 2022, 916 licenses were approved that contained parties verified as matches to this updated definition of proscribed persons. For FY 2022, this accounts for 2.5 percent of all approved licenses. Because license review policies for entities listed on the Entity List are clearly articulated, applications submitted to BIS for proposed exports to such parties may be for transactions that exporters expect to have a higher likelihood of approval, such as transactions subject to case-by-case review rather than transactions that are subject to a presumption of denial.



DEFENSE INDUSTRIAL BASE ACTIVITIES

BIS's mission includes supporting continued U.S. technology leadership in industries that are essential to U.S. national security. BIS engaged in the following activities related to the defense industrial base.

Section 232 Investigations

In FY 2022, the Department completed an investigation under section 232 of the Trade Expansion Act of 1962, as amended, into the effects on the national security of imports of neodymium-iron-boron (NdFeB) permanent magnets. Secretary Raimondo initiated the investigation on NdFeB permanent magnets on September 21, 2021, based on a recommendation in the 100-Day Reviews under Executive Order 14017 (Building Resilient Supply Chains, Revitalizing American Manufacturing, and Fostering Broad-Based Growth). The Secretary's report noted that the United States, as well as our allies and partners, are highly dependent on imports from China, and that the nascent domestic NdFeB magnet industry faces significant barriers to reaching its production targets, including unfair Chinese practices. The report further noted that U.S. consumption of NdFeB magnets is forecast to more than double from 2020 to 2030, driven by increased demand from electric vehicles and wind energy industries.

The investigation found that NdFeB magnet imports threaten to impair U.S. national security as defined under Section 232. The President concurred with the Secretary's finding. To mitigate the national security threat from foreign imports, the Biden-Harris Administration committed to implementing Commerce's recommendations including bolstering domestic production throughout the supply chain, promoting demand for U.S.-produced magnets, engaging with allies and partners on supply chain resilience, supporting the development of a highly skilled workforce, and supporting research to mitigate supply chain vulnerabilities, along with other efforts.

BIS continued to administer the steel and aluminum exclusion process authorized by the President under Section 232. In FY 2022, the Administration's objective was to ensure that the United States retains a robust domestic production capability necessary to meet national security requirements.

A fair, transparent, and effective Section 232 Exclusion Process is an important goal of the Department. In FY 2022, BIS processed approximately 70,000 Exclusion Requests submitted by domestic importers of steel and aluminum products impacted by duties under Section 232. The Department reviewed all Exclusion Requests and associated Objections, Rebuttals, and Surrebuttals on a case-by-case basis, considering only information that was submitted on the public record by the parties to the Section 232 Exclusions Portal. BIS worked closely with industry specialists

within the International Trade Administration, as well as product specialists from the Department of Homeland Security's Customs and Border Protection.

In FY 2022, Exclusion Requests with no Objections received a final decision within roughly fifty-two calendar days on average, while Exclusion Requests with Objections received a final decision within roughly ninety-seven calendar days on average. Commerce has met its internal timeliness guidelines for over 85 percent of Exclusion Requests submitted in the Section 232 Exclusions Portal.

In FY 2022, BIS continued to take steps to further increase the efficiency, ease of use, and transparency of the Section 232 Exclusions Process. The Department published a fifth Interim Final Rule (IFR) on the Section 232 Exclusion Process in December 2021 that removed certain Generally Approved Exclusions (GAEs) from the GAE List originally published in the Federal Register in December 2020. BIS additionally issued a Request for Comment on the Section 232 Exclusions Process in February 2022.

BIS implemented several technical enhancements to the Section 232 Exclusions Portal in FY 2022, including improved data extracts available to the public, automation of several internal processes, conditional form fields to limit the number of filings rejected by BIS, and native save, share, and clone features for users. BIS continues to plan additional enhancements to the 232 Exclusions Portal for FY 2023 including improved search functionality and automated notifications of status changes for Exclusion Requests.

BIS worked to continue to support audits and oversight of the Section 232 Exclusions Process in FY 2022. The Government Accountability Office (GAO) released a report on the 232 Exclusions Portal in December 2021, recommending that the Department establish policies to regularly update its public guidance to incorporate changes in procedures and reflect its decision-making timeframes. Meanwhile, BIS also concluded its first major compliance action to ensure the accuracy of volume certifications provided for Exclusion Requests in the Section 232 Exclusions Portal.

Finally, in FY 2022, BIS, in cooperation with the International Trade Administration and U.S. Customs and Border Protection, implemented arrangements to transition to tariff-rate quotas for imports of steel and aluminum products from the European Union effective January 1, 2022, steel products from Japan effective April 1, 2022, and steel and aluminum products from the United Kingdom effective June 1, 2022 as well as a temporary one-year suspension of duties on steel imports from Ukraine effective June 1, 2022.

Administering the Defense Priorities and Allocations System (DPAS)

BIS's administration of the DPAS plays an important role in supporting the deployment of U.S. and Allied forces abroad, to meet critical national defense and homeland security requirements, and facilitate recovery from natural

disasters. The U.S. Government places DPAS priority ratings on approximately 300,000 contracts and orders annually to support these requirements. BIS participates in interagency discussions with the Departments of Agriculture, Defense, Energy, Health and Human Services, Homeland Security, and Transportation on standards and procedures for prioritizing contracts and orders.

In FY 2022, BIS undertook 39 official actions under the DPAS regulation for the placement of DPAS priority ratings on contracts and orders to expedite the delivery of industrial resources needed in support of national defense programs. BIS undertook these official actions in response to Special Priorities Assistance (SPA) requests and based on determinations that the requests for assistance were in support of programs that were “necessary or appropriate” to promote the national defense by DoD, DOE, and DHS in accordance with Executive Order 13603, National Defense Resources Preparedness.

Among the official actions that BIS undertook, 12 DPAS rating authorizations were in response to SPA requests where semiconductor supply chain issues were identified, including five DPAS rating authorizations to four U.S. Government agencies, four DPAS rating authorizations to U.S. companies, and three DPAS rating authorizations to foreign companies supporting allied defense partners.

In addition to responding to SPA requests related to semiconductor supply chain issues, BIS undertook three official actions related to paper shortages. Specifically, in response to three SPA requests related to election paper supply issues identified by DHS’s Cybersecurity and Infrastructure Security Agency (CISA), BIS issued three DPAS rating authorizations to three U.S. companies to expedite delivery of paper products needed in support of 2022 elections in the United States. Unrelated to semiconductor supply chain or election paper supply issues, BIS issued eight DPAS rating authorizations and four DPAS re-authorizations in FY 2022 for the placement of DPAS priority ratings on contracts and orders to expedite the delivery of industrial resources.

Lastly, BIS issued 12 DPAS rating authorizations to Public Works and Government Services Canada (PWGSC) to support Canadian military programs, in accordance with the 1998 Memorandum of Understanding on Priorities and Allocations Support between Commerce and PWGSC.

Committee on Foreign Investment in the United States (CFIUS) and The Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA)

CFIUS is an interagency committee that conducts national security reviews of certain transactions involving foreign investments in the United States. The International Trade Administration (ITA) and BIS play complementary roles in the Department of Commerce’s reviews for CFIUS. Among other things, FIRRMA expanded the scope of CFIUS authorities, including by authorizing CFIUS to review certain transactions involving critical technologies.

BIS plays an important role under FIRRMA, particularly in transactions involving non-controlling, non-passive investments in U.S. companies involved in critical technologies that require mandatory declarations and establish CFIUS jurisdiction for filings. Under this program, which began as a pilot program in November 2018 and was incorporated into the final FIRRMA regulations in February 2020, BIS determines whether the underlying investment includes a U.S. business involved in a critical technology, which is defined to include, among other things, multilaterally-controlled items on the Commerce Control List, items controlled for national security, regional stability or surreptitious listening reasons, or items identified as emerging or foundational technologies.

In addition, in FY 2022 BIS reviewed 458 CFIUS actions which includes both filings and declarations. BIS continued to work closely with other CFIUS agencies to implement the final rule that changed the mandatory declaration program for critical technologies by linking the requirement to file a declaration to a license requirement for the foreign investor under the relevant export control authority. BIS also worked closely with the CFIUS agencies to implement the CFIUS Executive Order that was unveiled in FY 2022. The Executive Order added areas such as supply chain and technological leadership in industry sectors such as semiconductors as major areas of consideration to be undertaken during review of CFIUS filings and declarations. Because of this enhanced role, which includes both filings and declarations, BIS's CFIUS-related activities continued at a very high rate in FY 2022.

