

# **Compliance Creates Alliance: Full Circle Compliance's Internal Compliance Program Framework**

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## I. Trade Compliance in The New World\*

Throughout the world there is a great variety of trade laws and regulations and every company that operates internationally is confronted with them. For example, a Dutch company that is doing business in the United States (“U.S.”) and Turkey will have to take into consideration not only U.S. and Turkish trade laws and regulations, but also those of the Netherlands and the European Union (“EU”). Becoming and remaining compliant with all the trade laws and regulations that affect a company’s international business operations can be a daunting task. The reason for this is that most laws and regulations are not only complex, but also regularly subjected to change. It is not surprising therefore that, in recent years, multiple companies have been heavily penalized for not being compliant with the laws and regulations that affected their international business operations. The penalties these companies endured ranged from mandatory compliance audits and a denial of export privileges to fines and even imprisonment of involved personnel.<sup>1</sup>

Whether they are small to medium-sized firms or large multinationals, the best approach for internationally operating companies to ensure that they are trade compliant, is to be proactive in embedding control measures in their day-to-day business. These control measures are the building stones of what is called an internal (export) control framework, or Internal Compliance Program (“ICP”). Setting-up an effective ICP is not without costs, but ultimately offers numerous advantages:

- It connects different parts of an organization (both internal and the supply chain) in one control framework;
- Streamlines the organizational structure of a company;
- Provides insurance against non-compliant behavior; and
- Gives confidence that a company can operate effectively and compliantly in today’s globalized business environment.

To be sure, the purpose of being and staying in-control in the area of trade compliance is more than just meeting legal requirements; it creates trust, and keeps you in business.<sup>2</sup>

Having over twenty years of experience in international trade compliance, Full Circle Compliance (“FCC”) has developed an ICP framework that can be used by internationally operating companies as a starting ground for developing a tailored and effective ICP. FCC’s ICP framework is based on the company’s experience with the Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), the Export Compliance Management System (“ECMS”) guidelines, and additional frameworks and guidelines for developing an ICP. It allows for the incorporation of a company’s specific requirements and needs, which depend on trade laws and regulations that affect its business

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<sup>1</sup> Recent examples of companies and individuals that are penalized can be found at the websites of the U.S. State Department/Directorate of Defense Trade Controls, <https://www.pmdtc.state.gov/compliance/documents/OngoingExportCaseFactSheet.pdf>, the U.S. Department of Commerce/Bureau of Industry and Security, <https://www.bis.doc.gov/index.php/about-bis/newsroom/press-releases>, and Anna Wetter, “Enforcing European Union Law on Exports of Dual-Use Goods,” *Stockholm International Peace Research Institute*, 2009, <http://books.sipri.org/files/RR/SIPRIRR24.pdf> (accessed on March 14, 2016).

<sup>2</sup> Michael E. Farrell, “Welcome to Full Circle Compliance,” *Full Circle Compliance*, December 19, 2013, <http://fullcirclecompliance.eu/> (accessed on March 14, 2016).

and the items, services and technologies that it exports.<sup>3</sup> FCC's ICP framework is therefore an ideal building ground for a tailor-made ICP for any company that is confronted with international trade laws and regulations.

## 2. Translating “Know-How” into “Do-How”

Becoming and remaining trade compliant is essentially a matter of translating “Know-How” into “Do-How.” Therefore, the first step in becoming trade compliant is obtaining and getting an understanding of the trade laws and regulations that affect a company. In the above example, the Dutch company that is doing business in the U.S. and Turkey should gain a thorough understanding of at least the following trade laws and regulations: the U.S. International Traffic in Arms Regulations (“ITAR”)<sup>4</sup>, Export Administration Regulations (“EAR”)<sup>5</sup>, the EU Export Control Regime<sup>6</sup>, the Dutch Strategic Goods Regulation<sup>7</sup> the Turkish Export Regime, and other import, anti-bribery and anti-corruption laws and regulations.<sup>8</sup> After all, it is likely that all these trade laws and regulations are involved when the Dutch company operates in the U.S. and Turkey. Only when the company knows how all relevant trade laws and regulations affect its business can it implement the right measures to make sure that it remains trade compliant.

