



February 2025

EXPORT CONTROLS

Improvements Needed in Licensing and Monitoring of Firearms

Why GAO Did This Study

The U.S. government implements an export control system to manage risks associated with exporting sensitive items while facilitating legitimate trade. In 2020, State and Commerce transferred nonautomatic and semiautomatic firearms up to .50 caliber from State's to Commerce's export control jurisdiction. The changes were part of a multi-year effort to transfer control of less sensitive items to Commerce and limit the items that State controls to those items that provide the U.S. with a critical military or intelligence advantage.

A House report includes a provision for GAO to review the authorization process for firearms exports following the transfer of jurisdiction. GAO examined (1) how U.S. exports of firearms have changed since the transfer, (2) the Commerce-led interagency export licensing process for firearms, and (3) Commerce's efforts to monitor the end use of firearms exports. GAO reviewed documents and analyzed data related to firearms licensing, exports, and end-use checks, and interviewed agency officials.

What GAO Recommends

GAO is making 12 recommendations, including for State to develop agencywide guidance for export license reviews and for Commerce to address personnel gaps and potentially conflicting duties related to its end-use monitoring efforts. State and Commerce concurred with the recommendations.

View [GAO-25-106849](#). For more information, contact Nagla'a El-Hodiri at (202) 512-4128 or ElHodiriN@gao.gov.

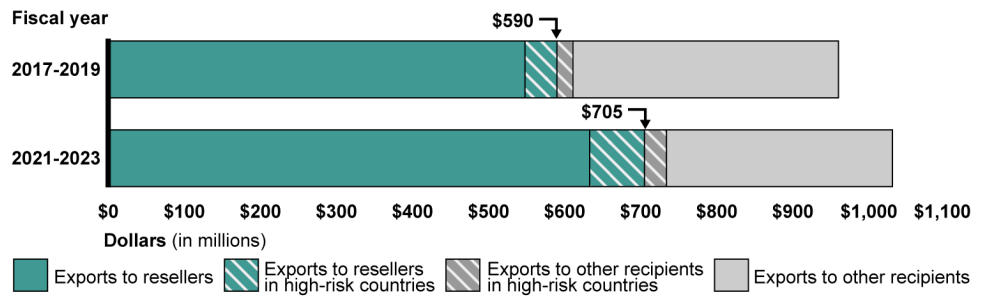
EXPORT CONTROLS

Improvements Needed in Licensing and Monitoring of Firearms

What GAO Found

GAO found that the total value of U.S. commercial exports of nonautomatic and semiautomatic firearms increased since the export control jurisdiction of these firearms transferred from the Department of State to the Department of Commerce. The value rose by 7 percent, from \$960 million to \$1.03 billion, when comparing the 3 fiscal years before the transfer (2017–2019) with those after (2021–2023). The increase was driven by substantial increases in the value of exports to resellers, particularly to resellers in countries at high risk for firearms diversion or misuse (see fig.). In 2024, Commerce revised its licensing review processes for firearms exports to help reduce the risk of diversion or misuse.

Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms, Fiscal Years 2017–2019 and 2021–2023



Source: GAO analysis of U.S. Census Bureau data. | GAO-25-106849

Note: Values are in 2023 U.S. dollars. "High-risk countries" refers to countries the Departments of State and Commerce identified in April 2024 as high risk for firearms diversion or misuse.

Commerce oversees an interagency licensing process for firearms exports that includes a review by State for U.S. foreign policy and national security concerns. However, GAO found that State's process for conducting such reviews is fragmented across different bureaus, leading to inconsistent and duplicative efforts. GAO also found that State lacks agencywide guidance for how bureaus should conduct their reviews. Establishing such guidance could help provide greater consistency in State's reviews and assurance that licensing decisions reflect U.S. foreign policy and national security interests in different countries.

Commerce's Bureau of Industry and Security (BIS) uses end-use checks to ensure that firearms exports are used as intended but lacks dedicated personnel for conducting these checks in regions at high risk for firearms diversion. As a result, BIS may rely on Commerce's International Trade Administration (ITA) to conduct end-use checks on its behalf. However, conducting end-use checks may conflict with ITA's primary duties of promoting the commercial interests of U.S. exporters. For example, ITA personnel may connect a U.S. business to a firearms distributor to promote U.S. exports and then later be asked to conduct an end-use check on that distributor, which could restrict those exports. Yet, BIS and ITA do not have guidance on how to segregate potentially conflicting duties. Without guidance, BIS lacks reasonable assurance that ITA personnel have appropriate qualifications and are conducting end-use checks impartially to help mitigate the risk of firearms diversion. Without dedicated personnel to conduct its end-use checks, BIS risks inconsistent end-use monitoring globally.

Contents

Letter		1
	Background	4
	Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms Increased After 2020 Transfer of Jurisdiction, Particularly to Resellers and High-Risk Countries	14
	Processes and Guidance Related to the Interagency Review of Nonautomatic and Semiautomatic Firearms Export Licenses Could Be Improved	22
	Commerce’s End-Use Monitoring of Firearms Hampered by Staffing Gaps, Limited Training, Potentially Conflicting Duties, and Insufficient Timeliness Data	33
	Conclusions	52
	Recommendations for Executive Action	53
	Agency Comments and Our Evaluation	55
Appendix I	State Export License Applications and End-Use Checks for Firearms, Fiscal Years 2017–2019	57
Appendix II	Commerce Export License Applications and End-Use Checks for Firearms, Fiscal Years 2021–2023	62
Appendix III	Objectives, Scope, and Methodology	68
Appendix IV	Comments from the Department of State	76
Appendix V	GAO Contact and Staff Acknowledgments	80

Tables

Table 1: Examples of Licensing and End-Use Monitoring Requirements for Most Nonautomatic and Semiautomatic Firearms Before and After Recent Rule Changes	13
Table 2: Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms, Fiscal Years 2017–2019 and 2021–2023	15
Table 3: Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms to High-Risk Countries, Fiscal Years 2017–2019 and 2021–2023	18
Table 4: Specialized Experience, General Duties, and Potential Limitations of Government Personnel That Conduct Firearms End-Use Checks for Bureau of Industry and Security	39

Figures

Figure 1: Key Steps in Interagency Review Process for Commerce License Applications for Firearms Exports	6
Figure 2: Examples of Firearms and Ammunition Transferred from Department of State to Department of Commerce Export Control Jurisdiction	9
Figure 3: Change in Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms by Destination, from Fiscal Years 2017–2019 to 2021–2023	17
Figure 4: Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms by Recipient Type, Fiscal Years 2017–2019 and 2021–2023	21
Figure 5: Example of Department of State Process for Reviewing Commerce License Applications for Firearms Exports	24
Figure 6: Locations of Department of Commerce Export Control Officer Positions and Areas of Responsibility, as of October 1, 2024	35
Figure 7: High-Risk Destinations for Firearms and Location within Export Control Officer Area of Responsibility	36
Figure 8: Number of Export License Applications for Firearms Approved, Denied, or Returned without Action by Department of State, Fiscal Years 2017–2019	57
Figure 9: Percentage of Department of State–Approved Export License Applications for Firearms by Geographic Region, Fiscal Years 2017–2019	58

Figure 10: Top 20 Destination Countries for Department of State– Approved Export License Applications for Firearms, Fiscal Years 2017–2019	59
Figure 11: Number of Department of State End-Use Checks for Firearms by Geographic Region and Outcome, Fiscal Years 2017–2019	60
Figure 12: Percentage of Department of State Prelicense and Postshipment End-Use Checks for Firearms, Fiscal Years 2017–2019	61
Figure 13: Number of Export License Applications for Firearms Approved, Denied, or Returned without Action by Department of Commerce, Fiscal Years 2021–2023	63
Figure 14: Percentage of Department of Commerce–Approved Export License Applications for Firearms by Geographic Region, Fiscal Years 2021–2023	64
Figure 15: Top 20 Destination Countries for Department of Commerce–Approved Export License Applications for Firearms, Fiscal Years 2021–2023	65
Figure 16: Number of Department of Commerce End-Use Checks for Firearms by Geographic Region and Outcome, Fiscal Years 2021–2023	66
Figure 17: Percentage of Department of Commerce Prelicense and Postshipment End-Use Checks for Firearms, Fiscal Years 2021–2023	67