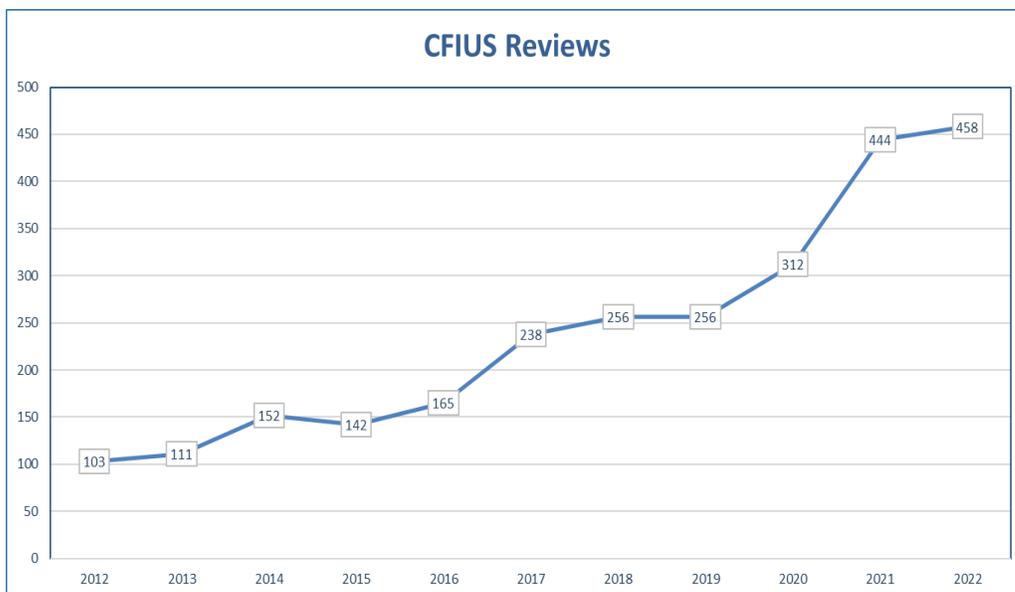


MONITORING THE STRENGTH OF THE U.S. DEFENSE INDUSTRIAL AND TECHNOLOGICAL BASE

BIS conducted the following industrial base survey and assessment activities:

Public Health Industrial Base Assessment

BIS has partnered with the Department of Health and Human Services, including the Office of the Assistant Secretary for Preparedness and Response (ASPR) and the Biomedical Advanced Research and Development Authority (BARDA), to conduct a series of public health industrial base surveys. The assessment will be conducted in three phases, focusing on (1) influenza vaccine, (2) Food and Drug Administration-designated essential medicines, and (3) active pharmaceutical ingredients, respectively. In FY 2022, BIS developed a survey for U.S. influenza vaccine manufacturers and their first and second tier suppliers providing raw or starting materials, active pharmaceutical ingredients, or other consumables required for manufacturing influenza vaccine products. The survey is designed to



capture existing supply chain vulnerabilities, production capacities, emergency response capabilities, and other data that will inform recommendations to improve the resiliency of the influenza vaccine supply chain in the face of future public health emergencies.

Civil Space Supply Chain Network Assessment

BIS has partnered with the National Aeronautics and Space Administration (NASA), Office of the Administrator, and the National Oceanic and Atmospheric Administration (NOAA), National Environmental Satellite, Data, and Information Service (NESDIS), to survey and assess the United States civil space supply chain network. This multi-year collaboration will build upon a substantial record of space sector analysis conducted among BIS, NASA, NOAA-NESDIS, and the broader U.S. Government and serve primarily to evaluate the current health and competitiveness of the civil segment of the U.S. space industrial base, while also informing the planning and execution of the civil space provisions of the 2020 National Space Policy. In FY 2022, BIS developed the comprehensive survey that will inform and help identify the structure and interdependencies of organizations that participate in the U.S. Civil Space Industrial Base, especially NASA and NOAA systems and subsystems.

Microelectronics Industry Assessment

In FY 2022, BIS developed and prepared for distribution a survey for companies that supply semiconductor devices in the United States, including designers, manufacturers, and distributors of semiconductors as part of a comprehensive assessment of the U.S. microelectronics industrial base. In preparation of the survey and as background for the industry assessment, BIS engaged with microelectronics experts from industry and across the U.S. government, held discussions with industry representatives, and began training staff to assist companies in completing the survey. The survey was developed pursuant to the requirement in Section 9904 of Title XCIX of the National Defense Authorization Act (NDAA) of Fiscal Year 2021. Title XCIX, Creating Helpful Incentives to Produce Semiconductors for America (CHIPS), contains multiple provisions related to promoting U.S. leadership in microelectronics and ensuring secure microelectronics supply chains. The survey was designed to gather data to help inform the U.S. government on the capabilities and challenges of the U.S. microelectronics supply chain. In FY 2023, BIS will distribute the survey to the semiconductor industry, collect data, and draft the comprehensive report and assessment of the U.S. microelectronics industrial base.

Multiple U.S. Government agencies, including the Departments of Defense, Health and Human Services, and Homeland Security, as well as NASA and the Intelligence Community, continue to request BIS industrial base surveys and analyses to support informed national defense and technology policy decisions.

Offsets in Defense Trade

BIS completed its 26th congressionally mandated report on the impact of offsets in defense trade and transmitted it to Congress in July 2022. In addition, the implementation of the Conventional Arms Transfer Policy, which was signed in April 2018, established an Interagency Working Group on Offsets, which is co-chaired by BIS and the Department of State. The Working Group was established to coordinate U.S. Government policy discussions on

offset-related issues and is the primary liaison with industry. During FY 2022, the Working Group met several times, including with industry, to identify the most pressing offset issues facing U.S. companies.

Review of Security Cooperation Proposals

BIS reviewed 61 proposed transfers of excess defense equipment to foreign governments through the Department of Defense's Excess Defense Articles program and provided the Department of Defense with determinations whether these transfers would interfere with the ongoing sales or marketing activities of U.S. industry. As part of its review, BIS contacted original equipment manufacturers and suppliers of similar products to assess whether proposed transfers would have an adverse impact on their operations. BIS reviewed 53 proposed international armaments and defense technology cooperation agreements and provided the Department of Defense with comments on these agreements' commercial implications and potential effects on the international competitive position of the U.S. defense industrial and technological bases.

National Defense Stockpile

BIS continued to co-chair the interagency National Defense Stockpile Market Impact Committee (MIC) with the Department of State's Bureau of Energy Resources. The MIC advises the Defense Logistics Agency regarding proposed plans to sell portions of the material in the stockpile and proposed plans to acquire new material. The advice relates to avoiding undue market disruptions during the sale or acquisition of such materials.

Supporting the U.S. Defense Industry's International Competitiveness

BIS also continued to approve and assist U.S. companies that were interested in providing goods and services to North Atlantic Treaty Organization (NATO) agencies, commands, and, through the NATO Security Investment Program, other member governments. BIS performed 503 actions in support of U.S. firms seeking to participate in NATO procurement competitions. In addition, BIS reviewed 56 U.S. industry applications for defense trade advocacy in support of the International Trade Administration's Advocacy Center. These reviews directly assisted the competitiveness of U.S. companies in international arms sales.

APPENDIX A: CHRONOLOGICAL LISTING OF ACTIONS FY2022

Table 1: Criminal Convictions during FY 2022 [1]

