

# GAO Highlights

Highlights of [GAO-15-519](#), a report to Chairman, Committee on Foreign Affairs, House of Representatives

## Why GAO Did This Study

The United States uses sanctions to curb weapons of mass destruction proliferation. Under INKSNA, the President is required every 6 months to provide reports to two congressional committees that identify every foreign person for whom there is credible information that the person has transferred certain items to or from Iran, North Korea, or Syria. INKSNA authorizes the President to impose sanctions on the identified person and requires him to provide justification to the two committees if sanctions are not imposed. The President has delegated this authority to State. State's Deputy Secretary makes determinations about whether to impose sanctions.

GAO was asked to review State's INKSNA implementation. This report (1) examines State's timeliness in providing INKSNA reports, (2) reviews State's reporting process, and (3) identifies the potential impact of its reporting timeliness on the imposition of sanctions.

GAO analyzed data and met with officials from the Departments of State, Defense, and Energy, and met with officials from the Department of Commerce.

## What GAO Recommends

GAO recommends that the Secretary of State reconsider State's INKSNA process to ensure that it (1) complies with INKSNA's 6-month reporting cycle, and (2) minimizes delays in its ability to opt to impose sanctions. State concurred with the recommendation but expressed concerns about the difficulty of conducting its process. The GAO report highlights some process efficiencies that State should consider.

View [GAO-15-519](#). For more information, contact Thomas Melito at (202) 512-9601 or [melitot@gao.gov](mailto:melitot@gao.gov).

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## NONPROLIFERATION

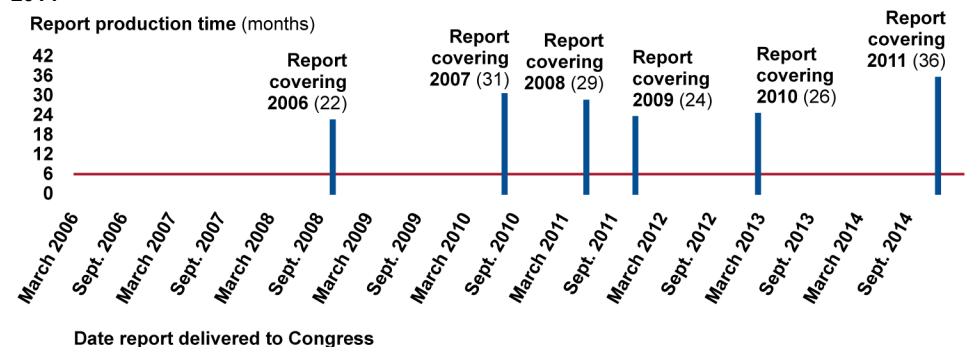
### State Should Minimize Reporting Delays That May Affect Sanctions on Trade with Iran, North Korea, and Syria

## What GAO Found

The Department of State (State) is not providing reports to congressional committees in accordance with the 6-month reporting requirements of the 2006 Iran, North Korea, and Syria Nonproliferation Act (INKSNA). Since 2006, it has provided six reports covering a 6-year period (2006 through 2011), instead of 18 reports covering a 9-year period (2006 through 2014), as required by INKSNA. State provided these six reports at irregular intervals averaging 16 months. It provided its most recent report in December 2014, 22 months after it had provided the prior report.

State has not established a process that would allow it to comply with the 6-month reporting cycle required by INKSNA. It uses a complex and lengthy process that involves multiple interagency and internal reviews. Because it processes cases in calendar-year groups, State delays providing a report to the committees until it has resolved all concerns and determined whether to impose sanctions for each transfer in the group. It begins preparing a new report every December, regardless of whether it has completed all previous reports, with the result that State officials sometimes work on several reports simultaneously and may delay work on one report to work on another. State required nearly 3 years to prepare its December 2014 report on transfers that first came to its attention in 2011. Officials told GAO that negotiations and relations with countries can delay the process and assessing transfers in annual groups reduces prospects for confusion among the parties involved in the process (see figure).

**State's Delays in Reporting on Transfers and Acquisitions Reportable under INKSNA, 2006-2014**



Source: GAO analysis of State data. | GAO-15-519

By not complying with INKSNA's 6-month reporting cycle, State may have limited its ability to minimize delays in choosing to impose INKSNA sanctions. INKSNA requires State to identify foreign persons in a report before opting to impose sanctions on them. As a result, State did not impose INKSNA sanctions on 23 persons for 2011 transfers until December 2014, when it provided its report addressing 2011 transfers. While officials told GAO that threats of possible sanctions can deter questionable transfers, prolonged delays in eventually imposing potential INKSNA sanctions could erode the credibility of such threats and INKSNA's utility as a tool in helping to curb weapons of mass destruction proliferation associated with Iran, Syria, and North Korea.