

Audit of the Bureau of Industry and Security's Enforcement of Russia and Belarus Export Controls

REPORT NO. OIG-26-019-A

MAY 4, 2026

U.S. Department of Commerce
Office of Inspector General
Office of Audit and Evaluation





May 4, 2026

MEMORANDUM FOR: David Peters
Assistant Secretary for Export Enforcement
Bureau of Industry and Security

A handwritten signature in black ink, appearing to read "Arthur L. Scott Jr.", written in a cursive style.

FROM: Arthur L. Scott Jr.
Assistant Inspector General for Audit and Evaluation

SUBJECT: *Audit of the Bureau of Industry and Security's Enforcement of
Russia and Belarus Export Controls*
Report No. OIG-26-019-A

Attached is the final report on our audit of the actions taken by the Bureau of Industry and Security to detect violations of export controls for Russia and Belarus through end-use checks. We will post the report on [our website](#) per the Inspector General Act of 1978, as amended (5 U.S.C. §§ 404, 420).

Within 60 calendar days, please provide an action plan addressing the report's recommendations, as required by Department Administrative Order 213-5.

We appreciate your staff's cooperation and professionalism during this audit.

Attachment





Report Highlights

Audit of the Bureau of Industry and Security's Enforcement of Russia and Belarus Export Controls

Audit Report OIG-26-019-A

May 4, 2026

➤ **What We Audited** | Our objective was to assess the actions taken by the Bureau of Industry and Security (BIS) to detect violations of export controls for Russia and Belarus in fiscal years 2022 and 2023.

➤ **Why This Matters** | BIS administers and enforces U.S. export regulations to control the export of goods and technologies for national security and foreign policy purposes.

In February 2022, BIS imposed strict export controls on commodities, software, and technologies that have dual military and civilian uses to Russia and Belarus. These controls aim to restrict the flow of critical goods and technologies that could support Russia's military capabilities and war effort.

➤ **What We Found** | BIS prevents the diversion or misuse of export-controlled items abroad by conducting pre-license checks and post-shipment verifications—collectively known as end-use checks—on foreign end users for individual export transactions, to help ensure that U.S. exports are being used as intended and to assess the legitimacy of end users.

Overall, we found that BIS needs to strengthen its end-use check process to identify and prevent restricted shipments to Russia and Belarus. Specifically, we found weaknesses in BIS methods to identify and select high-risk shipments for end-use checks; document results and assign final ratings of compliance with export control regulations; and complete enforcement actions to hold potential violators of export controls accountable. These weaknesses undermine the transparency and accountability of BIS's regulatory oversight and underscore the need for improvements to strengthen and modernize the end-use check process.

➤ **What We Recommend** | We made six recommendations to strengthen and modernize the end-use check process. BIS concurred with four of the six recommendations; regarding the other two, we consider recommendation 3 implemented and we ask BIS to reconsider its position on recommendation 6.

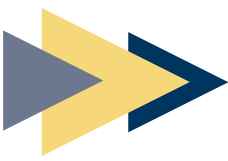


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Introduction

The Bureau of Industry and Security (BIS) administers and enforces the Export Administration Regulations (EAR) to regulate the export of goods and technologies for national security and foreign policy purposes, per the Export Control Reform Act of 2018.¹ The EAR establishes controls to help prevent the illegal export and reexport (and, in certain instances, in-country transfers) of sensitive items to embargoed and sanctioned destinations, to prohibited end users, and for prohibited end uses. Within BIS, Export Administration and Export Enforcement are responsible for the two primary functions of licensing and enforcement, respectively. Within Export Enforcement, the Office of Enforcement Analysis (OEA) adjudicates export control license applications; prevents the diversion or misuse of export-controlled items abroad through end-use checks, outreach, and cooperation with foreign governments; and supports law enforcement actions against violators of export control laws.

BIS conducts pre-license checks and post-shipment verifications—collectively known as end-use checks—on foreign end users for individual export transactions. Each end-use check involves collecting relevant information about the export, a physical visit to the foreign end user(s) by BIS or other U.S. government personnel, and assignment of a rating (favorable, unfavorable, or unverified).

In February 2022, BIS imposed strict export controls on commodities, software, and technologies that have dual military and civilian uses to Russia and Belarus.² These controls aim to restrict the flow of critical goods and technologies that could support Russia’s military capabilities and war effort. As a matter of policy, BIS denies export license applications involving these items, many of which were not previously subject to controls, when destined for Russia or Belarus.

► Why We Did This Audit

Due to the importance of enforcing export controls to safeguard national security and foreign policy objectives, we initiated this audit to evaluate the BIS enforcement efforts related to Russia and Belarus. The strict implementation of export controls is essential to preventing unauthorized access to critical technologies and goods that could enhance military or destabilizing activities. This review focuses on BIS’s ability to detect violations

¹ Pub. L. No. 115-232. The Export Control Reform Act of 2018 is the statutory authority for the EAR, which is found in 15 C.F.R. Parts 730–774.

² BIS. August 25, 2022. *Six Months into Russian Invasion, Commerce Actions Making a Difference in Support of Ukrainian People*, [press release](#).

effectively in fiscal years (FYs) 2022 and 2023, ensuring accountability and compliance with these critical regulations.

➤ **The BIS End-Use Check Process**

BIS conducts end-use checks to help ensure that U.S. exports of goods and technologies are being used as intended and to assess the legitimacy of end users. End-use checks involve a coordinated approach between export compliance specialists who select the checks and the export control officers who conduct onsite inspections of the goods and technologies at their final destination. Figure 1 depicts the BIS end-use check process.