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|-------------------------|---|--|---|
| 10/14/21 | Arash Yousefi Jam | One count of conspiracy to unlawfully export goods to Iran and to defraud the United States in violation of 18 U.S.C. § 371 | Time served in prison; one year of supervised release; and a \$100 special assessment | Export of nine electrical discharge boards, one CPU board, two servo motors, and two railroad crankshafts to Iran |
| 11/03/21 | Philbert Kylestewa | One count of theft of government property in violation of 18 U.S.C. § 641 | 60 months of probation with 6 months of home confinement; \$160,106 restitution; \$72,555 forfeiture; and a \$100 special assessment | Possession of equipment stolen from U.S. military |
| 11/10/21 | Dali Bagrou | One count of conspiracy in violation of 18 U.S.C. § 371 and § 2 | 51 months in prison; three years of supervised release; and a \$100 special assessment | Attempted export of a power turbine and generator to Russia |
| 11/10/21 | World Mining Supply LLC | Two counts of violation of ECRA in violation of 50 U.S.C. § 4819 | Five years of probation; and a \$400 special assessment | Attempted export of a power turbine and generator to Russia |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|-----------------------|--|---|---|
| 11/15/21 | Deja Bess | One count of making a false statement to a licensed firearms dealer in violation of 18 U.S.C. § 922 and § 924 | Three years of probation; 80 hours of community service; and a \$100 special assessment | Export of firearms to the United Kingdom and the Caribbean |
| 11/17/21 | Amin Yousefi Jam | One count of conspiracy to unlawfully export goods to Iran and to defraud the United States in violation of 18 U.S.C. § 371 | Time served in prison; and one year of supervised release | Export of nine electrical discharge boards, one CPU board, two servo motors, and two railroad crankshafts to Iran |
| 11/18/21 | Naushad Khan | One count of conspiracy to violate the Bank Secrecy Act in violation of 31 U.S.C. § 5311 and 18 U.S.C. § 371 | Time served in prison; a \$4,000 criminal fine; and a \$100 special assessment | Export of firearms and ammunition to Pakistan |
| 12/01/21 | Dynatex International | One count of aiding and abetting a violation of the IEEPA in violation of 50 U.S.C. § 1705 | One year of probation; a \$100,000 criminal fine; and a \$400 special assessment | Export of machine for processing microchips to a listed entity in China |
| 12/13/21 | Shawn Sabi | One count of submitting false or misleading export information in violation of 13 U.S.C. § 305 | 19 months in prison; two years of supervised release; and a \$100 special assessment | Failure to file EEI for a shipment containing firearms and ammunition to Israel |
| 12/15/21 | Berrick Ciceron | One count of unlawful delivery of firearms to a common contract carrier for transportation to an unlicensed firearms importer in violation of 18 | 18 months in prison; three years of supervised release; and a \$100 special assessment | Export of firearms to Haiti |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|---------------------|--|--|--|
| | | U.S.C. § 922 and 18 U.S.C. § 924 | | |
| 12/16/21 | Everald Nelson | One count of conspiracy to engage in the business in dealing with firearms without a license in violation of 18 U.S.C. § 371 and 18 U.S.C. § 922 | 48 months in prison; three years of supervised release; and a \$100 special assessment | Export of firearms to Canada |
| 12/21/21 | Ye Sang “Ivy” Wang | One count of conspiracy to export defense articles without a license and commit theft of government property in violation of 18 U.S.C. § 371 | 30 months in prison; three years of supervised release; a \$20,000 criminal fine; and a \$100 special assessment | Export of military equipment and supplies to China |
| 01/06/22 | Maximilliano Romero | One count of fraud and misuse of visa, permits and other documents in violation of 18 U.S.C. § 1546 and 18 U.S.C. § 2 | 10 months in prison; one year of supervised release; and a \$100 special assessment | Fraud and misuse of visa |
| 01/06/22 | Labib Arafat | One count of tampering with a witness, victim or informant in violation of 18 U.S.C. § 1512 and 18 U.S.C. § 2 | 12 months and one day in prison; one year of supervised release; and a \$100 special assessment | Fraud and misuse of visa |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|------------------|---|--|--|
| 01/12/22 | Emilie Voissem | One count of conspiracy to violate IEEPA in violation of 18 U.S.C. § 371; one count of conspiracy to export and attempted export of goods in violation of IEEPA in violation of 50 U.S.C. § 1705; one count of smuggling of goods in violation of 18 U.S.C. § 554 | Five months in prison and five months of home confinement; three years of supervised release; and a \$300 special assessment | Export of re-breathers to Libya |
| 01/12/22 | Peter Sotis | One count of conspiracy to violate IEEPA in violation of 18 U.S.C. § 371; one count of conspiracy to export and attempted export of goods in violation of IEEPA in violation of 50 U.S.C. § 1705; one count of smuggling of goods in violation of 18 U.S.C. § 554 | 57 months in prison; three years of supervised release; and a \$200 special assessment | Export of re-breathers to Libya |
| 02/12/22 | Zokir Iskanderov | One count of illegal exportation of electronic devices in violation of 18 U.S.C. § 554 | One year of probation; and a \$100 special assessment | Export of stolen mobile phones to Russia |
| 02/14/22 | Georges Mazraani | One count of failure to file reports of a foreign bank and financial accounts in violation of 31 U.S.C. §§ 5314 and 5322 and 18 U.S.C. § 2 | Time served; \$1,000 criminal fine; and a \$100 special assessment | Failure to file Foreign bank account reports |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|---------------------------|---|--|---|
| 02/22/22 | Jorge Orencel | One count of attempted smuggling of goods in violation of 18 U.S.C. § 554 | Six months in prison; one year of supervised release; and a \$5,500 criminal fine | Export of radiological and nuclear equipment to a listed entity in China |
| 03/02/22 | Thomas Dwayne Harris, Jr. | 12 counts of making false statements to a federal firearms licensee in violation of 18 U.S.C. § 924; one count of dealing in firearms without a license in violation of 18 U.S.C. §§ 922 and 924; one count of delivery of firearms to a common carrier without written notice; and smuggling of goods from the United States in violation of 18 U.S.C. § 554 | 46 months in prison; three years of supervised release; and a \$1,500 special assessment | Export of firearms to Saint Lucia |
| 03/10/22 | Ching-Fu Gau | One count of exporting items without a license in violation of IEEPA in violation of 50 U.S.C. § 1705 | Three years of probation; \$10,000 criminal fine; and a \$100 special assessment | Export of technical data for an electronic control unit for an aircraft auxiliary power unit to China |
| 03/15/22 | Clairvorn Kelly | One count of conspiracy to make false and fictitious written statements to a licensed firearms dealer in violation of 18 U.S.C. §§ 371 and 922; one count of illegally dealing in firearms in violation of 18 U.S.C. §§ 922 and 923; one count of making false statements to licensed firearms dealers in violation of 18 U.S.C. § 922 | 51 months in prison; three years of supervised release; and a \$500 special assessment | Export of firearms to the United Kingdom and the Caribbean |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|----------------|--|--|---|
| | | and 924; unlawful transfer of firearms to out-of-state resident in violation of 18 U.S.C. §§ 922 and 924; and possession of firearm with altered serial number in violation of 18 U.S.C. § 922 | | |
| 03/16/22 | Yang Fan | One count of conspiracy to violate federal firearms laws in violation of 18 U.S.C. 18 § 371; two counts of false statements to a federally licensed firearms dealer in violation of 18 U.S.C. §§ 922 and 924; one count of false statement within the executive branch’s jurisdiction in violation of 18 U.S.C. § 1001 | 48 months in prison; three years of supervised release; and a \$400 special assessment | Export of military grade watercraft and multi-fuel engines to China |
| 03/17/22 | David Johnson | One count of conspiracy to defraud the United States in violation of 18 U.S.C. § 371; three counts of smuggling goods from the United States in violation of 18 U.S.C. § 554 | 46 months in prison; three years of supervised release; and a \$400 special assessment | Export of firearms to Barbados |
| 03/31/22 | Guiliano Pecci | One count of smuggling goods from the United States in violation of 18 U.S.C. § 554; one count of money laundering conspiracy in violation of 18 U.S.C. § 1956 | 18 months in prison; three years of supervised release; and a \$200 special assessment | Export of firearms kits to Paraguay |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|-----------------|--|---|---|
| 04/12/22 | Virgil Griffith | One count of conspiracy to violation IEEPA in violation of 50 U.S.C. § 1705 | 63 months in prison; three years of supervised release; a \$100,000 criminal fine; and a \$100 special assessment | Providing services to North Korea |
| 04/19/22 | Maurice Poku | One count of conspiracy to engage in business dealing with firearms without a license in violation of 18 U.S.C. §§ 371 and 922 | 48 months in prison; three years of supervised release; and a \$100 special assessment | Export of firearms to Canada |
| 04/22/22 | Brandon Ross | One count of money laundering conspiracy in violation of 18 U.S.C. 1956 | 18 months in prison; three years of supervised release; \$1,500,000 in restitution; and a \$100 special assessment | Fraudulently obtained sensitive, export-controlled communications equipment |
| 05/10/22 | Khalid Razaq | One count of conspiracy to commit mail and wire fraud in violation of 18 U.S.C. § 1349; one count of aggravated identity theft in violation of 18 U.S.C § 1028 | 60 months in prison; three years of supervised release; \$4,494,882 in shared restitution; a \$457,594 forfeiture; and a \$200 special assessment | Fraudulently obtained sensitive, export-controlled communications equipment |
| 05/17/22 | Obaidullah Syed | One count of conspiracy to commit an offense against the United States in violation of 18 U.S.C. § 371 | 12 months and one day in prison; one year of supervised release; a \$247,000 forfeiture; and a \$100 special assessment | Export of computer parts to Entity List party in Pakistan |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|-----------------|---|---|---|
| 05/31/22 | Krechon Davis | One count of conspiracy to make a false statement to a federally license firearms dealer in violation of 18 U.S.C. §§ 922 and 371; one count of false statements to a federal licensed firearms dealer in violation of 18 U.S.C. §§ 922 and 2 | Nine months in prison; and three years of supervised release | Export of firearms to the U.S. Virgin Islands to various Caribbean Islands |
| 06/01/22 | Janet Sturmer | One count of conspiracy to commit mail and wire fraud in violation of 18 U.S.C. § 1349; one count of aggravated identity theft in violation of 18 U.S.C. § 1028 | 54 months in prison; three years of supervised release; \$4,494,882 in shared restitution; a \$457,594 forfeiture; and a \$200 special assessment | Fraudulently obtained sensitive, export-controlled communications equipment |
| 06/02/22 | Rashad Sargeant | One count of conspiracy to defraud the United States in violation of 18 U.S.C. § 371; three counts of smuggling goods from the United States in violation of 18 U.S.C. § 554 | 46 months in prison; three years of supervised release; and a \$400 special assessment | Export of firearms to Barbados |
| 06/02/22 | Charlton Ameyaw | One count of delivery of firearms to a common carrier without written notice in violation of 18 U.S.C. §§ 922 and 924 | 18 months in prison; two years of supervised release; and a \$100 special assessment | Export of firearms to Ghana |
| 06/15/22 | Pierre Alfred | One count of smuggling goods out of the United States in violation of 18 U.S.C. § 554 | Three years of probation; and a \$100 special assessment | Export of firearms and ammunition to Haiti |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|----------------------|--|---|--|
| 07/20/22 | Michael Rose | One count of submission of false export information in violation of 13 U.S.C. § 305 | Three years of probation; a \$10,000 criminal fine; a \$353,470 forfeiture; and a \$100 special assessment | False export information related to an export of cosmetics to Iran |
| 07/27/22 | Ian Akyildiz | One count of fraud and false statements on a tax return in violation of 26 U.S.C. § 7206 | 12 months of probation; a \$5,500 criminal fine; 100 hours of community service; and a \$100 special assessment | Filing of false tax returns |
| 08/11/22 | Nihad Al Jaber | One count of smuggling in violation of 18 U.S.C. § 554; one count of failure to notify a common carrier in violation of 18 U.S.C. §§ 922 and 924; one count of submitting false or misleading export information in violation of 18 U.S.C. § 305 | 94 months in prison; three years of supervised release; and a \$300 special assessment | Export of firearms and accessories to Iraq |
| 08/15/22 | Nadal Diya | One count of fraud and misuse of visas, permit and other documents in violation of 18 U.S.C. § 1546 | Time served in prison; a \$20,000 criminal fine; and a \$100 special assessment | Fraud and misuse of visa |
| 08/16/22 | Carlos Fondeur Trass | One count of conspiracy to make a false statement to a federally licensed firearms dealer in violation of 18 U.S.C. § 371 | 52 months in prison; three years of supervised release; and a \$100 special assessment | Export of firearms to the U.S. Virgin Islands to various Caribbean Islands |
| 08/16/22 | Rik Wimp | One count of false statements in violation of 18 U.S.C. § 1001 | One year of probation; a \$156,599 criminal fine; and a \$100 special assessment | False statements related violations of export control laws |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|--------------------|---|---|--|
| 09/02/22 | Ashar Moosa | One count of violation of ECRA in violation of 50 U.S.C. §§ 4801–4852, and the EAR in violation of 15 C.F.R. § 730 et seq. | 37 months in prison; three years of supervised release; and a \$100 special assessment | Export of firearms, components and accessories to Pakistan |
| 09/20/22 | Shohruh Saidov | One count of conspiracy to fail to file export information, smuggle electronic devices and defraud the United States in violation of 18 U.S.C. §§ 371 and 3551 et seq.; one count of failure to file export information in violation of 13 U.S.C. § 305 | 15 months in prison; two years of supervised release; a \$100,000 forfeiture; and a \$200 special assessment | Export of stolen mobile phones to Russia |
| 09/20/22 | Akmal Asadov | One count of conspiracy to fail to file export information, smuggle electronic devices and defraud the United States in violation of 18 U.S.C. §§ 371 and 3551 et seq.; one count of failure to file export information in violation of 13 U.S.C. § 305 | 15 months in prison; two years of supervised release; \$300,000 in restitution; and a \$20 special assessment | Export of stolen mobile phones to Russia |
| 09/21/22 | Azamat Bobomurodov | One count of conspiracy to fail to file export information, smuggle electronic devices and defraud the United States in violation of 18 U.S.C. §§ 371 and 3551 et seq | A \$4,000 criminal fine; one year of probation; and a \$100 special assessment | Export of stolen mobile phones to Russia |

