

# 2008 Export Control Coordinator's Organization (ECCO) Annual Seminar

## Lockheed Martin Best Practices



**Alexis Mitchell**  
Associate Manager, Export Operations



**Aeronautics**



**Electronic Systems**



**Space Systems**



**Information Systems & Global Services**

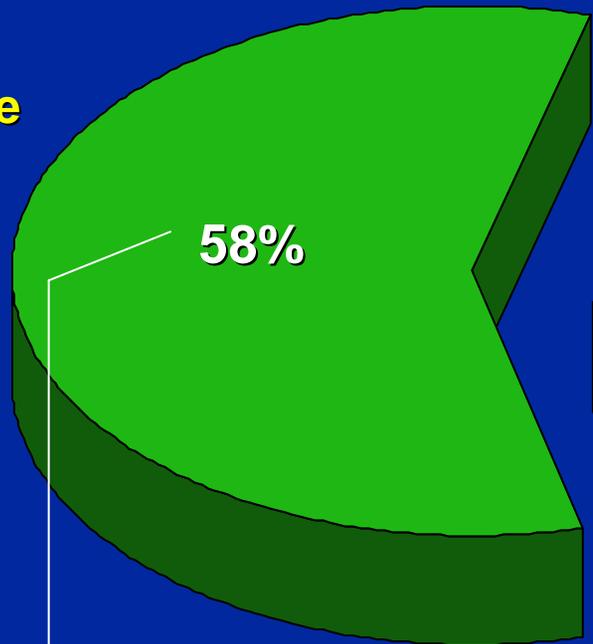




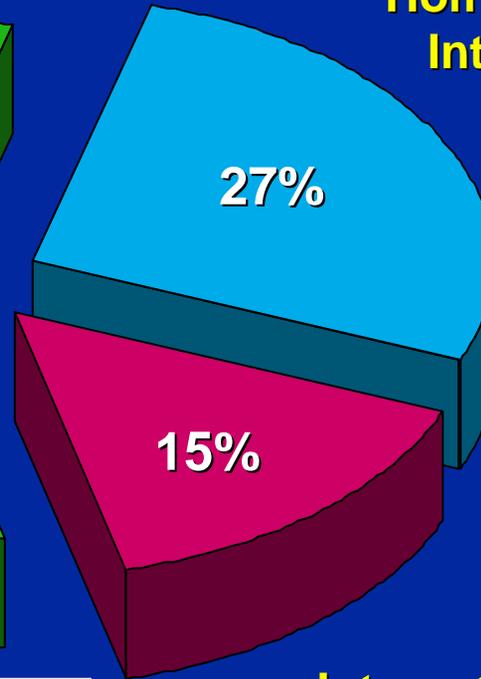
# 2007 Sales by Customer



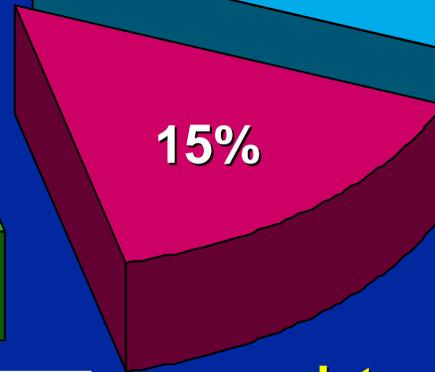
**Defense**



**Civil Government/  
Homeland Security/  
Intelligence and  
Other**



**International**



<b>Air Force</b> 23%	<b>Navy/USMC</b> 23%	<b>Army</b> 9%	<b>Other DoD</b> 3%
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**Total Sales - \$41.9B**

# Corporate Commitment / Policy



- **Executive Cognizance and Review**
  - Annual Statement of Ethical Requirements
- **Corporate Policy: Export/Import Policy owned by VP Corporate Business Development:**

*“Lockheed Martin is committed to compliance with, and requires its employees to comply with, the export and import laws and regulations of the United States and each foreign country in which the Corporation operates...”*

- **Identifies Corporate Vice President International Business as the responsible executive for the Corporation's export/import licensing and compliance program**
- **Includes requirement for each business unit to:**
  - Identify process owner (Generally VP/General Counsel) who will nominate EO/RO
  - Establish and maintain an export/import licensing, compliance, and training program
    - Including a requirement to document the program in an Export/Import Internal Control Plan (ICP)

