

# Export Controls and Economic Sanctions

Understanding and complying with the legal requirements involved in moving goods, services, and funds across international borders is critical in our increasingly interconnected world. Our team has decades of experience advising companies on how to comply with these rules, conducting internal investigations of potential violations, and resolving criminal and regulatory agency enforcement actions.

## About

The practice is highly regarded with a Band 1 Nationwide ranking, where one respondent told the publication "Kelley Drye understands the industry, it understands the business and it engages with trade organizations to keep abreast of the market."

- Client feedback, *Chambers USA: America's Leading Lawyers for Business*

## Compliance

We counsel clients on the full range of laws governing the export and reexport of goods, technology, software, and services, and help companies navigate rapidly evolving U.S. and EU economic sanctions, including those imposed on Cuba, Iran, North Korea, Syria, Russia, Crimea, and Venezuela. We provide compliance solutions tailored to the needs of our clients, from designing compliance programs and conducting training to advising on day-to-day issues, such as export control classification analyses, obtaining licenses and opinions from regulators, and conducting time-sensitive assessments of pending transactions. We work hard to help clients and their compliance teams achieve critical compliance goals in an efficient way using practical, understandable tools that integrate seamlessly with existing business processes. We also conduct export and sanctions compliance due diligence as part of the mergers and acquisitions process, and help clients evaluate and minimize successor liability risk.

## Audits and Investigations

We've been trusted to manage hundreds of audits and internal investigations and have brought many voluntary self-disclosures (VSDs) and formal export enforcement investigations to favorable conclusions for our clients, often without financial penalties. Our in-house data analytics team provides efficient and effective review of Enterprise Resource Planning (ERP) system data for clients conducting export control risk assessments, audits, or internal investigations. From a single facility to global operations, our scalable solutions allow clients to identify targeted export control and sanctions risks amid millions of transactions. We are particularly experienced in analyzing large volumes of transactional, operational, and financial data in a highly systematic way to determine whether potential violations exist and to design specific and effective remedial measures to prevent future problems. This empirical approach to audits, investigations and compliance helps companies determine their true risk exposure and whether a VSD makes sense when violations are identified. We also have decades of experience helping companies negotiate with enforcement agencies in a

smart, strategic way that takes account of short- and long-term consequences for the company and individuals.

## Industries

We work with companies of all sizes in all types of industries, including aerospace (with a focus on aircraft components and unmanned vehicles), financial services and banking, military and defense, software and cloud (including encryption classification and licensing), electronics and computers, vehicles and vessels of many types, optics and lasers, publishing, manufacturing (with a particular focus on materials and on oilfield and fluid handling equipment), agricultural products, telecommunications, garments and fashion, entertainment and sports, industry associations, and a wide variety of other sectors.

## Regulators

Our attorneys have a well-earned reputation for integrity and credibility with all of the principal U.S. sanctions and export control agencies:

- U.S. Department of Commerce's Bureau of Industry and Security (BIS)
- U.S. Department of Treasury's Office of Foreign Assets Control (OFAC)
- U.S. Department of State
- U.S. Department of State's Directorate of Defense Trade Controls (DDTC) and counterparts at the U.S. Department of Defense (DOD)
- Nuclear Regulatory Commission (NRC)
- U.S. Department of Energy's (DOE) National Nuclear Security Administration (NNSA)
- Enforcement agencies including Immigration and Customs Enforcement, the FBI, and the Department of Justice.

## Experience

- Counseled a large publishing house regarding implementation of a denied party screening process, dealing with "hits" against denied party screening lists, and understanding the scope of the informational materials provisions of the OFAC regulations.
- Counseled a professional sports league with sanctions counseling, licensing issues, and the use of exceptions related to their activities and broadcasts.
- Assisted international travel service companies with assistance related to changing U.S. sanctions programs and licensing requirements, particularly in Cuba.
- Assisted a large financial institution with a major internal investigation and voluntary self-disclosure related to international and domestic transactions with potentially denied parties and countries.
- Assisted trustees and financial institutions with issues related to financial transactions, stock transfers, dividend payments, interest payments and related activities under U.S. sanctions.