Figure 1. BIS End-Use Check Process



Source: OIG generated based on interviews of export compliance specialists

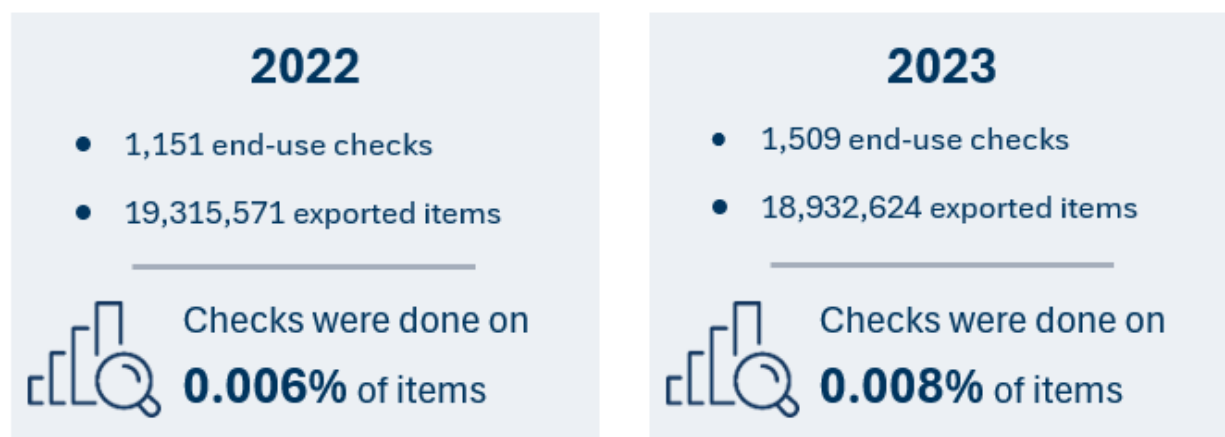
Targeting and Scheduling End-Use Checks

BIS issues an annual targeting strategy for specialists to use when selecting end-use checks on licensed and unlicensed EAR-controlled export transactions. Priority is given to exports involving dual-use items (i.e., high-risk items) or emerging technologies, or those destined for regions of strategic concern such as Russia and Belarus. BIS export compliance specialists identify high-risk shipments, end users, and destinations that warrant closer scrutiny by analyzing shipping records, licensing records, export transactions, and intelligence reports. With BIS denying exports of high-risk items to

Russia and Belarus, specialists focus on selecting items for monitoring that have a higher risk of being transshipped to those locations.³

Once high-priority targets are selected, specialists work collaboratively with the BIS Export Enforcement team (i.e., export control officers), U.S. embassies, and foreign governments to schedule and perform the onsite inspections. Figure 2 details the percentage of end-use checks conducted in calendar years (CYs) 2022 and 2023.

Figure 2. End-Use Checks Conducted Each Year, for CYs 2022 and 2023



Source: U.S. Department of Commerce FY 2025 Annual Performance Plan and FY 2023 Annual Performance Report

The Investigative Management System-Redesign (IMS-R) is BIS's system of record to track and manage end-use checks. Export compliance specialists use this legacy system to organize and prioritize end-use check candidates, track the status and outcomes of checks, and maintain supporting records.

End-Use Check Inspections

BIS export control officers, who are positioned strategically worldwide, carry out onsite inspections. During these checks, export control officers visit foreign end users to verify compliance with the terms of export licenses and to confirm that items can be accounted for and are being used as intended. Based on their findings, export control officers prepare a trip report and recommend one of three ratings for the check:

- **Favorable:** The end user is using the exported item in full compliance with license terms and U.S. export regulations.

³ Transshipment is the transfer of merchandise from the country or countries of origin through an intermediary country or countries to the country of destination.

- **Unfavorable:** There are indications of noncompliance by the end user, such as unauthorized use, diversion of the item to an unintended user or location, or other violations of export control regulations.
- **Unverified:** The export control officer is unable to complete the check, which could be due to lack of cooperation from the end user, restricted access to facilities, inability to locate the business or end user, or inability to determine the disposition of the item.

In FYs 2022 and 2023, export control officers conducted 676 end-use checks identified in IMS-R as primarily relating to Russia or Belarus. Table 1 shows the ratings assigned to those end-use checks by fiscal year.

Table 1. End-Use Checks Conducted Related to Russia and Belarus

Fiscal Year	Rated Favorable	Rated Unfavorable	Rated Unverified	Total
2022	143	2	29	174
2023	401	36	65	502
Total	544	38	94	676

Source: End-use check records obtained from IMS-R

Documenting and Reporting End-Use Check Results

Export compliance specialists document end-use check results in IMS-R and submit the check to their supervisor for review and approval. The supervisor makes the final determination of the end-use check rating. For favorable results, no further action is needed. For unfavorable and unverified end-use checks, specialists are required to take additional steps to hold violators accountable for results by adding parties to the applicable BIS concerned party list.

► Objective

Our audit objective was to assess the actions taken by BIS to detect and prosecute violations of export controls for Russia and Belarus. During the audit, we determined that there were too few⁴ closed administrative cases related to Russia and Belarus to properly assess whether BIS was adhering to enforcement policies and procedures (i.e., prosecuting

⁴ During the scope of our review, BIS opened 290 cases relating to Russia and/or Belarus exports. Of the 290 cases, only 7 cases had been closed. With only 7 completed administrative cases, there was not enough data to properly assess whether BIS is adhering to enforcement policies and procedures, as it generally takes 4 to 5 years for an opened case to be investigated and closed.

violations). Therefore, we did not complete that part of the announced objective. We may consider it for a future audit. See appendix 1 for details about the scope and methodology for this audit.



Findings and Recommendations

Summary: Overall, we found that BIS needs to strengthen its end-use check process to enhance its effectiveness in identifying and preventing restricted shipments to Russia and Belarus. Specifically, we found that:

- BIS specialists used different methodologies to select high-risk shipments for end-use checks (process step 1 in figure 1)
- BIS's manual approach to shipment screening limited its effectiveness and efficiency in identifying high-risk exports (process step 1)
- BIS did not ensure the completeness of end-use check data reported in IMS-R (process step 4)
- BIS did not document its processes or have detailed procedures for end-use checks (process step 4)
- BIS specialists did not always complete the steps required to hold potential violators of export controls accountable (process step 5)

As a result, the weaknesses in its end-use check process could reduce BIS's ability to identify and prevent restricted shipments to Russia and Belarus, increasing the risk of noncompliance with export control regulations. These weaknesses undermine the transparency and accountability of BIS's regulatory oversight and underscore the need for improvements to strengthen and modernize the end-use check process.

