EIB World Trade Headlines

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November 2012- Vol4, Issue 21

For Immediate Release: November 20, 2012
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U.S. Department of Justice
United States Attorney's Office

Iranian National and His Company Charged in Plot Involving Export of Military Antennas from the United States

Amin Ravan, a citizen of Iran, and his Iran-based company, IC Market Iran (IMI), have been charged in an indictment unsealed today with conspiracy to defraud the United States, smuggling, and violating the Arms Export Control Act (AECA) in connection with the unlawful export of 55 military antennas from the United States to Singapore and Hong Kong.

The indictment was announced by Lisa Monaco, Assistant Attorney General for National Security; Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; John Morton, Director of the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE); Stephanie Douglas, Executive Assistant Director of the FBI's National Security Branch; and Eric L. Hirschhorn, Under Secretary for Industry and Security at the Commerce Department.

According to the indictment, which was returned under seal by a grand jury in the District of Columbia on Nov. 16, 2011, Ravan was based in Iran and, at various times, acted as an agent of IMI in Iran and an agent of Corezing International, Pte, Ltd, a company based in Singapore that also maintained offices in Hong Kong and China.

(Continued below)

NEWSLETTER NOTES

On Oct. 10, 2012, Ravan was arrested by authorities in Malaysia in connection with a U.S. provisional arrest warrant. The United States is seeking to extradite him from Malaysia to stand trial in the District of Columbia. If convicted of the charges against him, Ravan faces a potential 20 years in prison for the AECA violation, 10 years in prison for the smuggling charge and five years in prison for the conspiracy charge.

According to the indictment, in late 2006 and early 2007, Ravan attempted to procure for shipment to Iran export-controlled antennas made by a company in Massachusetts, through an intermediary in Iran. The antennas sought by Ravan were cavity-backed spiral antennas suitable for airborne or shipboard direction finding systems or radar warning receiver applications, as well as biconical antennas that are suitable for airborne and shipboard environments, including in several military aircraft.

After this first attempt was unsuccessful, Ravan joined with two co-conspirators at Corezing in Singapore so that Corezing would contact the Massachusetts company and obtain the antennas on behalf of Ravan for shipment to Iran. When Corezing was unable to purchase the export-controlled antennas from the Massachusetts firm, Corezing then contacted another individual in the United States who was ultimately able to obtain these items from the Massachusetts firm by slightly altering the frequency range of the antennas to avoid detection by the company's export compliance officer.

In March 2007, Ravan and the co-conspirators at Corezing agreed on a purchase price of $86,750 for 50 cavity-backed antennas from the United States and discussed structuring payment from Ravan to his Corezing co-conspirators in a manner that would avoid transactional delays caused by the Iran embargo. Ultimately, between July and September 2007, a total of 50 cavity-backed spiral antennas and five biconical antennas were exported from the United States to Corezing in Singapore and Hong Kong.

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According to the indictment, no party to these transactions -- including Ravan or IMI -- ever applied for or received a license from the State Department's Directorate of Defense Trade Controls to export any of these antennas from the United States to Singapore or Hong Kong.

Two of Ravan's co-conspirators, Lim Kow Seng (aka Eric Lim) and Hia Soo Gan Benson (aka Benson Hia), principals of Corezing, have been charged in a separate indictment in the District of Columbia in connection with this particular transaction involving the export of military antennas to Singapore and Hong Kong. The two Corezing principals were arrested in Singapore last year and the United States is seeking their extradition.

This investigation was jointly conducted by ICE agents in Boston and Los Angeles; FBI agents and analysts in Minneapolis; and Department of Commerce, Office of Export Enforcement agents and analysts in Chicago and Boston. Substantial assistance was provided by the U.S. Department of Defense, U.S. Customs and Border Protection, the State Department's Directorate of Defense Trade Controls, and U.S. Department of Justice, Office of International Affairs.

The prosecution is being handled by Assistant U.S. Attorney Anthony Asuncion of the U.S. Attorney's Office for the District of Columbia and Trial Attorney Richard S. Scott of the Counterespionage Section of the Justice Department's National Security Division.

An indictment is merely a formal charge that a defendant has committed a violation of criminal law and is not evidence of guilt. Every defendant is presumed innocent until, and unless, proven guilty.