The next step is to embed the necessary measures in order to become and remain trade compliant in such a way that they become an integral part of the day-to-day business operations. As figure 1 below illustrates, setting up an ICP requires a significant investment, while improving it requires a decreasing amount of resources. Investing in trade compliance thus offers the advantage that it will ultimately lead to fewer costs and a better value of a company's ICP. It keeps a company in-control and out of trouble.

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<sup>3</sup> Committee of Sponsoring Organizations of the Treadway Commission, “Enterprise Risk Management – Integrated Framework,” COSO, 2013, <http://www.coso.org/guidance.htm> (accessed on March 14, 2016).

<sup>4</sup> U.S. Department of State/Directorate of Defense Trade Controls, “International Traffic in Arms Regulations (ITAR),” U.S. Department of State/Directorate of Defense Trade Controls, December 16, 2015, [http://www.pmdtc.state.gov/regulations\\_laws/itar.html](http://www.pmdtc.state.gov/regulations_laws/itar.html) (accessed on March 14, 2016).

<sup>5</sup> U.S. Department of Commerce/Bureau of Industry and Security, “Export Administration Regulation Downloadable Files,” U.S. Department of Commerce/Bureau of Industry and Security, March 14, 2016, <https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear> (accessed on March 14, 2016).

<sup>6</sup> European Commission, “Dual-Use Controls,” European Commission, April 29, 2014, <http://ec.europa.eu/trade/import-and-export-rules/export-from-eu/dual-use-controls/> (accessed on March 14, 2016).

<sup>7</sup> Government of the Netherlands, “Export Controls of Strategic Goods and Services,” Government of the Netherlands, <https://www.government.nl/topics/export-controls-of-strategic-goods> (accessed on March 14, 2016).

<sup>8</sup> Republic of Turkey Ministry of Economy, “Export Regime of Turkey,” Republic of Turkey Ministry of Economy, 2016, [https://www.economy.gov.tr/portal/faces/home?\\_afLoop=153179365015152#!%40%40%3F\\_afLoop%3D153179365015152%26\\_adf.ctrl-state%3Dj1sw8w9sl\\_103](https://www.economy.gov.tr/portal/faces/home?_afLoop=153179365015152#!%40%40%3F_afLoop%3D153179365015152%26_adf.ctrl-state%3Dj1sw8w9sl_103) (accessed on March 14, 2016).

