



Global Watch®

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China's NEW Largest Free Trade Area Now Open for Business

Xinhua News Agency Tianjin's Dongjigang Bonded Harbor Area, which is also China's largest free trade harbor area, started operations December 12, 2007.

Just beyond China's largest northern imports harbor, Tianjin Harbor, is an island formed from repossessed land. The concept started with the Dongjigang Bonded Harbor Area, set in Tianjin Harbor, which was established in 2002.

In August of 2006, China officially authorized ten square kilometers for the es-

tablishment to be China's second official bonded harbor area, the largest one to date.

With the State Council's permission, Tianjin's Dongjiang Bonded Har-



Ship entering Dongjigang Bonded Harbor Area

bor Area enjoys the same preferential policies as Shanghai's Yangshan Bonded Harbor Area. Goods that enter the port will be bonded, and

goods that leave the port to enter the mainland for sale will follow the same regulations as do normal imports.

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Dunlap-Stone University

The world of distance learning is constantly evolving to offer more choices to a wide array of students. The International Import-Export Institute (IIIEI) is changing, too. The most exciting news is that Dunlap-Stone University (DSU) will be our new formal name, and IIIEI will be a school within the broader university structure. Within Dunlap-Stone, we will be adding classes and programs—broadening our scope beyond international trade to include other disciplinary studies. In light of this, you will soon see our new name

in addition to IIIEI on the website and in our literature.

"It is an exciting time," said Dr. Donald Burton, the founder of the IIIEI and chief architect of the move to Dunlap-Stone University. "For years we have received requests from our students to offer a wider array of courses and programs because they were attracted to our unique learning model. With our recent dramatic growth, we are now able to begin branching out."

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Notes from the Executive Director

2008: An Exciting Year Ahead

by *Dr. Donald N. Burton*



I am very excited to share the news. The International Import-Export Institute (IIEI) is now part of Dunlap-Stone University (DSU). (page 1) As a separate school within the new broader university framework, most of what IIEI does will remain the same. Under DSU's banner, however, we will offer other degree programs than international trade. Initially you will not see many changes on our web site, but over the next year we will gradually introduce new course offerings. So keep watching.

The Kiva.org article (page 3) shows just how small and connected the world is becoming and how technology helps make it even smaller. Look at how fast Kiva grew and ponder for a minute what it will be like in five years. Amazing!

Center stage of trade compliance in this issue (page 7) is the continuing unbelievable saga of ITT and the latest (December 21, 2007) government actions against it that resulted in a \$28,000,000 fine and penalties for 208 violations. This demonstrates that no matter how critical any company, large or small, is to national security and the warfighter effort, that compliance violations will be met with serious consequences. Various sources indicate this probably isn't the last of the sanctions we will see against ITT Corporation either—the investigation is on-going. Ask yourself how a large company like ITT with all of its compliance resources could

be in such a mess. Then ask if your company may be next. Is that possible? If your company is arrogant thinking that it could never happen to them, think again.

John Priecko's thought provoking two-part article on Empowered Officials (page 6) touches on one of the critical elements of ensuring that your company is in compliance. Over the next few issues, we will present different author's views of how to avoid being the next non-compliant poster child.

As you read this issue, you will note that there are a variety of other topics discussed. One important item not mentioned is that new entrants into the bachelor degree program has seen a major increase. Not surprisingly, people who first took courses to prepare for the Certified U.S. Export Compliance Officer® exam form the biggest block of new degree students. Welcome aboard!

As usual, this issue has something for everyone. I hope you enjoy it! And to all of you worldwide, I wish you a healthy, prosperous and Happy New Year.

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If you're not a subscriber,
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 and sign up now!



Focus on Global Issues

World's First Microlending Web Site Accelerates Global Lending and Growth

Kiva.org (www.kiva.org) is the world's first non-profit, person-to-person, micro-lending, cross-country website, empowering individuals to lend directly to an entrepreneur in the developing world. Founded in 2005 by Matt and Jessica Flannery, Kiva.org's mission is to connect people, through lending, to alleviate poverty. Kiva.org currently connects lenders in more than 50 countries with entrepreneurs in 39 developing countries, through 62 microfinance partners. Kiva.org is headquartered in San Francisco.

We let you loan to the working poor

Kiva lets you connect with and loan money to unique small businesses in the developing world. By choosing a business on Kiva.org, you can "sponsor a business" and help the world's working poor make great strides towards economic independence. Throughout the course of the loan (usually 6-12 months), you can receive email journal updates from the business you've sponsored. As loans are repaid, you get your loan money back.

From increasing its total loan portfolio to more than \$13 million to reach 20,000 entrepreneurs in developing countries, to an invitation to participate in the Clinton Global Initiative annual meeting, to an en-

dorsement by President Clinton in his new book, "Giving," Kiva.org marked its two-year anniversary today in a very big way. Its second year of unprecedented growth has affected an exponentially growing number of lenders and entrepreneurs and received support from more than 130,000 individuals around the globe, including President Clinton and Oprah Winfrey.