CBP Issues Message on Korea FTA Certificate of Origin Requirements

U.S. Customs and Border Protection (CBP) sent a CSMS message reminding Korea-U.S. Free Trade Agreement (KFTA) filers of origination requirements for preference claims. When a KFTA preference claim is made on an importation into the U.S., an importer must have either a certification of origin in its possession, or the claim may be based on importer knowledge that the good is an originating good, including a reasonable reliance on information in the importer's possession.

CBP advises the certificate of origin must comply with U.S. – Korea FTA Article 6.15(2), including element (f) "information demonstrating that the good is originating," in accordance with 19 CFR 10.1004(a)(3)(v) and the U.S. – Korea

Implementation Instructions, issued 03/12/12:http://cbp.gov/linkhandler/cgov/trade/trade_programs/international_agreements/free_trade/korea/korea_fta.ctt/korea_fta.pdf

CBP Message:
http://apps.cbp.gov/csms/viewmssg.asp?Recid=19036&page=&srch_argv=12-000479&srchtype=all&btype=&sortby=&sby

Export-Import Bank Offering Aid to Disaster-Impacted Exporters

The Export-Import Bank of the United States is offering help to exporters in areas that have been declared federal disaster areas because of the impact of Hurricane Sandy. According to the Ex-Im Bank, it is offering administrative relief measures to allow businesses and financial institutions that participate in its financing programs to return to their business concerns when appropriate and without penalty. Ex-Im Bank is also offering automatic extension of a variety of deadlines for working capital loan facilities and its Multibuyer Insurance Program.

Details available at:http://www.exim.gov/newsandevents/upload/Sandy-Fact-Sheet-11-01-12cdt-FINAL.pdf

Ex-Im Bank assistance:
http://www.exim.gov/newsandevents/releases/2012/Ex-Im-Bank-Extends-Assistance-Measures-to-US-Exporters-in-Federal-Disaster-Areas-Affected-by-Hurricane-Sandy.cfm

News release: www.americanshipper.com 11/2/12

ITA Posts Fact Sheet and FTA Tariff Tool for Panama TPA

The International Trade Administration (ITA) recently posted a fact sheet on duty-free access for U.S. exports resulting from the entry into force of the U.S.-Panama Trade Promotion Agreement (TPA). According to the fact sheet, the TPA immediately eliminated or reduced tariffs on almost all U.S. industrial exports to Panama, with the remaining tariffs to be eliminated over defined time periods.

ITA FTA Tariff Tool:
http://export.gov/FTA/FTATariffTool

ITA notice: http://www.trade.gov/press/press-releases/2012/panama-tpa-factsheet.pdf

Census Posts November AES Newsletter

(Includes Consolidated Screening List, Suppressing AES Fatal Errors)

The November edition of the Automated Export System (AES) Newsletter issued released articles on:

1. Export Control Reform and the Consolidated Proscribed Party Screening List;

2. Suppressing AES fatal errors; and

3. Reporting Transportation Reference Numbers

Census reports, as part of the administration's Export Control Reform initiative, it has consolidated lists of prohibited parties into a single spreadsheet to aid industry in conducting electronic screening process. The spreadsheet combines six proscribed lists from the Bureau of Industry and Security (BIS), State Department, and Office of Foreign Assets Control (OFAC), such as the BIS Entity List, the State Department Debarred List, and the OFAC Specially Designated Nationals List (SDN) at: http://export.gov/ecr/eg_main_023148.asp

Census reported it sends AES Fatal Error Reports each month; which in most cases must be corrected. Exporters who receive AES fatal errors can correct them if they still haven't received an Internal Transaction Number (ITN). Census warns, if the ITN has already been received, then exporters can delay their shipments and resubmit them in AES.

Exporters that cannot correct their fatal errors are candidates for Fatal Error Suppression Requests; these procedures are posted for review.

In addition, Census has provided information for reporting Transportation Reference Numbers (TRNs). TRN's are a conditional field in AES that is required in certain circumstances. If the shipment is by vessel, then the TRN is required and may be in the form of a reservation number or booking number assigned by the ocean carrier to hold space on the vessel. According to Census, if the shipment is by air, then reporting the TRN is optional, but must take the form of the Master Air Waybill. For any other method of transportation, AES filers should leave the TRN field blank.

