



# EIB World Trade Headlines

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## CBP Seizes \$48K in Unreported Currency at Philadelphia International Airport

### Release Date:

April 21, 2016

**PHILADELPHIA** — U.S. Customs and Border Protection (CBP), Office of Field Operations (OFO), at Philadelphia International Airport seized \$48,935 on Tuesday from a Massachusetts man for violating federal currency reporting regulations.

There is no limit to how much currency travelers can import or export; however federal law requires travelers to report to CBP amounts exceeding \$10,000 in U.S. dollars or equivalent foreign currency.

The man was boarding a flight to Jamaica and was selected for questioning by CBP officers who were conducting an outbound enforcement operation on an international flight. The man completed a financial form, reporting \$4,000, however; CBP officers discovered a total of \$48,935 on his person and in his luggage. Officers subsequently seized the \$48,935.

“Travelers who refuse to comply with federal currency reporting requirements run the risk of having their currency seized, and may potentially face criminal charges,” said Susan Stranieri, CBP Area Port Director for the Port of Philadelphia. “The traveler was given the opportunity to truthfully report his currency. The easiest way to hold on to your money is to report it.”

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In addition to currency enforcement, CBP routinely conducts inspection operations on arriving and departing international flights and intercepts narcotics, weapons, prohibited agriculture products, and other illicit items.

Visit [CBP's Travel section](#) to learn rules governing travel to and from the U.S.

The Privacy Act prohibits releasing the traveler's name since he was not criminally charged.

## SEMINARS

### **The Bureau of Industry and Security Outreach and Educational Services Division**

**Cosponsored by: Houston District Export Council**

#### **Complying with U.S. Export Controls**

**May 17-18, 2016**

**Norris Conference Center  
Houston, TX**

The two-day program is led by BIS's professional counseling staff and provides an in-depth examination of the Export Administration Regulations (EAR). The program will cover the information exporters need to know to comply with U.S. export control requirements on commercial goods. We will focus on what items and activities are subject to the EAR; steps to take to determine the export licensing requirements for your item; how to determine your export control classification number (ECCN); when you can export or reexport without applying for a license; export clearance procedures and record keeping requirements; and real life examples in applying this information. Presenters will conduct a number of "hands-on" exercises that will prepare you to apply the regulations to your own company's export activities. This program is well suited for those who need a comprehensive understanding of their obligations under the EAR. Technical, policy, and enforcement professionals from BIS, as well as specialists from other agencies such as the Bureau of the Census, will participate in certain programs.

#### **About the Instructors**

The instructors are experienced export policy specialists, engineers, and enforcement personnel from BIS's Washington, D.C. headquarters and field offices, as well as representatives from other U.S. government agencies as appropriate. The instructors will be available throughout the seminar to answer your questions on how the export regulations affect the export activities of your organization or client. **Location/time**

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The program will be held at the Norris Conference Center, 816 Town & Country Blvd. Suite 210, Houston, TX 77024. Registration and continental breakfast will begin at 7:30 a.m. on May 17, 2016. The program will begin at 8:30 a.m. and end at 4:30 p.m.

#### **Accommodations**

A special conference rate of \$139 plus tax (single/double) room has been arranged with the Four Points by Sheraton Hotel City Centre, 10655 Katy Freeway, Houston TX 77024 telephone [\(800\) 238-5251](#). Please mention "Houston District Export Council" to receive the special conference rate. Rates are only good through April 13, 2016.

#### **Registration**

The registration fee for the Complying with U.S. Export Controls seminar is \$450 per person. The registration fee to attend both this seminar and Export Control Reform program on May 19 is \$570.00. The fee includes continental breakfasts, coffee breaks, lunches and materials for the entire seminar. Registration fees are nonrefundable after May 1, 2016. Substitutions may be made by emailing [EFord@SLB.com](mailto:EFord@SLB.com). To guarantee placement for the BIS seminar: Click here to [register](#). If registering and paying by check, make your check payable to Houston District Export Council and mail to Houston District Export Council, 516 Heights Blvd., Houston, TX 77007.