"Through Kiva.org, people around the world can become micro-bankers to developing world entrepreneurs," said President Clinton. "[These are people] who have their own ideas, so we can give them a chance to raise their kids with dignity, send their kids to school, and in troubled places like Afghanistan, we can marginally increase the chance that peace can prevail, because people will see there is a positive alternative to conflict."

Kiva.org, which built the first and fastest-growing online microlending platform, enables individuals

to connect with developing world entrepreneurs in 39 countries through small business loans of as little as \$25. By combining microfinance with Web 2.0, through Kiva.org an average individual in an industrial nation can make a real difference in the life of an entrepreneur halfway around the world; you no longer need a Bill Gates-sized budget to have a Bill



Production and sale of coconut oil. Kayi AYAYI from Aného, Togo

Gates-style philanthropic investment portfolio!

In only its second year of operation, Kiva.org has achieved the following:

- Facilitated loans of over \$12.5m to 19,250 developing world entrepreneurs (to date totals are over \$13m to 20,000 developing world entrepreneurs from 130,000 lenders.)
- Appeared on The Oprah Winfrey Show with President Clinton (9/04/07.)
- Partnered with 48 microfinance institutions in 27 countries, including first-ever partnerships in Iraq and Afghanistan (to date totals are 62 partners in 39 countries.)
- Received press coverage from news organizations including *ABC World News*, *CNN*, *BBC*, *PBS*, *The Wall Street Journal*, *The New*



Walnut Vendor Yordan Mishev Borisov from Sliven, Bulgaria



BIS Update

Bureau of Industry and Security

Pennsylvania Company Fined \$470,000 for Export Violations

The Bureau of Industry and Security (BIS) announced that Mine Safety Appliances Company (MSA) of Pittsburgh, has agreed to pay a \$470,000 civil penalty **for Export Violations Involving Iran, UAE and Syria**. The settlement arose from allegations that MSA, through its branch office in Abu Dhabi, MSA Middle East, violated the Export Administration Regulations (EAR) on 107 occasions. BIS alleged that between May 2001 and December 2005, MSA Middle East made 107 re-exports of EAR99 and controlled items, including helmets, gas masks,

Mine Safety - Continued on page 11

Export Privileges Denied to Indian Corporation and Three Executives

The BIS announced it is denying the export privileges of three Indian businessmen, and their employer, Megatech Engineering & Services Pvt. Ltd. of Mumbai India, for engaging in a conspiracy to export high-tech testing equipment in violation of the EAR.

The equipment involved in the conspiracy is a thermal mechanical fatigue test system and a universal testing machine, was manufactured by MTS Systems Corporation of Eden Prairie Minnesota (MTS Systems). Megatech Engineering & Services Pvt. Ltd. was the former agent in India for MTS Systems.

Three Executives - Continued on page 11

Export Enforcement in Review

Under Secretary of Commerce for Industry and Security Mario Mancuso issued the following statement on the International Emergency Economic Powers (IEEPA) Enhancement Act signed into law by President Bush.

"We welcome the enhancements provided by Congress and President Bush," said Under Secretary of Commerce for Industry and Security Mario Mancuso. "The new law provides significant additional support for our cases, which we intend to apply in an equitable, deliberative and rigorous way. Most important, we think the enhancements will better align incentives to improve overall compliance with our regulations."

The significant changes provided under the Act include:

- **Additional Unlawful Acts:** Section 206(a) of IEEPA is amended to clarify that civil penalties may be assessed against those who conspire to violate, or cause a violation of any license, order, regulation, or prohibition of title 50 of the United States Code.

- **Administrative Penalties:** A civil penalty amounting to the greater of \$250,000, or twice the value of the transaction that is the basis of the violation (Enhanced Penalties), may be imposed for each violation of IEEPA.

- **Effective Date/Retroactivity:** The new civil penalties ap-

Enforcement - Continued on page 9

Foreign Subsidiary Settles Charges of ANTIBOYCOTT VIOLATIONS

BIS announced that Colorcon Limited of the United Kingdom, a wholly owned subsidiary of Colorcon, Inc. of West Point, Pennsylvania, has agreed to pay a \$39,000 civil penalty to settle allegations that it committed 21 violations of the antiboycott provisions of the EAR.

BIS alleged that during the period 2001 through 2005, Colorcon furnished to persons in Syria ten items of prohibited information about business relationships with boycotted countries or blacklisted persons. BIS also alleged that during this time Colorcon, on four occasions, knowingly agreed to refuse to do business with another person pursuant to an agreement with, a requirement of, or a request from a boycotting country. Lastly, BIS alleged that during the same time period Colorcon, on seven occasions, failed to report its receipt of a request to engage in a restrictive trade practice or boycott. The company voluntarily disclosed the transactions and cooperated fully with the subsequent investigation.