AES Newsletter: http://www.census.gov/foreign-trade/aes/aesnewsletter112012en.pdf

GAO Posts Report to Congress on FDA Plan for Third Party Certifications

According to the recent Government Accounting Office (GAO) report, the FDA plan for third-party certification, which serves as a key component of the Voluntary Qualified Importer Program (VQIP), faces numerous challenges. The report, "FDA Can Better Oversee Food Imports by Assessing and Leveraging Other Countries' Oversight Resources," recommended instead adapting FDA's comparability assessment tool, currently in development, to determine whether exported food products are safe for domestic consumption.

FDA disagreed with GAO's conclusions. As one of its new food safety mandates, the Food Safety Modernization Act (FSMA) requires the FDA to establish a system for accrediting third parties that may certify foreign facilities or imported foods under FDA jurisdiction. The third-party certifications would be used to establish a Voluntary Qualified Importer Program (VQIP) that will allow FDA to offer expedited review and entry to participating importers who are importing foods from foreign facilities certified by accredited third parties. FDA also has the authority to require third-party certifications as a condition of granting entry to imported foods based on a food safety risk.

According to GAO, the FDA faces several challenges in implementing the third-party certification scheme. If FDA followed the approach of the Department of Agriculture's Food Safety and Inspection Service (FSIS) and the European Union by limiting the comparability assessments to specific products and allowing those products entry, it could place the onus on the foreign government to ensure food products meet U.S. safety requirements, and conserve agency resources. FDA disagreed with GAO's conclusions in its response to the report.

GAO report:
http://www.gao.gov/products/GAO-12-933

President Issues Proclamation to Implement Panama TPA - Corrects Korea/Peru/Columbia FTAs

President Barack Obama recently issued a proclamation formally implementing the U.S.-Panama Trade Promotion Agreement (PTA). The official proclamation said:

*The HTS is modified to provide for preferential treatment accorded under the U.S.-Panama TPA, to set forth rules for determining whether goods imported into the U.S. are eligible for preferential treatment under the U.S.-Panama TPA, and set out rules of origin for the TPA.

*Panama is removed from developing country beneficiary status for the Generalized System of Preferences (GSP) and from beneficiary status for the Caribbean Basin Economic Recovery Act (CBERA), and the Caribbean Basin Trade Partnership Act (CBTPA).

*Corrections will be made to HTS provisions for the U.S.-Korea FTA (KORUS), U.S.-Peru FTA, and U.S.-Colombia TPA to correct errors and provide the intended tariff treatment. The changes will be effective on March 15 for KORUS, May 15 for the U.S.-Colombia TPA, and Feb. 1, 2009 for the U.S.-Peru FTA.

*The Committee for the Implementation of Textile Agreements is authorized to determine that a fabric, yarn, or fiber is or is not available in commercial quantities in a timely manner in Panama and the U.S.; to add such products to the list of items not available in commercial quantities in Panama and the U.S.; and to remove such products that have been previously added to the list.

*The CITA is authorized to direct the exclusion of certain textile and apparel goods from the customs territory of the U.S. and to direct the denial of preferential tariff treatment to textile and apparel goods.

(Continued above)

*The CITA is authorized to review requests, and to determine whether to commence consideration of such requests; after an appropriate determination, to cause to be published in the *Federal Register* a notice of commencement of consideration of a request and notice seeking public comment; to determine whether imports of a Panamanian textile or apparel article are causing serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article; and to provide relief from imports of an article that is the subject of an affirmative determination as to damage or threat.

White House notice:
http://www.whitehouse.gov/the-press-office/2012/10/30/presidential-proclamation-implementation-united-states-panama-trade-prom

CBP Posts Update on C-TPAT Mutual Recognition

U.S. Customs and Border Protection (CBP) posted an updated document on the mutual recognition of Customs-Trade Partnership Against Terrorism (C-TPAT) and foreign industry partnership programs. The concept of mutual recognition (MR) is that C-TPAT and a foreign industry partnership program are compatible in both theory and practice, so one program may recognize the validation findings of the other program. Before CBP engages a foreign Customs Administrations towards mutual recognition, three prerequisites must be met:

*The foreign Customs Administration must have a full-fledged operational program in place – i.e. not a program in development or a pilot program.

