

Developing an ITAR-Compliant Program

By Joel Pecoraro

If you want to do business in the defense industry you need to be ITAR (International Traffic in Arms Regulations)

ITAR controlled items. Your program must clearly define controls over hiring (U.S. citizens vs. foreign nationals).

Internal audit program: Once an ITAR program is developed, an internal audit process needs to be established to monitor the implementation and effectiveness

severe. Violations of the rules can result in civil penalties of as much as \$500,000 per violation, and criminal penalties including a \$1 million fine per violation or 10 years imprisonment.

thousands of dollars a year for minor violations.

What defines a defense article? Defense articles include: any item or technical data designated in the United States

violations are noted.

Vendor control program: subcontracts involved in t

include information which is required for the design development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of defense articles.

Compliance requires a documented system, and there are numerous areas that need to be addressed.

understood and followed. Your program should ensure suppliers/subcontractors understand their responsibilities relating to ITAR controlled items, including their responsibility to limit access to controlled information, how is controlled information transmitted to the supplier/subcontractor and how will controlled information be returned/disposed after the contract is complete.

Work environment control program: Limiting access to ITAR controlled items is a required part of any documented program. Your program should include

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should clearly identify the corporate commitment to meeting and maintaining all ITAR guidelines. Specifically, a program should identify the persons responsible for

Record maintenance program: Documents define an activity; records are the evidence the activity took place. Your record control program should include retention

key persons who maintain ITAR requirements.

Document control program: The program must address the identification, receipt and tracking of ITAR controlled items/technical data. The program should include controls over access, electronic communication, storage, disposal and communication of information/products to outside sources.

Human resource program: Training and hiring practices need to be clearly defined as they relate to



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