Source: bis.doc.gov/news

Watch the BIS website
for the open registration
"Export Control Forum"
Newport Beach, California
March 17 and 18th

www.bis.dov.gov

DDTC Update

Directorate of Defense Trade Controls

Total Replacement of Section 9.4 of the “Guidelines for Preparing Agreements”

Effective February 1, 2008, any submission not meeting these requirements is subject to Return Without Action.

As part of the incremental move towards full implementation of electronic licensing using D-Trade, many of the DDTC internal audit functions now performed manually by licensing officers will be incorporated into the business rules of D-Trade. A couple of examples –

- an applicant will not be able to submit a license request in furtherance of an agreement until the agreement is approved;

- the system will not accept a license request that exceeds the hardware value authorized by the agreement.

The Director of Licensing is implementing new guidance for hardware license requests “in furtherance” of agreements. This action is intended to prepare industry for the upcoming D-Trade requirements. Further, it transfers the audit responsibility back to the applicant for verification of whether they meet all of the requirements.

As a result, Section 9.4 of the “Guidelines for Preparing Agree-

ments” is replaced in its entirety. This new guidance reflects many of the requirements in the current version of Section 9.4. However, it is now presented in a new structured format to allow standardized review of the information by licensing officers. The “Sample Letter of Explanation” template does not represent new data gathering requirements; instead it is a request for data review under the record keeping requirements of 22 CFR §122.5.

Source: www.pmdtdc.state.gov/

D-Trade2 Rollout

The D-Trade2 rollout was scheduled for December 2007 (Editor’s Note: At press time it was not online yet). Although it is largely an improvement to the internal part of the software application, both internal and external components have been changed, so both have to be introduced simultaneously. We will provide a specific rollout date when appropriate.

Although the December rollout would incorporate the new amendment forms (DSP-6, -62, -74), “batch” users must continue to use the DSP-119, submitted through the legacy system, for an additional 12 weeks after the rollout date. Notice will be given when the new amendment forms will be enabled in the batch function.

Source: www.pmdtdc.state.gov/dtrade2_rollout.htm

San Diego District Export Council Presents

Complying with the International Traffic in Arms Regulations (ITAR) in the Invigorated Post-9/11 Enforcement Environment

Wednesday, January 16, 2008 7:30 AM - 5:00 PM

We invite you to participate in this timely, in-depth one-day seminar at the Hyatt Regency La Jolla at Aventine, 3777 La Jolla Village Drive, San Diego, CA

Online Registration at:

<http://www.sandiegodec.org/itarseminar.html>

Seminar Fee: \$275 per person

Deadline for Payment: January 11, 2008

Space is limited - Breakfast and Lunch included

For an agenda and more information, please contact:
Julie Osman, San Diego U.S. Export Assistance Center
619-557-733 or julie.osman@mail.doc.gov

Sponsored by JPMorgan and the law firm of Miller & Chevalier

To schedule a no-cost, one-on-one session the following day, contact Julie Osman.



This event also qualifies for Continuing Education Unit credit for IIEI certified trade compliance professionals



**NEW Revisions
to the ITAR:
Dual/Third Party
Nationals**

Page 9

In Compliance....

“Empowered Officials - Critical Considerations”

(Part 1 of a 2 Part Series)

By John Priecko

The International Traffic in Arms Regulations (ITAR) spells out regulatory requirements for the Empowered Official (EO). In summary, the ITAR, Section 120.25, states an EO must be: a U.S. Person directly employed by the applicant in a position having authority for policy or management; legally empowered in writing; understands the various export control statutes and regulations as well as the associated penalties; and must have independent authority to review and verify the legality of exports or temporary imports and be able to stop any transaction without adverse recourse.

However, as anyone who’s served as or is an EO should know,

the ITAR only sets forth some of what an EO needs to do to carry out the required functions. Among other things, the ITAR does not address desired EO character traits, chain of command or organizational structure. In this first of two articles we’ll focus on EO qualities. In the second one, which will appear in the next edition of GlobalWatch®, the structure best suited to maximize an EO’s effectiveness will be discussed.

In too many cases when selecting an EO, organizations simply assign someone from the senior staff without much consideration of character traits and skill sets. For example, companies have appointed an individual familiar with US Govern-

ment (USG) contracting regulations, such as the Vice President (VP) of Contracts, to serve as their EO even if they haven’t had direct experience with the ITAR or other export control regulations. In many cases, the person accepts with little or no knowledge of what’s required or what the job really entails.

While the EO framework set forth in the ITAR is instructive, in reality, not all EOs meet all the 120.25 requirements. Rather, what we generally see are the three models outlined below. Assume for each one that the individual is a U.S. Person, employed by the organization and empowered in writing.

EO MODELS – Bad and Good		
A	B	C
A VP with numerous other responsibilities who has the independent authority to stop a transaction without any adverse recourse, but does not have the requisite knowledge.	A low level manager more focused on trade compliance that knows the regulations, liabilities and consequences of violations, but does not possess sufficient authority within the organization.	A VP who’s knowledgeable of the regulations, liabilities and consequences of violations and has the requisite independent authority to prevent a transaction from taking place without any adverse recourse.