| Sentencing Date | Defendant | Criminal Charges | Criminal Sanctions | Case Details |
|-----------------|-------------------------------|---|---|---|
| 02/15/23 | Anton Perevoznikov | One count of conspiracy to fail to file export information, smuggle electronic devices and defraud the United States in violation of 18 U.S.C. §§ 371 and 3551 et seq | 184 months in prison; two years of supervised release; and a \$100 special assessment | Export of stolen mobile phones to Russia |
| 09/20/22 | Peter Kim | Three counts of theft of trade secrets in violation of 18 U.S.C. § 1832 | Eight months in prison; three years of supervised release; a \$5,000 criminal fine; \$48,395 in restitution; and a \$300 special assessment | Theft of trade secrets related to chips |
| 09/26/22 | Amanulla Khan a/k/a Aman Khan | Two counts of fraud involving aircraft parts in interstate and foreign commerce in violation of 18 U.S.C. § 38 | 46 months in prison; three years of supervised release; and \$1,538,054 in restitution | Unlawful manufacturing and sale of aircraft parts |

Table 2: Administrative Cases during FY 2022

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|---|--|--|---|
| 10/12/21 | VTA Telecom Corporation | Evasion; made false statements to BIS and/or another U.S. Government agency and on export control document related to export of 100 transistors and 2 development tools valued at \$59,100, classified as 3A001.b.3.b and controlled for NS, RS and AT reasons, and attempted export of actuators valued at \$235,000, classified as 9A610.x and controlled for NS, RS, MT and AT reasons; acted with knowledge of a violation: unlicensed export; exported twenty (20) computer processor chips, classified as 5A002.a.1 and controlled for NS, AT and EI reasons, and valued at approximately \$3,930, to the parent company in Vietnam with a stated intended use for a civil telecommunications project in Vietnam without the required BIS license. | 764.2(e) [2] 764.2(g) [3] 764.2(a) [1] | Settlement Agreement - civil penalty of \$1,869,372, with \$200,000 suspended for a total out-of-pocket penalty of \$1,669,372; VTA to expend \$25,000 on additional ongoing export control compliance efforts within twelve months from the date of the Order; and VTA will also retain a Director of Trade Compliance to oversee VTA's export activities for two years from the date of the Order, unless VTA has dissolved or ceased its business operations, in which case this requirement will be waived. |
| 11/04/21 | SP Industries, Inc. (d/b/a SP Scientific) | Exported four shipments of temperature cycling systems, designated at EAR99 and valued at approximately \$182,118.30 to certain Huawei related entities. | 764.2(a) [4] | Settlement Agreement – civil penalty of \$80,000; complete two annual external audits of its export compliance program. |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|------------------------------|--|--------------------------------------|---|
| 11/08/21 | Hersel Lincoln McKenzie, Jr. | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly and fraudulently attempting to export and exporting from the United States to Mexico, certain merchandise, articles and objects, namely 7.62 x 39 mm ammunition. | 18 U.S.C. § 554(a) | Export privileges denied until January 8, 2025, under the ECRA. (5 years) |
| 11/08/21 | Christopher Daniel Stines | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly attempting to export and send from the United States to Haiti, firearm parts, to include: eight (8) AR-15 triggers, five (5) AR-15 selector switches, three (3) AR-15 hammers, two (2) AR-15 disconnectors, three (3) AR-15 hammer and trigger pins, and two (2) AR-15 trigger guards. | 18 U.S.C. § 554(a) | Export privileges denied until March 2, 2030, under ECRA. (10 years) |
| 11/08/21 | Si Mong Park | Underlying criminal conviction for violating Section 38 of the Arms Export Control Act (AECA) by knowingly and willfully exporting and causing to be exported from the United States to South Korea, defense articles - i.e., technical data related to launch vehicles, guided missiles, ballistic missiles, rockets, torpedoes, bombs and mines, and technical data related to enumerated aircraft and aircraft related articles, which are all designated as defense articles on the United States Munitions List, without having first obtained from | Section 38 of the AECA | Export privileges denied until September 14, 2027, under ECRA. (7 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|-------------------------|---|--------------------------------------|--|
| | | <p>the Department of State a license for such export or written authorization for such export.</p> | | |
| 11/08/21 | Robert Herman Fleischer | <p>Underlying criminal conviction for violating Section 38 of the AECA by intentionally attempting to willfully and knowingly export and cause to be exported from the United States to Mexico 2,999 rounds of 7.62x39mm caliber ammunition, manufactured by Igman Arsenal, which are designated as defense articles on the United States Munitions List, without the required U.S. Department of State licenses.</p> | Section 38 of the AECA | Export privileges denied until August 4, 2024, under ECRA. (7 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|--|--|--------------------------------------|--|
| 11/09/21 | Manuel Valencia-Hermosillo | Underlying criminal conviction for violating Section 38 of the AECA by knowingly and willfully attempting to export and cause to be exported from the United States to Mexico, 11,000 rounds of Wolf 7.62 X 39mm ammunition; 100 Palmetto State Armory 5.56 rifle magazines; and 100 Korean 7.62 X 39 rifle magazines, all of which were designated as defense articles on the United States Munitions List, without the required U.S. Department of State licenses. | Section 38 of the AECA | Export privileges denied until October 13, 2024, under ECRA. (7 years) |
| 11/17/21 | Mahan Airways; Pejman Mahmood Kosarayanifard a/k/a Kosarian Fard; Mahmoud Amini; Kerman Aviation, a/k/a GIE Kerman Aviation; Sirjanco Trading LLC; Mahan Air General Trading LLC; Mehdi Bahrami; Al Naser Airlines, a/k/a Al-Naser Airlines, a/k/a | Temporary denial order (“TDO”) in matter that has involved the re-export and attempted or intended re-export of U.S.-origin Boeing 747s, false statements to BIS regarding the ultimate destination and end-user of these aircraft, and the failure to comply with a BIS order to return the aircraft to the United States. This matter also has involved exports and re-exports, or attempted or intended exports or re-exports, during renewal periods of the TDO of U.S.-origin McDonnell Douglas aircraft, Airbus aircraft with U.S-origin engines, U.S.-origin jet engines, and other items subject to the Regulations. | | TDO renewed for 180 days. |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|--|--------------|--------------------------------------|---------|
| | <p>Alnaser Airlines and Air Freight Ltd.; Ali Abdullah Alhay, a/k/a Ali Alhay, a/k/a Ali Abdullah Ahmed Alhay; Bahar Safwa General Trading; Sky Blue Bird Group, a/k/a Sky Blue Bird Aviation, a/k/a Sky Blue Bird Ltd., a/k/a Sky Blue Bird FZC; and Issam Shammout, a/k/a Muhammad Isam Muhammad Anwar Nur Shammout, a/k/a Issam Anwar</p> | | | |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|------------------|--|--|---|
| 11/30/21 | Nicky Lee Quiroz | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly attempting to send or export from the United States to Mexico, one 10.5 inch, 5.56 mm pistol kit, and one carbine-length 5.56mm rifle kit, firearm components designated as defense articles on the United States Munitions List without the required Department of State license. | 18 U.S.C. § 554(a) | Export privileges denied until September 19, 2029, under ECRA. (10 years) |
| 11/30/21 | Douglas Glover | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly attempting to export and send from the United States to Russia, 30 round capacity AK-47 magazines, without a Department of State export license or other written authorization. | 18 U.S.C. § 554(a) | Export privileges denied until April 8, 2026, under ECRA. (7 years) |
| 11/30/21 | Ali Kourani | Underlying criminal conviction for violating 18 U.S.C. § 371 and Section 1705(a) of IEEPA by conspiring to receive military-type training from Hizballah, a designated Foreign Terrorist Organization, in violation of 18 U.S.C. § 371; and of making or receiving a contribution of funds, goods, and services to and from Hizaballah, and of conspiring to make or receive a contribution of funds, goods, and services to and from Hizaballah, in violation of IEEPA. | 18 U.S.C. § 371 and Section 1705(a) of IEEPA | Export privileges denied until December 3, 2029, under ECRA. (10 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|----------------------------|---|--------------------------------------|--|
| 11/30/21 | Nereyda Carrillo-Montes | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending or attempting to export and send from the United States to Mexico, approximately 168 rifle magazines in 7.62 x 39mm caliber and approximately 3,000 rounds of 7.62 x 39mm caliber ammunition. | 18 U.S.C. § 554(a) | Export privileges denied until April 24, 2024, under ECRA. (5 years) |
| 11/30/21 | Marco Antonio Sanchez | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly attempting to send or export from the United States to Mexico, one (1) 7.62x39 mm caliber pistol, two (2) 7.62x39 mm caliber magazines and approximately forty (40) rounds of 7.62x39 mmm ammunition. | 18 U.S.C. § 554(a) | Export privileges denied until June 16, 2025, under ECRA. (5 years) |
| 11/30/21 | Hector Mario Delgado-Lerma | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending and attempting to export and send from the United States to Mexico, 2,680 rounds of ammunition of assorted calibers. | 18 U.S.C. § 554(a) | Export privileges denied until May 14, 2026, under ECRA. (7 years) |
| 01/12/22 | Ernestina Hernandez-Juarez | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending or attempting to export and send from the United States to Mexico, 40 Level III AR500 steel body armor plates. | 18 U.S.C. § 554(a) | Export privileges denied until June 25, 2029, under ECRA. (10 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|------------------------------|---|--------------------------------------|--|
| 01/12/22 | Irving Aaron Rodriguez-Solis | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending or attempting to export and send from the United States to Mexico 3,000 rounds of 7.62x39 caliber ammunition. | 18 U.S.C. § 554(a) | Export privileges denied until October 17, 2024, under ECRA. (5 years) |
| 01/12/22 | Edna Yaritza Zamarripa | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending 2000 rounds of 7.62 x 39 mm caliber ammunition from the United States to Mexico. | 18 U.S.C. § 554(a) | Export privileges denied until September 25, 2024, under ECRA. (7 years) |
| 01/12/22 | Consuela Teresita Zamarripa | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending 2,000 rounds of 7.62 x 39 mm caliber ammunition from the United States to Mexico. | 18 U.S.C. § 554(a) | Export privileges denied until September 25, 2024, under ECRA. (5 years) |
| 01/20/22 | Khaldoun Hejazi | Underlying criminal conviction for violating Section 38 of the AECA by knowingly and willfully conspiring to export, and causing to be exported, firearms from the United States, which were designated as defense articles on the United States Munitions List, without having first obtained the required licenses or written approval from the U.S. Department of State. | Section 38 of the AECA | Export privileges denied until March 3, 2025, under ECRA. (5 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|-------------------------|--|--------------------------------------|---|