Abbreviations

AECA	Arms Export Control Act of 1976
BIS	Bureau of Industry and Security
CCL	Commerce Control List
DDTC	Directorate of Defense Trade Controls
DOD	Department of Defense
DRL	Bureau of Democracy, Human Rights, and Labor
EAR	Export Administration Regulations
EB	Bureau of Economic and Business Affairs
ECCN	Export Control Classification Number
ECO	Export Control Officer
FAM	Foreign Affairs Manual
HTSUS	Harmonized Tariff Schedule of the U.S.
IMS-R	Investigative Management System Redesign
ISN	Bureau of International Security and Nonproliferation
ITA	International Trade Administration
MOU	memorandum of understanding
SHOT Show	Shooting, Hunting, and Outdoor Trade Show
SOP	standard operating procedure
USML	U.S. Munitions List
USXPORTS	U.S. Exports System

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



February 12, 2025

The Honorable Jerry Moran
Chair
The Honorable Chris Van Hollen
Ranking Member
Subcommittee on Commerce, Justice, Science, and Related Agencies
Committee on Appropriations
United States Senate

The Honorable Hal Rogers
Chairman
The Honorable Grace Meng
Ranking Member
Subcommittee on Commerce, Justice, Science, and Related Agencies
Committee on Appropriations
House of Representatives

The U.S. government implements an export control system to manage risks associated with exporting sensitive items while facilitating legitimate trade. Historically, the Department of State had been responsible for determining whether to allow commercial U.S. exports of most firearms. In March 2020, export control responsibility for most nonautomatic and semiautomatic firearms shifted to the Department of Commerce, while State retained responsibility for regulating the export of fully automatic firearms. Commerce later revised its export control requirements in April 2024 after it identified several instances in which firearms legally exported from the U.S. had been diverted or misused, including an instance where a firearm had been diverted and used in a political assassination.

A House report accompanying the Commerce, Justice, Science, and Related Agencies Appropriations Bill, 2023, includes a provision for us to review the authorization process for firearms exports following the transfer of jurisdiction.¹ In 2019, prior to the transfer of jurisdiction, we reported on differences in State and Commerce export controls that

¹H.R. Rep. No. 117-395 (2022).

would have implications for firearms exports if the transfer of jurisdiction were to take effect.²

This report examines (1) how U.S. exports of firearms have changed since the transfer of jurisdiction, (2) the Commerce–led interagency export licensing process for firearms, and (3) Commerce’s efforts to monitor the end use of firearms exports. In addition, this report provides information on export license applications and end-use checks before the transfer of jurisdiction (see app. I) and after (see app. II).

To address our first objective, we obtained and analyzed data on U.S. firearms exports from the Automated Export System—the system U.S. exporters use to electronically declare their exports—and interviewed Commerce officials about the data. We assessed the reliability of the data by conducting validity checks and found the data to be sufficiently reliable to describe the value, destinations, and recipients of U.S. exports of nonautomatic and semiautomatic firearms during the 3-year periods before and after the transfer of jurisdiction.³ To focus on commercial firearms exports, we excluded exports involving foreign military sales from our analysis. We used Schedule B and Harmonized Tariff Schedule of the U.S. (HTSUS) codes to identify and analyze U.S. exports of firearms that were most likely under Commerce’s jurisdiction following the transfer of jurisdiction.⁴ Schedule B and HTSUS codes do not perfectly separate fully automatic firearms from nonautomatic and semiautomatic firearms, so our results could be an underestimate or overestimate of the value of U.S. nonautomatic and semiautomatic firearms exports. We chose not to

²GAO, *Export Controls: State and Commerce Should Share Watch List Information If Proposed Rules to Transfer Firearms Are Finalized*, [GAO-19-307](#) (Washington, D.C.: Mar. 1, 2019).

³To capture 3 full fiscal years before and after the transfer of jurisdiction, we analyzed data from fiscal years 2017–2019 (October 1, 2016–September 30, 2019) and fiscal years 2021–2023 (October 1, 2020–September 30, 2023)—the period before Commerce paused the issuance of some export licenses and revised its licensing requirements.

⁴Exporters have the option of reporting a Schedule B code or HTSUS code when entering data into the Automated Export System. Within Schedule B and HTSUS codes 9301–9303 (which cover firearms such as military weapons, revolvers, pistols, and shotguns), we chose to include those codes where more than 50 percent of the value of U.S. firearms exported during fiscal years 2021–2023 was shipped via a Commerce license or Commerce license exception. As a robustness check, we executed our analysis with a 25 percent and 75 percent threshold and found similar trends in the total value of U.S. exports of nonautomatic and semiautomatic firearms, including to resellers and to countries at high risk for firearms diversion or misuse.

report on the volume of U.S. firearms exports due to inconsistencies in units of the quantity variable in raw Automated Export System data.

To address our second objective, we reviewed documents and interviewed officials from Commerce, State, and the Department of Defense (DOD) to understand the processes in place for reviewing Commerce export license applications. We assessed Commerce's and State's licensing review and adjudication processes against (1) federal internal control standards⁵ and (2) leading practices for interagency collaboration, which note that written agreements can be used to provide consistency in the long term⁶ and are most effective when regularly updated and monitored.⁷

To address our third objective, we reviewed guidance and standard operating procedures for conducting end-use checks from Commerce's Bureau of Industry and Security (BIS). We interviewed BIS officials, including four current Export Control Officers (ECO) who had conducted end-use checks for firearms or related items during their tours of duty. We also reviewed case notes for end-use checks completed during fiscal years 2021–2023 as context for how BIS guidance and standard operating procedures for conducting end-use checks are implemented. In addition, we interviewed officials from State and Commerce's International Trade Administration (ITA) to understand their roles in BIS's end-use monitoring program. We assessed our findings from our reviews

⁵Specifically, we determined that the control environment, control activities, and information and communication components of internal control were significant to this objective, along with the underlying principles that management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives (principle 3); design control activities to achieve objectives and respond to risks (principle 10); implement control activities through policies (principle 12); and internally communicate the necessary quality information to achieve the entity's objectives (principle 14). See GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

⁶GAO, *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, [GAO-12-1022](#) (Washington, D.C.: Sept. 27, 2012).

⁷GAO, *Government Performance Management: Leading Practices to Enhance Interagency Collaboration and Address Crosscutting Challenges*, [GAO-23-105520](#) (Washington, D.C.: May 24, 2023).

and interviews against (1) federal internal control standards;⁸ (2) leading practices in interagency collaboration, which call for using written agreements to enhance collaboration;⁹ and (3) leading practices in human capital, which call for designing and implementing effective training programs.¹⁰

To provide information on export license applications and end-use checks before and after the transfer of jurisdiction, we completed two separate analyses. First, we examined export license applications and end-use checks for firearms and related items under State's jurisdiction in the 3-year period before the transfer. Second, we examined export license applications and end-use checks for firearms and related items under Commerce's jurisdiction in the 3-year period after the transfer. For more information about our objectives, scope, and methodology, see appendix III.

We conducted this performance audit from June 2023 to February 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

State and Commerce Export Controls

The U.S. government implements an export control system to manage risks associated with exporting sensitive items and ensure that legitimate trade can still occur. Historically, State's Directorate of Defense Trade Controls (DDTC) has controlled the export of those items with inherently

⁸Specifically, we determined that the control environment, risk assessment, control activities, and information and communication components of internal control were significant to this objective, along with the underlying principles that management should demonstrate a commitment to recruit, develop, and retain competent individuals (principle 4); identify, analyze, and respond to significant changes that could impact the internal control system (principle 9); design control activities to achieve objectives and respond to risks (principle 10); and use quality information to achieve the entity's objectives (principle 13). See [GAO-14-704G](#).

⁹[GAO-23-105520](#).

¹⁰GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government* (Supersedes [GAO-03-893G](#)), [GAO-04-546G](#) (Washington, D.C.: Mar. 1, 2004).

military applications—including many firearms and ammunition—on the U.S. Munitions List (USML). At the same time, Commerce’s BIS has controlled the export of less sensitive items with both military and commercial applications—known as dual-use items—on the Commerce Control List (CCL).¹¹

State and Commerce both control the export of items within their jurisdictions by implementing licensing requirements, screening license applications against internal watch lists, conducting end-use checks, and supporting investigations by law enforcement agencies of possible violations of export control laws and regulations. Generally, to receive export approval, exporters submit a license application to State if their items are controlled on the USML or to Commerce if they are controlled on the CCL.¹²

State’s DDTC has primary responsibility for reviewing export license applications for firearms on the USML and may refer applications to other bureaus within State, as well as to DOD, for review. Commerce’s BIS has primary responsibility for reviewing export license applications for firearms on the CCL. Commerce’s process for reviewing export license applications for CCL-controlled firearms also involves opportunities for other departments to review applications, including State and DOD (see fig. 1).¹³ Specifically, DOD’s Defense Technology Security Administration and State’s regional and functional bureaus review Commerce export license applications for firearms.¹⁴ State’s review is designed to provide

¹¹State’s USML and Commerce’s CCL are subject to different laws and regulations. The Arms Export Control Act of 1976, as amended, (AECA) provides the statutory authority to control the export of defense articles and services, which the President delegated to the Secretary of State. 22 U.S.C. § 2778. State’s International Traffic in Arms Regulations implement this authority and contain the USML. 22 C.F.R. Parts 120–130. The Export Control Reform Act of 2018 provides the statutory authority for Commerce to control exports of less sensitive and dual-use items under the Export Administration Regulations (EAR), which contain the CCL. 50 U.S.C. § 4801 et seq.; 15 C.F.R. Parts 730–774.