Models “A” and “B” fall short of the ITAR EO requirements. “A” does not have the knowledge and “B” doesn’t have the independent authority. As a result, neither is a good choice to serve as an EO. To be truly “empowered” the EO must meet all the requirements in the ITAR, Section 120.25, and the person must be empowered in more than name only. In this case, the person described in EO Model “C” is what the ITAR requires. Selecting an EO who fits the Model “A” or “B” profile puts the individual, organization and nation at risk and could lead to significant exposure and liability.

While the ITAR set forth various EO requirements, it is silent about the desired character traits and skill sets needed to be an EO. Perhaps that’s what Section (b) of 120.25 is reserved for. Nevertheless, the EO character traits, personality and skill sets are critical to an organization’s ability to abide by the letter and spirit of the law. The EO also has a profound impact on creating and maintaining a culture of compliance or non-compliance as the case may be.

At the top of the page 7 is “EO Characteristics”, a list of attributes EO may or may not possess.

EO Characteristics – Good and Bad			
- Arrogant	- Devious	- Honest	- Practical
- Back Stabber	- Diligent	- Intelligent	- Relentless
- Balanced Perspective	- Easily Influenced	- Knowledgeable	- Self Sufficient
- Bends the Rules	- Empowered	- Law Abiding	- Selfish
- Can't Multi-Task	- Enthusiastic	- Little Integrity	- Strategic Planner
- Checklist Minded	- Ethical	- Micromanager	- Task Saturated
- Controlling	- Evasive	- Organized	- Team Player
- Dependable	- Great Leader/Manager	- Poor Communicator	- Weak Character
- Detail Oriented	- Hard Worker	- Power Crazy	- Wise

After reading the above list, in your view, which are essential for an EO? Which are detrimental?

The EO's characteristics and abilities have dramatic impact on job performance and compliance. It is a unique position. Thus, the organization should always consider character traits and skill sets in selecting an EO. Of course, these should be considered prior to and not after an investigation conducted by the State Department's Directorate of Defense Trade Controls or other export enforcement organizations. As in many aspects of compliance, preventive medicine in the international trade arena is far better and a whole lot less painful than USG

mandated remedial measures and the long list of negative and perhaps costly or devastating consequences.

The bottom line is: The USG expects organizations to appoint EOs who meet all 120.25 criteria. Further, it's in everyone's best interest that the appointed EO and senior trade compliance professionals throughout the organization have the right characteristics to fit the tasks at hand. This is a challenging, demanding and invigorated enforcement environment in which we operate. Putting the wrong peg in the wrong hole is a BIG mistake!

So if you're an EO or aspire to be one, take a moment to carefully review the ITAR, Section 120.25, and assess yourself honestly and thoroughly. Do you strictly measure up? Beyond that, do you have the right abilities to do the job? If you answer "Yes" to both those questions, GREAT! If you don't, it's a huge Red Flag that if ignored can do significant harm on many fronts.

Continued next Issue

About the Author

Mr. Priecko is Vice President, Global Trade Compliance, JPMorgan Global Trade Services. He serves as the President of the Certification Board of Governors (www.industrycertification.org) and is the Subject Matter Expert who, with inputs from U.S. industry, developed, teaches, facilitates and updates the International Import-Export Institute's 6-week EO Essentials course.

Two more ITT Settlements in Last Quarter of 2007

By the IIEI Staff


In late 2007, two settlements with ITT were made public, one in October and the other in December.

On October 11th, 2007, the U.S. Army, acting through its Suspension & Debarment Official, issued an Administrative Compliance Agreement with ITT Corporation. This is follow-on to the earlier March 26, 2007, Plea Agreement between the US Department of Justice and ITT for knowingly violating the Arms Export Control Act, willfully exporting defense articles and willfully omitting statements of material facts in Arms Exports Reports, resulting in a criminal fine of \$100,000,800.

This latest Agreement with the Army is effective for five years. It outlines a variety of mandates concerning a required Contractor Responsibility Program, including appointment of a Chief Ethics & Compliance Officer and an Independent Monitor. No fine was assessed, but ITT is required to pay the Army \$25,000 to compensate for the cost of negotiating and administering the Agreement.

On December 21, 2007, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, U.S. Department of State (DOS) issued an order to ITT Corporation to

ITT - Continued on page 10



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Country Profile
Republic of South Africa

The Republic of South Africa is slightly less than twice the size of Texas, USA. It is located at the southern tip of the continent of Africa. It borders the countries of Botswana, Lesotho, Mozambique, Namibia, Swaziland, and Zimbabwe. Its climate is mostly semiarid; subtropical along east coast; sunny days, cool nights across its vast interior plateau which is rimmed by rugged hills and a narrow coastal plain.