► **BIS Specialists Used Different Methodologies to Select High-Risk Shipments for End-Use Checks**

When selecting exported items for end-use checks (process step 1 in figure 1), export compliance specialists are required to apply specific targeting criteria, per BIS guidance on end-use checks.⁵ However, the guidance does not outline a strict process to follow when targeting shipments to Russia and Belarus, which causes specialists to use inconsistent methods to target transactions. For example, through interviews with export compliance

⁵ Specifically, the BIS guidance documents titled *End-Use Monitoring Targeting Priorities and Guidelines* (TPEUM) and *Priorities and Guidelines for Selecting High Priority End-Use Checks*.

specialists, we found that the majority of specialists did not indicate whether they used BIS's targeting strategy priorities and guidelines (known as the TPEUM) for selecting high-priority end-use checks, with one specialist stating they were not familiar with it. The TPEUM is the primary governing document establishing the criteria for determining which transactions BIS considers a high risk. These guidelines help ensure that high-risk transactions are consistently flagged and reviewed, but most specialists we interviewed did not know about or use the TPEUM. In addition, some specialists researched the parties involved in shipping transactions (i.e., transaction history and party codes) to identify whether they had previous export violations or were restricted or prohibited from receiving certain items, while others did not discuss consistently researching general background information when identifying high-risk shipments at risk of diversion to Russia and Belarus. While we recognize that some flexibility is needed when researching and analyzing shipping transactions, analysts should be guided by the TPEUM and typically use at least some consistent information when targeting end-use check selections.

Further, each of the specialists used different timeframes (i.e., date ranges) when selecting transactions for end-use checks. For instance, one specialist searched for transactions that were 12 months old, whereas another targeted transactions that were up to 5 years old. Using varying timeframes can result in inconsistent oversight and missed trends, potentially allowing high-risk transactions to bypass scrutiny. The TPEUM does not specify a timeframe for selecting transactions with a high-risk potential for diversion. The varying ranges in timeframes used by the specialists further point to BIS's need to document procedures that help specialists implement a systematic approach with a standardized methodology and the appropriate red flag indicators to identify the transactions that should be reviewed.

➤ ➤ Absent standardized procedures, specialists used varying methods to target transactions for end-use checks. ⬅ ⬅

Lastly, none of the specialists developed or conducted risk assessments as part of the process to determine which transactions should be selected for an end-use check in their area of operation. Risk analysis helps provide a systematic approach to ensure strategic focus, regulatory compliance, improved planning, and higher quality decision-making. Risk assessments would help specialists ensure alignment to the targeting priorities in the TPEUM, review red flag indicators for their area of operation, and target the highest risk transactions.

The lack of process documentation, documented procedures, and varying methodologies used by specialists when targeting shipments for end-use monitoring also hinders OEA's ability to effectively conduct trend analysis as recommended by the TPEUM. We also found that specialists did not maintain supporting records of their analysis for the shipments they selected for end-use checks, raising concerns about whether high-risk shipments were

appropriately selected or other transactions were overlooked. Consequently, the absence of any targeting analysis limited visibility into their targeting efforts. BIS should develop stricter record-keeping procedures to help strengthen its targeting process.

Furthermore, BIS lacked robust information technology systems and standardized approaches for targeting, which compromised tracking and identification of high-risk shipments for end-use checks. This has been a longstanding issue and continues to undermine BIS's ability to efficiently target, track, and manage end-use checks.

➤ **BIS's Manual Approach to Shipment Screening Limited Its Effectiveness and Efficiency in Identifying High-Risk Exports**

Export compliance specialists analyzed millions of shipping records to help identify high-risk shipments for end-use checks (process step 1 in figure 1). Specialists relied heavily on manual searches and spreadsheets to target and track high-risk shipments, end users, and locations for end-use checks. Manual review of millions of lines of data, coupled with inconsistent methodologies, means that specialists are at risk of missing high-risk shipments that should be reviewed. In addition, manually tracking high-risk shipments is time consuming and prone to human error.

These manual reviews occurred, in part, because BIS's legacy information technology systems lacked the functionality and advanced analytical tools needed to fully support the end-use check process.

The systems were not designed to support modern end-use check targeting processes. BIS currently uses a case management system to record the selection and completion of end-use checks that was originally designed to track investigative leads and cases. Unfortunately, the system falls short in several key areas. One major issue is its inability to merge multiple data sources, making it difficult to conduct data analysis efficiently and in a timely manner. In fact, the TPEUM states that OEA needs to continue working to modify its reporting capability to be able to produce trend analysis for end-use checks, which contributes to the overarching problem that BIS has no real ability to measure how successfully end-use checks contribute to strengthening overall compliance with export controls.

Additionally, the system lacks software to identify and automate a list of potential end-use checks for targeting. It also does not have the functionality to upload selected transactions from export systems into the case management system, where they could auto-populate the end-use check files. As a result, specialists must spend excessive time manually entering data.

➤ ➤ Specialists relied on manual searches—sifting through millions of shipping transactions each year—to identify shipments for end-use checks. ⚡ ⚡

Because BIS does not have an automated process for targeting end-use checks, specialists must manually compare and review export data from different systems. They run queries using specific filters to identify potential diversion of U.S.-origin goods. Additionally, the systems that specialists use to run queries do not have the capability to target end-use checks according to risk-based alerts or red flag indicators. In some cases, new specialists cannot perform their own queries in certain export systems due to clearance requirements. Instead, they are given spreadsheets of data pulled by more experienced specialists to review for evidence of potential EAR violations. The manual searches used by specialists limited their ability to perform efficient searches and analyses, described by a senior BIS official as equivalent to “finding a needle in a haystack.”

Although specialists work diligently to identify high-risk items in shipping transactions, it is reasonable to assume that high-risk items remain unmonitored, increasing the likelihood of their unauthorized use or diversion to restricted locations such as Russia and Belarus. Consequently, export compliance officers perform end-use checks on less than 1 percent of the total items exported each year (as previously detailed in figure 2). This low check percentage does not provide assurance that end-use checks are having an impact on reducing the threat.

