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**Highlights**

Highlights of [GAO-04-357](#), a report to  
Senator Jon Kyl

## Why GAO Did This Study

The United States controls certain dual-use technologies that could be used to enhance the military capabilities of countries of concern. The Department of Commerce (Commerce) conducts post-shipment verification (PSV) checks to ensure that these technologies arrive at their intended destination and are used for the purposes stated in the export license.

GAO was asked to (1) assess the number of dual-use export licenses approved and subject to post-shipment verification and (2) evaluate how the PSV process ensures that sensitive exports are used as intended.

## What GAO Recommends

We recommend that the Department of Commerce

- improve technical training for enforcement personnel conducting PSV checks,
- ensure that personnel conducting PSV checks assess compliance with license conditions, and
- require that the exporter inform the end user in writing of the license conditions.

The Department of Commerce generally agreed with our recommendations and indicated it had taken steps to strengthen the PSV process.

[www.gao.gov/cgi-bin/getrpt?GAO-04-357](http://www.gao.gov/cgi-bin/getrpt?GAO-04-357).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Joseph A. Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

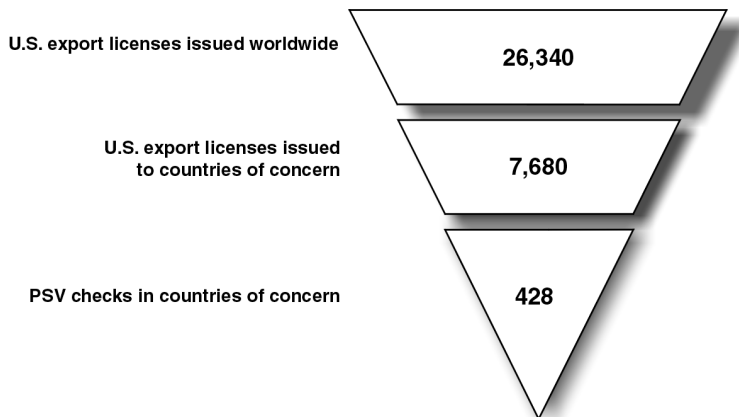
# EXPORT CONTROLS

## Post-Shipment Verification Provides Limited Assurance That Dual-Use Items Are Being Properly Used

### What GAO Found

The Department of Commerce approved 26,340 licenses for the export of dual-use items during fiscal years 2000 to 2002. Twenty-eight percent of these licenses involved dual-use exports to countries of concern such as China, India, and Russia. However, Commerce conducted PVC checks on few of these licenses. We found that, during fiscal years 2000 to 2002, Commerce completed PSV checks on 428, or about 6 percent, of the dual-use licenses it approved for countries of concern. Commerce and other departments attached conditions to nearly all (99 percent) of the licenses for countries of concern to alleviate concerns about potential diversion or misuse.

**Department of Commerce Approved Dual-Use Export Licenses and PSVs, Fiscal Years 2000-2002**



Source: GAO analysis of Commerce data.

We identified three key weaknesses in the PSV process that reduce the effectiveness of this important activity. First, PSVs do not confirm compliance with license conditions because U.S. officials frequently do not check license conditions, they often lack the technical training to assess compliance, and end users may not be aware of the license conditions by which they are to abide. Second, some countries of concern, most notably China, limit the U.S. government's access to facilities where dual-use items are shipped, making it difficult to conduct a PSV. Third, PSV results have only a limited impact on future licensing decisions. Companies receiving an unfavorable PSV may receive greater scrutiny in future license applications, but they can still receive an export license. In addition, according to Commerce officials, past PSV results play only a minor role in future enforcement actions.