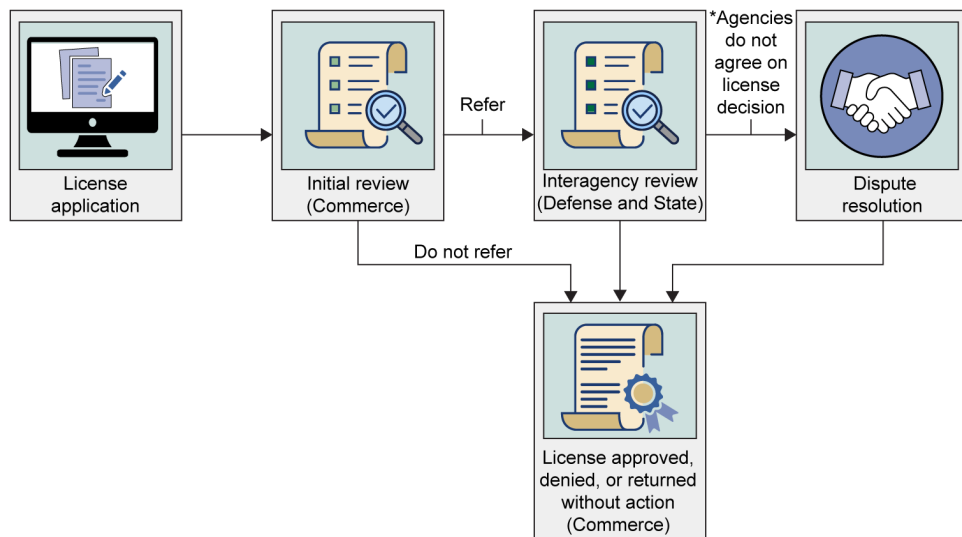
¹²Some items may be exported without a license if one is not required or if a license exception applies.

¹³According to Commerce and State officials, the Department of Energy is not involved in reviewing Commerce’s export license applications for firearms but would be part of Commerce’s dispute resolution process when the agencies involved in the initial application reviews disagree on the final disposition of the application.

¹⁴State has both regional and functional bureaus. Regional bureaus oversee U.S. embassies and consulates and coordinate U.S. foreign relations in their respective geographic areas, while functional bureaus oversee wider cross-regional objectives and programs, according to State officials.

assurance that licensing decisions reflect U.S. foreign policy and national security interests in different countries. Each agency makes a recommendation as to the disposition of the license. If the agencies disagree, the application is escalated through an interagency process outlined in Executive Order 12981.¹⁵ Though these agencies have the authority to review any export license application submitted to Commerce, they may determine that they do not need to review certain types of applications.

Figure 1: Key Steps in Interagency Review Process for Commerce License Applications for Firearms Exports



*Agencies = Departments of Commerce, Defense, and State.

Sources: GAO analysis of Department of Commerce information (data); GAO (icons). | GAO-25-106849

Note: Commerce's interagency license review process, including dispute resolution, is outlined in *Executive Order 12981: Administration of Export Controls*, 60 Fed. Reg. 62,981 (Dec. 8, 1995), as amended. According to Commerce officials, the Department of Energy is not involved in reviewing Commerce license applications for firearms exports but would be part of the dispute resolution process.

State and Commerce can take various actions on the export license applications they receive, including approving the license, approving with conditions, returning without action, or denying the license. State and

¹⁵The interagency review process for Commerce export license applications is specified in *Executive Order 12981: Administration of Export Controls*, 60 Fed. Reg. 62,981 (Dec. 8, 1995), as amended.

Commerce can approve an application but place conditions on the export license, such as limiting the validity period or prohibiting certain types of intermediaries in the export transaction. The agencies can return export license applications without action if they are missing information or contain errors. They also can deny, revoke, or suspend a license for foreign policy or national security reasons or if deficient or misleading information was submitted in support of the license's issuance.

State and Commerce may also conduct end-use checks to verify the reliability of foreign end users and legitimacy of proposed transactions and to provide reasonable assurance of compliance with the terms of the license and proper use of the licensed items.¹⁶ End-use checks include prelicense checks in support of the license application review and postshipment verifications after the license has been approved and items have shipped.¹⁷ Any party to the transaction—including the intermediate consignee, ultimate consignee, end user, and purchaser—may be the subject of an end-use check.¹⁸ If the party subject to the end-use check is not the end user, the check will verify that party's compliance with their requirements in the transaction. For example, an end-use check of a freight forwarder might verify that the freight forwarder is properly transferring the item but not necessarily verify the item's final disposition.

State and Commerce end-use checks may result in “favorable,” “unfavorable,” or “unverified” findings:

- **Favorable.** The party subject to the end-use check is considered a reliable recipient of U.S. goods.

¹⁶State and Commerce apply their own means of risk-based targeting to select the license applications or exports that will be subject to an end-use check. For example, State and Commerce may target transactions that involve derogatory information from watch lists, unfamiliar foreign parties, or unusual shipping routes, according to State and Commerce officials. Generally, State and Commerce target less than 2 percent of their export license applications for firearms for an end-use check during a fiscal year.

¹⁷Commerce may also conduct end-use checks for unlicensed exports of controlled items, such as those that qualified for a license exception.

¹⁸An intermediate consignee is a freight forwarder, logistics or acquisition firm, or other party who receives an item for further delivery to another party. An ultimate consignee is the principal party receiving the item in question and may or may not be the end user of the item. An end user is the party that ultimately uses the item in question. A purchaser is the party that has agreed to purchase the item in question for delivery to the ultimate consignee.

-
- **Unfavorable.** The end-use check reveals facts that are inconsistent with the license or regulations.
 - **Unverified.** The end-use check cannot verify the bona fides (i.e., legitimacy and reliability) of a foreign party.

For either State or Commerce, an “unfavorable” end-use check can lead to denying applications, revoking licenses, removing parties from licenses, updating internal watch lists, or making referrals to U.S. law enforcement agencies for investigation, according to State and Commerce officials. State relies primarily on U.S. embassy staff to conduct end-use checks. Commerce relies primarily on ECOs positioned overseas.

March 2020 Transfer of Certain Firearms from State to Commerce Jurisdiction

State and Commerce published final rules in the Federal Register transferring control over certain firearms exports from State’s to Commerce’s jurisdiction, effective March 9, 2020.¹⁹ The rules were part of a multi-year effort by both agencies to transfer control of less sensitive dual-use items to Commerce and limit the items that State controls to those items that provide the U.S. with a critical military or intelligence advantage or are inherently for military use. The rules further noted that the transfer was expected to reduce the regulatory burden on the U.S. commercial firearms industry. For example, because Commerce does not have a registration requirement or registration and licensing fees, the procedural burden and costs for export license applicants should be reduced.²⁰ In addition, State requires licenses to be limited to only one end user, while Commerce may allow multiple end users on a single license, reducing the total number of licenses for which an applicant must apply.

Specifically, the rules removed items from the USML under State’s export control jurisdiction and moved them to the CCL under Commerce’s export

¹⁹For State’s final rule, see *International Traffic in Arms Regulations: U.S. Munitions List Categories I, II, and III*, 85 Fed. Reg. 3,819 (Jan. 23, 2020). For Commerce’s final rule, see *Control of Firearms, Guns, Ammunition and Related Articles the President Determines No Longer Warrant Control under the United States Munitions List (USML)*, 85 Fed. Reg. 4,136 (Jan. 23, 2020).