#### **Other Questions?**

For more information or questions on the topics to be covered, please call BIS's Outreach and Educational Services Division at [\(202\) 482-6031](tel:2024826031) or contact us by [email](#).

### **The Bureau of Industry and Security Outreach and Educational Services Division**

**Cosponsored by: Houston District Export Council**

#### **Export Control Reform**

**May 19, 2016  
Norris Conference Center  
Houston, TX**

This one day training course is designed to provide in-depth exposure to core elements of the Export Control Reform (ECR) initiative. Regulatory, compliance, and engineering officers will provide training on the key elements ranging from licensing issues to "specially designed" and license exceptions such as use of the Strategic Trade Authorization. The course will focus on new and different compliance requirements. This course will be useful to defense exporters with relatively

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limited exposure to the regulatory requirements of the Export Administration Regulations, and to exporters who now will be able to support U.S. military items without incurring International Traffic in Arms Regulations (ITAR) liability.

Prerequisite: Participants should, at a minimum, have a working knowledge of the Export Administration Regulations, and an understanding of what is required to comply with U.S. export requirements. Some basic information is available on the BIS website at [www.bis.doc.gov](http://www.bis.doc.gov) as online training.

### **About the Instructors**

The instructors are experienced export policy specialists and engineers from BIS's Washington, D.C. headquarters. The instructors will be available throughout the seminar to answer your questions. **Location/time**

The program will be held at the Norris Conference Center, 816 Town and Country Blvd., Suite 210, Houston, TX 77024. Registration and continental breakfast will begin at 7:30 a.m. on May 19, 2016. The program will begin at 8:30 a.m. and end at 4:30 p.m. **Accommodations**

A special conference rate of \$139 plus tax (single/double) room has been arranged with the Four Points by Sheraton City Center, 10655 Katy Freeway, Houston, TX 77024 telephone (800) 238-5251. Please mention "Houston District Export Council" to receive the special conference rate. Rates are only good through April 13, 2016.

### **Registration**

The registration fee for the Export Control Reform seminar is \$190 per person. The registration fee to attend both this seminar and Complying with U.S. Export Controls on May 17-18 is \$570.00. The fee includes continental breakfasts, coffee breaks, lunches and materials for the entire seminar. Registration fees are nonrefundable after May 1, 2016. Substitutions may be made by emailing [EFord@SLB.com](mailto:EFord@SLB.com). To guarantee placement for the BIS seminar: Click here to [register](#). If registering and paying by check, make your check payable to Houston District Export Council and mail to Houston District Export Council, 516 Heights Blvd., Houston, TX 77007.

### **Other Questions?**

For more information or questions on the topics to be covered, please call BIS's Outreach and Educational Services Division at (202) 482-6031 or contact us by [email](#).

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## **The Bureau of Industry and Security**

**Co-sponsored by: The Trade Development Alliance of Greater Seattle**

### **Presents**

**"Complying with U.S. Export Controls"**

**June 9-10, 2016**

**Seattle, Washington**

This two-day program is led by BIS's professional counseling staff and provides an in-depth examination of the Export Administration Regulations (EAR). The program will cover the information exporters need to know to comply with U.S. export control requirements on commercial goods. We will focus on what items and activities are subject to the EAR; steps to take to determine the export licensing requirements for your item; how to determine your export control classification number (ECCN); when you can export or reexport without applying for a license; export clearance procedures and record keeping requirements; Export Management Compliance Program (EMCP) concepts; and real life examples in applying this information. Presenters will conduct a number of "hands-on" exercises that will prepare you to apply the regulations to your own company's export activities. This program is well suited for those who need a comprehensive understanding of their obligations under the EAR.

The instructors are experienced export specialists, and enforcement personnel from our BIS field offices and other agencies. The instructors will be available throughout the seminar to answer your questions on how the export regulations affect the export activities of your organization or client.