| 02/10/22 | Bianca Garcia-Rodriguez | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly attempting to export from the United States to Mexico approximately 3,600 rounds of .223 caliber ammunition, defense articles on the U.S. Munitions List. | 18 U.S.C. § 554(a) | Export privileges denied until January 8, 2025, under ECRA. (5 years) |
| 02/10/22 | Ramon Aguilar-Manriquez | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly attempting to export and exporting from the United States to Mexico, approximately 2,070 rounds of assorted ammunition. The ammunition included, 30-06 caliber, .270 caliber, .38 special ammo, .22 caliber, and .22 VMR caliber rounds. | 18 U.S.C. § 554(a) | Export privileges denied until July 23, 2029, under ECRA. (10 years) |
| 02/10/22 | Luis Martin Camarena | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly and unlawfully concealing, buying, and facilitating the transportation and exportation from the United States to Mexico of two Ruger AR-556 rifles, two Smith and Wesson M&P15 rifles, one Century Arms International Mini-Draco pistol, one Century Arms International C308 rifle, one FNH M249 rifle, and related ammunition. | 18 U.S.C. § 554(a) | Export privileges denied until September 26, 2029, under ECRA. (10 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|----------------------|---|--------------------------------------|---|
| 02/10/22 | Abdiel Padron Madrid | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by receiving, concealing, buying, selling, and facilitating the transportation and willfully and knowingly attempting to export and send from the United States to Mexico, six thousand three hundred and eighty (6,380) rounds of various caliber ammunition, which at the time of the attempted export were defense articles as defined under the United States Munitions List. | 18 U.S.C. § 554(a) | Export privileges denied until June 17, 2030, under ECRA. (10 years) |
| 02/10/22 | Luis Curiel-Trevino | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and causing to export approximately 700 rounds of super .38 caliber ammunition and approximately 100 rounds of .45 caliber auto-ammunition, from the United States to Mexico, without having first obtained the required licenses or written authorization from the Department of State. | 18 U.S.C. § 554(a) | Export privileges denied until January 14, 2030, under ECRA. (10 years) |
| 03/30/22 | Andrew Estrada | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending or attempting to export or send from the United States to Mexico, approximately 500 rounds of .38 super caliber ammunition and two 7.62 x 39 mm drum magazines. | 18 U.S.C. § 554(a) | Export privileges denied until March 10, 2027, under ECRA. (7 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|-------------------------------|--|--------------------------------------|--|
| 03/30/22 | Guadalupe Garza-Cavazos | Underlying criminal conviction for violating 18 U.S.C. § 554(a) fraudulently and knowingly exporting and sending or attempting to export and send from the United States to Mexico, (1) SIG Sauer .380 Auto, (1) Beretta .22 LR, (1) Glock 17 9mm, (1) Glock 19 9mm, (1) Smith and Wesson 9mm, (1) SIG Sauer 9mm, (2) 20 round boxes of .308 caliber ammunition, (1) 20 round box of .30-30 caliber ammunition, and 12 pistol magazines. | 18 U.S.C. § 554(a) | Export privileges denied until October 3, 2029, under ECRA. (10 years) |
| 03/30/22 | Sergio Eduardo Perez-Barragan | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending from the United States or attempting to export and sending from the United States, one thousand (1,000) rounds of 9mm ammunition, three hundred and fifty (350) rounds of .380 caliber ammunition, two hundred (200) rounds of .243 caliber ammunition, and twenty (20) rounds of .270 caliber ammunition. | 18 U.S.C. § 554(a) | Export privileges denied until May 23, 2026, under ECRA. (7 years) |
| 03/30/22 | Nafez El Mir | Underlying criminal conviction for violating 18 U.S.C. § 371 by knowingly and intentionally conspiring to willfully export firearms, defense articles designated on the United States Munitions List, from the United States to Lebanon, without having | 18 U.S.C. § 371 | Export privileges denied until June 11, 2029, under ECRA. (10 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|--------------------|---|--------------------------------------|---|
| | | obtained from the United States Department of State a license or written approval for the export of these defense articles. | | |
| 03/30/22 | Hicham Diab | Underlying criminal conviction for violating 18 U.S.C. § 371 by knowingly and intentionally conspiring to willfully export firearms, defense articles designated on the United States Munitions List, from the United States to Lebanon, without having obtained from the United States Department of State a license or written approval for the export of these defense articles. | 18 U.S.C. § 371 | Export privileges denied until June 11, 2029 under ECRA. (10 years) |
| 04/07/22 | UTair Aviation JSC | TDO in matter that involved prohibited conduct by operating aircraft subject to the EAR on flights into Russia without the required BIS authorization, and there are heightened concerns of future violations. | | Initial TDO issued for 180 days. |
| 04/07/22 | PJSC Aeroflot | TDO in matter that involved prohibited conduct by operating aircraft subject to the EAR on flights into Russia without the required BIS authorization, and there are heightened concerns of future violations. | | Initial TDO issued for 180 days. |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|------------------|---|--------------------------------------|---|
| 04/07/22 | Azur Air | TDO in matter that involved prohibited conduct by operating aircraft subject to the EAR on flights into Russia without the required BIS authorization, and there are heightened concerns of future violations. | | Initial TDO issued for 180 days. |
| 04/20/22 | Arnoldo Vidaurri | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending, from the United States to Mexico, two Ruger LCP 380 pistols and 100 rounds of ammunition, without a Department of State export license or other written authorization. | 18 U.S.C. § 554(a) | Export privileges denied until March 29, 2024 under ECRA. (5 years) |
| 04/21/22 | Aviastar-TU | TDO in matter that involved prohibited conduct by operating aircraft subject to the EAR on flights into Russia without the required BIS authorization, and there are heightened concerns of future violations. | | Initial TDO issued for 180 days. |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|---|---|--------------------------------------|----------------------------------|
| 05/13/22 | <p>Mahan Airways; Pejman Mahmood Kosarayanifard a/k/a Kosarian Fard; Mahmoud Amini; Kerman Aviation, a/k/a GIE Kerman Aviation; Sirjanco Trading LLC; Mahan Air General Trading LLC; Mehdi Bahrami; Al Naser Airlines, a/k/a Al-Naser Airlines, a/k/a Alnaser Airlines and Air Freight Ltd.; Ali A dullah Alhay, a/k/a Ali Alhay, a/k/a Ali Abdullah Ahmed Alhay; Bahar Safwa General Trading; Sky Blue Bird Group, a/k/a Sky Blue Bird Aviation, a/k/a Sky Blue Bird</p> | <p>TDO in matter that has involved the re-export and attempted or intended re-export of U.S.-origin Boeing 747s, false statements to BIS regarding the ultimate destination and end-user of these aircraft, and the failure to comply with a BIS order to return the aircraft to the United States. This matter also has involved exports and re-exports, or attempted or intended exports or re-exports, during renewal periods of the TDO of U.S.-origin McDonnell Douglas aircraft, Airbus aircraft with U.S.-origin engines, U.S.-origin jet engines, and other items subject to the Regulations.</p> | | <p>TDO renewed for 180 days.</p> |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|---|--|--------------------------------------|----------------------------------|
| | Ltd., a/k/a Sky Blue Bird FZC; and Issam Shammout, a/k/a Muhammad Isam Muhammad Anwar Nur Shammout, a/k/a Issam Anwar | | | |
| 05/20/22 | Rossiya Airlines | TDO in matter that involved prohibited conduct by operating aircraft subject to the EAR on flights into Russia without the required BIS authorization, and there are heightened concerns of future violations. | | Initial TDO issued for 180 days. |
| 06/07/22 | Quicksilver Manufacturing, Inc., Rapid Cut LLC and US Prototype, Inc. | TDO in matter that involved unlicensed exports of controlled technology to China for 3D printing. | | Initial TDO issued for 180 days. |
| 06/16/22 | Belavia Belarusian Airlines | TDO in matter that involved prohibited conduct by operating aircraft subject to the EAR on flights into Russia without the required BIS authorization, and there are heightened concerns of future violations. | | Initial TDO issued for 180 days. |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|--------------------------|---|--------------------------------------|---|
| 06/24/22 | Pobeda Airlines | TDO in matter that involved prohibited conduct by operating aircraft subject to the EAR on flights into Russia without the required BIS authorization, and there are heightened concerns of future violations. | | Initial TDO issued for 180 days. |
| 06/24/22 | Nordwind Airlines | TDO in matter that involved prohibited conduct by operating aircraft subject to the EAR on flights into Russia without the required BIS authorization, and there are heightened concerns of future violations. | | Initial TDO issued for 180 days. |
| 06/24/22 | Siberian Airlines | TDO in matter that involved prohibited conduct by operating aircraft subject to the EAR on flights into Russia without the required BIS authorization, and there are heightened concerns of future violations. | | Initial TDO issued for 180 days. |
| 07/08/22 | Hassan Ali Moshir-Fatemi | Underlying criminal conviction for violating IEEPA by knowingly and willfully conspiring and agreeing to export, re-export, and supply, and causing to be exported, re-exported, and supplied, directly and indirectly, goods and services from the United States to Iran; and engaging in transactions for the purpose of avoiding and evading the Iranian Transaction Sanctions Regulations, including financing and facilitating | Section 1705 of IEEPA | Export privileges denied until January 28, 2031, under ECRA. (10 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|----------------------|--|--------------------------------------|---|
| | | <p>transactions by foreign persons where such transactions are prohibited by United States law, without having first obtained from the Department of the Treasury, Office of Foreign Assets Control, the required license or written authorization.</p> | | |
| 07/08/22 | Usama Darwich Hamade | <p>Underlying criminal conviction for violating 18 U.S.C. § 371 by conspiring to export parts and technology from the United States to Lebanon, and specifically to Hizballah, for among other purposes, inclusion in unmanned aerial vehicles, without obtaining the required export licenses under the Export Administration Regulations or under the International Traffic in Arms Regulations.</p> | 18 U.S.C. § 371 | Export privileges denied until July 20, 2030, under ECRA. (10 years) |
| 07/08/22 | Amilkar Murillo | <p>Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly and unlawfully concealing, buying, or facilitating the transportation and concealment of any merchandise, article and object, prior to exportation, knowing the same to be intended for exportation from the United States, to-wit: a Taurus 9mm handgun with 2 magazines, a Taurus 40 caliber handgun with 2 magazines, a Ruger 9mm handgun with 2 magazines, a Smith &</p> | 18 U.S.C. § 554(a) | Export privileges denied until August 7, 2030, under ECRA. (10 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|------------------------|---|--------------------------------------|--|