²⁰The AECA requires manufacturers, exporters, and brokers of items on the USML to register annually with State whereas there is no registration requirement in law for manufacturers, exporters, and brokers of items on the CCL under Commerce’s jurisdiction.

control jurisdiction.²¹ Nonautomatic and semiautomatic firearms up to .50 caliber—as well as parts, components, accessories, attachments, and ammunition for these firearms—were among the items transferred from State’s to Commerce’s jurisdiction (see fig. 2). Fully automatic firearms and related items remained on the USML under State’s jurisdiction. Commerce controlled long barrel shotguns prior to the rules going into effect; short barrel shotguns transferred to Commerce with the new rules. See appendixes I and II for more information on export license applications and end-use checks before and after the transfer of jurisdiction.

Figure 2: Examples of Firearms and Ammunition Transferred from Department of State to Department of Commerce Export Control Jurisdiction



Source: Bureau of Alcohol, Tobacco, Firearms and Explosives. | GAO-25-106849

October 2023 Commerce Licensing Pause

In October 2023, Commerce paused the issuance of new export licenses involving certain firearms, ammunition, and related items under its jurisdiction. According to Commerce, the pause followed its identification of several instances in which lawfully exported firearms and related items had been diverted or misused in a manner contrary to U.S. national security and foreign policy interests. For example, in one case, a U.S. firearm licensed for export to one country was subsequently diverted to a

²¹The rules transferred items from USML Category I (covering firearms and related items); Category II (covering guns and armament); and Category III (covering ammunition and ordnance) to the CCL. This report focuses on commercial firearms and related items transferred from State’s USML Category I to Commerce’s CCL. A firearm is a weapon that is designed to expel a projectile by the deflagration of propellant, according to Commerce officials.

bordering country and used in a political assassination.²² Because these instances of diversion largely involved commercial exports to nongovernment end users, Commerce tailored the pause to apply only to exports involving nongovernment end users.²³

During the pause, Commerce assessed its license review policies for firearms exports to determine whether any changes were warranted to advance U.S. national security and foreign policy interests. As part of its assessment, Commerce requested that State examine whether there are specific destinations in which there is substantial risk of firearms diversion or misuse. In response, State, in consultation with U.S. government stakeholders, developed a methodology for identifying such destinations.

May 2024 Commerce Rule Changes

In May 2024, Commerce amended its licensing requirements and license review policies for firearms exports. According to Commerce, the changes were designed to help reduce the risk of legally exported firearms and related items being diverted or misused.²⁴ Among the changes, Commerce, in consultation with U.S. government stakeholders, took the following actions:

- **Adopted State’s methodology for identifying high-risk destinations.** State identified a set of factors that correlate with an increased risk of a firearm exported to a certain destination being diverted or misused in a manner adverse to U.S. national security and

²²Commerce also noted that its licensing pause was informed by a 2022 GAO report, which found that 20 percent of firearms recovered and traced in Central America were U.S. origin firearms that were legally exported. In a more recent report, we found that 7 percent of firearms recovered and traced in the Caribbean were U.S. origin firearms that were legally exported. See GAO, *Firearms Trafficking: More Information Is Needed to Inform U.S. Efforts in Central America*, [GAO-22-104680](#) (Washington, D.C.: Jan. 11, 2022) and GAO, *Caribbean Firearms: Agencies Have Anti-Trafficking Efforts in Place, But State Could Better Assess Activities*, [GAO-25-107007](#) (Washington, D.C.: Oct. 15, 2024).

²³The pause applied to nongovernment end users worldwide (apart from those in Israel and 40 Wassenaar Arrangement implementing nations). The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies is a multilateral export control regime that focuses on trade in conventional weapons and related items with dual-use applications. The purpose of the arrangement is to contribute to regional and international security and stability, by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies, thus preventing destabilizing accumulations.

²⁴Commerce outlined the changes to its licensing requirements and license review policies for firearms exports in its interim final rule published in the Federal Register April 30, 2024, and effective May 30, 2024. See *Revisions of Firearms License Requirements*, 89 Fed. Reg. 34,680 (Apr. 30, 2024).

foreign policy. Commerce export license applications for firearms will be reviewed on a case-by-case basis against these factors to determine the risk of diversion or misuse. The factors that will be considered include, but are not limited to, destination-specific national security and foreign policy risk factors, including firearms trafficking, terrorism, human rights concerns and political violence, state fragility, corruption, organized crime or gang activity, and drug trafficking.

- **Adopted a “presumption of denial review policy” for firearms export license applications involving nongovernment end users in 36 high-risk countries.** On the basis of State’s methodology for identifying high-risk destinations, State developed and Commerce adopted a list of 36 countries where firearms exports to nongovernment end users entail a substantial risk of being diverted or misused in a manner adverse to U.S. national security and foreign policy.²⁵ Commerce will apply a “presumption of denial review policy” for firearms export license applications involving nongovernment end users in these countries. Commerce will deny such applications unless exporters demonstrate that a specific transaction does not present a substantial risk of diversion or misuse. Commerce also revoked existing licenses to nongovernment end users in these countries, effective July 1, 2024.²⁶ Commerce determined that a presumption of denial, as opposed to an absolute prohibition, would provide it with the flexibility to tailor the licensing review process to the individual facts and related policy interests.
- **Reduced the general validity period for firearms export licenses from 4 years to 1 year.** Commerce amended its regulations to reduce the general validity period from 4 years to 1 year for all future export licenses involving firearms and related items. Commerce determined that national security and foreign policy considerations

²⁵State’s methodology and list are contained in an April 2024 memorandum—see “Foreign Policy Guidance on Firearms Export Policy” at <https://www.bis.gov/sites/default/files/press-release-uploads/2024-04/State%20Guidance%20Memorandum.pdf>. In April 2024, Commerce adopted the list and published it as the “High-Risk Destinations for Firearms and Related Items” list in Supplement No. 3 to Part 742 of the EAR. State and Commerce plan to update this list at least annually through a newly created interagency working group (“The Safeguard”) chaired by State. Commerce will publish any additions or deletions to the list. Because State developed and Commerce adopted the list in its regulations, throughout this report, we refer to the list as State’s and Commerce’s high-risk list for firearms diversion or misuse.

²⁶For any license that was revoked, the license holder may appeal the revocation or reapply to export the items covered by the revoked license under Commerce’s new licensing policy.

abroad can change rapidly and shortening the general validity period for firearms export licenses would enable the licensing review process to account for such developments.

- **Established import certificate requirement for firearms export license applications.** Prior to the 2024 rule changes, exporters were not required to submit an import certificate with Commerce firearms export license applications, unless specifically requested by Commerce or the applications involved Organization of American States member countries.²⁷ Following the rule changes, all Commerce firearms export license applications must include an import certificate or permit when required by the importing country. According to Commerce, this requirement will help ensure that the importing country's government is aware of the shipment and has confirmed that the import is lawful.
- **Established purchase order requirement for certain firearms export license applications.** Prior to the 2024 rule changes, exporters were not required to submit a purchase order with Commerce firearms export license applications, unless specifically requested by Commerce. Following the rule changes, purchase orders must be submitted with Commerce firearms export license applications involving certain countries.²⁸ Commerce generally limits the quantity licensed for export to the quantity specified on a purchase order.

Table 1 summarizes certain similarities and differences in licensing and end-use monitoring requirements for most nonautomatic and semiautomatic firearms exports during three periods:

- under State's USML (before the 2020 rule changes),
- under Commerce's CCL (after the 2020 rule changes), and
- under Commerce's CCL (after the 2024 rule changes).

Commerce's licensing and end-use monitoring requirements for firearms exports following the 2024 rule changes share some similarities with and differences from those during previous periods. Key differences relate to

²⁷The Organization of American States is an international organization founded in 1948 to promote cooperation among its 34 member countries within the Western Hemisphere.

²⁸The countries include all non-A:1 countries, which are countries not participating in the Wassenaar Arrangement. See Supplement No. 1 to Part 740—Country Groups of the EAR for non-A:1 and A:1 countries.

registration, general license validity period, and number of end users on a license.