### **About the Instructors**

The instructors are experienced export specialists, and enforcement personnel from our BIS field offices and other agencies. The instructors will be available throughout the seminar to answer your questions on how the export regulations affect the export activities of your organization or client.

### **Location/time**

The program will be held at the Lynnwood Embassy Suites Hotel, 20610 44th Avenue West, Lynnwood, Washington 98036. Registration and continental breakfast begins at 7:30am on June 9, 2016 and June 10, 2016. The program will begin at 8:30am on June 9, 2016, ending at 4:30pm on both days.

### **Accommodations**

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[Click here](#) for hotel reservations online, or make your reservations directly with the Lynnwood Embassy Suites Hotel by calling (425) 775-2500. Make your hotel reservation before May 26, 2016, and mention "Trade Development Alliance" (TDA) to receive the special conference rate of \$151.00 + tax per night for attendees.

### Registration

[Click here](#) for conference registration online. The registration fee is \$470.00 per person. If you register 5 or more individuals, a 15% discount is available. The fee includes continental breakfast, coffee breaks, lunch, and conference materials for both days. Advance registration is required and space is limited. No refunds for cancellations made after May 19, 2016. Substitutions are permitted. Check payments are to be made payable to: Trade Development Alliance. Mail checks to: The Trade Development Alliance of Greater Seattle, 1301 5th Avenue, Suite 1500, Seattle, WA 98101.

For questions regarding registration please contact Harry Cheema at (206) 389-7215 or by email.

### Other Questions?

For more information or questions on the topics to be covered, please call the BIS Western Regional Office at (949) 660-0144 or (408) 998-8806 or [click here](#).

## Magnus eFusion Rolls Out at AERO Friedrichshafen

The electric-powered LSA will be aimed at the European flight training market.

From Hungary coming yet another electric airplane, this one manufactured by Magnus Aircraft Corp. The company's eFusion is a two-seat, side-by-side airplane with fixed landing gear.

Magnus Aircraft unveiled the eFusion at AERO Friedrichshafen in Germany, noting that the new model is powered by a Siemens 60 kW electric motor with 85 kW max output. The eFusion is specially designed for use in Very Light, Light Sport and European UL Ultralight aircraft markets.

Max takeoff weight is 1,320 pounds, allowing it to be approved in the United States as an LSA. Maximum airspeed of the eFusion is targeted to be 97 kias. The eFusion maiden flight was carried out on April 11 in Hungary.

There is no word yet on a price for the eFusion or when it will reach the market. Magnus plans to target the European flight training market.

## U.S. DEPARTMENT OF THE TREASURY FREQUENTLY ASKED QUESTIONS RELATED TO CUBA

This document is explanatory only, does not have the force of law, and does not supplement or modify the Executive Orders, statutes, or regulations relating to Cuba. Where specific questions arise about applicability, scope, impact, or any other aspects of these sanctions, it is the responsibility of individuals or entities seeking guidance to review the relevant statutes, regulations, and Executive Orders, and, if appropriate, consult with legal counsel.

SEE THIS LINK FOR MORE INFO

[https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba\\_faqs\\_new.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_faqs_new.pdf)

- Embargo
  - Travel
  - Travel and Carrier Services
  - Remittances Banking
  - Trade/Business
  - Telecommunications
  - Miscellaneous
- I. Embargo
- Where can I find the most recent amendments to the Cuban Assets Control Regulations (CACR)? See the [Federal Register](#).
  - When are the most recent amendments to the CACR effective? The most recent amendments will become effective when published in the Federal Register on March 16, 2016. The preceding amendments were effective on January 27, 2016; September 21, 2015; and January 16, 2015. An amendment was also issued on June 15, 2015, to the Terrorism List Government Sanctions Regulations.

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- Are sanctions on Cuba still in place following the President's announcement on December 17, 2014? Yes, the Cuba embargo remains in place. Most transactions between the United States, or persons subject to U.S. jurisdiction, and Cuba continue to be prohibited, and OFAC continues to enforce the prohibitions of the CACR. The regulatory changes, effective in January, June, and September 2015, as well as in January and March 2016, respectively, are targeted to further engage and empower the Cuban people by facilitating authorized travel to Cuba by persons subject to U.S. jurisdiction; certain authorized commerce and financial transactions; and the flow of information to, from, and within Cuba.