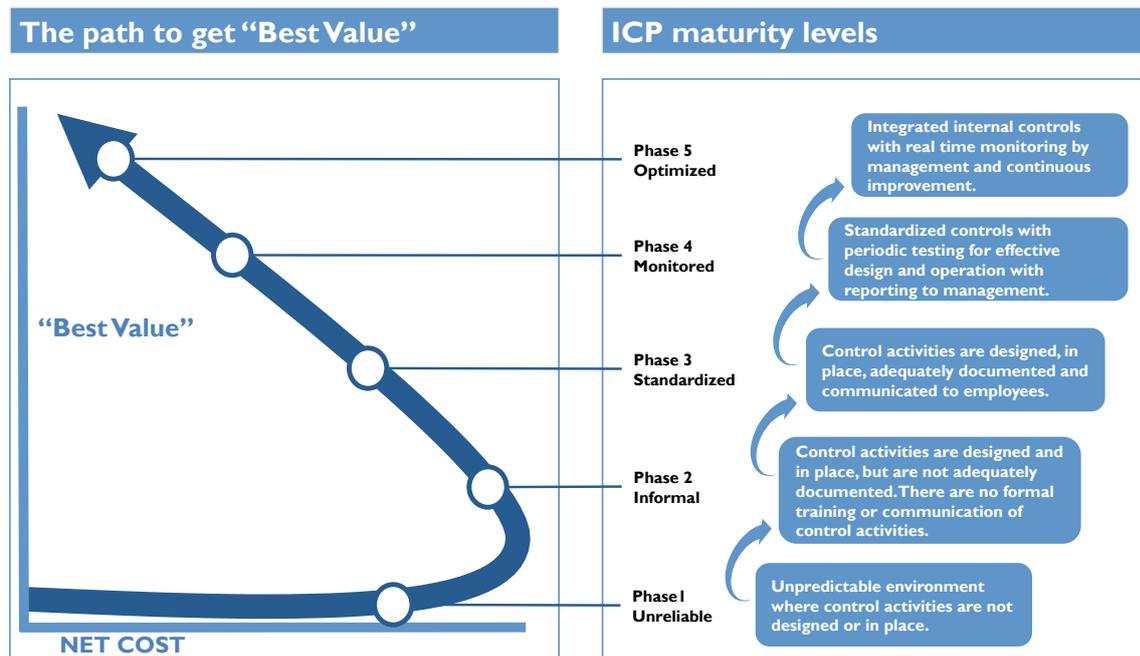


Figure 1. The investment of trade compliance

It is this second step, translating “Know-How” into “Do-How” that proves to be the most challenging task for companies. The central questions here are: what is an efficient ICP and how does one create one? An efficient and matured ICP identifies the relationship between the organizational risks and the internal control measures in the area of trade laws and regulations. This management system should be supported by effective and up-to-date policies and procedures as well as by the necessary awareness, mindset, attitudes and capabilities amongst corporate and local levels. The level of trade compliance is inextricably bound up with a company’s ICP. A company is not in-control if an important part of its ICP is not embedded in its international business operations.

To be sure, there is no off-the-shelf solution that encompasses all the specific requirements and needs that companies have, because companies can differ in various ways. For example, companies can differ in the countries or jurisdictions they do business in, which means that differing combinations of trade laws and regulations will affect different companies. Also, companies can differ in the items, services and technologies they produce, provide and export, again meaning that different trade laws and regulations and trade compliance requirements are involved. Finally, different companies most likely have different ambition levels, risk appetites, and managing philosophies. Nevertheless, regardless a company’s characteristics and business operations, an efficient and matured ICP will transform reactivity into proactivity, create an effective and secure work environment and promote a stronger, more commercially viable business proposition.

### 3. FCC's Framework ICP

FCC has developed an ICP framework that is an ideal building ground for a tailor-made ICP for any company that is confronted with international trade laws and regulations. Annex I shows how FCC's ICP framework compares to other ECMS's and guidelines for developing an ICP.

The starting point of FCC's ICP framework is the five components of COSO: (I) control environment; (II) risk assessment; (III) control activities; (IV) information and communication; and (V) monitoring. The advantage of the COSO framework is that it can be adapted to different business environments.<sup>9</sup> This allows for a flexibility that is lacking in most other internal control frameworks. The five COSO components will be further discussed below.

- I. *Control Environment* - The control environment encompasses the tone of an organization, and sets the basis for how risks are viewed and addressed by an entity's personnel. It also includes a compliance risk management philosophy and risk appetite, integrity and ethical values, and the environment in which the organization operates. All this is supported by a well-organized compliance function. The compliance function's importance has shifted from that of a mere scorekeeper to that of a real organization partner who at the same time monitors the various trade compliance components.<sup>10</sup>
- II. *Risk Assessment* - The purpose of a risk assessment is to identify and analyze the risks involved in achieving a company's objectives. A company's objectives in the area of trade compliance derive from various trade laws and regulations, as well as standard agreements and licenses.<sup>11</sup> The management of an organization should clearly establish what these objectives are, because only then can it determine what the risks are to fulfilling these objectives. An effective ICP should incorporate the assessment and analysis of potential risks, and consider their likelihood and impact on the fulfillment of a company's objectives. A risk assessment should serve as a basis for determining how risks should be viewed and managed and how the effectiveness of a company's ICP can be improved.<sup>12</sup>
- III. *Control Activities* – Policies and procedures are established and implemented to help ensure that a company's responses to risks are effectively carried out. Control activities are represented by detailed, physical process documentation as well as a wealth of knowledge related to the importance and workings of the organization's business processes (logistics, warehousing, production, Research & Development (R&D), etc.). Possible control activities are: screening, classification, and training.<sup>13</sup>

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<sup>9</sup> Committee of Sponsoring Organizations of the Treadway Commission, "Enterprise Risk Management – Integrated Framework," COSO, 2013, <http://www.coso.org/guidance.htm> (accessed on March 14, 2016), 2.

<sup>10</sup> Ibid. 12.