| | | Wesson 9mm handgun with 2 magazines, a Glock 380 handgun with 2 magazines, a Smith & Wesson 40 caliber handgun with 2 magazines, and a box of .380 ammunition (20 rounds). | | |
| 07/08/22 | Jason Wayne Jarvis | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by attempting to sell and facilitate the transportation of firearms, silencers, a short-barreled rifle, and a destructive device, prior to exportation, knowing them to be intended for exportation contrary to any law or regulation of the United States. | 18 U.S.C. § 554(a) | Export privileges denied until October 3, 2024, under ECRA. (5 years) |
| 07/08/22 | Joyce Marie Eliabachus | Underlying criminal conviction for violating 18 U.S.C. § 371 by knowingly and intentionally conspiring and agreeing with others known and unknown to export, re-export, sell and supply and attempting to, re-export, sell and supply aircraft components, directly or indirectly from the United States to Iran, including to Mahan Air without first obtaining the authorization from the Office of Foreign Assets Control. | 18 U.S.C. § 371 | Export privileges denied until October 7, 2030, under ECRA. (10 years) |
| 07/18/22 | Ismael Gomez, Jr. | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending or attempting to export and send from the United States to Mexico, one | 18 U.S.C. § 554(a) | Export privileges denied until July 22, 2029, under ECRA. (10 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|------------------------|---|--------------------------------------|--|
| | | thousand and ten (1,010) rounds of .223 caliber ammunition. | | |
| 07/18/22 | Scott Douglas Browning | Underlying criminal conviction for violating Section 38 of the AECA by willfully exporting and causing to be exported from the United States to the Netherlands defense articles, that is, Image Intensifier Generation 3 MX-10130, Image Intensifier Generation 3 MX-10160, Image Intensifier Generation 3 MX-11769, and the BAE Systems OASYS SkeetIR Micro Thermal Imaging Monocular 640x480, which are all designated as defense articles on the United States Munitions List, without having first obtained from the Department of State a license for such export or written authorization for such export. | Section 38 of the AECA | Export privileges denied until August 9, 2026, under ECRA. (7 years) |
| 08/01/22 | Luis Fernando Gracia | Caused, aided or abetted an attempted export from the U.S. to Mexico of ballistic helmets and rifle scopes without the required BIS license controlled for crime control reasons and valued at approximately \$4,329. (ECCN 0A979 and 0A987) | 764.2(b) [1] | Settlement Agreement – two-year suspended denial of export privileges; complete internal audit of the export controls compliance program maintained by GE Equipos de Seguridad within 12 months from the date of the Order; complete an export compliance training on the Regulations within 12 months from the date of the Order. |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|--|--|--------------------------------------|---|
| 08/02/22 | Empresa de Transporte Aéreocargo del Sur, S.A., a/k/a Aerocargo del Sur Transportation Company, a/k/a EMTRASUR | TDO in matter that involved prohibited conduct by a previously issued BIS TDO against Iranian airline Mahan Air, by acquiring custody or control of a U.S.-origin Boeing 747 aircraft from Mahan Air of Iran in violation of U.S. export controls and for engaging in further violations by operating that aircraft on flights between Venezuela, Iran and Russia. | | Initial TDO issued for 180 days. |
| 08/24/22 | Aaron Abraham Villa | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly and unlawfully concealing, buying, or facilitating the transportation and concealment or exportation of a Glock 21C .45 caliber, Roni pistol conversion kit and magazines, from the United States to Mexico. | 18 U.S.C. § 554(a) | Export privileges denied until January 14, 2026, under ECRA. (5 years) |
| 08/24/22 | Julio Cesar Vega-Amaral | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly attempting to export, and exporting, from the United States to the Mexico, merchandise, articles, and objects, to wit: 4,325 live rounds of ammunition consisting of various calibers. | 18 U.S.C. § 554(a) | Export privileges denied until February 12, 2027, under ECRA. (7 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|--------------------|---|--------------------------------------|--|
| 08/24/22 | Ronald Adjei Danso | Underlying criminal conviction for violating Section 38 of the AECA by knowingly and willfully attempting to export from the United States to the Republic of Ghana 20 firearms, which are designated as defense articles on the United States Munitions List, without first obtaining from the Department of State a license for such export or written authorization. | Section 38 of the AECA | Export privileges denied until September 15, 2025, under ECRA. (5 years) |
| 08/24/22 | Irina Morgovsky | Underlying criminal conviction for violating Section 38 of the AECA by knowingly and willfully and intentionally conspiring to export components for the production of night-vision and thermal devices designated as defense articles on the United States Munitions List from the United States to Russia, without having first obtained from the Department of State a license for such export or written authorization for such export. | Section 38 of the AECA | Export privileges denied until October 31, 2028, under ECRA. (10 years) |
| 08/24/22 | Naum Morgovsky | Underlying criminal conviction for violating Section 38 of the AECA by knowingly and willfully and intentionally conspiring to export components for the production of night-vision and thermal devices designated as defense articles on the United States Munitions List from the United States to Russia, without having first obtained from the Department of State a license | Section 38 of the AECA | Export privileges denied until November 13, 2028, under ECRA. (10 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|---|---|--------------------------------------|--|
| | | for such export or written authorization for such export. | | |
| 08/26/22 | Hans De Geetere and Knokke-Heist Support Corporation Management a/k/a Hasa-Invest | TDO in matter that involved prohibited conduct by acquiring or attempting to acquire under false pretenses accelerometers from the United States on behalf of prohibited end-users or for prohibited end-uses in China. | | Initial TDO issued for 180 days. |
| 08/29/22 | Michael Justin Huynh | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly exporting and attempting to export from the United States to Mexico, sixteen (16) AK-type semiautomatic rifles and three (3) .50 caliber semiautomatic rifles, and received, concealed, bought, sold, and in any manner facilitated the transportation, concealment, and sale of such merchandise. | 18 U.S.C. § 554(a) | Export privileges denied until September 3, 2029, under ECRA. (10 years) |
| 08/29/22 | Nicolas Armando Quintana-Saenz | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly and unlawfully concealing, buying, or facilitating the transportation and concealment of any merchandise, article and object, prior to exportation, knowing the same to be intended for exportation from the United | 18 U.S.C. § 554(a) | Export privileges denied until June 2, 2029, under ECRA. (9 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|-----------------------|--|--------------------------------------|--|
| | | States to wit: approximately 3,860 rounds of ammunition of various calibers. | | |
| 09/02/22 | Wei Sun | Underlying criminal conviction for violating Section 38 of the AECA by knowingly and willfully exporting from the United States to China, technical data, specifically, two files of computer data contained in an HP Elitebook 840 computer possessed by Sun, controlled under the International Traffic in Arms Regulations and the United State Munitions List without having first obtained from the Department of State a license for such export or written authorization for such export. | Section 38 of the AECA | Export privileges denied until November 17, 2030, under ECRA. (10 years) |
| 09/02/22 | Javier Melesio Deleon | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly and unlawfully concealing, buying or facilitating the transportation and concealment of any merchandise, article and object from the United States to Mexico, to wit: a SCCY, model CPX-1, 9mm caliber pistol; a Taurus, Model PT 138 PRO, .38 caliber; a Taurus, Model PT 111 G2, 9mm; a Smith & Wesson, model SD40 VE, .40 caliber; and a Taurus, model 82, .38 special caliber revolver. | 18 U.S.C. § 554(a) | Export privileges denied until January 21, 2028, under ECRA. (7 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|----------------------------|--|--------------------------------------|---|
| 09/26/22 | Jose Ernesto Garcia | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly exporting and sending and attempting to export and send from the United States to Mexico various firearms. This export occurred without a Department of State export license or other written authorization. | 18 U.S.C. § 554(a) | Export privileges denied until February 3, 2030, under ECRA. (10 years) |
| 09/26/22 | Maurice Taylor | Underlying criminal conviction for violating 18 U.S.C. § 371 by fraudulently and knowingly exporting and sending and attempting to export and send from the United States to Mexico various firearms. This export occurred without a Department of State export license or other written authorization. | 18 U.S.C. § 371 | Export privileges denied until July 18, 2029, under ECRA. (10 years) |
| 09/26/22 | Luis Carlos Quintana-Saenz | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly and unlawfully attempting to export from the United States to Mexico approximately 3,860 rounds of ammunition of various calibers. | 18 U.S.C. § 554(a) | Export privileges denied until August 12, 2029, under ECRA. (9 years) |
| 09/30/22 | Jose Luis Arevalo-Gonzalez | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by fraudulently and knowingly attempting to export from the United States to Mexico: one (1) Barret .50 caliber bolt, three (3) FA Cugir Romanian AK47, seven (7) Century Arms VSKA AK47, one (1) Century Arms WASR AK47, and eighty-five (85) assorted magazines. | 18 U.S.C. § 554(a) | Export privileges denied until January 6, 2030, under ECRA. (10 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|-------------------------|---|--------------------------------------|---|
| 09/30/22 | Bryan Villanueva-Valles | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly and unlawfully attempting to export, send, conceal and facilitate the transportation and concealment of various rifles and handguns from the United States to Mexico. | 18 U.S.C. § 554(a) | Export privileges denied until January 10, 2030, under ECRA. (10 years) |
| 09/30/22 | Tito Calderon Olvera | Underlying criminal conviction for violating 18 U.S.C. § 554(a) by knowingly and unlawfully attempting to export from the United States to Mexico, a firearm, namely a Glock "GEN 4," .45 caliber handgun bearing serial number "YBX379," five Glock magazines, and multiple rounds of .45 caliber ammunition, which are firearms as defined by the United States Munitions List. | 18 U.S.C. § 554(a) | Export privileges denied until February 26, 2025, under ECRA. (5 years) |
| 09/30/22 | John James Peterson | Underlying criminal conviction for violating 18 U.S.C. § 371 by knowingly and intentionally conspiring and agreeing with others known and unknown to export from the United States to Argentina, defense articles, namely, AR-15 assault rifles parts without first obtaining the required export control licenses or written approval from the Department of State | 18 U.S.C. § 371 | Export privileges denied until November 14, 2024, under ECRA. (5 years) |

