

Export Control Penalties

The penalties for non-compliance are severe. With potential fines of hundreds of thousands of dollars for each civil violation of an EAR, ITAR or OFAC regulation, the cost of not closely adhering to export laws can easily climb into the millions of dollars.

Criminal penalties for willful miss-conduct are even harsher. In these cases, not only can the university be hit with major multi-million dollar fines, but the researchers and administrators could also be sentenced to time in jail.

Export Administration Regulations (EAR)

Criminal Sanctions for "Willful Violations"

- **University** - A fine of up to the greater of \$1,000,000 or five times the value of the exports for each violation;
- **Individual** - A fine of up to \$250,000 or imprisonment for up to ten years, or both, for each violation.

Criminal Sanctions for "Knowing Violations"

- **University** - A fine of up to the greater of \$50,000 or five times the value of the exports for each violation;
- **Individual** - A fine of up to the greater of \$50,000 or five times the value of the exports or imprisonment for up to five years, or both, for each violation.

Civil (Administrative) Sanctions:

The imposition of a fine of up to \$12,000 for each violation, except that the fine for violations involving items controlled for national security reasons is up to \$120,000 for each violation.

Additionally, for each violation of the EAR any or all of the following may be imposed:

- The denial of export privileges; and/or
- The exclusion from practice; and/or
- Seizure/Forfeiture of goods.

International Traffic in Arms Regulations (ITAR)

Criminal Sanctions:

- **University** - A fine of up to \$1,000,000 for each violation;

- **Individual** - A fine of up to \$1,000,000 or up to ten years in prison, or both, for each violation.

Civil Sanctions:

- **University** - A fine of up to \$500,000 for each violation;
- **Individual** - A fine of up to \$500,000 for each violation.

Additionally, for any violation of the ITAR either or both of the following may be imposed:

- The denial of export privileges; and/or
- Seizure/Forfeiture of goods.

Office of Foreign Assets Control (OFAC)

Criminal Sanctions:

- **University** - A fine of up to \$1,000,000 for each violation;
- **Individual** - A fine of up to \$1,000,000 or up to twenty years in prison, or both, for each violation.

Civil Sanctions:

- **University** - A fine of up to \$55,000 for each violation;
- **Individual** - A fine of up to \$55,000 for each violation.

Additionally, for any violation of the OFAC regulations, seizure and forfeiture of goods may result.