

Homeland Security Investigations

Counter-Proliferation Investigations



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HSI Jurisdictional Authorities

- *Export Enforcement / Weapons Smuggling*
- Financial Crimes / Money Laundering
- Narcotics Smuggling / Trafficking
- Human Smuggling / Human Trafficking
- Commercial Trade and Fraud
- Cyber Crimes
- Worksite Enforcement
- Intellectual Property Rights
- Human Rights Violations
- Transnational Gangs
- Immigration Document / Benefits Fraud



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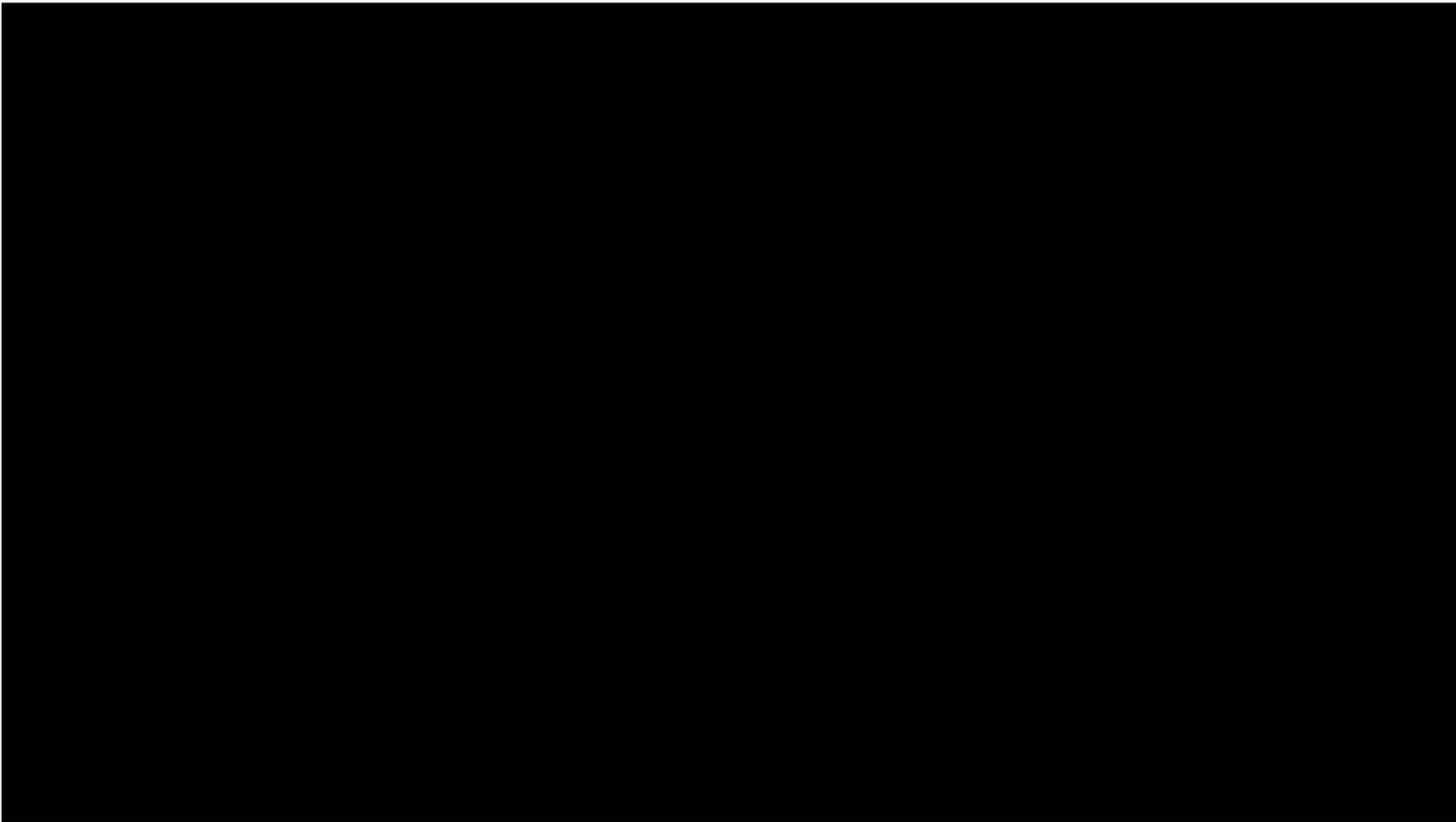
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Counter-Proliferation Investigations - Mission