Is the Department of Commerce also amending its regulations?

Yes. The Department of Commerce's Bureau of Industry and Security (BIS), in coordination with OFAC, is also amending its Export Administration Regulations (EAR) (15 CFR Parts 730-1

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774) on March 16, 2016. The BIS rule allows vessels departing the United States on temporary sojourn to Cuba with cargo for other destinations to travel to Cuba under a license exception; authorizes exports of certain items to persons authorized by the Department of the Treasury to establish and maintain a physical or business presence in Cuba; and adopts a licensing policy of case-by-case review for exports and reexports of items that would enable or facilitate export of items produced by the private sector in Cuba, subject to certain limitations. . For additional information, see [BIS's Cuba webpage](#).

SEE THIS LINK FOR MORE INFO

[https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba\\_faqs\\_new.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_faqs_new.pdf)

## ANALYSIS: Navy Spy Case Fraught With Intrigue and Risk to US Security

There are more questions than answers coming from the news that U.S. Navy Lt. Cmdr. Edward Lin stands accused of spying for China and Taiwan.

While the extent of his alleged espionage is not yet public, he has the potential to become the most damaging U.S. naval spy since the John Walker case of the 1980s in which highly classified information was passed to the Soviet Union for more than 18 years without detection.

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Lin, a Taiwanese-born flight officer assigned to a Navy squadron that conducted highly sensitive "signals intelligence", was arrested eight months ago and has been confined ever since, as he now awaits the decision on whether he'll be court-martialed. That his arrest is just now being made public indicates that the United States has spent significant time assessing the damage he may have caused, and suggests this is no ordinary spy case.

### Taiwan Born Naval Officer Charged With Espionage

#### US Navy Officer Accused of Spying for China and Taiwan

Although the facts are few, there are several particularly disturbing aspects to the case. The first is the kind of intelligence he might have compromised.

Lin was part of a squadron that flies the EP-3, a highly modified U.S. Navy spy plane that detects and records electronic signals and communications such as radio transmissions. Lin would have been in charge of onboard collection management of signals intelligence missions that likely included the targeting of Chinese electronic emissions and communications.

While Lin, a naturalized U.S. citizen, would likely have had knowledge and access to the most sensitive U.S. signals intelligence capabilities and operations, he would also have known about U.S. submarine technologies, operations and abilities to detect and track Chinese submarines. Undersea warfare involves some of the most sensitive and closely guarded secrets the U.S. military holds.

Also disturbing is that Lin, who was apprehended in Hawaii as he prepared to travel to another country, recently spent two years as a Navy legislative liaison on [Capitol Hill](#). This work would have involved regular contact with not only congressional staffers, but congressmen and senators themselves. No doubt the [FBI](#) is investigating what kinds of relationships he formed there, whom he worked with regularly, and whether that was any part of what he might have compromised to China and Taiwan.

Neither Lin nor any representative has made public comments about his arrest.

Given his budget work on Capitol Hill, he also may have had insight into the Navy's "black" programs, the most secret, cutting-edge technologies being developed by [the Pentagon](#). If any of these capabilities were compromised, it would be extraordinarily damaging and costly to the United States.

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The story that could very well come to light appears to have all the elements of a thriller: a "spy in paradise," a double life, deep military secrets, technology, foreign governments, prostitutes, skulduggery, mystery and exotic international destinations.

Unfortunately, it may also include irreparable harm to U.S. [national security](#).

*ABC News contributor Steve Ganyard is a former deputy assistant secretary for the Department of State and a retired Marine Corps colonel.*

## US Engineer Helped China's Nuclear Program for 2 Decades, Authorities Say

The [FBI](#) has arrested an American nuclear engineer in Delaware for allegedly spending the past two decades illegally helping China build nuclear material with expertise he gleaned from others inside the United States.