<sup>11</sup> Examples of standard agreements are: License and Option Agreements (LOA's), Memorandum of Understandings (MOU's), Technical Assistance Agreements (TAA's), Manufacturing License Agreements (MLA's), Department of State Policies (DSP's), and EU General Export Authorizations.

<sup>12</sup> Committee of Sponsoring Organizations of the Treadway Commission, "Enterprise Risk Management – Integrated Framework," COSO, 2013, <http://www.coso.org/guidance.htm> (accessed on March 14, 2016), 13.

<sup>13</sup> Ibid. 13

- IV. *Information and Communication* – All relevant information must be identified, captured, and communicated in a form and timeframe that enables involved personnel to carry out their responsibilities in a compliant manner. In order to do so, organizations have, among others, turned to the Transglobal Secure Collaboration Program (TSCP) or cloud computing. TSCP provides in common business language collaboration across the Defense & Aerospace Industry and examines areas such as identity management, certification and accreditation, privacy, information security, physical security and encryption. This way, information can be effectively captured and communicated.<sup>14</sup> Cloud computing is not always easy to monitor and securitize. However, it provides companies with an opportunity to spread relevant information quickly throughout their organization.

The need to effectively identify, capture, and communicate changes in trade laws and regulations is even more important when these changes occur relatively quickly in succession, such as in the case of the U.S. Export Control Reform Initiative (“ECRI”), initiated by the Obama administration in 2009 and still ongoing. The ECRI changes the U.S. Export Control system in a rapid and significant way. It is therefore important that companies understand and communicate the effects of ECRI as quickly as possible so that all employees are able to continue their responsibilities in a compliant manner. Furthermore, effective communication also occurs in a broader sense, flowing down, across, and up the organization.<sup>15</sup>

- V. *Monitoring* – Compliance begins at the top and starts at the bottom. The entirety of an ICP is monitored and modifications are made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both. In addition, it needs to be a mixture of both internal as external monitoring, as both amplify each other. The combination benefits the company as it actively monitors itself and gets assurance from the outside that it is or is not on the right track. In other words: “You only know what you measure.”<sup>16</sup>

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<sup>14</sup> Transglobal Secure Collaboration Program, “TSCP Mission & Vision,” 2013, <http://www.tscp.org/about-tscp/mission-vision/> (accessed on March 14, 2016).

<sup>15</sup> Committee of Sponsoring Organizations of the Treadway Commission, “Enterprise Risk Management – Integrated Framework,” COSO, 2013, <http://www.coso.org/guidance.htm> (accessed on March 14, 2016), 14.