- Protect the American public from the proliferation of WMD and other instruments of terror
- Prevent the illegal export of U.S.-origin technology, goods and services
- Prevent proliferant countries, terrorists, trans-national criminals from obtaining strategic materials, funds and support



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U. S. Export Control Laws

HSI/CBP have led law enforcement efforts in export enforcement since the first Continental Congress. HSI/CBP utilize the broadest export enforcement authorities within the U.S. government:

22 USC 2778 **Arms Export Control Act**
Military Items, Services and Brokering

50 USC 2411-2420 **Export Administration Act**
Dual Use Commodities & Technology
(Commercial & Military)

50 USC 1705 **Int Emergency Economic Powers Act**
Economic and Trade Sanctions

18 USC 554 **Smuggling Goods from the U.S.**

*These plus border search authority provide HSI the broadest export enforcement authorities of any federal law enforcement agency

*Export controls date back to the earliest acts passed by the Continental Congress

*Parallels with international controls



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Export Licensing Agencies

U.S. Dept. of State Directorate of Defense Trade Controls (DDTC)	U.S. Dept. of Commerce Bureau of Industry and Security (BIS)	U.S. Dept. of Treasury Office of Foreign Assets Control (OFAC)
<ul style="list-style-type: none"> • Regulates Export & Licensing of Single-Use Defense Articles (military applications) • Requires Registration • Controlled Items List: <ul style="list-style-type: none"> - U.S. Munitions List (USML) • Regulations Defined By: <ul style="list-style-type: none"> • ITAR • Violations Enforced Under: <ul style="list-style-type: none"> • AECA • Homeland Security Investigations  	<ul style="list-style-type: none"> • Regulates Export & Licensing of Dual-Use Commodities (Commercial & Military Applications) • No Registration Required • Controlled Items List: <ul style="list-style-type: none"> - Commerce Control List (CCL) • Regulations Defined By: <ul style="list-style-type: none"> • EAR • Violations Enforced Under: <ul style="list-style-type: none"> • EAA/IEEPA 	<ul style="list-style-type: none"> • Regulates Licensing of <i>Transactions</i> involving sanctions & embargos • Comprehensive & Selective Regulations may apply to: <ul style="list-style-type: none"> • Countries • Companies • Individuals • Regulations Defined By: <ul style="list-style-type: none"> • Sanctions/Embargos • Violations Enforced Under: <ul style="list-style-type: none"> • IEEPA 

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‘Nuclear’ Export Licensing

- **Nuclear Materials regulated in the International Trafficking in Arms Regulations (ITAR) – Category XVI**
 - **Actual Weapons (?)**
 - **Testing / Simulation Devices**
 - **Delivery Systems**



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‘Nuclear’ Export Licensing

- **Nuclear Materials in Export Administration Regs (EAR) – Category 0 (Zero)**
 - **Power Generating**
 - **Propulsion**
 - **Precursor Raw Materials**
 - **Development & Simulation**
 - **Enrichment Technologies**

- ****Most controls based on International Conventions**



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‘Nuclear’ Export Licensing

- **Nuclear Materials in the Foreign Asset Control Regulations (OFAC)**
 - **Material/Financial support to Iran (or other sanctioned nation) nuclear programme**



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‘Nuclear’ Export Licensing

- **Technical Data**
- **Research**
 - **Applied v. Fundamental**



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Other Relevant Laws..