Diversity is a key feature of South Africa, where 11 languages are recognised as official, where community leaders include rabbis and chieftains, rugby players and returned exiles, where traditional healers ply their trade around the corner from

stockbrokers and where housing ranges from mud huts to palatial homes with swimming pools

South Africa, the world's largest producer of platinum, gold, chromium, is a middle-income, emerging market with an abundant supply of natural re-



Johannesburg is the Largest City in South Africa

sources; well-developed financial, legal, communications, energy, and transport sectors; a stock exchange that ranks among the 10 largest in the world; and a modern infrastructure supporting an efficient distribution of goods to major urban centers throughout the region. However, growth has not been strong enough to lower South

South Africa at a Glance

- GDP: \$587.5 billion (2006 est.)
- GDP - real growth: 5.0% (2006 est.)
- GDP - per capita (PPP): \$13,300 (2006 est.)
- Inflation Rate: 4.6% (2006 est.)
- Labor Force: 16.96 million
- Unemployment Rate: 25.5% (2006 est.)
- Population: 43,997,828 (2007)
- Exports: \$63.77 billion (2006 est.)
- Exports - Commodities: gold, diamonds, platinum, other metals and minerals, machinery and equipment
- Exports - Markets: Japan 12.1%, US 11.8%, UK 9%, Germany 7.6%, Netherlands 5.3%, China 4% (2006)
- Imports: \$69.94 billion (2006 est.)
- Import - Commodities: machinery and equipment, chemicals, petroleum products, scientific instruments, foodstuffs
- Import - Markets: Germany 12.6%, China 10%, US 7.6%, Japan 6.6%, Saudi Arabia 5.3%, UK 5% (2006)
- Foreign Exchange Rate: rand per US dollar - 6.7649 (2006)
- Internet Users: 5.1 million (2007)
- Internet Hosts: 1.088 million (2007)



Africa's high unemployment rate, and daunting economic problems remain from the apartheid era - especially poverty and lack of economic empowerment among the disadvantaged groups. South African economic policy is fiscally conservative but pragmatic focusing on targeting inflation and liberalizing trade as means to increase job growth and household income.

Source: CIA World Fact Book and BBC.CO.UK

ITAR Revisions for Dual/Third Party Nationals

On December 19, 2007, an amendment to the ITAR was published (72 FR 71785) that revised licensing procedures with regard to third party/dual nationals for technical assistance/manufacturing license agreements. In particular, a new §124.16 has been added to no longer require additional approval for release of technical data, defense services, and access to defense articles for third party/dual national employees of the foreign signatory/sublicensee to an agreement that are exclusively from the North Atlantic Treaty Organization, European Union, Australia, New Zealand, Japan, and Switzerland. They may not hold nationality from any other country. As stated in the *Federal Register* notice, when determining nationality the Department considers country of origin or birth in addition to citizenship. For the purposes of this approval, the individuals must be physically located within one of the countries to receive access to the technical data. This action has been taken to further facilitate defense trade after

taking into account foreign policy, national security, and regulatory considerations which have been the subject of discussions with the Defense Trade Advisory Group (DTAG). A new section of the transmittal letter has also been added as §124.12(a) (10) to specifically request the authorization under §124.16. Specific language should also be added as a section in the agreement that is executed with the foreign party to identify the authorization.

Current authorizations MUST be amended to utilize the revised release procedures. The agreements must be re-executed with the foreign signatories with a clause inserted that lists countries of the nationals under §124.16 that technical data will be released. This re-executed agreement should be submitted to the Office of Defense Trade Controls Licensing (DTCL) as a minor amendment in accordance with §124.1(d), which does not require prior approval by DTCL.

Source: www.pmdtdc.state.gov/dual_nationals.htm

A new section of the transmittal letter has...been added.

Enforcement - Continued from page 4

ply to enforcement action that are pending, which BIS interprets an action to be if a Final Order has not been signed, or commenced on or after October 16, 2007.

- **Criminal Penalties:** Violators can be fined up to \$1,000,000 and/or up to 20 years in prison. Additionally, criminal liability is provided for anyone who "willfully conspires to commit, or aids or abets in the commission of" an unlawful act described in the statute.

- **Effective Date:** The new criminal penalties apply to criminal enforcement actions commenced on or after October 16, 2007.

Background:

On October 16, 2007, President Bush signed into law the International Emergency Economic Powers (IEEPA) Enhancement Act, Public Law No. 110-96, amending IEEPA section 206. The Act enhances administrative and criminal penalties that can be imposed under IEEPA and also amends IEEPA to clarify that civil penalties may be assessed for certain unlawful acts

Source: www.bis.doc.gov/news/2007/mancuso11012007.htm

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compliance profes-
sional, do you know
your stuff?**

**Are you staying up to
speed on the
regulations?**

Kiva - Continued from page 3

York Times, Today Show, TIME Magazine and Business-Week.

Why is Kiva.org so successful?