Table 1: Examples of Licensing and End-Use Monitoring Requirements for Most Nonautomatic and Semiautomatic Firearms Before and After Recent Rule Changes

Requirement	State's USML (before 2020 rule ^a)	Commerce's CCL (after 2020 rule ^a)	Commerce's CCL (after 2024 rule ^b)
Registration. Applicant must register and pay fees.	Yes	No	No
General validity period. Length of time that an export license is valid.	4 years	4 years	1 year
Purchase order. Applicant must submit a purchase order.	Yes	No	For certain applications
Multiple end users. A single license can include multiple end users.	No	Yes	Yes
Screening. Applicants are screened against watch/proscribe lists.	Yes	Yes	Yes
Interagency review. Applications involve an interagency review.	No ^c	Yes, State and DOD ^d	Yes, State and DOD ^d
End-use monitoring. Parties to the transaction can be targeted for a prelicense or postshipment check.	Yes	Yes	Yes

USML = U.S. Munitions List; CCL = Commerce Control List

Source: GAO analysis of Departments of State and Commerce information. | GAO-25-106849

^aDepartment of State, *International Traffic in Arms Regulations: U.S. Munitions List Categories I, II, and III*, 85 Fed. Reg. 3,819 (Jan. 23, 2020). Department of Commerce, *Control of Firearms, Guns, Ammunition and Related Articles the President Determines No Longer Warrant Control under the United States Munitions List (USML)*, 85 Fed. Reg. 4,136 (Jan. 23, 2020).

^bDepartment of Commerce, *Revisions of Firearms License Requirements*, 89 Fed. Reg. 34,680 (Apr. 30, 2024).

^cThe Department of Defense (DOD) declined to review export license applications for nonautomatic and semiautomatic firearms before the 2020 rule but not after the 2020 rule when those firearms transferred from State's to Commerce's jurisdiction, according to DOD officials.

^dAccording to Commerce officials, the Department of Energy is not involved in reviewing Commerce's export license applications for firearms but would be part of Commerce's dispute resolution process when the agencies involved in the initial application reviews disagree on the final disposition of the application.

Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms Increased After 2020 Transfer of Jurisdiction, Particularly to Resellers and High-Risk Countries

Total Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms Increased After 2020 Transfer of Jurisdiction

The total value of U.S. commercial exports of nonautomatic and semiautomatic firearms increased by 7 percent when comparing the 3-year periods before and after the transfer of jurisdiction from State to Commerce.²⁹ The U.S. exported about \$960 million of nonautomatic and semiautomatic firearms in fiscal years 2017–2019, and about \$1.03 billion of nonautomatic and semiautomatic firearms in fiscal years 2021–2023 (see tab. 2).³⁰ This increase was driven by increases in the value of U.S. exports of these firearms to resellers and to direct consumers. There was also a substantial increase in the value of such exports to countries on State’s and Commerce’s high-risk list for firearms diversion or misuse.

²⁹To capture 3 full fiscal years before and after the transfer of jurisdiction, we analyzed data from fiscal years 2017–2019 (October 1, 2016–September 30, 2019) and fiscal years 2021–2023 (October 1, 2020–September 30, 2023). To focus on commercial firearms exports, we excluded exports involving foreign military sales from our analysis. According to U.S. Census Bureau officials, the data we obtained from Census do not perfectly separate fully automatic firearms from nonautomatic and semiautomatic firearms. For this reason, our results could be an underestimate or overestimate of the value of U.S. nonautomatic and semiautomatic firearms exports. We chose not to report on the volume of U.S. firearms exports due to inconsistencies in units of the quantity variable in the data we obtained from Census.

³⁰Values are in 2023 U.S. dollars and adjusted for inflation. As of fiscal year 2023, 98 percent of the total value of U.S. nonautomatic and semiautomatic firearms exports was shipped under a Commerce export license or license exception. State licenses for firearms exports generally expire after 4 years, so some State export licenses for firearms that transferred to Commerce’s jurisdiction in fiscal year 2020 could still be valid in fiscal year 2023.

Table 2: Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms, Fiscal Years 2017–2019 and 2021–2023

	Fiscal years 2017–2019 (millions) ^a	Fiscal years 2021–2023 (millions) ^b	Change (percentage)
All exports	\$960	\$1,032	7%
By recipient type			
Reseller	\$590	\$705	20%
Government entity	\$202	\$159	-21%
Direct consumer	\$84	\$96	14%
Other/unknown ^c	\$84	\$72	-15%
By high-risk list ^d			
High-risk countries	\$63	\$101	60%
Other countries	\$897	\$931	4%

Source: GAO analysis of U.S. Census Bureau data. | GAO-25-106849

Note: Values are in 2023 U.S. dollars and represent the sum of dollar values of U.S. commercial exports of nonautomatic and semiautomatic firearms, including the cost of domestic freight and insurance, as reported by exporters. Data for fiscal year 2020 were not included in this analysis because the transition of jurisdiction for these firearms occurred during that fiscal year. According to Census officials, the data we obtained do not perfectly separate fully automatic firearms from nonautomatic and semiautomatic firearms. For this reason, our results could be an underestimate or overestimate of the value of U.S. nonautomatic and semiautomatic firearms exports.

^aDuring this period, 11 percent of the total value of U.S. nonautomatic and semiautomatic firearms exports was shipped with a Department of Commerce license or license exception. Some items, such as long barrel shotguns, were under Commerce’s jurisdiction during this time.

^bDuring this period, 98 percent of the total value of U.S. nonautomatic and semiautomatic firearms exports was shipped with a Commerce license or license exception. Department of State licenses for firearms exports generally expire after 4 years, so some State export licenses for firearms that transferred to Commerce’s jurisdiction in fiscal year 2020 could still be valid in fiscal year 2023.

^cCensus defines “other/unknown” as any recipient that is not a reseller, government entity, or direct consumer, or whose recipient type is not known at the time of export. There was a higher value of U.S. firearms exports to “other/unknown” recipients in fiscal year 2017 than during the rest of our study period. This could partly explain the increase we see in the value of U.S. firearms exports to resellers and to direct consumers. As a robustness check, we excluded fiscal year 2017 from our results and found even larger increases in the value of U.S. firearms exports to resellers and to direct consumers after the transfer of jurisdiction.

^dIn April 2024, State developed and Commerce adopted a list of 36 countries at high risk for firearms diversion or misuse.

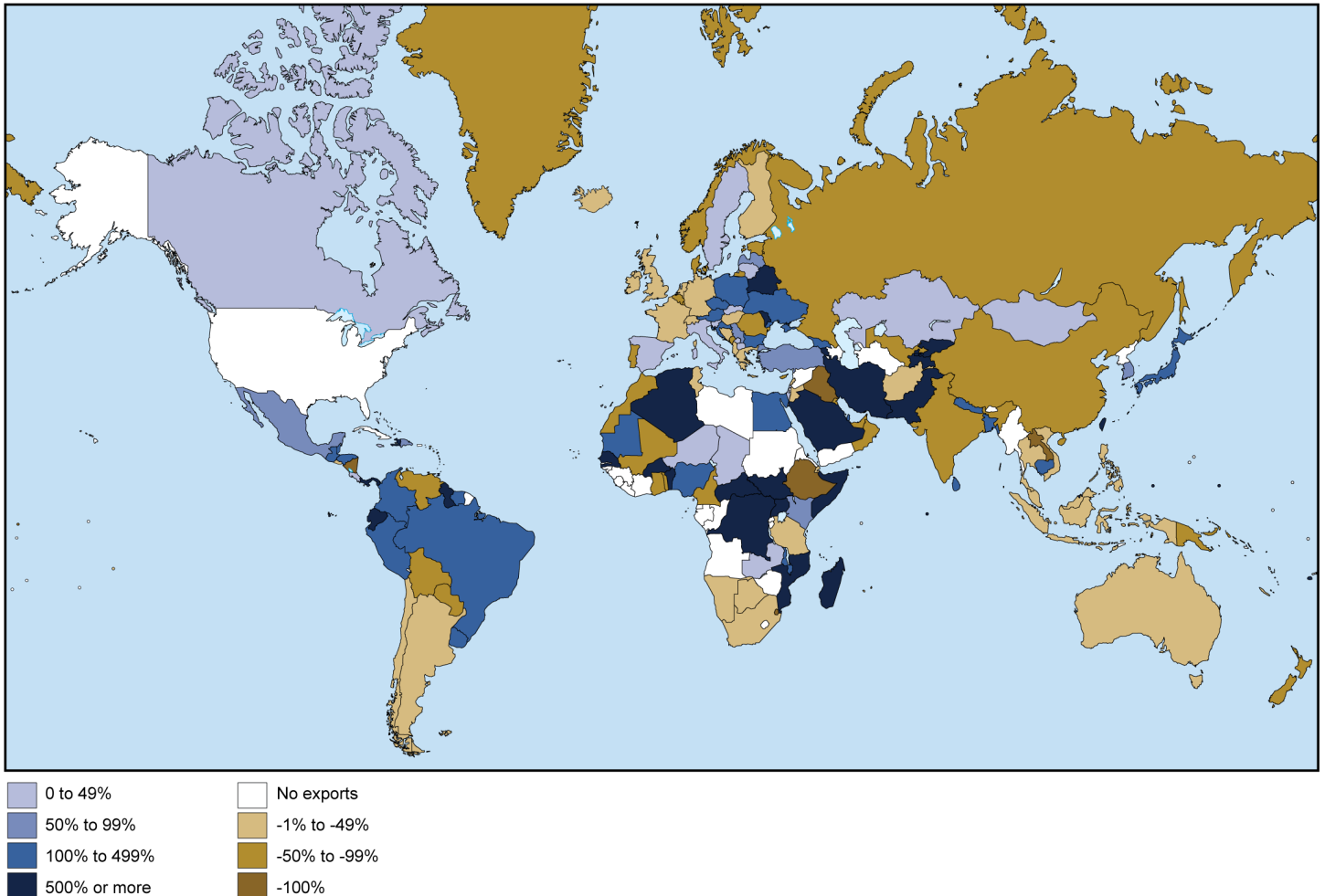
Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms Increased to Countries at High Risk for Diversion or Misuse