These inefficiencies increased specialists’ workloads and potentially delayed the identification of high-risk transactions. Without modernized systems that have advanced data analytics and automated processes, specialists face considerable challenges in effectively applying targeting strategies, identifying patterns, and focusing on critical threats. These limitations not only impede BIS’s operational efficiency but also leave significant gaps in its ability to mitigate the risks of unauthorized technology transfers. In addition, screening shipments manually prevents BIS from performing trend analysis to help assess the performance and effectiveness of end-use checks, which affects the overall effectiveness of the export compliance program.

➤ **BIS Did Not Ensure the Completeness of End-Use Check Data Reported in IMS-R**

When we reviewed 157 end-use checks, we found that export compliance specialists did not include shipping or other supporting records and evidence collected by onsite personnel in IMS-R (process step 4 in figure 1) for 111 checks (71 percent). The Government Accountability Office’s *Standards for Internal Control in the Federal Government*⁶ highlights the necessity of documentation for an effective internal control system. In addition, specialists omitted sending collected documents to supervisors for

⁶ U.S. Government Accountability Office (GAO). May 2025. *Standards for Internal Control in the Federal Government*, GAO-25-107721, Sections 12.02–12.05.

their review when determining final end-use check ratings. Supporting documentation is essential in helping to verify items shipped to foreign end users and to inform and support the ratings recommended by the export control officer to the BIS supervisor.

End-Use Check Documents That Are Not Centrally Maintained Are at Risk of Being Lost

For 79 of the 111 end-use checks with documents not located in IMS-R, specialists provided additional documents upon our request. However, for seven checks, specialists indicated that they were unable to locate any supporting documents, including the actual trip summary report. Although the TPEUM states that trip summaries must be included in IMS-R for supervisory review, it does not explicitly require the inclusion of other supporting documents, such as shipping records or evidence collected onsite.

After transactions for end-use checks have been approved, the specialists contact exporters to obtain copies of shipping documentation (prior to departure) for use during end-use checks. Examples of documentation specialists try to obtain prior to a check are:

- A copy of the face of the export license, including all conditions
- Shipper's export declaration or automated export system records
- Shipping documents, such as an airway bill or bill of lading, purchase order, or invoice
- Product description, brochure, technical specifications, and/or pictures of the commodity, if possible

These records provide accurate and detailed information about the shipment's contents, origin, and destination, enabling effective compliance verification. Although obtaining these documents is not mandatory, failing to include them in IMS-R can impact supervisors' decisions about whether to proceed with checks. Without this information, discrepancies or unauthorized diversions are harder to identify.

Further, some specialists stored documents, including customer emails, export control research, invoices, and sales contracts, separately outside of IMS-R. This lack of standardization for document retention increases the risk of lost records and limits the ability to identify patterns or anomalies in past shipments. Maintaining documents in a central repository like IMS-R ensures consistent, accessible, and secure record-keeping and reduces the risk of lost files when specialists leave the bureau.

Evidence Collected During Inspections Was Not Submitted to Supervisors for Review

During the close-out process, supervisors make the final determination of an end-use check rating. Supervisors rely on information in IMS-R from the trip summary report to assign final ratings for end-use checks. However, during the close-out process, specialists sometimes omitted critical evidence—such as photographs, emails, or shipping documents—when submitting checks for final disposition.

The absence of comprehensive documentation in IMS-R raises significant concerns about the accuracy and legitimacy of final ratings. Supporting evidence could provide crucial insights, ensuring that final ratings reflect a thorough assessment of compliance with export control regulations. Furthermore, robust record-keeping and documented justifications are vital for informed decision-making, enhancing accountability and enforcement activities.

► **BIS Did Not Document Its Process or Have Detailed Procedures for End-Use Checks**

Export compliance specialists used various methods to target transactions and record the supporting evidence they collected (process step 4 in figure 1) because BIS had not documented the end-use check process or developed procedures for specialists and supervisors to follow. The Government Accountability Office's *Standards for Internal Control in the Federal Government*⁷ emphasizes the importance of documented processes and procedures to promote consistency, accountability, and effectiveness in operations. It highlights that control activities, such as detailed procedures, are essential for achieving objectives and managing risks.

►► Because BIS lacks detailed and consistent procedures, specialists had to keep track of and refer to multiple resources when completing steps of the end-use check process. ◀◀

BIS had not developed end-to-end procedures for executing the steps of the end-use check process. The process requires the use of multiple strategy and targeting documents, such as the TPEUM and other prioritization lists developed specifically for targeting end-use checks for Russia and Belarus (process step 1). Each specialist had to individually track, interpret, and execute guidance documents that changed when strategies and priorities were updated. When documenting end-use checks (process step 4), specialists

⁷ GAO, *Standards for Internal Control in the Federal Government*, Sections 12.02–12.05.

used the *Special Agent Manual* and various BIS guides⁸ for entering end-use check information in IMS-R. Other process steps were administered through interactions with BIS management, on-the-job training, postings to internal websites, or information sent via email. Having a standardized approach to update and centrally maintain the various policies, procedures, and guidance would help promote consistency, accountability, and effectiveness in the end-use check process.

The lack of detailed procedures can complicate the work, lead to subjective interpretations, and cause confusion about the correct procedures to follow. For instance, internal documents that laid out a high-level strategy for selecting end-use checks on licensed and unlicensed EAR-controlled export transactions were usually communicated via on-the-job-training and email. In addition, specialists received changes to the process or procedures via email, such as updates to the export controls (including the October 7 Rule⁹ regarding controls for advanced artificial intelligence chips made with U.S. inputs). Specialists also received guidance through printed hard copies of updated priorities, such as harmonized system code lists and new export control classification numbers. Specialists said that other OEA offices provided the names of companies that were candidates for intelligence-related end-use checks, and BIS confirmed there is no standard operating procedure that defines the steps specialists described to us during their interviews.