| Order Date | Respondent | Case Details | Provision Violated [# of violations] | Penalty |
|------------|------------------------------------|---|--------------------------------------|--|
| 09/30/22 | Mehdi Hashemi, a/k/a Eddie Hashemi | Underlying criminal conviction for violating IEEPA by knowingly and willfully attempting to export Computer Numerical Control (“CNC”) machines from the United States to Iran via the United Arab Emirates, a third country, in violation of the regulations that apply to exports to Iran. Hashemi did so without first having applied for or obtained, from either the Bureau of Industry and Security or the U.S. Department of Treasury’s Office of Foreign Assets Control, a license or authorization for such export. The CNC machines were classified under ECCNs 2B202, 2B991, and EAR99. | Section 1705 of IEEPA | Export privileges denied until July 6, 2030, under ECRA. (10 years) |
| 09/30/22 | Thermotron Industries, Inc. | Exported an environmental test chamber from the United States to South Korea, without the required Department of Commerce export license. The item was classified under ECCN 9B106 and controlled on Missile Technology grounds. | 764.2(a) [1] | Settlement Agreement – two-year suspended denial of export privileges; conduct export control compliance training for its relevant personnel and management within the two-year probationary period; no later than one month after completing the export compliance training, submit a certification of such training to the Office of Export Enforcement, Chicago Field Office. |

