

Sweeney Metal Fabricators, Inc.

ITAR Initiative

Revision A

Updated March 20, 2009

- 1) Opening
 - a. Mission Statement
 - b. Adoption
- 2) Purposes and Definitions
 - a. Defense Article
 - b. Defense Service
 - c. Technical Data
 - d. Person
 - e. US Person
 - f. Foreign Person
 - g. Export
- 3) Registration
 - a. Responsible Parties
 - b. Maintenance of Records
- 4) Policies and Procedures
 - a. Personnel Requirements
 - b. Identification of ITAR Controlled Items
 - i. Receiving Sensitive Items
 - ii. Classification of Sensitive Items
 1. Storage of Physical Items
 2. Storage of Physical Data
 3. Storage of Electronic Data
 - iii. Destruction of ITAR controlled items
 - iv. Maintenance of Records
 - c. Identification of ITAR Compliant suppliers
 - i. Eligibility
 - ii. Verification
 - iii. Record Keeping
 - iv. Sensitive Data Notification
 - d. Transmission of Sensitive Data
 - i. Transmission of Physical Data
 - ii. Transmission of Electronic Data
 - e. Maintenance of Records

Section 1A

Mission Statement

Export control laws, federal laws implemented both by the Department of Commerce through its Export Administration Regulations (EAR) and the Department of State through its International Traffic in Arms Regulations (ITAR), have been in existence for more than twenty years. They are the law of the land. As such, manufacturing facilities and their vendors are required to comply with these laws and regulations. Criminal sanctions (including money and/or prison sentences for individuals) can apply in the case of violations.

Sweeney Metal Fabricators, Inc. has taken the necessary steps to become ITAR registered. Along with this registration comes the responsibility to monitor and control technical data that had been deemed under ITAR Control.

It is the mission of Sweeney Metal Fabricators, Inc. to adhere to all laws and practices as required by the Directorate of Defense Trade Controls (DDTC), in regards to ITAR compliance. From adoption of practices, through yearly reviews, our practices shall meet or exceed DDTC requirements.

Section 1B

Adoption

The policies and procedures outlined in this manual are directly derived from:

US CODE: TITLE 22,2778. CONTROL OF ARMS EXPORTS AND IMPORTS.

Although Sweeney Metal Fabricators, Inc. is held to and abides by the ITAR in its' entirety, this manual will only highlight requirements necessary for general day to day operations as seen appropriate at the time of publication.

Section 2C

Purposes and Definitions

Certain items from the ITAR must be clarified for their usage. These purposes and definitions have been formed from the ITAR. These purposes and definitions are superseded by those found in the ITAR.

a) Defense Article (ITAR Section 120.6)

- 1) Defense article means any item or technical data designated in the United States Munitions List (USML). This term includes technical data recorded or stored in any physical form, models, mockups or other items that reveal technical data directly relating to items designated in the USML. It does not include basic marketing information on function or purpose or general system descriptions.

b) Defense Service (ITAR Section 120.9)

- 1) The furnishing of assistance (including training) to foreign persons, whether in the United States or abroad in the design, development, engineering, manufacture, production, assembly, testing, repair, maintenance, modification, operation, demilitarization, destruction, processing or use of defense articles;
- 2) The furnishing to foreign persons of any technical data controlled as Technical Data whether in the United States or abroad.

c) Technical Data (ITAR Section 120.10)

- 1) Information, other than software which is required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of defense articles. This includes information in the form of blueprints, drawings, photographs, plans, instructions or documentation.
- 2) Classified information relating to defense articles and defense services;
- 3) This definition does not include information concerning general scientific, mathematical or engineering principles commonly taught in schools, colleges and universities or information in the public domain. It also does not include basic marketing information on function or purpose or general system descriptions of defense articles.

d) Person (ITAR Section 120.14)

- 1) A natural person as well as a corporation, business association, partnership, society, trust, or any other entity, organization or group, including governmental entities.

e) US Person (ITAR Section 120.15)

- 1) A person who is a lawful permanent resident as defined by 8 U.S.C. 1101(a)(20). It also means any corporation, business association, partnership, society, trust, or any other entity, organization or group that is incorporated to do business in the United States. It also includes any governmental (federal, state or local) entity. It does not include any foreign person as defined in 120.16 of the ITAR.

f) Foreign Person (ITAR Section 120.16)

- 1) Any natural person who is not a lawful permanent resident as defined by 8 U.S.C. 1101(a)(20) . It also means any foreign corporation, business association, partnership, trust, society or any other entity or group that is not incorporated or organized to do business in the United States, as well as international organizations, foreign governments and any agency or subdivision of foreign governments.

g) Export (ITAR Section 120.17)

- 1) Sending or taking a defense article out of the United States in any manner, except by mere travel outside of the United States by a person whose personal knowledge includes technical data; or
- 2) Disclosing (including oral or visual disclosure) or transferring technical data to a foreign person, whether in the United States or abroad.

Section 3A

Registration

Sweeney Metal Fabricators, Inc. is required under the ITAR Section 129.3 to file form DS-2032 with the Department of State on an annual basis. It is the responsibility of the Sweeney Metal Fabricators ITAR Administrator to gather the required forms and information per ITAR Section 122.1.