# Export Compliance Organizational Overview

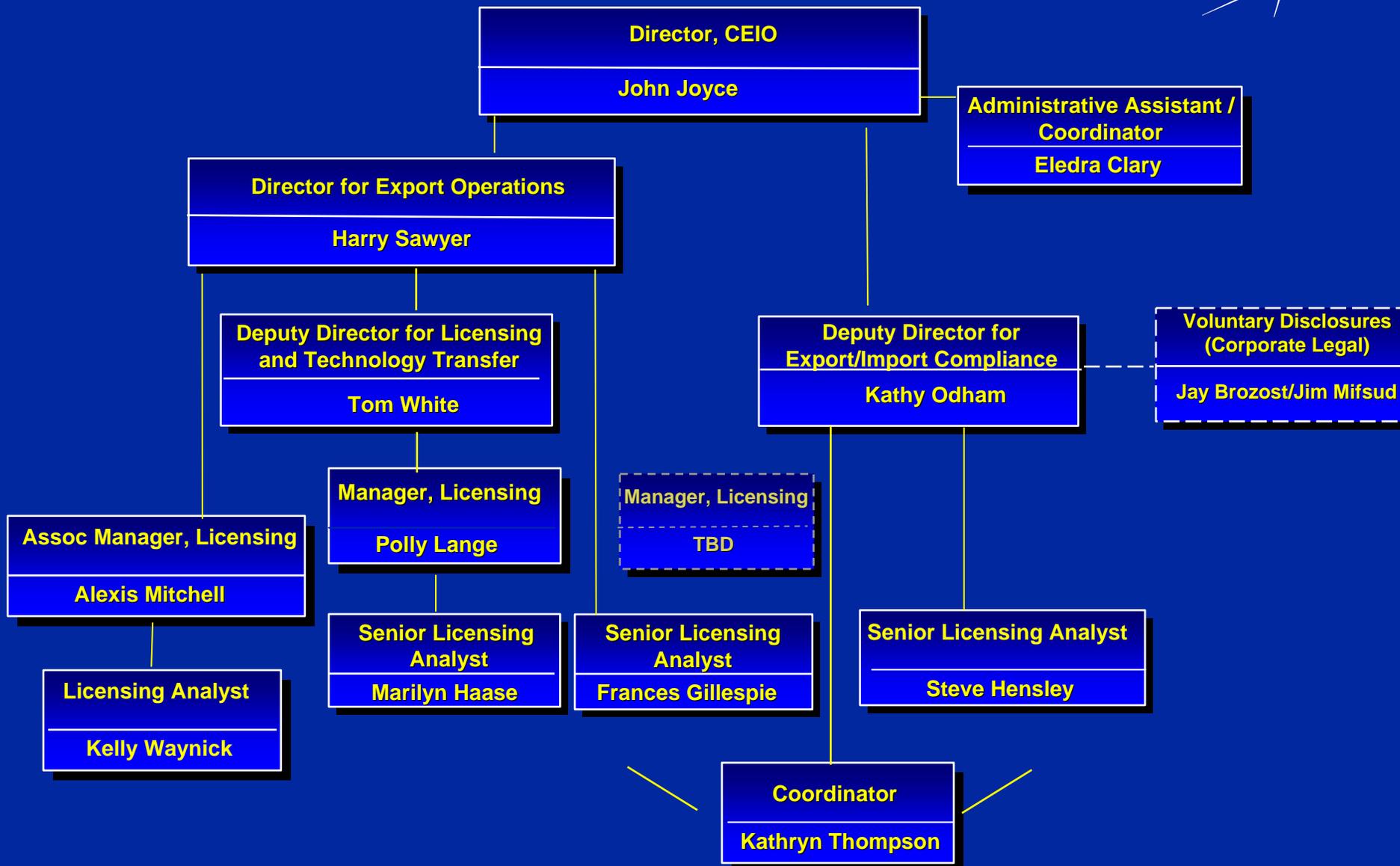


***Corporate Business Development***

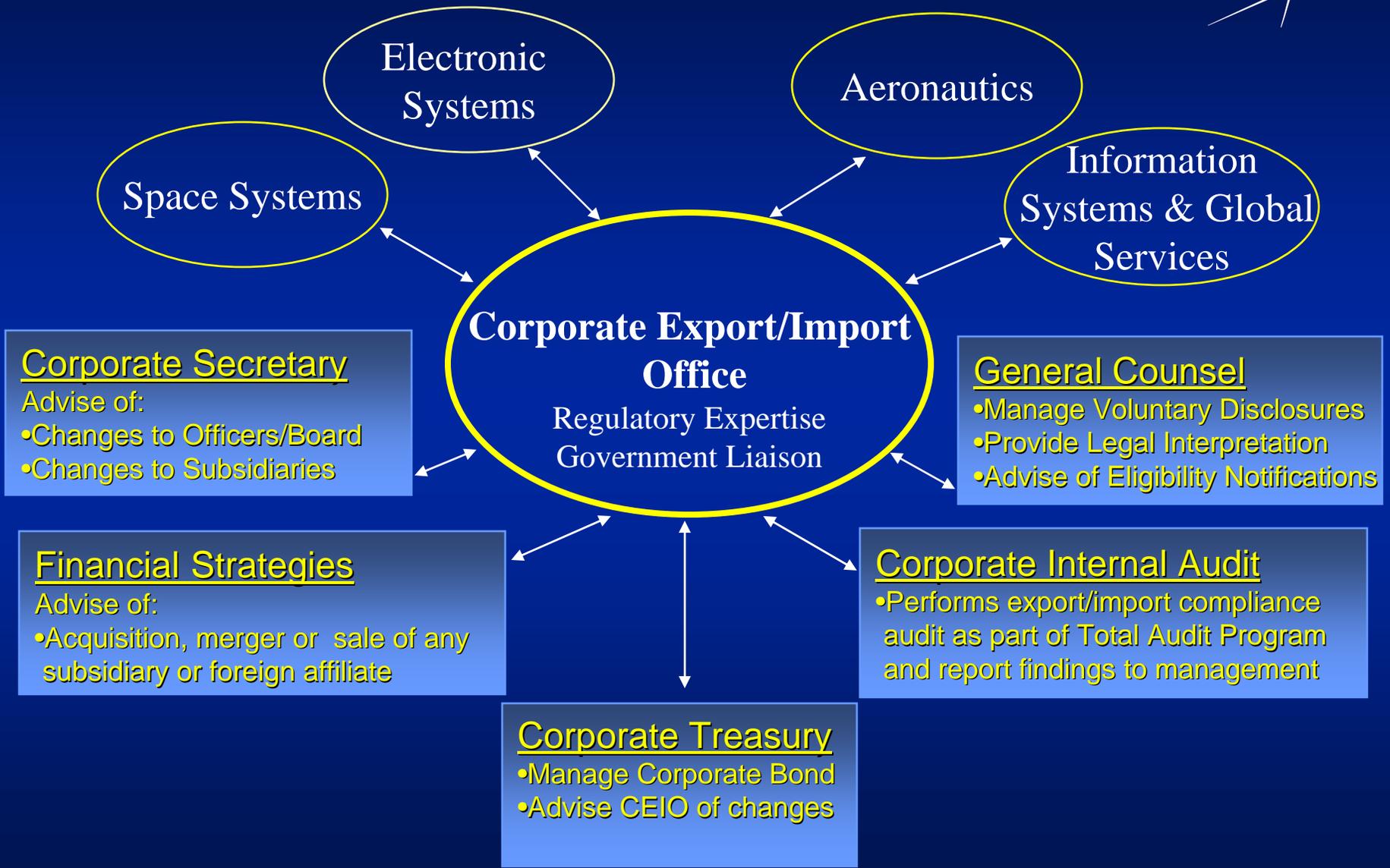
***Corporate Export Import Office (CEIO)***

- **CEIO Director is the Senior Empowered / Responsible Official**
- **Corporate Legal manages Voluntary Disclosures, CEIO supports**
- **Lockheed Martin submitted > 2000 requests to USG in CY 2007**
- **Majority of substantive cases are submitted to Department of State with TAA's and MLA's making up more than 40% of the total**

# Corporate Export/Import Office (CEIO)



# Organizations with a Role to Play



# Corporate Responsibilities



**VP, CIBD:** Serve as the responsible executive for the Corporation's export/import licensing and compliance program

**Director, Lockheed Martin Corporate Export/Import Office or Designee:**

- Serve as the primary contact with all USG agencies, industry forums, and organizations regarding export/import licensing and compliance
- Provide advice and assistance to business units
- Review and submit all business units' export/import licenses
- Provide an annual corporate export/import conference
- Assist Internal Audit, Ethics, and Legal regarding export/import licensing and compliance issues
- Coordinate and submit Lockheed Martin appeals and representations pertaining to export/import decisions and policies to the cognizant US government agencies

# Electronic Tools Provided by CEIO



**CEIO Website: Links to Code of Ethics, Policies, Bulletins, Upcoming Events, USG Policies, Procedure & Guidelines, and Company Contacts**

**Restricted Party Screening: Use of commercially available tools or free government site**

## **Electronic Tools – ECLPS:**

- **License Applications:** Case development, party screening, submission, status tracking, retrieval/logout of issued authorization & Storage of case documentation
- **Shipment Records:** Prepares/submits EEIs to AES with correlation to license in ECLPS
- **Compliance Notifications:** Automated warnings of upcoming regulatory reporting requirement (e.g. Expiring Authorizations, Annual Sales Reports, etc.)