- Assisted numerous U.S. manufacturers and their foreign subsidiaries in establishing policies and procedures for exporting products legally to Iran, under new OFAC General License H.
- Assisted numerous U.S. petrochemical equipment companies with proposed transactions under the new OFAC and Commerce Department, BIS sanctions on Russia.
- Assisted a large manufacturer of fluid handling equipment in achieving a successful multi-million dollar settlement related to a voluntary self-disclosure to OFAC of numerous violations, avoiding larger penalties.
- Provided counseling, compliance program development, licensing assistance, and training to multiple unmanned vehicle manufacturers and the largest unmanned vehicle association.
- Provided licensing assistance, counseling and training to an international joint venture manufacturing significant components of military aircraft.
- Develop technology assistance agreements and other licensing vehicles under the ITAR for multiple manufacturing and technology companies.
- Assist companies responding to administrative and criminal subpoenas from BIS, ICE, OFAC, and the Department of Justice.
- Provided export compliance training, counseling and licensing assistance to a high technology company with over 20,000 monthly export shipments of electronic products, software and related technology, including a high percentage of exports containing encryption.
- Assisted the European subsidiaries of a large U.S. company with over 24 foreign affiliates in the review of all products for export and reexport license requirements, and related commercial and military export controls in the U.K., Italy, Netherlands, Spain, France, Switzerland, Germany, Denmark, Belgium and Ireland.
- Advised an international manufacturing company with \$4 billion in annual revenue concerning numerous potential export control violations, analysis of potential voluntary disclosure, document retention policies and processes, improvements to their compliance system and related issues. Coordinated 35 U.S. and foreign site visits to conduct export compliance reviews. Conducted in-person advanced export compliance training seminars for compliance managers.
- Assisted a large multinational telecommunications company in connection with the protection in Europe of encryption software against unauthorized disclosure in violation of U.S. and EU export control laws.
- Prepared and implemented a customized compliance system at a large e-logistics provider with international operations.
- Drafted content for Commerce and State Department export compliance modules for a major e-learning training provider.
- Assisted with preparation, implementation and training for a customized compliance system at a major electronics supply company.
- Drafted an EU Export Control Compliance Manual for a large company with products having military, dual-use and nuclear applications; and advise the company on supplementary export control obligations arising in individual European countries.

- Assisted a U.S. company that purchased a company on the Commerce Denied Parties list, having that acquired entity's denial order terminated early.
- Acted as advisor to U.S. pump and valve industry associations regarding export control issues.
- Advised a *Fortune* 50 retailer regarding export compliance issues. Draft and design web-based compliance training programs.
- Prepared a voluntary self-disclosure (VSD) involving 200+ ITAR-controlled exports of technical data, resolved with a warning letter.
- Conducted an internal compliance audit and prepared a VSD for a radar system and laser guidance system component manufacturer. The matter involved more than 80 reported violations and was resolved with a warning letter. Provided remedial training and process improvements.
- Prepared a VSD and implemented an export compliance system for a Patriot Air Defense System missile component exporter.
- Conducted a compliance audit, prepared a VSD, and designed and implemented a compliance system for a missile propulsion and explosives manufacturer.
- Prepared a VSD under ITAR and implemented compliance system improvements for a major valve manufacturer and supplier to the U.S. Navy.
- Prepared an export compliance system for a major submarine component manufacturer.
- Provided export compliance advice to numerous defense industry clients, including: an aircraft fighter jet component exporter, a missile nose cone manufacturer, leading composite materials defense products manufacturers and a start-up defense services/training company.
- Provided ITAR classification advice to a battlefield fuel cells manufacturer.
- Provided commodity jurisdiction advice to a military and commercial vehicle component manufacturer with \$5 billion in annual revenue.
- Provided commodity jurisdiction and compliance advice for a military/intelligence electronics manufacturer.
- Provided counsel in relation to CFIUS matters, including the successful 2015 acquisition of a U.S. company manufacturing classified missile components and numerous other controlled aerospace products. Successfully designed a Defense Security Service agreement for that company to continue to operate in accordance with requirements for the control of classified data.

## Related Services

Technology

Foreign Corrupt Practices Act (FCPA)

International Trade

Economic Consulting and Data Analytics (GES)

CFIUS and Foreign Investment Reviews

Trade Policy

Manufacturing

**Contacts**

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