<sup>16</sup> *Ibid.*

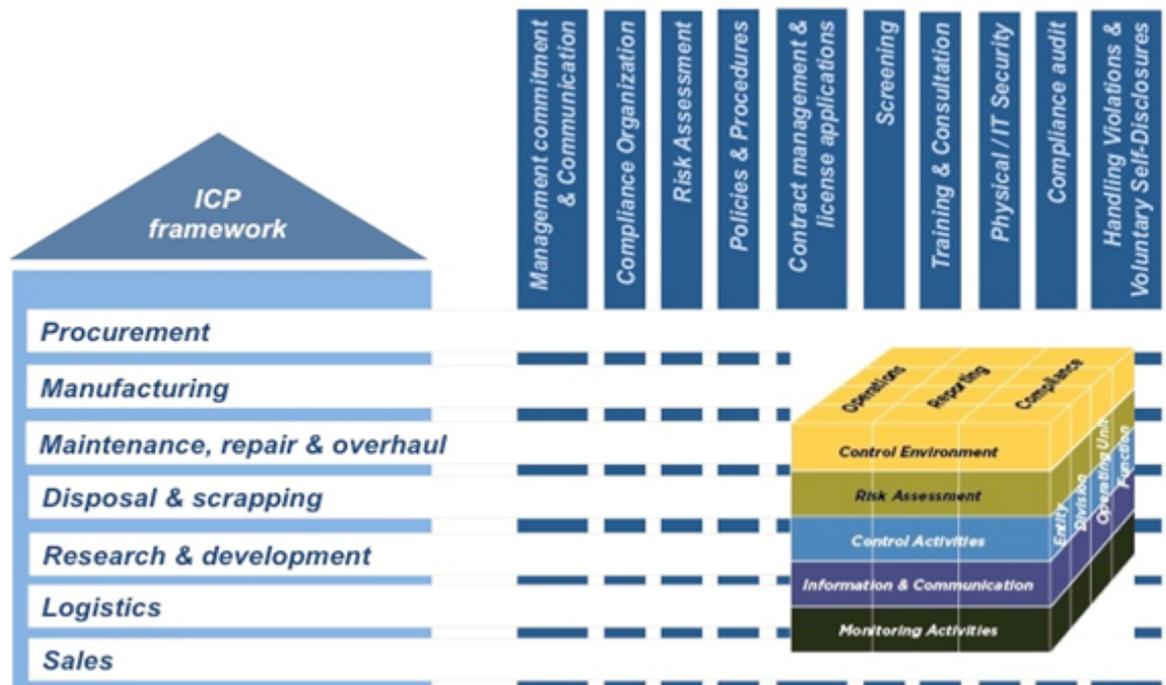


Figure 2. FCC's ICP Framework includes the five components of the COSO Internal Control Framework.

The cube shown in figure 2 makes clear that the five COSO components are only the starting-point of developing an effective ICP. A wide variety of other factors have to be taken into account. Incorporating the interdependency between the components of the COSO model, the relevant laws and regulations that affect a company's international business operations, and the company's corporate culture is key in establishing an effective ICP. Hence, an ICP is not strictly a serial process, where one component affects only the next. On the contrary, it is a multidirectional, iterative process in which almost any component can and will influence another.

FCC has determined ten key elements that provide additional guidance in setting-up an effective ICP. Below these ten elements, shown on the top axis of Figure 2 will be further elaborated upon.

1. *Management Commitment* - The single most important aspect of an effective ICP is senior management commitment. A strong and unquestionable commitment of a company's senior management is key to a successful ICP and should include the following:
  - Communicating the commitment to being trade compliant throughout the organization on a continuous basis;
  - Active involvement in rolling out the ICP;
  - Providing and assigning resources to develop and implement the ICP; and
  - Evaluating the functioning of the ICP.

In other words, senior management must effectively communicate its strong and unyielding commitment to trade compliance to all employees in a clearly written

policy statement and provide sufficient resources (time, money and trade compliance personnel) to develop and implement the ICP. In addition, senior management must take an active role in evaluating the effectiveness of the ICP. Audits must be conducted and employees must be encouraged to report suspected violations. It is essential that senior management shows that it is aware of the results of these audits and involved in the resolving of suspected violations. In addition, procedures for such reports should be developed and implemented. Compliance standards should be enforced and actions should be taken to prevent and detect violations in the future.

2. *Compliance Organization* - A compliance function must be set up and staff should be assigned to the compliance function to ensure the effectiveness of the ICP. Therefore, organizational charts that clearly describe the authority, function and duties of key persons in the day-to-day business operations in regards to trade compliance should be created and updated on a regular basis. Management must ensure that a sufficient number of personnel are dedicated to trade compliance functions. This involves the assigning of knowledge back-up personnel that can maintain the compliance function in the absence of key persons and a contact list should be available that includes at least name, title, and phone number of all key persons and backup trade compliance personnel. Management should also provide incentives to recruit, train and motivate quality trade compliance personnel and should structure pay scales, bonuses, evaluations and promotions. Trade compliance personnel should be positioned at the appropriate levels to enforce trade compliance.
3. *Risk Assessment* - Through adequate risk assessments the organization will be able to manage trade compliance risks. Such a risk assessment would identify risks, monitor the occurrence of these risks, assess the implications and ensure timely reporting to the board. Examples of trade compliance risks are:
  - The risk that as a result of inadequate internal communication with respect to trade compliance, employees exchange data (i.e. with third parties) without the required license;
  - The risk that management due to inadequate reporting procedures, are not sufficiently informed with regard to non-compliance with trade compliance laws and regulations;
  - The chance that staff considers trade compliance as not important due to unclear roles and responsibilities;
  - The risk that legal requirements are not fully understood and insufficiently incorporated due to limited resources (time, money, people);
  - Insufficient know-how to perform trade compliance tasks due to the lack of training of relevant personnel;
  - The risk that due to failure to retain “end use statements,” trade compliance rules are not complied with;
4. *Policies & Procedures*: - Policies & procedures are the moving parts of an effective and matured ICP. This is where corporate strategy translates into control measures. Policies consist of processes, which in turn consist of procedures and at the most detailed level of work instructions. Here is where the work actually gets done and

how. Therefore, having established effective and efficient policies & procedures is vital to being and staying trade compliant.