Since 2020, Commerce has identified South America, Africa, and Central Asia as regions at risk for firearms diversion. As shown in figure 3, the value of U.S. exports of nonautomatic and semiautomatic firearms

increased to a number of countries in these regions, when comparing the 3-year periods before and after the transfer of jurisdiction.³¹

³¹A number of world events and U.S. foreign policy decisions likely influenced U.S. firearms exports. For example, the Russian full-scale invasion of Ukraine began in February 2022. There was an 18 percent increase in the total value of U.S. exports of nonautomatic and semiautomatic firearms in fiscal year 2022 in comparison to fiscal year 2021, according to our analysis. In addition, the U.S. withdrew from Afghanistan in August 2021, which was accompanied by the cessation of all U.S. nonautomatic and semiautomatic firearms exports to that country, according to our analysis. Changes in import controls in other countries may have also affected U.S. firearms exports; for example, according to Commerce officials, Brazil eased restrictions on civilian firearms ownership in 2019 and reimposed many of them in 2023. Other world events, such as the COVID-19 pandemic, which first emerged in fiscal year 2020 during the transfer of jurisdiction from State to Commerce, may have affected geographic trends in U.S. nonautomatic and semiautomatic firearms exports.

Figure 3: Change in Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms by Destination, from Fiscal Years 2017–2019 to 2021–2023



Sources: GAO analysis of U.S. Census Bureau data (data); Map resources (map). | GAO-25-106849

Note: The percentages in this figure represent the change in the inflation-adjusted total dollar value of U.S. commercial exports of nonautomatic and semiautomatic firearms in fiscal years 2021–2023, as compared to fiscal years 2017–2019. Data for fiscal year 2020 were not included in this analysis because the transition of jurisdiction for these firearms occurred during that fiscal year. According to Census officials, the data we obtained do not perfectly separate fully automatic firearms from nonautomatic and semiautomatic firearms. For this reason, these results could be an underestimate or overestimate of changes in value of U.S. nonautomatic and semiautomatic firearms exports.

In 2024, State developed and Commerce adopted a list of 36 countries—mostly located in the Western Hemisphere and Africa—at high risk for firearms diversion or misuse. The overall value of U.S. exports of

nonautomatic and semiautomatic firearms to these countries increased by 60 percent, or \$38 million, when comparing the 3-year periods before and after the transfer of jurisdiction. Although the value of such exports declined to some of these countries, 25 (or 69 percent) of the 36 high-risk countries received an increase in the value of U.S. nonautomatic and semiautomatic firearms exports during this period. The largest increases by value of U.S. exports were to: Pakistan (1,400 percent, or \$16 million); Guatemala (116 percent, or \$12 million); and Panama (20,676 percent, or \$8 million). See table 3.

Table 3: Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms to High-Risk Countries, Fiscal Years 2017–2019 and 2021–2023

High-risk country ^a	Fiscal years 2017–2019 (thousands) ^b	Fiscal years 2021–2023 (thousands) ^c	Change (percentage) ^d
Uganda	\$1	\$191	22,594%
Panama	\$37	\$7,653	20,676%
Pakistan	\$1,108	\$16,618	1,400%
Guyana	\$32	\$352	986%
Ecuador	\$77	\$578	655%
Kyrgyzstan	\$487	\$3,309	580%
Trinidad and Tobago	\$1,314	\$8,036	512%
Suriname	\$335	\$1,852	452%
Belize	\$328	\$1,737	429%
Bangladesh	\$810	\$3,964	389%
Nigeria	\$62	\$229	270%
Colombia	\$1,080	\$3,498	224%
Honduras	\$1,000	\$3,005	200%
Peru	\$1,765	\$4,631	162%
Nepal	\$2	\$5	133%
Guatemala	\$10,610	\$22,896	116%
Dominican Republic	\$551	\$953	73%
Bahamas	\$504	\$749	49%
Kazakhstan	\$1,430	\$2,075	45%
Chad	\$25	\$34	35%
Niger	\$226	\$293	30%
Jamaica	\$2,953	\$3,015	2%
Tajikistan	\$0	\$157	N/A ^e
Burkina Faso	\$0	\$5	N/A ^e
Mozambique	\$0	\$1	N/A ^e

High-risk country ^a	Fiscal years 2017–2019 (thousands) ^b	Fiscal years 2021–2023 (thousands) ^c	Change (percentage) ^d
Burundi	\$0	\$0	N/A ^e
Yemen	\$0	\$0	N/A ^e
Malaysia	\$1,883	\$1,400	-26%
Vietnam	\$484	\$344	-29%
El Salvador	\$8,194	\$5,500	-33%
Indonesia	\$13,369	\$7,398	-45%
Bolivia	\$3,376	\$660	-80%
Papua New Guinea	\$283	\$32	-89%
Mali	\$677	\$58	-91%
Paraguay	\$9,959	\$6	-100%
Laos	\$143	\$0	-100%

Source: GAO analysis of U.S. Census Bureau data. | GAO-25-106849

Note: Values are in 2023 U.S. dollars and represent the sum of dollar values of U.S. commercial exports of nonautomatic and semiautomatic firearms, including the cost of domestic freight and insurance, as reported by exporters. Data for fiscal year 2020 were not included in this analysis because the transition of jurisdiction for these firearms occurred during that fiscal year. According to Census officials, the data we obtained do not perfectly separate fully automatic firearms from nonautomatic and semiautomatic firearms. For this reason, our results could be an underestimate or overestimate of the value of U.S. nonautomatic and semiautomatic firearms exports.

^aIn April 2024, the Department of State developed and the Department of Commerce adopted a list of 36 countries at high risk for firearms diversion or misuse. This list does not capture U.S. arms–embargoed countries, which are reviewed under a policy of denial. Those countries are Afghanistan, Belarus, Burma, Cambodia, Central African Republic, China, Democratic Republic of Congo, Cuba, Eritrea, Haiti, Iran, Iraq, North Korea, Lebanon, Libya, Nicaragua, Russia, Somalia, Republic of South Sudan, Syria, Venezuela, and Zimbabwe. See 22 C.F.R. § 126.1 and 15 C.F.R. Part 740 Supplement No. 1 for specific regulatory requirements for U.S. arms–embargoed countries.

^bDuring this period, 8 percent of the total value of U.S. nonautomatic and semiautomatic firearms exports to high-risk countries was shipped with a Commerce license or license exception. Some items, such as long barrel shotguns, were under Commerce’s jurisdiction during this time.

^cDuring this period, 99 percent of the total value of U.S. nonautomatic and semiautomatic firearms exports to high-risk countries was shipped with a Commerce license or license exception. State licenses for firearms exports generally expire after 4 years, so some State export licenses for firearms that transferred to Commerce’s jurisdiction in fiscal year 2020 could still be valid in fiscal year 2023.

^dPercentage changes are based on actual values prior to rounding.

^eThere were \$0 in U.S. exports of nonautomatic and semiautomatic firearms to Tajikistan, Burkina Faso, Mozambique, Burundi, and Yemen in fiscal years 2017–2019, therefore the percentage changes in exports to these countries are mathematically undefined or indeterminant.