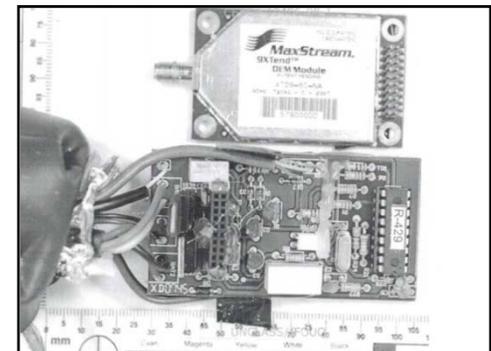
- **Atomic Energy Act**
- **National Security Act / Patriot Act**
- **International Controls**



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Counter-Proliferation Investigations - Mission

- Homeland Security's border enforcement agencies (HSI and CBP) have full statutory authority to investigate and enforce violations of all U.S. export laws.
- Protect the American public from the introduction of WMD and other instruments of terror into the U.S.
- Prevent the illegal export of U.S. origin technology, goods and services
- Prevent rogue nations, terrorists, trans-national criminals from obtaining strategic materials, funds and support



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Investigative Methods

- Historical Investigations
- Reactive Investigations
 - Border Interdictions/Seizures
 - Inbound and Outbound
- Proactive Investigations
 - *Source Development*
 - Industry Outreach
 - Informant Information
 - *Undercover Investigations*
 - Cooperative Defendants
 - Intelligence



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Export Enforcement Coordination Center



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**STRENGTHENING EXPORT ENFORCEMENT AND U.S. NATIONAL SECURITY
THROUGH INTER-AGENCY PARTNERSHIPS**

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Project Shield America (PSA)

- Industry Outreach Program, HSI has been partnering with U.S. Industry since the passage of the earliest export control laws. PSA remains a cornerstone of HSI export enforcement and awareness programs;
- Increase public awareness of export law, and partner with Industry in combatting illegal export of critical US technologies;
- Establish a more formal/informal liaison and continuing relationship w US Industry
- Protect U.S. National Security and Foreign Policy concerns
- HSI conducts in excess of 1,300 industry outreach visits each year



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Red Flags...

- is reluctant to provide end user/use information;
- is willing to pay cash for a high-value order;
- has little knowledge or background in the relevant technology;
- order does not make sense (200 TSGs for a small hospital)
- product requested is incompatible with the technical level of the country to which it is being shipped (electronic power controls for nuclear reactor shipped to a country that has no nuclear facilities).
- declines normal warranty, installation, training, or maintenance services;
- provides vague delivery dates or locations;
- spare parts are in excess of specific needs;
- lists a shipping company as the end user;
- is evasive if product is for domestic use, export, or for re-export.

These are just SOME indicators of suspicious transactions



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Project Shield America

Known Proliferation Countries



- Iran
- North Korea
- China
- Syria
- Pakistan



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Project Shield America

Potential Transshipment Countries



- U.A.E
- Turkey
- Hong Kong
- Cyprus
- Jordan
- Malta
- Thailand
- Yemen
- Sudan
- Singapore
- Malaysia
- Pakistan



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Desired Nuclear Technology



- **Maraging steel**
- **Spin-forming machinery**
- **Beryllium**
- **Graphite components**
- **Radiation shielding**
- **Electron beam welders**
- **Fluorinated Oil (Used in Centrifuges)**



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Desired Missile Technology

- **Guidance systems**
 - GPS/INS
 - 3-axis gyro
 - 3-axis accelerator
- **Motors**
 - Kevlar
 - Maraging steel
 - Carbon based Heat Shield
- **Skin**
 - Maraging steel
 - Carbon Fiber
- **Solid fuel motor**
 - Propellants



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Present DOE Partnership

- Training
- Lead and Threat Consultation
- Undercover Marketing
 - Surplus Manufacturing Equipment
 - Detection Equipment
 - Raw materials
 - Any 'Flash'

