



**Counter-Proliferation
Investigations & National Security** CDSE

Hosts: **Peter DeCesare**, Counterintelligence Curriculum Manager - CDSE

Rebecca Morgan, Counterintelligence & Cybersecurity Instructor - CDSE

Guest: Homeland Security Investigations, Counter-Proliferation Investigations Program

Producer: **Martina Tobarri-Kennedy** - CDSE
Nancy McKeown - CDSE



Navigation in the Meeting Room CDSE

Enlarge Screen

Q & A

Closed Captioning below

File Share




**Counter-Proliferation
Investigations & National Security**



- The DSS Mission and Counterintelligence Role
- Understanding Counter Proliferation and Export Control
- The Relationship Between EAR & National Security
- HSI Investigations/Project Shield America
- Suspicious Transaction Indicators
- Suspicious Contact Reporting





DSS Mission
DSS supports national security and the warfighter, secures the nation's technological base, and oversees the protection of U.S. and foreign classified information in the hands of industry.

CI Mission
DSS CI identifies unlawful penetrators of cleared U.S. defense industry and articulates the threat for industry and U.S. Government leaders.

Scope
- 10+K firms, 13+K facilities, 1.2m people
- 1 CI professional/261 facilities
- 12% of facilities report

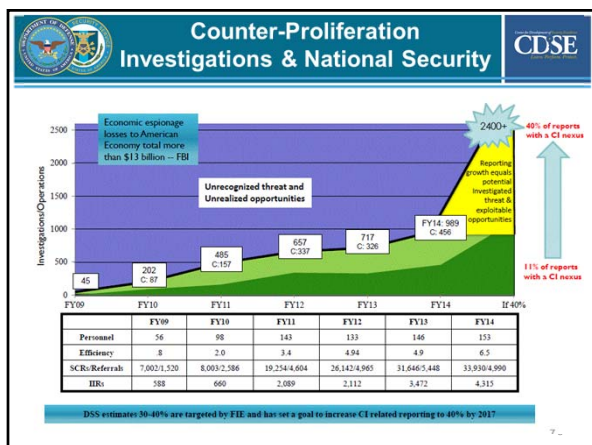
**Counter-Proliferation
Investigations & National Security**

NISPOM 5-508: Disclosure of Export Controlled Information to Foreign Persons

Contractors shall not disclose export-controlled information and technology (classified or unclassified) to a foreign person, whether an employee or not, or whether disclosure occurs in the United States or abroad, unless such disclosure is in compliance with applicable U.S. laws and regulations.

NISPOM 10-200a. Government to Government International Agreements

Classified information shall not be disclosed until agreements are signed by the participating governments and disclosure guidance and security arrangements are established. The export of technical data pursuant to such agreements may be exempt from licensing requirements of the International Traffic in Arms Regulation (ITAR)



**Counter-Proliferation
Investigations & National Security**

Counter-Proliferation Investigations

Roadmap for Today

- HSI Authorities
- HSI international and domestic footprint
- CPI Mission & Authority
- Regulatory landscape as related to enforcement
- Project Shield America
- Export Control Reform
- Investigative case study
- Questions

Mission Statement

HSI's Counter Proliferation Investigations program provides that government personnel, including personnel from other agencies, are authorized to conduct counter-proliferation investigations, including those related to military personnel, objects, and technology, against those individuals, organizations, and entities, including, but not limited to, individuals, organizations, and entities, that are involved in the proliferation of weapons of mass destruction.

Counter-Proliferation Investigations & National Security CDSE

HSI Investigative Program Areas

Trade, Travel, Finance

- Counter-Proliferation/Export Enforcement
- Financial Crimes/Money Laundering
- Narcotics Trafficking
- Human Trafficking
- Commercial Trade and Fraud
- Cyber Crimes
- Intellectual Property Rights
- Human Rights Violations
- Transnational Gangs



Counter-Proliferation Investigations & National Security CDSE

Homeland Security Investigations


Operational Areas of Responsibility





HSI has approximately 7000 Special Agents and 210 Domestic HSI Field Offices

Counter-Proliferation Investigations & National Security CDSE

Homeland Security 75 International HSI Attaché Offices in 48 Countries Worldwide Including 7 Combatant Commands





 **Counter-Proliferation Investigations & National Security** 

Counter-Proliferation Investigations - Mission

- HSI is the only federal law enforcement agency with full statutory authority to investigate and enforce violations of all U.S. export laws related to military items, "dual-use" items, and sanctioned or embargoed countries.
- 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

13

 **Counter-Proliferation Investigations & National Security** 

How do we prevent . . .

- U.S./Coalition forces/innocent civilians from being killed/injured by roadside bombs manufactured with U.S. components
- Countries of concern from using U.S. goods and technology in the development of military systems and weapons
- Rogue nations from developing nuclear weapons and other WMD programs

 **Counter-Proliferation Investigations & National Security** 

U. S. Export Control Laws

HSI has led law enforcement efforts in export enforcement for close to 40 years by using the broadest export enforcement authorities within the U.S. government:

- 22 USC 2778 Arms Export Control Act
- 22 CFR 120-130 Military Items, Services and Brokering
- 50 USC 2411 Export Administration Act
- 15 CFR 730-774 Dual Use Commodities & Technology (Commercial & Military)



15

**Counter-Proliferation
Investigations & National Security**

U. S. Export Control Laws

50 USC 1701-1705 International Emergency Economic Powers Act

31 CFR 500-599 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

*Parallels with international controls

16

**Counter-Proliferation
Investigations & National Security**

**Export Enforcement Basics
Elements of a Criminal Violation**

1. An export/attempted export/etc. of an item, technology, or service from the United States.....
2.export of the item, service, or technology (activity) is "subject to" regulation by the U.S. Government;
3.no authorization (license) was obtained from the specific regulatory agency with jurisdiction (DOS, DOC, OFAC); and.....
4. acts were done **willfully** and/or with **criminal** intent.

