

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSIONS

Voluntary Disclosures OMB 1405-XXXX No Form

A. Justification

1. The Department of State, Directorate of Defense Trade Controls (DDTC), Bureau of Political-Military Affairs, is charged with the licensing of commercial exports of defense articles and defense services covered by the U.S. Munitions List, in accordance with §38 of the Arms Export Control Act. Section 127.12 of the International Traffic in Arms Regulations (ITAR) encourages the disclosure of information to the DDTC when there has been a violation of any export control provision of the Arms Export Control Act (AECA), ITAR, order, license, or other authorization issued under the AECA. The information is analyzed to determine the harm to the U.S. national security and foreign policy interests. Also, the activity in question might merit penalties, administrative actions, sanctions, or referral to the Department of Justice for consideration whether criminal prosecution is warranted.

Notification of violation(s) must be in writing and should include the following information and any supporting documentation:

- (i) A precise description of the nature and extent of the violation(s) (e.g., an unauthorized shipment, doing business with a party denied U.S. export privileges, etc.);
- (ii) The exact circumstances surrounding the violation(s) (a thorough explanation of why, when, where, and how the violation(s) occurred);
- (iii) The complete identities and addresses of all individuals and organizations, whether foreign or domestic, involved in the activities giving rise to the violation(s);
- (iv) Export license numbers, if applicable;
- (v) U.S. Munitions List category and subcategory, product descriptions, quantities, and characteristics of the commodities or technical data involved;
- (vi) A description of any corrective actions already undertaken (must include new initiatives implemented directly in response to the voluntary disclosure to deter that specific violation occurring again);
- (vii) The name and address of the person(s) making the disclosure and a point of contact, if different, should further information be needed.

A certification must be submitted stating that all of the representations made in connection with the voluntary self-disclosure are true and correct to the best of the person's knowledge and belief. Certifications made by a firm, corporation, or any other organization are to be executed by an authorized individual.

2. DDTC uses the information to analyze whether the activity in question might merit penalties, administrative actions, sanctions, or referral to the Department of Justice for consideration whether criminal prosecution is warranted.

3. The collection procedure for the above described information is by mail or personal delivery. Respondents may not submit information by email to PM/DDTC because there is a requirement for the respondent to sign the report detailing violation(s) to PM/DTTC.
4. Similar information is not already available because this information is business proprietary. Thus, there is no duplication of this information.
5. Small businesses or other small entities are requested to submit the information in item 1.
6. If this information is not collected, the Department would not know about the numerous violations that are not the subject of an investigation by the U.S. Immigration and Customs Enforcement.
7. There are no special circumstances concerning this collection. Respondent companies only have to report the information on occasion to the Department. The International Traffic in Arms Regulations (ITAR, 22 CFR Parts 120-130) recordkeeping provision does not specify a time period for retention of this particular record. See Item 10 regarding procedures for the protection of proprietary and confidential information.
8. Public Notice 5794 was published in the *Federal Register* on May 15, 2007 giving the public 60 days to comment on this information collection (72 Federal Register 27349). No comments were received from the public.
9. Not applicable. No payment or gift has been or will be provided to any respondent.
10. Respondents are engaged in the business of exporting defense articles/services, have registered with DDTC pursuant to the ITAR (22 CFR Subchapter M), and correspondingly use the ITAR in the regular course of business. Thus, respondents would be familiar with Section 126.10 of the ITAR, which describes protection of confidentiality given to respondents' information as summarized below:
 - Subchapter R of 22 CFR contains regulations on the availability to the public of information and records of the Department of State. The provisions of subchapter R apply to such disclosures by PM/DDTC.
 - Certain information of a proprietary nature required by the Department of State in connection with the licensing process may generally not be disclosed to the public unless certain determinations relating to the national interest are made in accordance with §38(e) of the Arms Export Control Act (22 U.S.C. 2778) and, by reference, certain procedures outlined in the Export Administration Act.
 - Information required under part 130 of the ITAR (*re* political contributions, fees, and commissions) is protected from general public disclosure.

- Information may be disclosed to foreign governments for law enforcement purposes or in the context of multilateral or bilateral export regimes.

11. Not applicable. The Department of State does not solicit any information regarding questions of a sensitive nature or matters commonly considered private.

12. The information requested for voluntary disclosures is collected by respondents as an aspect of their customary and usual business practices. Accordingly, gathering the required information does not involve additional burden hours. Consequently, it can be reasonably assumed the cost to industry in terms of money and other resources is minimal. It is estimated that the number of respondents is 400 and the frequency of response is on occasion. Also, it is estimated that the respondent would need 10 hours to complete this specific written submission. Thus, the estimated annual hour burden is 4,000 hours.

13. There are no payments or fees collected that are associated with this information collection.

14. PM/DDTC received about 400 reports during FY06. Processing those reports accounts for approximately .47% of DDTC's budget (\$49,350). The estimated annualized cost to the Federal government is \$49,350.

15. For Item 13 of the OMB Form 83-I, the "Number of respondents" reflects the number of voluntary disclosures received in FY06. The "Total Annual Hours Requested" is 4,000. For Item 14, the annualized cost to respondents is \$0.

16. Not applicable. Publication of the relevant information is not anticipated.

17. PM/DDTC is seeking approval to not display the expiration date for OMB approval. The respondent information is not provided on a formal collection instrument. Communication between PM/DDTC and a respondent exists as an exchange of written information. Information from the respondent is sent to PM/DDTC as a report detailing violations of the International Traffic in Arms Regulations and the PM/DDC written response.

18. Not applicable. The Department of State does not seek any exception to the statement, "Certification for Paperwork Reduction Act Submissions," of OMB 83-I.

B. Collections of Information Employing Statistical Methods

Items 1-5 are not applicable. This collection of information does not employ statistical methods.