Kiva.org has created a simple, yet extremely effective way for the average individual in an industrial nation to make a real difference in the life of a person in the developing world, for just \$25:

- **Connections:** Kiva.org's website allows lenders to choose the individual they would like to lend to, providing a photograph and description of each entrepreneur and their business loan needs. "I love the feeling of connection I have to the people to whom I lend money via Kiva.org. I support these people wholeheartedly in their daily struggles to meet the needs of their families," says Kiva Lender Glenda Denniston of Wisconsin.

- **Transparency:** Kiva Field Partners update lenders on the progress of each loan through repayment notifications and business journals that provide updates on the successes and difficulties being encountered by the entrepreneur.

- **Accountability:** Kiva.org regularly verifies the use of loan funds through the participation of auditors, Kiva Fellows and Kiva Staff visits. By committing to 100% transparency of the use and placement of loan funds, Kiva.org enables a greater level of accountability of contributions, even to the extent that Kiva Lenders have visited recipients of their loan funds in country.

Source: Kiva.com

Visit Kiva.org
to learn More

ITT - Continued from page 7

pay fines and execute Remedial Compliance Measures (RCM) in a civil penalty of \$28,000,000, with \$5,000,000 of that earmarked for RCM. The accompanying Draft Charging Letter notes 208 violations involving ITT's Night Vision and Aerospace/Communications Divisions.

Charges include misrepresentation and omission of facts, unauthorized exports to a proscribed country, causing or conspiring to make unauthorized exports to a proscribed country, failure to notify the DOS of an export to a proscribed country, failure to obtain non-transfer assurance, unauthorized export of classified technical data and failure to file a Shippers Export Declaration. The related Consent Agreement mandates another long list of RCM including

appointment of a Special Compliance Official.

ITT's Settlement history with the Department of Commerce (DOC) and DOS includes: 2007 - DOC, (ITT Engineered Valves Group), 8 alleged violations for unauthorized exports, misrepresentation and failure to comply with record-keeping requirements, civil fine: \$26,400; 2005 - DOC, (ITT Goulds Pumps, Inc.), 26 alleged violations for unlicensed exports and false statements, civil fine: \$123,000; 2004 - DOS, 95 alleged violations with 5 years of oversight for not adhering to license terms/conditions, not complying with license or Technical Assistance Agreement provisos, civil fine: \$8,000,000 including \$5,000,000 of that for RMC.

Free Trade Harbor - Continued from page 1

Domestic products that enter the bonded area will be treated as exports and have the right to claim a tax rebate. Companies in the area, when doing business with each other, do not have to pay increment duties and sales taxes.

Dongjiang Bonded Harbor Area has more privileges than Yangshan Bonded Harbor Area in that it will be experimenting with new customs and finance reforms and innovations, as well as developing offshore businesses.

To date, Dongjiang Bonded Harbor Area's reclaimed area of land has already extended over thirteen square kilometers, and has used over 100 million cubic meters of what is best called mud which later becomes earth.

The port will initially start with four square kilometers up and running as part of the closed port operations.

Dongjiang Bonded Harbor Area's single-term project will focus on two areas: container terminals and logistics processing.

The container terminal, with an investment of RMB6.5 billion, is developing smoothly. Then, at the end of this year, six 100,000 ton container terminal berths will go into production. By that time, the logistics processing zone will be 400,000 square meters of construction.

Dongjiang Bonded Harbor Area is the third of its kind in China after Shanghai-based Yangshan Bonded Harbor Area in 2005 and Dayaowan Bonded Harbor Area in June this year. The establishment of the fourth location - Yangpu Bonded Harbor Area in the country's southern most island of Hainan - was approved by the State Council in October 2007.

Source: People's Daily

Announcing DSU - Continued from page 1

We will continue to offer the highest quality education and programs, regardless of our name. If you're enrolled in our degree program, you will begin to see slight differences in the look and feel of our website as we begin using our university name and begin the formal adoption of the semester system. We will organize classes into a spring, summer and fall term schedule. Instead of enrolling in single classes, degree-seeking students will enroll in three-class blocks in the spring and fall, and two-class blocks in the summer. Classes will still be sequential—one class at a time—just as before.

We have instituted this scheduling change to prepare for being able to offer US Government Guaranteed Student Loans (Title IV) Funding. At this time, we have begun the application process to give our students more options when it comes to financing their education. At this time, we do not know when

we will be able to offer student loans, but you will see policies in our catalog reflecting our Financial Aids programs in the hopes that we will be approved soon.

We know it may be a little confusing as you navigate our website and see our new name, and we are striving to keep the confusion to a minimum. Remember, from now on you'll see both Dunlap-Stone University and IIEI, reflecting IIEI's status as a separate school within DSU that focuses on international trade. Just as other schools grant degrees from a certain school or college within the larger university structure, so will we. The name addition will not change the experience that you have with your advisor or our staff and will not result in any changes to our online classes.

We thank our students for the continued support and suggestions that have helped us bring about this exciting set of opportunities and our continued growth.