In addition, BIS had not established a framework or developed a process for supervisors to follow for ensuring that transactions selected for end-use checks aligned with BIS strategies and priorities. Supervisors said that they reviewed end-use check information in IMS-R for data accuracy but did not mention whether checks had been selected in accordance with the targeting strategies and priorities. Similarly, in a 2020 audit, we found that BIS was unable to adequately determine whether end-use checks met its targeting criteria.¹⁰ Specifically, we found that:

- Specialists used different methodologies for selecting export transactions for end-use checks.
- Data for some end-use checks did not align with targeting criteria, were inaccurate, or were not entered into IMS-R in a timely manner.

⁸ *How to Create an End-Use Check, Reasons for Opening End-Use Checks in IMS-R, and Guide for Closing End-Use Checks in IMS-R.*

⁹ On October 7, 2022, BIS updated the EAR to implement essential controls on advanced computing integrated circuits, computer commodities containing such circuits, and specific semiconductor manufacturing items. In addition, the updates included measures to ensure appropriate controls for these items, including certain activities of U.S. persons (87 Fed. Reg. 62186).

¹⁰ Commerce OIG. March 2, 2020. *Lack of Defined Processes and Procedures Impede Efforts to Monitor End-Use Check Performance*, [OIG-20-019-A](#).

- The lack of a supervisory final rating left some end-use checks open for years.
- Regular screening for proscribed parties of unlicensed exports was not performed.

In the prior audit, we made three recommendations to address these deficiencies: development of standard operating procedures for selecting and reviewing end-use checks, development of a process to ensure that end-use check selection aligns with BIS criteria, and development of a contingency plan to conduct enhanced monitoring if necessary. In response, BIS agreed to develop standard operating procedures (i.e., guides) to improve the accuracy, consistency, completeness, and timeliness of data entered into IMS-R. Our review of the guides determined that they only provided steps for data entry in IMS-R and lacked the detail to help specialists target high-risk shipping transactions. Additionally, the guides did not include any requirement for specialists to maintain their methodologies, data, or the steps performed to select export transactions for an end-use check.

Having a well-defined framework, processes, and procedures for end-use checks is essential for ensuring transparency, consistency, and accountability regarding regulatory requirements. A documented process also enables better coordination among stakeholders, supports compliance with regulatory requirements, and provides a clear framework for end-use checks. It also enhances the integrity and efficiency of checks by ensuring consistent and transparent decision-making for all stakeholders, including export compliance specialists selecting checks, export control officers performing inspections, and supervisors approving selections and ratings.

➤ **BIS Specialists Did Not Always Complete the Steps Required to Hold Potential Violators of Export Controls Accountable**

Export compliance specialists did not always initiate preliminary investigations (i.e., leads) or add violators to the OEA Watch List or the Unverified List after supervisors closed end-use checks in IMS-R with unsatisfactory results (process step 5 in figure 1). These actions are crucial to maintaining the integrity of the BIS export control system and ensuring that follow-up actions are performed to help deter future misconduct.

Investigative Leads Were Not Always Created for End-Use Checks Rated as Unfavorable

For the *unfavorable* end-use checks reviewed, export compliance specialists did not always initiate investigative leads. The TPEUM requires specialists to initiate an investigative lead in IMS-R for end-use checks rated as unfavorable if a lead has not already been created. An investigative lead is opened when information received by BIS warrants further investigation to determine whether violations of export control regulations have occurred and whether a criminal or administrative case should be opened.

Of the 38 unfavorable end-use checks reviewed, 7 checks (18 percent) were not linked to an investigative lead, whereas 31 checks were. BIS officials said that the specialist should have created leads for those 7 end-use checks but did not, attributing the issue to alternate actions taken or lack of oversight. Failing to create required leads can result in missed opportunities to uncover critical information, potentially leaving export control issues unresolved. This can hinder enforcement efforts, weaken the integrity of export controls, and increase the risk of unauthorized transfer of sanctioned items.

Enforcement Actions Were Not Always Completed for End-Use Checks Rated as Unverified

For the *unverified* end-use checks reviewed, specialists did not add all parties to the OEA Watch List¹¹ as required by the TPEUM. In addition, specialists did not add parties to the list in a timely manner. Of the 94 unverified end-use checks reviewed, 15 entities were not added to the list, and 19 entities were added after our request for verification that parties were on the list. Parties were added to the OEA Watch List in different timeframes, from the day the end-use check was closed in IMS-R to nearly 2 years (706 days) later. BIS told us a party should be added to the OEA Watch List within days of closing the end-use check—there should not be a delay of months or years. BIS also confirmed this lack of oversight and attributed it to the heavy workload at the height of the increased sanctions on Russia and Belarus. Excluding or delaying the addition of entities to the OEA Watch List diminishes the impact of increased screening for entities that have had negative end-use checks. Table 2 shows the amount of time it took specialists to add parties to the OEA Watch List in FYs 2022 and 2023.

Table 2. Timeliness of Addition to the OEA Watch List After End-Use Check Closure

Fiscal Year	No. of Unverified Records Reviewed	Added to Watch List in a Timely Manner	Added to Watch List 60–180 Days After Closure	Added to Watch List 180–365 Days After Closure	Added to Watch List More than 365 Days After Closure	Not Added to Watch List
2022	29	4	0	0	18	7
2023	65	22	20	10	5	8
Total	94	26	20	10	23	15

Source: OIG analysis of end-use check records obtained from IMS-R

¹¹ OEA uses the Watch List to flag parties who apply for an expert license for increased screening.

In addition, specialists did not always complete nominations of potential violators to the Unverified List¹² for end-use checks rated as unverified. The TPEUM states that certain circumstances of an end-use check could warrant a nomination to the Unverified List. Although this is not a requirement, the Unverified List is a tool to strengthen restrictions and increase the scrutiny of shipping transactions for entities that have received an unverified end-use check. Our review showed that in FY 2022, none of the 29 unverified end-use checks were added to the Unverified List, and in FY 2023, 8 of 65 (12 percent) checks were added. For 19 of those unverified checks, specialists told us that they should have nominated parties to the Unverified List but did not. For instance, one trip summary report indicated that the company did not respond to the request to complete the check and did not maintain a location in Hong Kong, where the ultimate consignee was reportedly based. The export compliance officer recommended to the specialist that the party be added to the Unverified List; however, the party was not nominated. BIS supervisors attributed this omission to staff turnover.