# *Export Compliance Organizational Overview*

*Corporate Business Development*

*Corporate Export Import Office (CEIO)*

*Business Area Legal*

*Business Unit Legal  
(Possibly EO)*

*EO/ECC*

*Most Business Units EOs  
Report to through Legal*

*Corporate reviews all  
business unit applications  
for export prior to  
submission to USG*

# Business Unit Export / Import Personnel

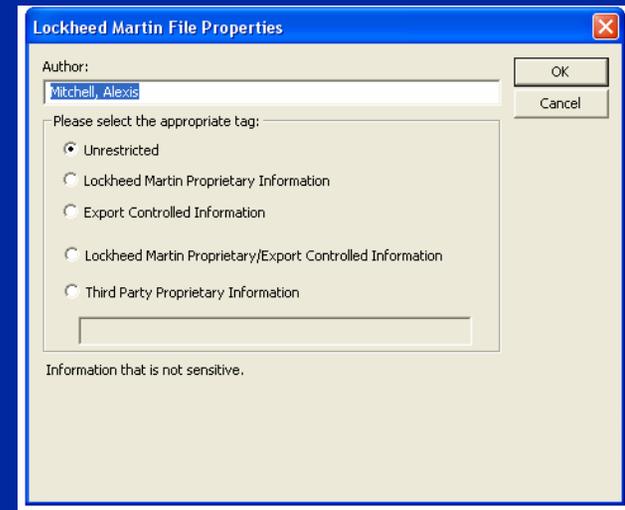


- Develop and Manage site export/import licensing, compliance, and training program including the site ICP
- Empowered Officials: Signature Authority
- Export Control Coordinators: Write Licenses, Conduct Training, Foreign Person Screening
- Program License Coordinators:  
Anticipate Needs, Draft Licenses
- Import Control Coordinators: Customs Regulations /  
Traffic & Shipping

# Business Unit Electronic Tools



- **Shipping Notice Authorization Request:**
  - *Mix of LMC developed / commercially procured tools (e.g. ESN, e-Shipper)*
- **Public Release Approval:**
  - *Public Information Release Authorization (PIRA) System LMC developed*
- **Outlook email Plug-In Sensitive Information Protection (SIP)**
- **Foreign Visitor Approval Process**
  - *Most sites use various internally developed software which include Export Control Review*



# Training



- **Export Control integrated into Annual Ethics In Person Training – Annual CEO statement of commitment**
  - **Annual Export Control training for all export control personnel and new hires**
  - **Annual Corporate Export Control Conference**
  - **Ad hoc training as policies change via bulletin**
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- **Business units must develop site specific training requirements in accordance with their specific ICP**

# Self Assessment & Internal/External Audit



- Each business unit is charged with self assessing
- Lockheed Martin Corporate Internal Audit performs audit to the corporate policies, business unit policies and procedures on a routine basis.
  - If required, the Lockheed Martin Corporate Internal Audit will satisfy USG directed audits related to MAD transactions or compliance cases.
- LMC generally doesn't utilize an outside auditor to review export compliance unless there warranted in internal investigation, unless agreed to under consent agreement or if directed by USG.

# Listing of Links to External Resources



## State:

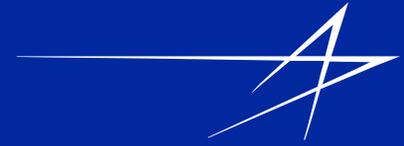
- [http://pmddtc.state.gov/consent\\_agreements.htm](http://pmddtc.state.gov/consent_agreements.htm)

## Commerce:

- <http://www.bis.doc.gov/complianceandenforcement/index.htm>
- <http://www.bis.doc.gov/news/2007/cases/fy2007vsd.pdf>

## OFAC:

- <http://www.treas.gov/offices/enforcement/ofac/actions/index.shtml>



**Questions?**