According to a federal indictment unsealed today in Tennessee, Allen Ho -- a naturalized U.S. citizen with residency in both Delaware and China -- worked with others inside the United States to help Chinese agencies develop and produce "special" material relating to nuclear reactors.

Under the direction of a [Chinese government](#) agency, Ho allegedly identified and recruited experts from the U.S. civil nuclear industry who could provide the technical assistance he sought -- often paying them for their help or arranging for them to travel to China, prosecutors say.

"China has the budget to spend," Ho allegedly told one of the experts he tried to recruit in 2009. "China will be able to design their Nuclear Instrumentation System independently and manufactur[e] them independently after the project is complete."

Specifically, Ho and others looked to obtain what the [Justice Department](#) calls "integral assistance" and "sensitive nuclear technology" relating to a "Small Modular Reactor Program" and an "Advanced Fuel Assembly Program" in China, and the group allegedly also sought help with nuclear reactor-related computer codes.

"Prosecuting those who seek to evade U.S. law by attaining sensitive nuclear technology for foreign nations is a top priority for [us]," the head of the Justice Department's [National Security](#) Division, John Carlin, said in a statement.

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While operating his own technology firm based in Delaware, Ho has also been a senior adviser with China's largest [nuclear power](#) company, which specializes in the development and manufacture of nuclear reactors, according to prosecutors.

Charged with conspiracy to unlawfully engage and participate in the production and development of special nuclear material outside the United States, Ho could face life in prison if convicted.

"The arrest and indictment in this case send an important message to the U.S. nuclear community that foreign entities want the information you possess," FBI Executive Assistant Director Michael Steinbach said. "The federal government has regulations in place to oversee civil nuclear cooperation, and if those authorities are circumvented, this can result in significant damage to our national security."

## New Balance Breaks Silence, Voices Opposition to Trade Deal

New Balance, a Massachusetts footwear company with 900 employees working at three factories in Maine, has renewed its opposition to the Trans-Pacific Partnership trade deal eliminating footwear tariffs imposed on Vietnam and is accusing the Obama administration of breaking a promise to buy American-made footwear for the U.S. military.

Matt LeBretton, vice president of public affairs for the Boston-based company, told MaineBiz in a phone interview that New Balance decided to break its months-long silence over the sweeping trade agreement involving 12 Pacific Rim nations after the Pentagon reneged on a promise to give the company a shot at a contract to provide athletic shoes to American military personnel.

LeBretton said the company had kept silent about its serious misgivings about the TPP — which he says includes the "most aggressive phase-out of footwear tariffs" the company has ever seen in a free trade agreement, making Vietnam imports cheaper and putting New Balance's American jobs at risk — because it was told the Pentagon was ready to implement a 2014 rule requiring U.S. military personnel to buy American-made athletic shoes. [That rule](#) essentially added footwear to the 1940s-era Berry Amendment requiring every piece of military gear worn by American recruits to be made in the United States.

"We decided that if we're going to be silent about a deal we didn't think was good to begin with, it was to give the 900 people we have working for us in Norridgewock, Skowhegan and Norway a chance to make those shoes," LeBretton said. [The Boston Globe](#) said a major military contract could translate to up to 200,000 shoe orders a year for New Balance

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— which, unlike Nike, a strong TPP supporter, still maintains a strong domestic manufacturing presence, employing 1,400 people at its five New England factories, including Brighton and Lawrence, Mass.

But LeBretton said it became [increasingly obvious](#) to company officials that the Pentagon was stalling its implementation of the 2014 footwear rule. Company officials decided, he said, there was no point in remaining silent any longer about either the trade deal or what the company considers a renege promise by the Obama administration in exchange for its silence when the TPP was coming up for "fast track authority" votes in Congress last spring.