BIS needs to establish controls that ensure supervisors are performing adequate oversight of the end-use check process and that include holding export control violators accountable by ensuring they are added to the appropriate concerned party lists. Excluding entities from these lists enables them to evade export controls, which could lead to controlled items reaching prohibited countries through transshipments, harming U.S. national security.

BIS Supervisors Did Not Always Enforce Required Follow-Up Actions for Violators

The previously described weaknesses in follow-up and accountability actions for unverified and unfavorable end-use checks occurred because supervisors did not consistently verify that follow-up actions were completed when closing end-use checks in IMS-R. We found that some of the follow-up actions were generated after we requested information to confirm the actions had been completed in compliance with the EAR and BIS policy and procedures. For instance, 19 entities were added to the OEA Watch List after we asked BIS to validate that follow-up actions had been taken.

It is essential that supervisors ensure that specialists complete follow-up actions for unverified and unfavorable end-use checks, to maintain the integrity and effectiveness of the process. Proper oversight helps address potential compliance risks, ensures timely resolution of issues, and demonstrates accountability in managing export controls.

¹² The Unverified List contains the names and addresses of foreign persons who are or have been parties to a transaction, as described in EAR § 748.5, involving the export, reexport, or transfer (in-country) of items subject to the EAR. These foreign persons are added to the list because BIS or federal officials acting on BIS's behalf were unable to verify their bona fides through the completion of an end-use check.

Without this supervision, violators of export controls may continue their activities to exploit and circumvent export controls, undermining the integrity of the end-use process.

➤ Conclusion

BIS officials told us that in response to export controls imposed on Russia and Belarus, it took several actions to restrict certain controlled items to prevent further advancement of Russia's military efforts against Ukraine. Specifically, BIS increased its enforcement efforts to include the selection of end-use checks for all export control officers conducting inspections in Russia and Belarus. BIS has established identified red flags, due diligence practices, and other best practices to help ensure compliance with the EAR, including preventing unlawful diversion. In addition, BIS indicated that it has conducted outreach activities related to Russia and Belarus to inform and train exporters of newly imposed export restrictions. In its statements, BIS also emphasized its expanded use of the Entity List to prevent support for Russia's military and defense-industrial activities. More than 815 entities in Russia, Belarus, and other countries have been added to the Entity List, restricting their access to U.S. exports due to their support in aiding Russia's war efforts.

In addition, BIS has reported enhanced coordination with its international partners, to restrict the export of controlled items to Russia and Belarus. BIS and other federal agencies, in partnership with the European Union, Japan, and the United Kingdom, implemented new rules to prevent Russia from obtaining goods essential for its war efforts. In July 2023, BIS and these allies identified 38 high-priority items that Russia actively seeks for its weapons programs, such as specific electronics and machinery, to increase monitoring efforts. By February 2024, the list expanded to 50 items, forming the Common High Priority List. Many of these items are critical for building advanced, precision-guided weapons, and BIS reported it now carefully monitors their movement to stop them from being diverted to Russia.

Despite the actions BIS reported, it did not eliminate the issues identified in this report. Additionally, we did not validate the stated actions that BIS self-reported. As described in our findings above, we identified weaknesses in the BIS end-use check process that highlighted critical gaps in its ability to safeguard against unauthorized exports to Russia and Belarus. We also determined that export compliance officers perform end-use checks on less than 1 percent of the total items exported each year, which does not provide assurance that end-use checks are having an impact on reducing the threat. Collectively, the deficiencies we identified limit the overall efficacy of the end-use check process, potentially enabling restricted shipments to proceed unchecked. Strengthening these areas is imperative to bolster the integrity and reliability of BIS's export control enforcement mechanisms. These enhancements will be critical to prevent the export of restricted goods and technologies to Russia and Belarus.

Recommendations

We recommend that the Assistant Secretary for Export Enforcement:

1. Develop policy and guidance that:
 - a. Defines the methodology for target selection, including reviewing historical information when selecting a shipment for an end-use check and developing and conducting risk assessments to help inform the selection.
 - b. Requires documentation to support the analysis used to target high-risk shipments for end-use checks.
 - c. Defines the required process steps that export compliance specialists should perform when executing the end-use check process.
 - d. Requires that supporting documentation for end-use checks be maintained centrally to support the selection and final rating.
 - e. Requires that end-use check documentation include a justification when recommended actions are not implemented.
 - f. Requires completion of risk assessments to determine effectiveness of the targeting strategy.
 - g. Provides consistent methods for nominating or adding entities to the Unverified and Entity Lists for violations of export controls.
 - h. Describes the roles and responsibilities for supervisors that, at a minimum, describe how to verify that end-use checks align with BIS targeting priorities and guidelines, require that supporting documentation be included in a central repository, require documentation of changes to final ratings, and confirm that all required actions, including adding violators to concerned party lists, are completed before closing the end-use checks in IMS-R.
2. Develop and conduct training for export compliance specialists and supervisors on the documented end-use check process and standard operating procedures.
3. Conduct a cost study for replacing manual processes with advanced, automated analytical tools and systems to target and document end-use checks.
4. Based on recommendation 3, implement a systematic process for targeting end-use checks for shipment transactions, including the establishment of red flags and trend reports.

5. Establish and implement oversight controls that ensure supervisors are verifying that follow-up actions to hold export violators accountable are completed when closing end-use checks in IMS-R.
6. Conduct an assessment to determine the appropriate number of high-risk shipments to be selected for end-use checks, ensuring the selection is sufficient to effectively mitigate potential compliance risk.



Summary of BIS Response and OIG Comments

BIS received a draft version of this report on December 18, 2025. In its March 24, 2026, response, BIS concurred with four of the six recommendations and described actions it has taken or plans to take to address them. Below we summarize BIS comments on the other two recommendations (numbered 3 and 6); we consider recommendation 3 implemented, and we ask BIS to reconsider its position on recommendation 6. BIS's complete response is included in this report as appendix 2.

BIS also provided technical comments on several sections of the draft report. We considered these comments, which are summarized below, but did not revise our report.

