May 2020

EXPORT CONTROLS

State and Commerce Should Improve Guidance and Outreach to Address University-Specific Compliance Issues

What GAO Found

The Departments of State (State) and Commerce (Commerce) have each provided guidance and outreach to support exporters' understanding of and compliance with their separate export control regulations. Exporters, including universities, are subject to these regulations if they ship export-controlled items overseas or if they share such items, including technology or source code, with foreign persons in the United States. University and association officials raised concerns that State and Commerce guidance and outreach does not adequately address export compliance issues that are more common to universities than to industry, such as fundamental research—i.e., research that is ordinarily published and not subject to export control regulations. Without additional guidance and outreach that addresses such issues, universities may not have the information they need to adequately comply with these regulations and properly safeguard export-controlled items.

Officials from selected universities and university associations identified three export control-related challenges in working with other federal agencies. For example, university and association officials asserted that Department of Defense (DOD) officials misunderstand the term fundamental research, which may limit universities' ability to conduct research for DOD. DOD acknowledged that some officials have inconsistently interpreted the regulations and that it has not yet fully addressed this challenge. Additionally, university and association officials expressed concerns that threat briefings and other guidance that the Federal Bureau of Investigation (FBI) and Department of Homeland Security provide are not helpful because, for example, they do not contain unclassified information that can be shared widely. To address these concerns, the FBI partnered with a university association to produce a series of unclassified "awareness-raising" materials for university audiences, among other efforts.

Seven of the nine universities GAO visited have export compliance policies and practices that generally align with State's and Commerce's export compliance guidelines. For example, most have demonstrated a strong management commitment to export compliance and have robust practices for tracking export-controlled items, recordkeeping, and reporting potential violations. However, GAO identified gaps in some universities' practices in four areas—risk assessments, training, internal audits, and export compliance manuals.

Number of Foreign Students at U.S. Universities in 2018, by Country

- China 403,353
- Canada 32,942
- Saudi Arabia 49,462
- Republic of Korea 62,905
- India 266,295
- Other 420,077

Source: GAO analysis of Department of Homeland Security data. | GAO-20-394