

Highlights of [GAO-10-375](#), a report to congressional requesters

**Why GAO Did This Study**

In 1995, the United States banned exports to Iran of most U.S. goods without a Treasury Department license. In 2008, the U.S. media, citing U.S. government statistics, reported that U.S. firms were exporting numerous goods to Iran. The statistics are maintained by the Census Bureau and are based on data filed by exporters or their agents. The United States has also generally banned unlicensed transshipments of U.S. goods to Iran via other nations. In this report, GAO assesses the extent to which (1) U.S. trade statistics accurately depict exports to Iran, (2) Treasury licenses exports to Iran in accordance with the trade restrictions and provides licensing data to enforcement agencies and Congress, and (3) Iran obtains U.S. military and dual-use goods through transshipment. GAO analyzed Census export data, a randomly selected sample of Treasury export licenses, Treasury licensing information systems, and U.S. government transshipment data. It also interviewed relevant U.S. government officials.

**What GAO Recommends**

GAO recommends that Treasury develop the capability to provide complete and timely information on all licenses for the export of goods to Iran. Treasury commented that it was upgrading its licensing system for agricultural and medical exports, but it did not specify when it would upgrade its licensing system for dual-use items with potential military uses.

[View GAO-10-375 or key components.](#)  
For more information, contact Joseph A. Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

**IRAN SANCTIONS**

**Complete and Timely Licensing Data Needed to Strengthen Enforcement of Export Restrictions**

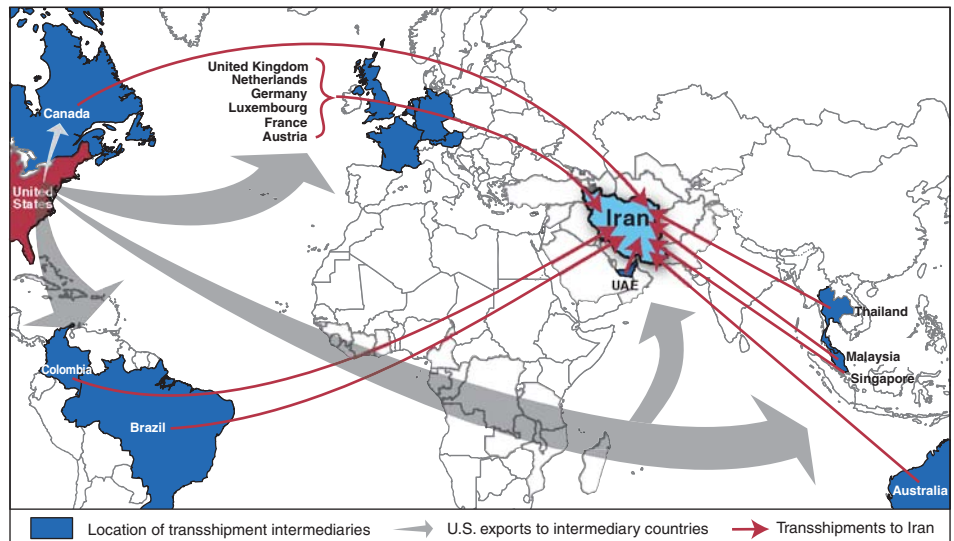
**What GAO Found**

U.S. trade statistics for exports to Iran erroneously include goods that were not exported to Iran. While the statistics indicate that U.S. firms exported 278 types of goods to Iran from 2004 to 2008, 97 of these types of goods were instead exported to Ireland, Iraq, and other countries. The misidentification of Iran as the recipient resulted from errors in export data filings that Census did not detect or correct. As a result of our review, Census officials stated, Census has begun manually checking all new filings of exports to Iran and posting corrections to a Census Web page.

While Treasury is licensing exports to Iran in accordance with export restrictions, it cannot provide complete and timely information about the licenses it has issued. Its paper-based licensing information systems cannot be searched to quickly identify licenses for exports of goods to Iran. For example, Treasury was unable to address a 2009 request from U.S. Customs and Border Protection (CBP) officials for complete and timely licensing data to support CBP inspectors at U.S. ports. Treasury’s information systems weaken the ability of the government to assess compliance with Iran sanctions. Treasury plans to upgrade its licensing information system for agricultural and medical exports to Iran. However, the upgrade would not address its inability to readily identify licenses for other goods, including civilian items with potential military uses.

A wide range of U.S. military and dual-use goods are illegally transshipped to Iran through the United Arab Emirates (UAE), Malaysia, Singapore, and other countries, according to U.S. officials. The Justice Department has prosecuted several individuals for efforts to transship military aircraft parts to Iran.

**Illegal Transshipment Routes to Iran**



Sources: GAO analysis of Justice Department data; Map Resources (map).