5. *Contract Management & License Applications* - Contract management is about the processes and requirements applicable to external parties that deal with the business. It is very important that trade compliance begins at all the interfaces the company has with other parties, i.e. it applies to the entire supply chain. The reason for this is that trade compliance is more than just being trade compliant yourself; companies have to make sure that the other parties they do business with are compliant as well.

This element also includes recordkeeping. A properly functioning documentation and recordkeeping system is an essential part of any ICP, especially when a company may be required to present data about past transactions to government authorities. Because of the complexity of trade law and regulations, guidance must be given to personnel on how to properly maintain and preserve the integrity of pertinent records. These practices should be incorporated into existing recordkeeping and business systems to the extent possible.

Specific trade-related recordkeeping procedures should also be developed and implemented. For example, recordkeeping procedures for certain communication with foreign nationals and certain communication with government officials must be clearly established. The company should be able to retrieve any required documents within 48 hours of a request for retrieval.

6. *Screening* - Screening refers to the screening of personnel, customers, suppliers, subcontractors or any other parties dealing with a company's organization. This also includes reviewing cross-border transactions, re-exports, and making sure that potential deemed exports do not take place. The screening questions address the effectiveness of a company's screening procedures and their adaptability to a changing regulatory environment.
7. *Training and Consultation* - Communication about trade compliance is a key ingredient in ensuring your organization is trade compliant. Without proper communication on trade compliance, an ICP is ineffective, because no one in a company's organization knows what it must do or not do in order to stay compliant.

Training programs assist in a clear communication about trade compliance. The reason for this is that substantively informed personnel lower the likelihood that violations occur. Therefore, a training program (including frequent refresher and update sessions) and training records should be in place to ensure this. Qualified trade compliance personnel or external trade compliance specialists must conduct the training programs to ensure that your personnel gets the most of their training. In addition, trainers have to bridge the gap between the legal languages of laws and regulations and the language that is familiar to the company.

The training program should improve trade compliance awareness to all relevant personnel. An intermediate training program for personnel who regularly deal with export control issues should be developed based on the specific job functions of the

attendees. Furthermore, a company should provide an advanced training program to internal trainers and personnel who frequently deal with trade compliance. After a training program, a company can decide to test personnel for basic comprehension of trade compliance issues. Training materials should be developed as a collaborative effort.

Moreover, memoranda, newsletters and/or e-mails should be sent to personnel periodically reaffirming the company's requirements and advising personnel of any changes to trade laws and regulations or a company's policies & procedures.

8. *Physical / IT Security* - The security environment refers to the physical and IT security measures taken in the organization. This element includes appointing security officers, controlled access to locations and IT along with back-up procedures. A special focus should be given to cyber security and cloud computing as they bring new challenges to being and remaining trade compliant. After all, data can travel across borders fast and freely in today's globalized business environment.
9. *Compliance Audits* - A comprehensive audit system is a necessary element of any ICP. It allows a company to evaluate and continuously improve its ICP. Internal audit procedures can successfully focus management attention on risk areas at an early stage and affording the opportunity to correct deficiencies before they result in major problems. Audit programs should focus both on the trade compliance process and the specific export transactions of the company to ensure that it is complying with existing procedures. Moreover, they should be a mix of both audits, assessments, and spot-checks. This ensures that organization does not become overburdened. To be effective, audits results must be reported appropriately. To be able to implement audit recommendations arising from the audits, clear tasks and responsibilities must be assigned to involved personnel.
10. *Handling Violations & Voluntary Self-Disclosures* - Although organizations are not mandated to make voluntary disclosures, government authorities will usually consider an organization's filing of a voluntary disclosure as a mitigating factor in determining any penalties or other enforcement actions against an organization. An organization's failure to disclose violations voluntary may be viewed as an aggravating factor, particularly in case of willful, knowing or repeated violations. Organizations must therefore have a clear procedure in place on how it will handle violations and do voluntary disclosures.