Section 3B

Responsible Parties

It is also the responsibility of the ITAR Administrator to properly maintain all pertinent records per ITAR 122.5. All records must be made available to DDTC if required, and shall be kept for no less than five (5) years.

Section 4

Policies and Procedures

a) Personnel Requirements

Due to the nature of ITAR Requirements, it is the policy of Sweeney Metal Fabricators, Inc. to employ only Permanent United States Citizens. This will be verified through a Birth Certificate, Passport, or Social Security Card. An I9 must accompany this verification.

This information is to be kept on file with Human Resources, and must be made available to the ITAR Administrator at all times.

b) Identification of ITAR Controlled Items

An ITAR Controlled item can be described as a blue print or physical part itself. It can also take the form of an electronic file or a CAM program.

i) Receiving Sensitive Items

Receiving of sensitive items shall be handled by all employees of Sweeney Metal Fabricators, Inc. It is the responsibility of each and every employee to understand how to identify, and properly mark an ITAR controlled item. Any drawing or blue print shall be stamped "ITAR CONTROLLED". The corresponding folder and job routing must be marked the same. ITAR controlled materials will be identified by the customer, or by the ITAR Administrator.

ii) Classification of Sensitive Items

Sensitive items must be classified in order to decide how best to handle them. All items can be broken into three categories: Physical Items, Physical Data, or Electronic Data.

1) Storage of Physical Items

Physical items, such as parts and assemblies that are considered under ITAR control must be marked as such. The marking must be visible to and understood by all. Individual parts need not be marked when many are stored together; on a pallet for example. Boxed or packaged items should be labeled with customer and part information, as well as stamped "ITAR CONTROLLED".

2) Storage of Physical Data

Physical data will most often take the form of a drawing or blueprint. When ITAR controlled physical data is received, it shall be marked "ITAR CONTROLLED". If a copy must be made, no matter how limited or incomplete, it must be marked "ITAR CONTROLLED". Individual job folders and job cards shall be marked with a red sticker to designate ITAR control.

3) Storage of Electronic Data

Electronic data that falls under ITAR control must be handled carefully. We understand the very real possibility of electronic espionage, or "hacking". Sweeney Metal Fabricators, Inc. protects its' internal network and intranet via an incoming firewall, however, we feel it is necessary to segregate sensitive electronic data from our network. A stand alone or "dumb" server shall be used for this purpose. Electronic data shall be transferred on and off of this server as required. This data is not to be saved on individual systems, and is to be deleted after its use.

iii) Destruction of ITAR controlled items

ITAR controlled physical items should be disposed of in a manner deemed fit by the ITAR Administrator. ITAR controlled physical data shall be destroyed via shredder as they become outdated, or worn beyond reasonable use. ITAR controlled electronic data must be permanently deleted as it becomes outdated.

iv) Maintenance of Records

Sweeney Metal Fabricators, Inc. shall keep reasonable account of all ITAR controlled items as they are received. Items received prior to April 1, 2009 that fall under ITAR control, will be marked, handled, or destroyed in a systematic manner.

c) Identification of ITAR Compliant suppliers

i) Eligibility

In order to be eligible to handle ITAR controlled data for Sweeney Metal Fabricators, Inc., a supplier must meet certain criteria. A complete list of eligible suppliers will be maintained by the ITAR Administrator, and will be made available to shipping, and purchasing personnel.

ii) Verification

All vendors will be required to file form SMF-ITAR-VC annually. This form must be submitted no Later than May 1 yearly in order to hold or attain ITAR eligibility.

- 1) If a vendor has previously applied for, and received an ITAR registration, this will serve as verification, regardless of the information received on the SMF-ITAR-VC. As long as the registration is valid, a complete SMF-ITAR-VC will not be required by Sweeney Metal Fabricators, Inc.

iii) Record Keeping

The ITAR Administrator will keep on file all forms SMF-ITAR-VC for a minimum of five (5) years. This information must be made available to ITAR Registered customers or the DDTC upon request.

iv) When ITAR controlled data is to be supplied to a supplier or vendor, proper notations must be made. All documentation must be marked "ITAR CONTROLLED" and "DO NOT DUPLICATE".

d) Transmission of Sensitive Data

- i) All properly marked ITAR controlled physical materials transferred to person must be returned with the completed paperwork. In the event the ITAR controlled physical material is lost or destroyed, a person must supply an affidavit to Sweeney Metal Fabricators, Inc. describing the situation. Failure to comply with these practices will result in a loss of ITAR eligibility.

- ii) All properly marked ITAR controlled electronic data, including that sent via email, must be handled differently. ITAR controlled electronic data shall only be emailed as a last resort. Whenever possible, data should be saved in read only format onto a disposable media (such as a CD-R). This media should be marked "ITAR CONTROLLED" and "DO NOT DUPLICATE". The media should be returned with the completed paperwork. In the event the data must be sent via email, the recipient must have valid ITAR eligibility, and must permanently delete any and all data, including the email, once the job or commitment is fulfilled.

e) Maintenance of Records

It is the sole responsibility of the ITAR Administrator to handle, and account for all records pertaining to this ITAR initiative. All records, including revision history, eligibility changes, and registration data is to be made available to ITAR Registered customers as well as the DDTC upon request.

Revisions

Date	Section	Changes	Initials
3/12/09	ALL	Initial Release	CDS
3/20/09	4C	Added Paragraph II, Article 1	CDS