¹¹ Information related to nine convictions during FY2022 are not included in this table due to the information being under seal by the Court.

APPENDIX B: SUMMARIES OF ANTIBOYCOTT CASES AND BOYCOTT REQUESTS

Table 2: Boycott Requests Reported to the Office of Antiboycott Compliance FY 2022

| Country | Prohibited Boycott Requests | Permissible Boycott-Related Requests | Amended Boycott Requests | Boycott Exceptions | Totals |
|------------------------------------|-----------------------------|--------------------------------------|--------------------------|--------------------|------------|
| Algeria | 0 | 0 | 0 | 1 | 1 |
| Bahrain | 3 | 0 | 0 | 0 | 3 |
| Iraq | 41 | 0 | 0 | 3 | 44 |
| Jordan | 2 | 0 | 0 | 0 | 2 |
| Kuwait | 3 | 0 | 0 | 3 | 6 |
| Lebanon | 0 | 1 | 0 | 0 | 1 |
| Libya | 1 | 4 | 0 | 1 | 6 |
| Oman | 1 | 5 | 0 | 2 | 8 |
| Qatar | 9 | 25 | 1 | 55 | 90 |
| Saudi Arabia | 14 | 3 | 0 | 13 | 30 |
| Syria | 0 | 0 | 0 | 0 | 0 |
| United Arab Emirates | 16 | 29 | 2 | 12 | 59 |
| Yemen | 0 | 0 | 0 | 0 | 0 |
| Total (Arab League Members) | 90 | 67 | 3 | 90 | 250 |
| Bangladesh | 0 | 10 | 0 | 70 | 80 |

| | | | | | |
|--|-----------|-----------|----------|-------------|-------------|
| Iran | 0 | 0 | 0 | 0 | 0 |
| Malaysia | 0 | 10 | 0 | 3909 | 3919 |
| Nigeria | 0 | 0 | 0 | 0 | 0 |
| Pakistan | 3 | 3 | 0 | 173 | 179 |
| All other Countries | 4 | 4 | 1 | 13 | 22 |
| Total (All countries & Arab League members) | 97 | 94 | 4 | 4255 | 4450 |

Antiboycott Glossary:

Prohibited boycott-related requests describe those requests to take an action that would be prohibited under Section 760.2 of the EAR, mainly actions to enforce the secondary and tertiary aspects of a foreign unsanctioned boycott.

Permissible boycott-related requests are for actions that fall outside the prohibitions of the EAR but still require compliance with some level of a foreign unsanctioned boycott.

Amended boycott-related requests were ones that were prohibited as an initial matter but were subsequently adjusted and reclassified as permissible or as falling within an exception under the EAR.

Boycott-related exceptions are requests to take actions that would otherwise be prohibited but are allowed under Section 760.3 of the EAR.

APPENDIX C: CHRONOLOGICAL LISTING OF ACTIONS FY2022

- October 5, 2021: Commerce Control List: Expansion of Controls on Certain Biological Equipment “Software”
- October 5, 2021: The Export Administration Regulations: Editorial Revisions, Clarifications, and Corrections
- October 6, 2021: Control of Deuterium That Is Intended for Use Other Than in a Nuclear Reactor Under the EAR.
- October 21, 2021: Information Security Controls: Cybersecurity Items.
- October 22, 2021: Clarifications of Availability and Expansion of Restrictions on Availability of License Exception Strategic Trade Authorization Under the EAR.
- October 26, 2021: Request for Comments Concerning the Imposition of Export Controls on Certain Brain-Computer Interface (BCI) Emerging Technology
- November 4, 2021: Addition of Certain Entities to the List
- November 26, 2021: Addition of Entities and Revision of Entries on the Entity List, and Addition of Entity to the Military-End-Use (MEU) List
- December 9, 2021: Revision of Controls for Cambodia under the EAR
- December 17, 2021: Addition of Entities and Revision of Entries on the Entity List
- December 29, 2021: Additional Protocol Regulations: Mandatory Electronic Submission of Reports Through the Additional Protocol Reporting System (APRS)

- January 6, 2022: Export Control Classification Number OY521 Series Supplement—Extension of Controls on an Emerging Technology (Software Specially Designed to Automate the Analysis of Geospatial Imagery Classification)
- January 12, 2022: Information Security Controls: Cyber Security Items; Delay of Effective Date
- February 3, 2022: Foreign Direct Product Rules: Organization, Clarification and Correction
- February 8, 2022: Revisions to the Unverified List
- February 10, 2022: Request for Public Comments on the Section 232 Exclusions Process
- February 14, 2022: Addition of Certain Entities to the Entity List
- March 3, 2022: Implementation of Sanctions Against Russia Under the EAR
- March 8, 2022: Expansion of Sanctions Against the Russian Industry Sector Under the Export Administration Regulations (EAR)
- March 8, 2022: Imposition of Sanctions Against Belarus Under the EAR
- March 9, 2022: Further Imposition of Sanctions Against Russia with the Addition of Certain Entities to the Entity List
- March 10, 2022: Addition to the List of Countries Excluded from Certain License Requirements Under the Export Administration Regulations (EAR)
- March 16, 2022: Imposition of Sanctions on ‘Luxury Goods’ Destined for Russia and Belarus and for Russian and Belarusian Oligarchs and Malign Actors Under the EAR
- April 7, 2022: Additions of Entities to the Entity list
- April 11, 2022: Addition of Certain Entities to the Entity List; Correction
- April 12, 2022: Additions to the List of Countries Excluded from Certain License Requirements Under the EAR

- April 14, 2022: Expansion of Sanctions Against Russia and Belarus under the EAR
- May 11, 2022: Expansion of Sanctions Against Russian Industry Sectors Under the EAR
- May 23, 2022: Commerce Control List: Controls on Certain Marine Toxins
- May 26, 2022: Information Security Controls: Cybersecurity Items
- June 1, 2022: Adoption of Congressional Notification Requirement for Certain Semiautomatic Firearms Exports Under the EAR
- June 6, 2022: Additions of Entities to the Entity List
- June 6, 2022: Export Administration Regulations: Revisions to Russia and Belarus Sanctions and Related Provisions; Other Revisions, Corrections, and Clarification
- June 30, 2022: Addition of Entities, Revision and Correction of Entries, and Removal of Entities from the Entity List
- August 15, 2022: Implementation of Certain 2021 Wassenaar Arrangement Decisions on Four Section 1758 Technologies
- August 24, 2022: Additions of Entities to the Entity List
- September 9, 2022: Authorization of Certain “Items” to Entities on the Entity List in the Context of Specific Standards Activities
- September 13, 2022: Request for Comments Concerning the Imposition of Section 1758 Technology Export Controls on Instruments for the Automated Chemical Synthesis of Peptides
- September 16, 2022: Implementation of Additional Sanctions Against Russia and Belarus under the Export Administration Regulations (EAR) and Refinements to Existing Controls

####END OF REPORT####