"DoD has consistently moved the goal post," New Balance CEO Rob DeMartini told the Boston Globe in a Tuesday afternoon press conference at the company's site in Brighton. "They've gone as far to say our shoes haven't measured up. That's ridiculous. We've been in this business for 110 years." LeBretton said the company recognizes it's taking a risk by challenging the Obama administration over the trade agreement, which he says could come up for a vote in Congress at any time before the end of the year. "This is a pretty drastic step for us to call out the president and the Department of Defense," he said.

Both the Maine and Massachusetts congressional delegations, he said, have been supportive of the company's efforts to land a Pentagon contract for its athletic footwear. As for the TPP, LeBretton said it's telling that the two leading Republican presidential contenders Donald Trump and Ted Cruz and the two Democratic candidates, Hillary Clinton and Bernie Sanders, are in agreement that the TPP is a bad deal for American workers.

"From here on out we're going to be a vocal advocate for our workers and against the TPP, unless it's fixed," LeBretton said. "This agreement has to be defeated."

#### **Maine delegation presses the case**

In a [joint statement](#) sent to MaineBiz this morning, U.S. Sens. Susan Collins and Angus King vowed to continue pressing the Obama administration to begin purchasing American-made footwear for the U.S. military. Both were among 15 senators who had sent a letter to Obama in April 2013 urging him to take that step. In May 2013, Collins authored and King cosponsored a bill requiring the Pentagon to treat athletic footwear like every other uniform item, including boots, to ensure they would be procured from American manufacturers like New Balance.

"The intent of the Berry amendment is clear: the military will provide its personnel with American-made equipment and uniforms whenever possible," the senators said in their

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statement. "It continues to perplex us why the Department of Defense continues to drag its feet in aligning its practices with the requirements of this law, especially when the hardworking men and women of New Balance make some of the finest American-made shoes available. American workers can meet the footwear requirements of nearly all our military service members, and we will continue to press the Department of Defense to see that they are finally given the full opportunity to do so."

Brendan Conley, press secretary for U.S. Rep. Bruce Poliquin, told MaineBiz the 2nd District congressman is working to add language in this year's National Defense Authorization Act to require the Pentagon to fully implement the Berry Amendment.

#### **Read more**

[Poliquin, Tsongas introduce bill requiring DOD to adhere to 'buy American' rule](#)

## **[Manhattan U.S. Attorney Announces Arrest Of Chinese National For Illegally Attempting To Export High-Grade Carbon Fiber To China](#)**

Preet Bharara, the United States Attorney for the Southern District of New York, John P. Carlin, Assistant Attorney General for National Security, Angel M. Melendez, Special Agent in Charge of the New York Field Office of the Department of Homeland Security, Homeland Security Investigations ("HSI"), Jonathan Carson, Special Agent in Charge of the U.S. Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement, New York Field Office ("DOC"), and Craig Rupert, Special Agent in Charge of the Department of Defense, Defense Criminal Investigative Service, Northeast Field Office ("DCIS"), announced the arrest of FUYI SUN, a/k/a "Frank," a citizen of the People's Republic of China ("China"), in connection with a scheme to illegally export to China, without a license, high-grade carbon fiber that is used primarily in aerospace and military applications.

SUN was arrested yesterday after traveling to New York to meet with undercover agents ("UCs") in an effort to obtain the specialized fiber, which – due to its military and aerospace applications – requires an export license for export to China.

SUN was presented last night in Manhattan federal court before U.S. Magistrate Judge James L. Cott. Manhattan U.S. Attorney Preet Bharara said: "As alleged, Fuyi Sun attempted for years to acquire high-grade carbon fiber for illegal export to China. Earlier this week, after traveling to New York from China to finalize the deal, Sun allegedly told undercover agents that the carbon fiber he sought was headed for the

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Chinese military, and then paid tens of thousands of dollars in cash to purchase two cases of it. And to avoid law enforcement detection, Sun allegedly directed the undercover agents to ship the carbon fiber in unmarked boxes and to falsify the shipping documents regarding the contents of the boxes.”

