



## Restricted Party Screening and Export Compliance

The United States government publishes regulations that identify businesses and other organizations that are restricted or prohibited from engaging in certain business activities. These entities are called “denied parties.” Some restricted activities include receiving export-controlled technology or information, providing or receiving services from a US entity or receiving government funds. Sometimes these restrictions apply to the work and activities of institutions of higher education. To prevent violations of these restrictions, VCU performs restricted party screening as part of regular compliance checks to ensure the University is not doing business or conducting transactions with listed entities.

Restricted party screening supports compliance with export control and sanction program regulations and is considered a best practice in compliance programs. The University currently uses Visual Compliance to conduct restricted party screening. This software provides VCU with the ability to check individuals, businesses, and countries against the most current restricted party lists issued by various U.S. government agencies. Some of the agencies issuing restricted party lists include the Department of Commerce, Department of State, and Department of Treasury. Common reasons for a party to end up on a restricted party list include:

- Posing a threat the national security
- Being considered a terrorist organization
- Having a history of corrupt business dealings or working with denied parties

The export compliance program routinely screens parties against the restricted party lists. Some examples of research-related instances where restricted party screening should occur are:

- International research collaborations
- Presenting at international conferences
- Hosting international visitors
- Teaching abroad
- Engaging in any financial transaction with an international entity
- International shipments

It is important that restricted party screening take place in advance of any of the instances listed above to ensure VCU remains in compliance with the restrictions. According to Department of Commerce, penalties for violations can reach up to \$1M per violation and can carry up to 20 years in prison for criminal cases. Administrative cases can result in a penalty of up to \$250,000 or twice the value of the transaction and result in denial of future export privileges.

If you are working on a project that might require restricted party screening, or to request restricted party screening for any instance where an international component exists, please reach out to the Export Compliance program at [exportctrl@vcu.edu](mailto:exportctrl@vcu.edu).