It is the combination of the above ten elements, the five COSO components, a company's corporate culture, and the applicable trade laws and regulations that influences the effectiveness and maturity of a company's ICP. The incorporation of all these factors in FCC's ICP framework make that it is flexible, inclusive, and provides a company with the confidence that its organization is and will remain in-control in regards to trade compliance.

## Conclusion

Companies clearly have found it difficult to comply with all the trade laws and regulations that affect their international business operations. In recent years, multiple companies have been penalized for not being trade compliant. The main reason for not being compliant was that these companies were not in-control and failed to embed relevant knowledge of trade laws and regulations into their day-to-day business operations. In order to assist organizations in becoming and remaining trade compliant, FCC has developed an ICP framework. This ICP framework consists of a combination of the five COSO components and ten additional key elements discussed in this article.

Over the years, FCC's ICP framework has proven to be an ideal platform for building customized ICP's for its customers. FCC's ICP framework allows for the incorporation of an organization's specific requirements and needs in a continuously changing regulatory environment. FCC's ICP framework is also ideally suited for companies that already have an ICP in place, for it can benchmark a company's ICP against FCC's ICP framework. This benchmark test helps a company to determine its compliance risks and allows it to make the necessary investments and take the necessary measures to enhance its ICP. Whether a company intends to build an ICP from scratch or wants to measure the effectiveness of its current ICP, using FCC's ICP framework allows it to be in-control in the area of trade compliance. This in turn minimizes compliance risks and provides a solid foundation to operate confidently and effectively throughout today's globalized business world.

## Annex A: ICP Framework Comparison

Essential Components of an ICP	FCC	CEEC	BIS	CIS	COBIT	COSO	DDTC	FCPA	FSG	GPA JSF	NW	OECD-B	OECD-G	Woolf
1. Management Buy-In	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Compliance Organization	✓	✓	-	✓	-	✓	✓	✓	✓	✓	✓	✓	-	✓
3. Risk Assessment	✓	-	✓	-	✓	✓	-	✓	✓	-	-	-	-	✓
4. Policies & Procedures	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
5. Contract Management & License applications	✓	✓	✓	-	-	-	✓	-	-	✓	✓	-	-	-
6. Screening	✓	✓	✓	-	-	-	✓	✓	-	✓	✓	-	-	-
7. Training & Communication	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
8. Physical / IT security	✓	-	✓	-	✓	✓	✓	-	-	✓	✓	-	-	-
9. Compliance Reviews / Audits	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10. Handling Violations & Voluntary Self-Disclosures	✓	✓	✓	-	-	-	✓	✓	✓	✓	✓	✓	-	-

## Key to Table

BIS:	Bureau of Industry and Security Compliance Guidelines <sup>17</sup>
CEEC:	Coalition for Excellence in Export Compliance Best Practices for Export Controls <sup>18</sup>
CIS:	Common Industry Standards for European Aerospace and Defence <sup>19</sup>
COBIT:	Framework for IT Governance and Control <sup>20</sup>
COSO:	Committee of Sponsoring Organizations of the Treadway Commission Internal Control – Integrated Framework <sup>21</sup>
DDTC:	Directorate of Defense Trade Controls Compliance Program Guidelines <sup>22</sup>
FCPA:	Good Practice Foreign Corrupt Practices Act Compliance <sup>23</sup>
FSG:	U.S. Federal Sentencing Guidelines <sup>24</sup>
GPA JSF:	Global Project Authorization for Joint Strike Fighter <sup>25</sup>
NW:	Nunn-Wolfowitz Task Force Report <sup>26</sup>
OECD-B:	OECD Business Approaches to Combating Corrupt Practices <sup>27</sup>
OECD-G:	OECD Guidelines for Multi-national Enterprises <sup>28</sup>
UK:	Adequate Procedures Per New UK Bribery Act <sup>29</sup>
Woolf:	Business Ethics, Global Companies and the Defence Industry from the Woolf Committee <sup>30</sup>

<sup>17</sup> U.S. Department of Commerce/Bureau of Industry and Security, “Compliance Guidelines: How to Develop an Effective Export Management and Compliance Program and Manual,” *Bureau of Industry and Security*, June 2011, [http://www.bis.doc.gov/index.php/forms-documents/doc\\_view/7-compliance-guidelines](http://www.bis.doc.gov/index.php/forms-documents/doc_view/7-compliance-guidelines) (accessed on March 14, 2016).

