

Export Control and International Activities

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Site: Organizational

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- A. The purpose of this policy is to provide guidance on how to comply with federal export control regulations. Export Controls and Trade Sanctions are primarily regulated by the United States Commerce Department, the United States State Department, and the United States Department of Treasury.
- B. Any item that is sent from the United States to a foreign destination is an export. “Items” include biological materials, chemicals, research materials, software, technology, and information. Technology, certain information, and non-encryption source code that is released to foreign nationals within the United States is “deemed” to be an export to the country where the person is a resident or citizen and could be subject to export licensing requirements.
- C. The export of controlled items, information or software may require approval from the United States government in the form of an export license or permit.
- D. The Office of Research Integrity & Compliance (ORIC) assists workforce of the Children’s Hospital of Chicago Medical Center (the “Medical Center”) to comply with export control laws; however, the primary responsibility for compliance rests with the person engaged in exporting activities.

DEFINITIONS:

- A. *Export* means the transfer of export-controlled data, items, equipment, materials, and software or providing a defense service to a non-U.S. Person or entity. An export can occur in several ways, such as; a physical shipment, hand-carrying an item out of the U.S., email transmission of data, presentations, discussions, or visually accessing export-controlled data.
- B. *Deemed Export* means the sharing or release of controlled technology or source code to a foreign person within the United States. Such releases are considered to be an export to the person’s country or countries of nationality.
- C. *Fundamental Research* means research in science, engineering, or mathematics, the results of which ordinarily are published and shared broadly within the research community, and for which the researchers have not accepted restrictions for proprietary or national security reasons.
- D. *Fundamental Research Exclusion (FRE)* means the policy established under National Security Decision Directive 189, which states the products of Fundamental Research are excluded from export control regulations.

- E. *Re-export* means the shipment or transmission of an item subject to export regulations from one foreign country to another. It can also involve the release of technology or software from one foreign country to a national of another foreign country.
- F. *Restricted Party Lists* means a series of lists published by the United States Departments of Commerce, State and Treasury as well as General Services Administration, that identify the names of entities and individuals who are prohibited from receiving items subject to export control regulations.

POLICY STATEMENTS:

- A. It is the policy of the Medical Center that all its employees, departments, divisions, subsidiaries, and affiliates must comply with United States Government export control laws and regulations. No transactions are to be conducted by or on behalf of the Medical Center contrary to United States export control laws and regulations.
- B. Medical Center employees with export responsibilities are required to have a working knowledge of export control laws and regulations, especially those governing their specific job functions, as well as a working knowledge of Medical Center export control policies and procedures.
- C. No transactions are to be initiated with individuals on Restricted Party Lists, including the Denied Persons List, Special Designated Nationals or Terrorists List, or with any firms owned by or associated with those parties. Exports shall not be made to parties on the Entity List.
- D. Additionally, Medical Center employees outside the United States may not re-export any Medical Center commodity, technology, or software unless appropriate authorization has been obtained as applicable. This includes foreign produced items that are the direct product of United States technology and software or foreign made items that are subject to national security controls of the United States as designated by the Commerce Control List.
- E. It is the Medical Center's policy not to accept sponsored agreements or engage in contracts which contain publication or research restrictions to maintain its status with the Fundamental Research Exclusion (FRE).
 - 1. Under certain circumstances the Medical Center may deem it appropriate to accept restrictions that will nullify the FRE. By doing so the results of the research become subject to export controls regulations and dissemination to foreign nationals is restricted until the sponsor approves publication. As it is the policy of the Medical Center to abide by all export controls regulations, a plan must be put in place in coordination with the Office of Research Integrity & Compliance to manage any technology or software resulting from such export-controlled research.
- F. Consequences of Violating this Policy:
 - 1. Failure to comply with the various export control regulations can result in both individual criminal and civil penalties. Criminal penalties can involve imprisonment and significant monetary penalties up to \$1 million per violation, while civil penalties are also substantial.
 - 2. Failure to comply with various export control regulations can result in the loss of exporting privileges, including the FRE, which could substantially impact the Medical Center's

ability to conduct research with its international populations, and international collaborators.

3. Any violation of this policy may result in disciplinary action, per the Progressive Discipline policy, up to and including termination of employment.
4. Reports or concerns of suspected incidents of non-compliance must be reported to the institution by e-mail to exportcontrols@luriechildrens.org. Reports can also be submitted anonymously at luriechildrens.ethicspoint.com or by calling 833-416-6297.

REFERENCES:

- [Bureau of Industry and Security](#)
- [Directorate of Defense Trade Controls](#)
- [Office of Foreign Assets Control](#)
- [The Code of Conduct](#)
- [Vendor Relations Policy](#)
- [Progressive Discipline Policy](#)