** Future

- Directed Energy Weapons
- Plasma Technology
- Nanotechnology



Asher Karni/Humayan Khan Triggered Spark Gap



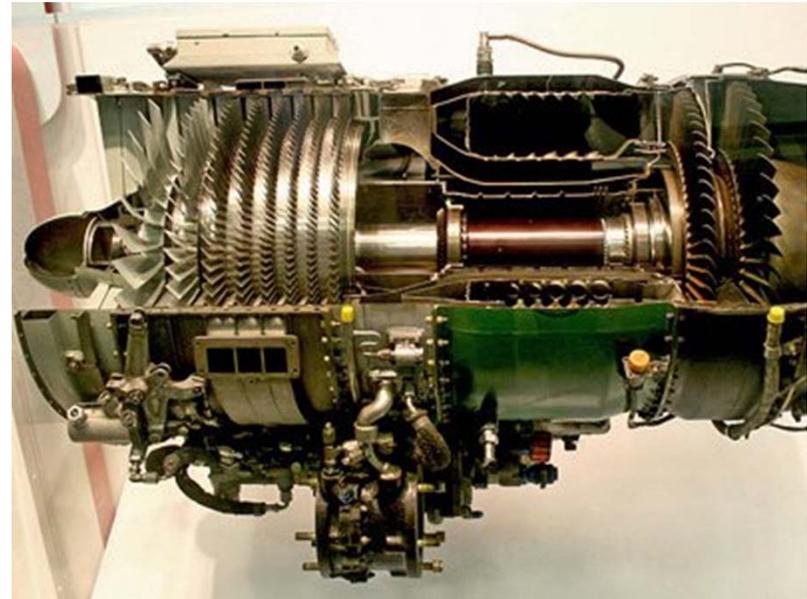
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Serge Voros/Bill Moo - Blackhawk, F16, AGM, AAM



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Jacques Monsieur – F5 Engine, & Parts



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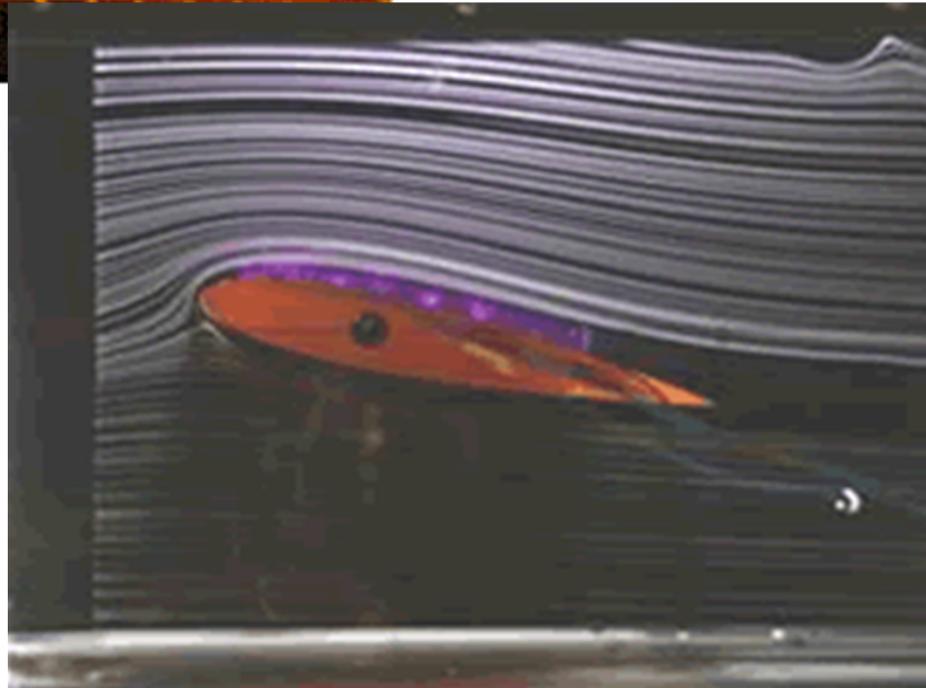
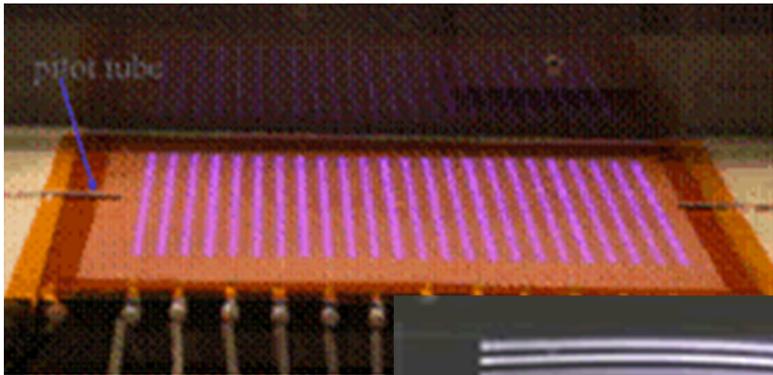
Philip Hope – RHICs



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Reece Roth

Plasma Wing Surfaces



U.S. DEPARTMENT OF
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