**Counter-Proliferation
Investigations & National Security**

Primary 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 <i>Single-Use</i> Defense Articles (military applications) Controlled Items List: <ul style="list-style-type: none"> - U.S. Munitions List (USML) 	<ul style="list-style-type: none"> Regulates Export & Licensing of <i>Dual-Use</i> Commodities (Commercial & Military Applications) Controlled Items List: <ul style="list-style-type: none"> - Commerce Control List (CCL) 	<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

Counter-Proliferation Investigations & National Security CDSE

HSI Export Enforcement Related Authorities

- Border Search Authority
- Export Enforcement Subpoena Authority
- Customs Mutual Assistance Agreements (CMAA)



19

Counter-Proliferation Investigations & National Security CDSE

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. (e.g., identify WMD manufacturing and high technology community and seek cooperation).

Establish a more formal/informal liaison and continuing relationship with U.S. Industry.

Protect U.S. National Security and Foreign Policy concerns.

Statistics: HSI conducts in excess of 1,300 industry outreach visits each year.




20

Counter-Proliferation Investigations & National Security CDSE

You should be aware if a customer:

- 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
- product requested is incompatible with the technical level of the country to which it is being shipped
- 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



21

Counter-Proliferation Investigations & National Security CDSE

Attack the Network

"It Takes a Network to Defeat a Network"

- Customs Authorities: CBP and HSI
- Law Enforcement
- Regulatory/Licensing Agencies
- Prosecutors
- Intelligence Agencies
- Financial Intelligence Units
- Military Agencies
- International Partners
- Scientific/Academic Community
- Trade Community/Industry

Counter-Proliferation Investigations & National Security CDSE

Proliferation networks use countries that benefit from favorable international and US trade status



23

Counter-Proliferation Investigations & National Security CDSE

Export Control Reform (ECR)



Beginning in 2009, the President began an effort to fundamentally reform the U.S. export control system. ECR to be completed in three phases, has four major areas of reform known as the four "singles":

- A single set of regulations with a single control list
- A single licensing agency
- A single IT system
- A consolidation of enforcement


 **Counter-Proliferation Investigations & National Security** 

**Executive Order 13558 - November 2010
Export Enforcement Coordination Center**



- Housed at DHS/HSI with representation from:
 - Department of Commerce, Department of Defense, Department of Energy, Department of Justice, Department of State, Office of the Director of National Intelligence, and the Department of Treasury
- Primary forum for enforcement and intelligence agencies to coordinate export enforcement actions
- Primary point of contact between enforcement and licensing agencies
- Coordinate public outreach to trade community
- Statistical tracking for export enforcement

 **Counter-Proliferation Investigations & National Security** 

Mission: To serve as the primary forum within the Federal Government for executive departments and agencies to coordinate and enhance their export control enforcement efforts.



- Department of Commerce, Office of Export Enforcement (OEE)
- Department of Defense, Air Force Office of Special Investigations (AFOSI)
- Department of Defense, Defense Criminal Investigative Service (DCIS)
- Department of Defense, Defense Intelligence Agency (DIA)
- Department of Defense, Defense Security Service (DSS)
- Department of Defense, Naval Criminal Investigative Service (NCIS)
- Department of Energy, National Nuclear Security Administration (NNSA)
- Department of Homeland Security, Immigration and Customs Enforcement, Homeland Security Investigations (ICE/HSI)
- Department of Homeland Security, U.S. Customs and Border Protection (CBP)
- Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosive (ATF)
- Department of Justice, Federal Bureau of Investigation (FBI)
- Department of Justice, National Security Division (NSD)
- Department of State, Directorate of Defense Trade Controls (DDTC)
- Department of the Treasury, Financial Crime Enforcement Network (FINCEN)
- Department of the Treasury, Office of Foreign Assets Control (OFAC)
- Office of the Director of National Intelligence, Office of the National Counterintelligence Executive (ODNI)
- U.S. Postal Inspection Service (USPIS)

 **Counter-Proliferation Investigations & National Security** 

Going Forward

- As we enter our third year of operations, the E2C2 has processed approximately 2600 agency referrals and currently has a 57% positive de-confliction rate.
- Proof of concept that a “whole of government” approach works within export enforcement.
- **It’s about partnerships as no one person, unit, agency or government can do it all.**

Counter-Proliferation Investigations & National Security **CDSE**

Investigative Case Study

United States v. Hong Wei XIAN




28

Counter-Proliferation Investigations & National Security **CDSE**

Suspicious Contact Reporting:

- NISPOM 1-302b
- NISPOM 1-301
- 811 Referrals



Counter-Proliferation Investigations & National Security **CDSE**

Counterintelligence Training Products

Related Training

- Protecting Your Facilities Technology
- Thwarting the Enemy: Providing CI & Threat Awareness to the Defense Industrial Base
- Suspicious Emails

Job Aids

- Export Control Desktop Reference

Past Webinars

- Elements of a Suspicious Contact Report



www.cdse.edu/catalog/counterintelligence.html



 **Counter-Proliferation Investigations & National Security** 

Question and Answer Session 



 **Counter-Proliferation Investigations & National Security** 

Feedback

Before we conclude today's presentation, we hope you'll take a moment to participate in our feedback questionnaire. Your feedback is very helpful to us and is greatly appreciated.

If you have ideas for future webinar topics, you're able to share these in the questionnaire.

 **Counter-Proliferation Investigations & National Security** 

Counterintelligence Training POC:



Peter DeCesare and Rebecca Morgan
(410) 689-1136 (410) 689-1294
Email: counterintelligence.training@dss.mil