Applicants see New Requirements for Bachelor Degree in International Trade Management

Following a directive from our accrediting organization, the Distance Education and Training Council, NEW degree students starting after January 1, 2008, will be required to pass two proctored certification examinations as part of their graduation requirements. Advisors and Counselors can provide the specifics that vary depending on the degree emphasis.



These changes will not impact continuing students in good standing who were accepted into the pro-

gram and started their course work prior to January 2008. This adjustment was made as part of our continuing efforts to improve the value of our degree program and to meet our accrediting body's heightened quality requirements, requiring more proctored examinations of online degree students. Students who have concerns or questions about this requirement should contact their Advisor or Counselor. Call (800) 474-8013

Mine Safety - Continued from page 4

detection equipment, filters, and other related safety equipment to Iran and Syria from the UAE without the required U.S. Government authorization. All of the re-exports were made by an individual who served as MSA Middle East's general manager during this period.

MSA voluntarily disclosed these violations to BIS and cooperated fully in the investigation which is a mitigation factor. BIS also provided mitigation credit to MSA for its compliance efforts.

Source: bis.doc.gov/news

Three Executives - Continued from page 4

MTS Systems previously settled allegations related to this matter in April 2006, and BIS issued a 10-year denial Order in November 2004 against Technology Options and one of its employees

Each party was found to have also been involved in the development of a scheme by which a front company in India named Technology Options would receive the exported equipment from the United States without a BIS license and then divert the equipment to the Indira Gandhi Centre for Atomic Research.

Source: bis.doc.gov/news

Export Privileges Denied
BIS places organizations on the Entity List after determining that exports to those entities pose an unacceptable risk.
Source: bis.doc.gov/news

Finishing your Bachelor Degree *By Brad Chatfield IIEI Degree Counselor*

Everyone knows having your college degree allows you the opportunity to expand your career. This could be a job promotion, moving on to your next career, but it can also be a situation of needing your degree to keep your present position. Is your company downsizing?

Education is a goal priority not just for professional reasons, but there are also personal reasons. Earning your degree proves to yourself and those around you (your family, friends, and colleagues) that you set a goal for yourself and you reached it. Achieving set goals demonstrates responsibility and self-value. Present and future employers respect this in an employee.

Yet there are many working professionals that still do not have their degree. Yes, they say they want their degree and have been thinking about it for some time. They acknowledge that having their degree will give them the promotion they have consistently been passed-over by more educationally qualified colleagues. They may have more work experience, but do not qualify because they do not have a college degree. Everyone recognizes that a job promotion will bring an increase in salary, providing an opportunity for family security and financial freedom.

So what has stopped these individuals from not only earning their degree, but from even enrolling into an education program? The most frequently heard reason is a combination of their work schedule and family responsibilities. Daily life events have simply overtaken their life, making educational goals a secondary issue. Between working 40+ hours each week and taking their children to sporting and social events, they feel there is no time. Therefore, educational goals remain secondary issues.

However, the obvious reasons they have not earned their degree or

even enrolled in an educational program is clear. They have not set education as a goal and they have too many excuses for not doing so. For these professionals, let us look at a few excuses and see how the IIEI degree program can overcome these objections.

Excuse: I have no time and am too busy. The IIEI bachelor degree program is 100% online. We are a 24/7 school and we never require that you be in class at a specific time of the day. Our students (who are employed full-time) may take 15-30 minutes before going to work in the morning, check into class during their lunch hour or during their daily break, and also set aside 30-60 minutes after dinner to work on a writing assignment and participate in classroom discussions. Maybe they can find 1-2 hours during the weekend to devote to their class. Overall you will need to set aside 8-15 hours weekly in order to properly attend and participate in an IIEI class.

Excuse: I travel too much because of my job responsibilities. We have students from almost one hundred countries attending our classes. Many of these students access our classroom via our website. As long as students have access to a computer and the Internet, they can attend an IIEI class.

Excuse: To earn my bachelor's degree will take too long. It could be two years or more. My first response to this reason is "How long have you been considering earning your degree?" If it is more than 2 years, you already could have earned that degree. When prospective students hear this question, they understand that their excuse is simply that, an excuse.

If you understand the need to earn your bachelor's degree in order to advance your career, and feel that 2+ years is a long-time and you also need more immediate rewards, you should consider that on your way to

earning your bachelor's degree, you also prepare for several professional certification exams. IIEI Certification has nine professional certifications, such as our Certified U.S. Export Compliance Officer® (CUSECO). This certification is the accepted standard of proficiency throughout the export compliance industry. More and more companies now require this certification for all compliance staff members and have it as a hiring requirement.

The four courses that define the CUSECO certification training are also required classes within our bachelor degree. You will not be wasting time in your goal of earning your bachelor's degree by earning your CUSECO certification*. Plus your certification will provide you with career growth opportunities as well. You can earn* your certification within 6 months and your Bachelor's Degree in International Trade Management within 2+ years**.