Assistant Attorney General John P. Carlin said: “Sun allegedly attempted to procure high grade carbon fiber for a source he repeatedly identified as the Chinese military. The carbon fiber – which has many aerospace and defense applications – is strictly controlled, and Sun expressed a willingness to pay a premium to skirt U.S. export laws. The National Security Division will continue to work to identify and hold accountable those who seek to violate IEEPA and other laws designed to protect our strategic commodities from those who may wish us harm.”

HSI Special Agent in Charge Angel M. Melendez said: “Keeping items such as this high grade carbon fiber, which can be used for military applications, from falling into the wrong hands possibly endangering national security, is a job HSI takes very seriously. Through this investigation, we have disrupted an alleged attempt to knowingly circumvent export controls and ensured this material will not be used for nefarious purposes.”

DOC Special Agent in Charge Jonathan Carson said: “A top priority of The Office of Export Enforcement is identifying and disrupting the illicit export of items for unauthorized military end-uses and users in China. Carbon fiber has military, missile and nuclear applications. In this case, working with our law enforcement partners we thwarted an alleged attempt to illegally export carbon fiber to China.”

DCIS Northeast Field Office Special Agent in Charge Craig Rupert said “The recent arrest reinforces the commitment of the Defense Criminal Investigative Service (DCIS) to halting the spread of Defense technology to restricted nations. The ongoing partnership with other law enforcement agencies is essential to shielding America's investment in defense.”

According to the allegations in the Complaint that was filed yesterday in Manhattan federal court:[\[1\]](#)

Since approximately 2011, SUN has attempted to acquire extremely high-grade carbon fiber, including Toray type M60JB-3000-50B carbon fiber (“M60 Carbon Fiber”). M60 Carbon Fiber has applications in aerospace technologies, unmanned aerial vehicles (commonly known as “drones”) and other government defense applications. Accordingly, M60 Carbon Fiber is strictly controlled – including that it requires a license for export to China – for nuclear non-proliferation and anti-terrorism reasons. In furtherance of his attempts to illegally export M60 Carbon Fiber from the United States to China without a license, SUN contacted what he believed was a distributor of carbon fiber – but which was, in fact, an undercover entity created by HSI and “staffed” by HSI

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undercover special agents (the “UC Company”). SUN inquired about purchasing the M60 Carbon Fiber without the required license. In the course of his years-long communications with the undercover agents and UC Company, SUN repeatedly suggested various security measures that he believed would protect them from “U.S. intelligence.” Among other such measures, at one point, SUN instructed the undercover agents to use the term “banana” instead of “carbon fiber” in their communications. Consequently, soon thereafter he inquired about purchasing 450 kilograms of “banana” for more than \$62,000. In order to avoid detection, SUN also suggested removing the identifying barcodes for the M60 Carbon Fiber, prior to transshipment, and further suggested that they identify the M60 Carbon Fiber as “acrylic fiber” in customs documents.

On or about April 11, 2016, SUN traveled from China to New York for the purpose of purchasing M60 Carbon Fiber from the UC Company. During meetings with the undercover agents, on or about April 11 and 12, 2016, among other things, SUN repeatedly suggested that the Chinese military was the ultimate end-user for the M60 Carbon Fiber he sought to acquire from the UC Company. SUN claimed to have personally worked in the Chinese missile program. And SUN asserted that he maintained a close relationship with the Chinese military, had a sophisticated understanding of the Chinese military’s need for carbon fiber, and suggested that he would be supplying the M60 Carbon Fiber to the Chinese military or to institutions closely associated with it.

On or about April 12, 2016, SUN agreed to purchase two cases of M60 Carbon Fiber from the UC Company. SUN paid the undercover agents \$23,000 in cash for the carbon fiber. He also paid an additional \$2,000 to the undercover agents as compensation for the risk he believed they were taking to illegally export the carbon fiber to China without a license.