*The foreign partnership program must have a strong validation process built into its program.

*The foreign partnership program must have a strong security component.

CBP cautions that MR does not exempt any partner, whether domestic or foreign, from complying with other CBP mandated requirements. By the same token, mutual recognition does not replace any of CBP's cargo enforcement strategies. CBP reports they have signed MR Arrangements with New Zealand (June 2007), Canada (June 2008), Jordan (June 2007), Japan (June 2009), Korea (June 2010) and the European Union (May 2012).

Mutual Recognition Information available at: http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/ctpat/ctpat_program_information/international_efforts/mutual_recog_info.ctt/mutual_recog_info.pdf

Mutual Recognition FAQ available at: http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/ctpat/ctpat_program_information/international_efforts/mutual_recog_faq.ctt/mutual_recog_faq.pdf

Department of Commerce Announcement

DEPARTMENT OF COMMERCE
Bureau of Industry and Security

Time Limit for Completion of Voluntary Self-Disclosures and Revised Notice of the Institution of Administrative Enforcement Proceedings

AGENCY: Bureau of Industry and Security, Commerce.
ACTION: Proposed rule.

(FOR MORE INFO, then is here request a copy of the actual Federal Register Notice from Evolutions in Business)

SUMMARY: This proposed rule would require that the final, comprehensive narrative account required in voluntary self-disclosures (VSDs) of violations of the Export Administration Regulations (EAR) be submitted to the Office of Export Enforcement within 180 days of the initial VSD notification. This proposed rule also would authorize the use of delivery services other than registered or certified mail for providing notice of the issuance of a charging letter instituting an administrative enforcement proceeding under the EAR.

It also would remove the phrase ''if delivery is refused'' from a provision relating to determining the date of service of notice of a charging letter's issuance based on an attempted delivery to the respondent's last known address. The Bureau of Industry and Security is proposing these changes to be better able to resolve administrative enforcement proceedings in a timely manner and provide more efficient notice of administrative charging letters.

DATES: Comments must be received no later than January 7, 2013.

PROPOSED CHANGE REGARDING VOLUNTARY SELF-DISCLSURES:

Section 764.5 of the EAR provides a procedure whereby parties that believe that they may have committed a violation of the EAR can voluntarily disclose the facts of the potential violations to OEE. Such disclosures that meet the requirements of § 764.5 typically are afforded ''great weight'' by BIS, relative to other mitigating factors, in determining what administrative sanctions, if any, to seek. Section 764.5 requires an initial notification, which is to include a description of the general nature and extent of the suspected violations, and is followed at a later date by a thorough review and narrative account of the suspected violations, including all relevant supporting documentation.

(Continued below)

If the person making the initial notification subsequently completes the narrative account, the disclosure is deemed to have been submitted to OEE on the date of the initial notification. The date of the initial notification may be significant because information provided to OEE may only be considered a voluntary disclosure if the information "is received by OEE for review prior to the time that OEE or another United States Government agency has learned of the same or substantially similar information from another source and has commenced an investigation or inquiry in connection with that information." 15 CFR 764.5(b)(3).

BIS proposes to set a 180-day deadline for persons who have submitted an initial notification to complete and submit the final narrative report to OEE. The Director of OEE could extend this 180-day time deadline, at his or her discretion, if U.S. Government interests would be served by an extension or upon a showing by the party making the disclosure that more time is reasonably necessary to complete the narrative account.

The Director of OEE also has discretion to require the disclosing person to undertake specific interim remedial compliance measures as a condition of granting an extension to the 180-day deadline. Failure to meet either the 180-day deadline or an extended deadline granted by the Director of OEE would not be an additional violation of the EAR. However, that failure may reduce or eliminate the mitigating impact of the voluntary disclosure. The 180-day deadline serves as an incentive to the disclosing party, as meeting the deadline will allow information contained in the narrative account to be credited by OEE as having been voluntarily disclosed on the date of the initial notification, even if the information was not explicitly described in that initial notification. This new rule is consistent with the notion of an initial notification, which rewards promptness and which acknowledges that a disclosing party might not be able to identify all of the possible violations of the EAR at the time an initial notification was made. Imposing a deadline to complete voluntary disclosures is consistent with the practices of other agencies.

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