► Discussion of Recommendations 3 and 6

BIS did not concur with two of the six recommendations in the draft report.

Recommendation 3: Conduct a cost study for replacing manual processes with advanced, automated analytical tools and systems to target and document end-use checks.

BIS Comments. BIS did not concur with recommendation 3, stating that work is already underway to implement advanced, automated analytical tools as funding becomes available. BIS commented that, given this ongoing effort, conducting a separate cost study would be redundant and an unnecessary use of resources.

OIG Response. Although BIS disagreed with the recommendation, the actions taken to implement advanced automated analytical tools meet the intent of the recommendation. As a result, we consider the recommendation implemented.

Recommendation 6: Conduct an assessment to determine the appropriate number of high-risk shipments to be selected for end-use checks, ensuring the selection is sufficient to effectively mitigate potential compliance risk.

BIS Comments. BIS did not concur with recommendation 6, stating that assessment levels depend on shifting administration priorities and the ability of export control officers to conduct end-use checks. BIS further commented that setting an arbitrary target for high-risk shipments would create unnecessary risk by pressuring staff to prioritize meeting a metric over performing thorough reviews.

OIG Response. BIS's comments are nonresponsive to our recommendation. Establishing an appropriate assessment level is essential to ensuring adequate oversight of high-risk shipments. We recognize that assessment levels depend on shifting administration priorities and the ability of export control officers to conduct end-use checks. However, we disagree with BIS's assertion that setting an appropriate target for high-risk shipments could create unnecessary risk by pressuring staff to prioritize meeting a metric over performing thorough reviews, as BIS is already establishing end-use check targets through its annual performance plan. Moreover, Congress recently awarded additional funding specifically for hiring export control officers to address coverage gaps in key locations worldwide, underscoring the importance of conducting this assessment. Given these factors, a structured analysis remains necessary to determine a reasonable threshold that supports effective monitoring without compromising review quality. Therefore, we request that BIS reconsider its position and implement the recommendation.

► **BIS Technical Comments on the Findings and Our Response**

End-Use Check Metrics and Available Resources

BIS stated that comparing the number of BIS end-use checks to the total volume of U.S. exports does not accurately represent risks associated with Russia and Belarus, because most U.S. exports fall outside BIS jurisdiction or do not rise to a national-security risk level. BIS stated that exports regulated by other government agencies cannot be reviewed through BIS end-use checks, and many U.S. exports are not relevant to Russia or Belarus related concerns.

BIS further commented that its capacity to conduct end-use checks is limited by available staffing and resources. BIS said the resource constraints influence the number of checks conducted and, by extension, the program's measured impact.

BIS emphasized that, despite these limitations, nearly 20 percent of end-use checks targeted for Russia and Belarus resulted in unfavorable outcomes, demonstrating that the checks conducted were effective in detecting compliance risks.

OIG Response

Although BIS notes that many U.S. exports fall outside its jurisdiction or pose minimal national security risk, this does not mitigate the need for stronger processes to ensure high-risk shipments are effectively identified and reviewed. Likewise, while BIS cites resource limitations and a lower unfavorable rate among completed checks, these points underscore—rather than excuse—the absence of a systematic, risk-based framework to determine the number of end-use checks necessary to ensure that limited resources are directed toward the transactions most likely to present compliance concerns.

As mentioned previously, Congress's recent allocation of additional funding to hire export control officers reflects the continued prioritization of this mission and underscores the urgency of implementing improvements to strengthen end-use check coverage worldwide. At the same time, BIS's ongoing resource constraints highlight the importance of establishing a more systematic, risk-based process for selecting transactions for end-use checks, ensuring that limited staff capacity is directed toward the highest risk shipments. Strengthening these areas is essential to improving the reliability and effectiveness of BIS's export control enforcement.



Appendix 1. Scope and Methodology

The objective of our audit was to assess the actions taken by BIS to detect and prosecute violations of export controls for Russia and Belarus in FYs 2022 and 2023. To accomplish our objective, we performed the following actions:

- Interviewed BIS officials to understand the targeting strategies, priorities, and implementation of the end-use check process.
- Reviewed relevant regulations and procedures, including:
 - 15 C.F.R. chapter VII, subchapter C, *Export Administration Regulations*
 - *End-Use Monitoring Targeting Priorities and Guidelines (TPEUM)* and *Priorities and Guidelines*, versions issued on January 13, 2021; February 17, 2022; and May 5, 2023
 - *Special Agent Manual*, updated September 25, 2023
 - BIS guides for entering information in IMS-R:
 - *How to Create an End-Use Check*
 - *Reasons for Opening End-Use Checks in IMS-R*
 - *Guide for Closing End-Use Checks in IMS-R*
- Reviewed BIS annual performance plans and reports.
- Obtained the universe of 2,988 end-use checks between October 1, 2021, and September 30, 2023, from IMS-R. We found 676 end-use checks were identified in IMS-R as primarily relating to Russia and Belarus. Of the 676 checks, we reviewed 157 checks during the audit.
 - We interviewed the eight export compliance specialists responsible for selecting the end-use checks and maintaining supporting documents in IMS-R to understand their methods. We also interviewed the supervisors responsible for approving end-use check selections and final ratings.
 - For end-use checks rated as unfavorable (38 checks) or unverified (94 checks), we performed a 100 percent review. We reviewed each end-use check to verify that the rating was supported by the trip summary report and other shipping documents such as the bill of lading, invoice, and purchase order. We also examined whether violators were added to concerned party lists as required.

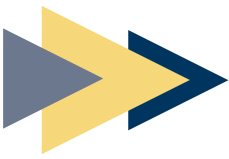
- For end-use checks rated as favorable, we judgmentally selected 25 checks to determine whether each check was supported with appropriate documentation.

We also assessed BIS's internal controls related to the end-use check process for Russia and Belarus. We gained an understanding of the internal controls significant to the audit objective by interviewing BIS personnel, walking through the end-use check process with subject matter experts, reviewing IMS-R records, and reviewing relevant policies and procedures. During our fieldwork, we did not detect any incidents of fraud, waste, or abuse.

