

EXPORT CONTROL PROCEDURE (ECP) # 5.2:
MONITORING COMPLIANCE

Release Date: October 20, 2015

I. Purpose

This procedure details the methodology that SI uses to monitor export transactions in compliance with U.S. export law.

II. Procedure

1. Conduct an Annual Assessment: The **Smithsonian Export Compliance Officer (SI ECO)** works with the **Office of Sponsored Projects (OSP)** and **Sponsored Programs and Procurement (SPP)** office at SAO to identify projects in the Prism system to be included in the assessment. The assessment focuses on projects that may involve export compliance issues, such as: controlled items, exports, foreign persons, or activities related to sanctioned countries. The assessment includes the completion of an audit questionnaire that is based on the Bureau of Industry and Security (BIS) Export Compliance Module, guidelines furnished by the Directorate of Defense Trade Controls (DDTC), and other compliance organization-generated materials. The assessment is completed in accordance with the methodology detailed below.
2. Methodology:
 - a. The **ECO** contacts the principal investigators (PIs)/scholars by email or in person and asks about their activities. The **ECO** focuses his or her review on the following substantive areas:
 - Evidence of screening of international programs for country restrictions and persons involved;
 - Correct export control jurisdiction and classification of a custom instrument design to apply the proper export regulation jurisdiction as Export Administration Regulations (EAR) or International Traffic in Arms Regulations (ITAR), and Office of Foreign Assets Control;
 - Proper application for export licenses, staying within provisos, and shipping activities;
 - Adequate retention of records for five years;
 - Proper compliance with technology controls related to physical security, employee adherence, and ITAR security to ensure compliance to the Technology Control Plan (TCP);
 - Compliance with management responsibilities, such as distributing SD 611 (SI overarching export compliance policy), assigning responsibilities, providing training to responsible employees, and keeping updated on export regulations.

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- b. Responses to interviews are reviewed and recorded in a spreadsheet and a determination is made if the activity is in compliance. If there are issues, the **ECO** submits follow-up questions to determine if the activity complies with US law.
- c. All responses are copied to the appropriate unit **Export Compliance Coordinator (ECC)**.
- d. For formal audits, the auditor documents observations and findings in writing (“Audit Report”) to the **Unit Director** and the **OGC** within two weeks. The **ECO** and the **OGC** review the findings and corrective actions of proposed employees, contractors and their managers.
- e. The **Unit Director** follows up until the findings are corrected or resolved. A finding may not require correction if it is found that the non-conformance is due to a single incident and not a systemic problem. Follow-up training is also considered.

III. Reference

SI Directive No. 611 Compliance with Export Controls and Trade Sanctions related to Exports, Research and Museum Activities.

Any questions should be directed to Natascha Finnerty, Export Compliance Officer (ECO) at (617) 496-7557 or email at export@si.edu.

III. Individuals Responsible for Implementation

ECO or outside consultant

All Units through the following staff positions as appropriate:

Senior EO
Back up EOs
Contracting Officers
Subjects of Audits
PIs of SI Research Centers
Smithsonian Enterprises (SE)
Divisional Administrators
Program Manager (PM)
Museum Registrars
Scholars

Units Responsible for Flagging International Projects

Office of International Relations (OIR)
Office of Sponsored Projects (OSP)
Office of Contracting and Personal Property Officer (OCON & PPM)

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