U.S. firearms exports to nongovernment end users in countries on State’s and Commerce’s high-risk list entail a substantial risk of being diverted or misused in a manner adverse to U.S. national security and foreign policy. In May 2024, Commerce adopted a “presumption of denial review policy” for firearms export license applications involving nongovernment end users in the 36 high-risk countries shown in table 3. Commerce will deny

such applications unless exporters demonstrate that a specific transaction does not present a substantial risk of diversion or misuse. Further, in July 2024, Commerce revoked existing licenses to nongovernment end users in these 36 countries.³²

Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms Increased to Resellers and Direct Consumers

Both before and after the transfer of jurisdiction, resellers received the majority of the value of U.S. nonautomatic and semiautomatic firearms exports.³³ However, as shown in figure 4, when comparing the 3-year periods before and after the transfer of jurisdiction, the value of U.S. nonautomatic and semiautomatic firearms exports to resellers increased by 20 percent, or \$115 million. The value of U.S. exports of these firearms to direct consumers also increased in this period, by 14 percent, or \$12 million.³⁴ The value of such exports to government entities declined by 21 percent, or \$43 million.

A number of these exports to resellers were in countries where firearms are at high risk for diversion or misuse. As shown in figure 4, the value of U.S. nonautomatic and semiautomatic firearms exports to resellers in

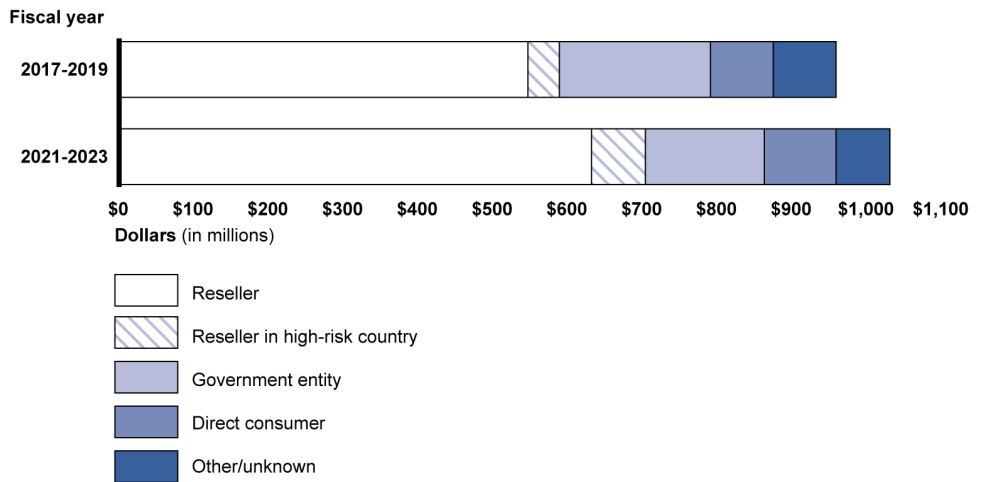
³²For any license that was revoked, the license holder may appeal the revocation or reapply to export the items covered by the revoked license under Commerce's new licensing policy. According to Commerce officials, Commerce revoked approximately 1,300 licenses with an estimated remaining value of \$975 million. At the time those licenses were revoked, they had an average utilization rate in terms of value of 11 percent, according to Commerce officials.

³³The majority of U.S. nonautomatic and semiautomatic firearms are exported to the following recipients: (1) **resellers**, such as nongovernment retailers, wholesalers, and distributors; (2) **government entities**, including government agencies and government-owned or controlled companies; and (3) **direct consumers**, which are nongovernment end users. These categories come from Census Automated Export System classifications of ultimate consignees and made up 92 percent of the value of U.S. nonautomatic and semiautomatic firearms exports in fiscal years 2017–2023. Census data also include the category of “other/unknown” for entities who are not resellers, government entities, or direct consumers, or whose ultimate consignee type is not known at the time of export.

³⁴There was a higher value of U.S. firearms exports to “other/unknown” recipients in fiscal year 2017 than during the rest of our study period. This could partly explain the increase we see in the value of U.S. firearms exports to resellers and to direct consumers. As a robustness check, we excluded fiscal year 2017 from our results and found even larger increases in the value of U.S. firearms exports to resellers and to direct consumers after the transfer of jurisdiction. In addition, according to Commerce officials, a distributor purchasing firearms on behalf of a government entity may be classified as a reseller, but Commerce would consider the ultimate consignee to be a government entity. However, U.S. firearms exports to these resellers may still be at risk for diversion; for example, during our study period, a reseller with a government client was reported to have sold a number of firearms that were later recovered from crimes. In addition, unless the rate of misclassification changed during our study period, misclassification cannot help to explain the changes in recipient types over time.

high-risk countries increased by 72 percent, or \$30 million, when comparing the 3-year periods before and after the transfer of jurisdiction.

Figure 4: Value of U.S. Exports of Nonautomatic and Semiautomatic Firearms by Recipient Type, Fiscal Years 2017–2019 and 2021–2023



Source: GAO analysis of U.S. Census Bureau data. | GAO-25-106849

Note: Values are in 2023 U.S. dollars and represent the sum of dollar values of U.S. commercial exports of nonautomatic and semiautomatic firearms, including the cost of freight and insurance, as reported by exporters. Data for fiscal year 2020 were not included in this analysis because the transition of jurisdiction for these firearms occurred during that fiscal year. According to Census officials, the data we obtained do not perfectly separate fully automatic firearms from nonautomatic and semiautomatic firearms. For this reason, our results could be an underestimate or overestimate of the value of U.S. nonautomatic and semiautomatic firearms exports.

Commerce determined that the risk of firearms diversion is significantly higher for exports to nongovernment entities, such as resellers and direct consumers, than for exports to government end users. For example, Commerce found instances of firearms exports being diverted to Russia via commercial resellers in third countries. Such firearms may be used to support Russia’s ongoing invasion of Ukraine, according to Commerce. As previously noted, in May 2024, Commerce adopted a “presumption of denial review policy” for firearms export license applications involving nongovernment end users, such as resellers and direct consumers, in countries at high risk for firearms diversion or misuse.

Processes and Guidance Related to the Interagency Review of Nonautomatic and Semiautomatic Firearms Export Licenses Could Be Improved

Commerce leads an interagency review process to adjudicate nonautomatic and semiautomatic firearms export license applications under its jurisdiction. This process includes a review by State bureaus for foreign policy concerns. However, we found that State's current process for reviewing Commerce export license applications for firearms is fragmented and duplicative. We also found that State does not have agencywide guidance for how bureaus should conduct reviews, including collecting input from those bureaus on which applications State should review. We found that State's primary bureau for reviewing Commerce export license applications for firearms does not have access to State's internal watch list used to screen end users on export license applications. Lastly, State and Commerce also let an interagency agreement expire because they do not have procedures in place to review agreements to ensure they are still in effect.

State's Fragmented and Duplicative License Review Process May Lead to Inconsistent Reviews and Duplication of Effort

State reviews export license applications for Commerce-controlled firearms to provide assurance that licensing decisions reflect U.S. foreign policy and national security interests in different countries. However, State's process for conducting such reviews is fragmented across different bureaus, which creates inconsistency and unnecessary duplication.³⁵

State's Foreign Affairs Manual delegates authority to the Bureau of International Security and Nonproliferation (ISN) to coordinate the agency's position on Commerce export license applications and does not delegate any such authority to the Bureau of Economic and Business Affairs (EB).³⁶ However, State's reviews of export license applications for Commerce-controlled firearms are coordinated by both bureaus—ISN and EB—depending on the reasons for the export controls, according to State officials. There are four controls that Commerce applies to firearms: (1) National Security, (2) Regional Stability, (3) Crime Control, and (4)

³⁵Fragmentation occurs when more than one agency (or more than one organization within an agency) is involved in the same broad area of national interest. Duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiary.

³⁶1 Foreign Affairs Manual (FAM) 456.1(4), Office of Conventional Arms Threat Reduction (ISN/CATR). This section of the FAM was most recently updated in April 2021, after the transfer of jurisdiction from State to Commerce.

Firearms Convention.³⁷ Commerce staffs applications to State via the interagency licensing platform, the U.S. Exports System (USXPORTS).³⁸ The platform routes applications that are controlled for National Security and Regional Stability to ISN. The platform routes applications that are controlled for Crime Control and Firearms Convention to EB. However, State officials noted that firearms are generally controlled for multiple reasons and can involve controls that overlap the bureaus, such as an application involving both Regional Stability and Crime Control. When there is overlap, the platform routes applications to both bureaus. According to State officials, it is common to have an application routed to both ISN and EB.³⁹

State officials told us that ISN and EB then review applications and staff them to regional or functional bureaus, as appropriate, to review the applications for issues relevant to their subject matter expertise. For example, an application with a human rights concern in the Western Hemisphere might be staffed to both State's Bureau of Democracy, Human Rights, and Labor and Bureau of Western Hemisphere Affairs. Those bureaus return the application to either ISN or EB with their recommendation on the application. The coordinating bureau—either ISN or EB—then finalizes State's position in consideration of the reviewing bureaus' recommendations and returns the application with that position to Commerce.