The Complaint charges SUN, age 52, in three counts: Count One charges attempt to violate the International Emergency Economic Powers Act (“IEEPA”); Count Two charges conspiracy to violate IEEPA; and Count Three charges attempt to smuggle goods from the United States. Counts One and Two each carry a maximum sentence of 20 years in prison. Count Three carries a maximum sentence of 10 years in prison. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

Mr. Bharara praised the extraordinary investigative work of the New York Field Office of HSI, the DOC’s Bureau of Industry and Security’s Office of Export Enforcement, the DCIS New York Office, and the Department of Justice, National Security Division, Counterintelligence and Export Control Section.

This prosecution is being handled by the Office’s Terrorism

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and International Narcotics and Complex Frauds and Cybercrime Units. Assistant United States Attorneys Matthew Podolsky, Patrick Egan, Sean Buckley, and Nick Lewin are in charge of the prosecution. David Recker, Trial Attorney in the National Security Division, Counterintelligence and Export Control Section, is also assisting in the prosecution.

The charges contained in the Complaint are merely accusations and the defendant is presumed innocent unless and until proven guilty.

## The Office of the Legal Adviser seeks an attorney for the Directorate of Defense Trade Controls

The Office of the Legal Adviser of the Department of State seeks an attorney with at least 7 years of relevant experience to handle issues related to export controls and administrative law arising from the Bureau of Political –Military Affairs Directorate of Defense Trade Controls (DDTC). Salary: GS Level 12-15, commensurate with experience. Applicant must be a U.S. citizen, and have a J.D. degree.

Applicants should have significant legal experience in the area of export control law, including with the Arms Export Control Act and International Traffic in Arms Regulations. Applicants should also have significant legal experience in administrative law, including the promulgation and civil and/or criminal enforcement of regulations. Applicants must have an outstanding record of academic and professional achievement. They must be able to handle a wide variety of assignments with short, time-critical deadlines, as well as design and execute substantial analytical projects. They must also possess exceptional analytical, writing, organizational, and interpersonal communications skills, suitable for successfully working with policy makers and senior-level officials as well as licensing officers and compliance personnel.

Preferred:

- At least 7 years of relevant experience. Ideally 10+.
- Experience and ability to work in a regulatory environment is key (e.g. knowledge of administrative law, self-starter, limited support).
- Experience with enforcement/criminal law. Ability to obtain security clearance is required. Applicants should send a current detailed resume, law school transcript, and reference information by email to the attention of Barbara Barrett Spencer at [legaljobs@state.gov](mailto:legaljobs@state.gov).

## Trans-Pacific Partnership Opportunities by Market

In the 21st-century global economy, the United States' prosperity is directly tied to our ability to sell American goods and services to the 95% of consumers who live beyond our borders. That is why President Obama is pursuing an ambitious, high-standard trade agenda to expand access to some of the fastest-growing markets around the world. The recently signed Trans-Pacific Partnership (TPP), which includes 12 countries and spans nearly 40% of global GDP, is an essential opportunity to strengthen the U.S. economy and support well-paying jobs here at home.

Our TPP partners have diverse markets that are ripe for more U.S. exports from a wide range of sectors. Canada, Mexico, and Japan are already three of the top five U.S. export destinations. Rapidly expanding markets in Southeast Asia hold tremendous commercial potential for U.S. exporters. TPP will also update the terms of our existing trade agreements with two partners in Latin America, Chile and Peru.

The Department of Commerce is committed to educating U.S. businesses and workers about the benefits of this important agreement. The 11 "Country Factsheets" included in this report inform readers about how the TPP can open doors for the high-quality American products and services that foreign customers desire.

The TPP will create a level playing field for U.S. businesses by eliminating more than 18,000 tariffs on Made in America products sold overseas and establishing the highest standards on labor, the environment, and the digital economy ever to be included in a trade agreement. The agreement's impact on Made in America exports to the five TPP countries with which the United States does not have an existing trade agreement will be particularly profound. These include large, well-established markets like Japan, where U.S. companies exported \$66.8 billion in goods, and growing markets like Malaysia and Vietnam, where U.S. goods exports totaled \$13 billion and \$5.7 billion in 2014, respectively.

<http://trade.gov/fta/tpp/pdfs/full-country-report.pdf>

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