The IIEI training program is semester based and we have classes starting on a frequent basis year-round. Degree-seeking students formally apply to IIEI for gaining acceptance into our degree program. You are welcome to contact an IIEI Academic Advisor to further discuss your educational needs and learn more about our online degree programs and trade certifications.

For those working professionals that understand they need a degree to positively change their career, I challenge you with the following: "Acknowledge the fact you will always be busy, regardless of whether you're in school or not. Motivate yourself by stating that now being busy will also earn you your degree."

Call your Advisor, Counselor, or me with your questions. (800) 474-8013. We will be happy to help.

* Requires separate IIEI Certification examination.

** Certain conditions apply.



**Tuition Increase
January 1, 2008**

On January 1, 2008, all online courses, except for trade compliance specialty courses (see below), increase in tuition \$20.00 per semester credit hour. Therefore, for a three semester credit hour course which was \$785.00, is now \$845.00. Other courses--1.5 credit hour and 4 credit hour courses--increased proportionally. The last increase in tuition at the IIEI was in early 2004.

Trade compliance related courses or other specialty courses, whose tuition is currently \$885.00, did not change.

If you have any questions, please contact your Enrollment Advisor. (800) 474-8013.

**P.R.C. Export Controls
Course Now Enrolling**

The P.R.C. Export Controls Overview course (IIEI-350) is now online. If you want to better understand the export controls environment within the People's Republic of China (PRC), this is your opportunity.

This six-week online course provides an introduction to China's export control regulations after a general review of the PRC legal system. The regulatory agency roles of various PRC government bodies and the inter-departmental controls, policies and processes used are reviewed as they impact export compliance. The broader global export regulatory environments in which the PRC rules and regulations exist are also a topic of discussion.

Space is very limited in this first offering scheduled for March 13, 2008. This course can be used to meet the Continuing Education requirements (CEUs) for CUSECO® and other IIEI certifications.

IIEI Certifications

Congratulations to the following on successful completion and recent award of the respective certifications.

Certified International Trade Logistics Specialist®

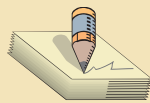
Note: All CITLS® shown are from Nigeria

- | | |
|-----------------------------|----------------------------|
| Hassan Olatunji Adeogun | Joseph Adebayo |
| Onyejebu Kenekukwu Chidozie | Njoku Chiemerie Collins |
| Emesiobum Ugochukwu Charles | Boniface Obeta Chukwuemeka |
| Winifred Akudike Ugomma | Adeniyi Adeola Fashina |

Certified U.S. Export Compliance Officer®

- | | |
|----------------------|------------------------|
| Rose Bertino - MA | William Kostic - OH |
| Lisa Cahillane - AZ | Joan Pan - NJ |
| Jennie Campbell - UT | Rafael Saakyan - OR |
| David Condie - CA | Rita Spencer-Rout - CA |
| Twila Dreiberg - CA | Toni Stivers - CA |
| Andrew Gerould - KS | Patrice Rhodes - PA |
| Kimberly Harper - TX | Tory Tibor - MI |

Disclaimer: IIEI Certification credential testing is separate from Dunlap-Stone University and the International Import-Export Institute. Distance Education and Training Council (DETC) accreditation does not cover such certification. All courses offered by DSU/IIEI that help prepare individuals for IIEI Certification testing are accredited by DETC.



IIEI Student Honor Roll

Outstanding "A" performance for two or more semesters.

- | | | |
|-----------------------|--------------------|--------------------|
| Teresa Adams | Alvis Guillen | Kenneth McDaneld |
| Sherry Aitken | Kim Gurski | Kristine McMahon |
| Dana Alvares | Elizabeth Hancock | Glenda Milner |
| April Baker | Kimberly Harper | David Nakama |
| James "Jay" Bell | Mikiko Higashi | Tash Nomiya |
| Lilly Blanco | Cindy Hollohan | Tomas Nunez |
| Sharon Bliss-Chandler | Thao Huynh | Raj Ohneswere |
| Barb Brown | Henry Isenberg | Petia Pavlova |
| Shauna Cannella | Brett Johnson | Evelina Protasova |
| Richard Capovilla | Michelle Johnson | Ana Ratzlaff |
| David Condie | Kindsay Kelly | Robyne Roberts |
| Michael Cook | Ji Kinnear | Lesley Spring |
| Anne Cornwell | Quincy Knowlton | Tamara Sprinkle |
| David Dean | Kristen Kopp | Helen Strahl |
| Damaris Delgado | Samantha Kunder | Cheryl Thompson |
| Scott Farnsworth | Art Larkin | Marie Walker |
| Julie Fields | Bernice Lee | Don Williams |
| Cathy Forgey | Sue MacDonald-Nans | Alicia Worthington |
| Robin Green | Lisa Maldonado | |
| Debbie Gruss | Kaori McCoy | |

Congratulations!



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