In satisfying the audit objective, we relied on computer-processed data from IMS-R provided by BIS. We assessed the reliability of IMS-R data by electronic testing and interviewing BIS officials knowledgeable about the data. Our assessment determined that the data was sufficiently reliable to support the findings and conclusions in this report.

We conducted our audit from November 2023 through December 2025 under the authority of the Inspector General Act of 1978, as amended (5 U.S.C. §§ 401-424), and Department Organization Order 10-13, as amended October 21, 2020.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that provides a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.



Appendix 2. BIS's Response

BIS's response to our draft report begins on the next page.



UNITED STATES DEPARTMENT OF COMMERCE
Under Secretary for Industry and Security
Washington, D.C. 20230

March 24, 2026

TO: Arthur L. Scott Jr.
Assistant Inspector General for Audit and Evaluation
Office of Inspector General

FROM: Jeffrey I. Kessler
Under Secretary of Commerce for Industry and Security

THROUGH: David A. Peters /s/ DAP
Assistant Secretary of Commerce for Export Enforcement

SUBJECT: **Audit Report:** *Audit of the Bureau of Industry and Security's Enforcement of Russia and Belarus Export Controls*

Report Date: December 18, 2025 (Draft Report)

Audited Entity: Bureau of Industry and Security

Thank you for the opportunity to respond to the OIG draft report entitled *Audit of the Bureau of Industry and Security's Enforcement of Russia and Belarus Export Controls*.

The Bureau of Industry and Security (BIS) agrees with four of the six recommendations as outlined below and will prepare a formal action plan upon issuance of OIG's final report.

The OIG recommends that the Assistant Secretary for Export Enforcement:

- **OIG's Recommendation #1:** Develop policy and guidance that:
 - a. Defines the methodology for target selection, including reviewing historical information when selecting a shipment for an end-use check and developing and conducting risk assessments to help inform the selection.
 - b. Requires documentation to support the analysis used to target high-risk shipments for end-use checks.
 - c. Defines the required process steps that export compliance specialists should perform when executing the end-use check process.
 - d. Requires that supporting documentation for end-use checks be maintained centrally to support the selection and final rating.
 - e. Requires that end-use check documentation include a justification when recommended actions are not implemented.
 - f. Requires completion of risk assessments to determine effectiveness of the targeting strategy.

- g. Provides consistent methods for nominating or adding entities to the Unverified and Entity Lists for violations of export controls.
- h. Describes the roles and responsibilities for supervisors that, at a minimum, describe how to verify that end-use checks align with BIS targeting priorities and guidelines, require that supporting documentation be included in a central repository, require documentation of changes to final ratings, and confirm that all required actions, including adding violators to concerned party lists, are completed before closing the end-use checks in IMS-R.

BIS Comment: BIS concurs with this recommendation and plans to revise its current documentation to support this recommendation.

- **OIG's Recommendation #2:** Develop and conduct training for export compliance specialists and supervisors on the documented end-use check process and standard operating procedures.

BIS Comment: BIS agrees with this recommendation and is working to revise its training for export compliance specialists and supervisors.

- **OIG's Recommendation #3:** Conduct a cost study for replacing manual processes with advanced, automated analytical tools and systems to target and document end-use checks.

BIS Comment: BIS disagrees with this recommendation as there is already work underway to implement advanced, automated analytical tools, pending available funding. A cost study would be redundant and an unneeded use of resources.

- **OIG's Recommendation #4:** Based on recommendation 3, implement a systematic process for targeting end-use checks for shipment transactions, including the establishment of red flags and trend reports.

BIS Comment: BIS concurs with this recommendation and will review currently available tools to build upon process improvement to implement this recommendation.

- **OIG's Recommendation #5:** Establish and implement oversight controls that ensure supervisors are verifying that follow-up actions to hold export violators accountable are completed when closing end-use checks in IMS-R.

BIS Comment: BIS concurs with this recommendation and will continue to discuss with OCIO and execute IMS-R programming to implement this recommendation.

- **OIG's Recommendation #6:** Conduct an assessment to determine the appropriate number of high-risk shipments to be selected for end-use checks, ensuring the selection is sufficient to effectively mitigate potential compliance risk.

BIS Comment: BIS does not agree with this recommendation. Assessments are dependent upon evolving Administration priorities as well as Export Control Officer

(ECO) access to conduct end-use checks. Imposing an arbitrary number as “appropriate” for high-risk shipments also imposes unnecessary risk to rush through end-use checks to meet a metric instead of thorough examinations.

Additional BIS Comments on Report:

On page 9, the report states, “Consequently, export compliance officers perform end-use checks on less than 1 percent of the total items exported each year.” Comparing total exports from the U.S. to the number of end-use checks conducted does not adequately reflect any threats related to Russia and Belarus. The comparison does not take into account that the vast majority of exports from the U.S. are not under BIS jurisdiction. Any exports captured by other government agency regulations are outside of BIS’s authority and cannot be the subject of BIS end-use checks. Likewise, not every export from the U.S. rises to a high enough risk level for a national security-focused end-use check, such as agricultural exports, and not every U.S. export was a concern as related to Russia and Belarus.

This report also does not take into account the level of resources available to BIS. During the reporting period, BIS has 11 Export Control Officers (ECOs) and one Export Control Analyst (ECA) stationed in 10 countries/locations, three of which were established in 2022. These ECOs conduct the majority of BIS’s end-use checks and are supplemented by the Sentinel Program, where two special agents stationed in the U.S. travel and conduct end-use checks in countries outside of an ECO’s area of responsibility. The number of ECOs and funds available for Sentinel Programs trips impacts the number of end-use checks conducted and therefore the “impact on reducing the threat.”

While there are improvements that can be made to the processes, as identified in the report findings, almost 20 percent of the end-use checks targeted during the reporting period specifically for Russia and Belarus were non-favorable, meaning they were unfavorable or unverified. The end-use checks and export compliance specialists did detect violations of the Export Administration Regulations and entities that could not be determined to be legitimate and reliable. This demonstrates the effectiveness of end-use checks that were conducted.

If you have any questions, please contact, Jennifer Kuo, Audit Liaison, at jennifer.kuo@bis.doc.gov.

REPORT

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