<sup>18</sup> Coalition for Excellence in Export Compliance, “Best Practices,” CEEC, <http://www.ceecbestpractices.org/best-practices-standards-workgroup.html> (accessed on March 14, 2016).

<sup>19</sup> Aerospace and Defence Industries Association of Europe, “Common Industry Standards for European Aerospace and Defence,” ASD, April 26, 2007, available at [http://www.finmeccanica.com/documents/63265270/63869520/body\\_ASD\\_CIS.pdf](http://www.finmeccanica.com/documents/63265270/63869520/body_ASD_CIS.pdf) (accessed on March 14, 2016).

<sup>20</sup> IT Governance Institute, “COBIT 4.1: Framework for IT Governance and Control Excerpt,” ISACA, 2007, <https://www.isaca.org/Knowledge-Center/cobit/Documents/COBIT4.pdf> (accessed on March 14, 2016).

<sup>21</sup> Committee of Sponsoring Organizations of the Treadway Commission, “Enterprise Risk Management – Integrated Framework,” COSO, 2004, <http://www.coso.org/guidance.htm> (accessed on March 14, 2016).

<sup>22</sup> U.S. Department of State/Directorate of Defense Trade Controls, “Compliance Program Guidelines,” *Directorate of Defense Trade Controls*, [http://pmdtc.state.gov/compliance/documents/compliance\\_programs.pdf](http://pmdtc.state.gov/compliance/documents/compliance_programs.pdf) (accessed on March 14, 2016).

<sup>23</sup> Criminal Division of the U.S. Department of Justice and the Enforcement Division of the U.S. Securities and Exchange Commission, “FCPA: A Resource Guide to the U.S. Foreign Corrupt Practices Act,” *U.S. Department of Justice*, Nov. 14, 2012, <http://www.sec.gov/spotlight/fcpa/fcpa-resource-guide.pdf> (accessed on March 14, 2016).

<sup>24</sup> The District of Columbia Sentencing and Criminal Code Revision Commission, “Voluntary Sentencing Guidelines Manual,” *DC Sentencing and Criminal Code Revision Commission*, June 29, 2015, [http://scdc.dc.gov/sites/default/files/dc/sites/scdc/publication/attachments/2015\\_Voluntary\\_Sentencing\\_Guidelines\\_Manual.pdf](http://scdc.dc.gov/sites/default/files/dc/sites/scdc/publication/attachments/2015_Voluntary_Sentencing_Guidelines_Manual.pdf) (accessed on March 14, 2016).

<sup>25</sup> U.S. Department of State, *Global Project Authorization (GPA) for Joint Strike Fighter Program SDD Phase GC 0785-02* (Washington: GPO, 2002).

<sup>26</sup> Nunn-Wolfowitz Task Force, “Nunn-Wolfowitz Task Force Report: Industry “Best Practices” Regarding Export Compliance Programs,” *King & Spalding*, July 25, 2000, <http://www.kslaw.com/library/pdf/nunnwolfowitz.pdf> (accessed on March 14, 2016).

<sup>27</sup> The Organisation for Economic Co-operation and Development (OECD), “Business Approaches to Combating Corrupt Practices,” OECD Working Papers on International Investment, June 2003, [http://www.oecd.org/daf/inv/corporateresponsibility/WP-2003\\_2.pdf](http://www.oecd.org/daf/inv/corporateresponsibility/WP-2003_2.pdf) (accessed on March 14, 2016).

<sup>28</sup> The Organisation for Economic Co-operation and Development (OECD), “OECD Guidelines for Multinational Enterprises,” May 25, 2011, <http://www.oecd.org/daf/inv/mne/48004323.pdf> (accessed on March 14, 2016).

<sup>29</sup> UK Government, “Bribery Act 2010,” *Legislation.gov.uk*, April 8, 2010, <http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-quick-start-guide.pdf> (accessed on March 14, 2016).

<sup>30</sup> Woolf Committee, “Business Ethics, Global Companies and the Defence Industry. Ethical business conduct in BAE System plc – the way forward,” *BAE Systems*, May 8, 2008,

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