Officials in EB told us they felt their role in the process was duplicative because ISN was already reviewing most of the applications routed to them. The officials also explained that EB is not set up like ISN to substantively review firearms export license applications. In particular, EB officials said they do not have the same expertise and do not have access to the information ISN uses to screen end users against ISN's firearms distributors database, view their application history, or identify trends. As

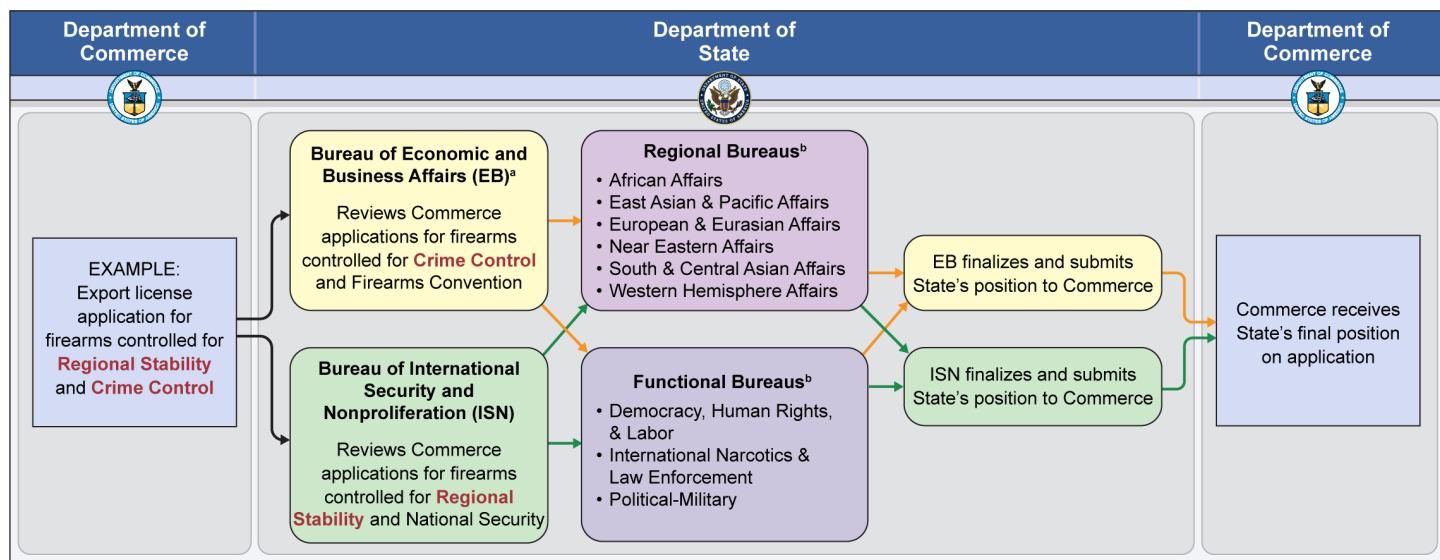
³⁷The Firearms Convention controls apply to Organization of American States member countries and are based on the "Organization of American States Model Regulations" developed to help member countries implement the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials. See 15 C.F.R. § 742.17.

³⁸USXPORTS is the system of record for all munitions and dual-use export license applications and adjudications, and is maintained by the Defense Technology Security Administration, within DOD.

³⁹In 2024, Commerce revised its regulations such that nearly all applications for firearms will be controlled for crime control, thus routing many more applications to both EB and ISN.

a result, EB officials told us that the bureau's practice is to defer to ISN and copy ISN on all firearms-related reviews. However, the officials told us that even the process of deferring to ISN takes a substantial amount of time because of how the licensing platform is set up. For example, even if deferring to ISN, EB officials must still process the applications routed to them by Commerce via the platform, which, as one EB official told us, might include aggregating other bureaus' reviews while not necessarily conducting one of their own. Figure 5 illustrates an example of how the review process could flow if a license application were routed to both EB and ISN.

Figure 5: Example of Department of State Process for Reviewing Commerce License Applications for Firearms Exports



Sources: GAO analysis of Departments of Commerce and State information (data); Departments of Commerce and State (icons). | GAO-25-106849

^aWhile coordination is generally shared, EB officials told us that they often defer to ISN when Commerce routes an export license application to both ISN and EB.

^bRegional and Functional Bureau reviews are at the discretion of EB and ISN and may depend on the specifics of the transaction.

ISN officials told us this duplicative review process predated their tenure at the agency and that, due to turnover in both bureaus, they could not explain the rationale for the review process. Officials in ISN and EB told us that, prior to the 2020 transfer, EB had historically reviewed export license applications for Commerce-controlled firearms, such as shotguns, because they were controlled under Crime Control. However, the officials

were not sure why that was the case and were confused why EB remains a coordinator for certain applications. ISN officials told us that, at some point, ISN and EB would determine whether and how to adjust internal roles and responsibilities.

Federal internal control standards state that management should design control activities to achieve objectives and respond to risks.⁴⁰ For example, when designing control activities, management should (1) divide key duties and responsibilities, including those for authorizing and reviewing transactions; (2) ensure transactions are authorized and executed only by persons acting within the scope of their authority; and (3) clearly communicate those authorizations to personnel.

Without a consolidated coordination of State's position, State creates a fragmented review process, which makes it difficult to ensure that all export license applications for Commerce-controlled firearms receive the same level of review. For example, applications routed only to EB might not be vetted to the same degree as ISN because EB does not have the same firearms experts or internal resources, such as ISN's database of firearms distributors. Additionally, ISN and EB may not be including the same bureaus and offices in State's reviews. As a result, some of State's reviews of export license applications for Commerce-controlled firearms might not be considering all the relevant information or consulting the appropriate expertise, which could increase the risk of firearms being exported to unauthorized end users.

The fragmented review process also creates unnecessary duplication, as most applications are routed to both coordinating bureaus for concurrent review, which results in pulling EB's resources from other areas of focus where it has relevant subject matter expertise. An EB official said that, because of the 2024 rule change, the volume of applications Commerce routes to EB increased substantially. As a result, in July 2024, the official told us EB had to assign an additional staff member to work on Commerce export license applications and that time spent on reviewing them had gone up by about half.

⁴⁰[GAO-14-704G](#), Principle 10.

State Lacks Written Agencywide Guidance for Conducting Commerce Export License Reviews and Determining Which Licenses It Should Review

State lacks agencywide guidance for its bureaus involved in reviewing export license applications for Commerce-controlled firearms. While some reviewing bureaus at State had bureau-level guidance, we found there was no agencywide guidance for reviewing those applications, making recommendations to Commerce, or recording the factors or reasons the reviewing bureaus took into consideration in their recommendations. Additionally, we found that State did not have written guidance for determining which applications the agency would review.

No agencywide guidance and inconsistent bureau-level guidance for reviewing Commerce export license applications. State lacks agencywide guidance to inform bureau-level reviews of Commerce export license applications. While ISN has guidance for its internal reviews, there is no agencywide guidance for the other bureaus to which ISN and EB refer applications for further review. In the absence of agencywide guidance, the reviewing bureaus have developed a patchwork of standard operating procedures (SOP) and guidance documents. For example, some of the bureaus had step-by-step guidance for processing applications in the case management system, including time frames. Other bureaus had guidance documents that outlined considerations for the reviewers, such as which sources to consult when conducting reviews (e.g., publicly available published reports). Some bureaus did not have guidance documents.

Without written agencywide guidance, bureau officials told us they were not always clear on how the review process worked. For example, in one bureau, officials were unaware of key aspects of Commerce's review process, such as whether applications had to be reviewed within a certain time frame. In another bureau, an official told us there had been a couple of cases where the bureau would have recommended a denial, but it was not familiar with Commerce's review time frames and did not respond in time to those review requests. As a result, State moved forward with its final recommendations on those applications and Commerce ultimately approved them.⁴¹

⁴¹Under Commerce's regulations, reviewing agencies recommending denial of a license application must provide a statement of reasons, consistent with the provisions of the Export Administration Act of 1979 or the Export Administration Regulations (EAR), and cite both the statutory and the regulatory basis for the recommendation to deny. A reviewing agency that fails to provide a recommendation within 30 days with a statement of reasons supported by the statutory and regulatory basis shall be deemed to have no objection to the final decision of Commerce. 15 C.F.R. § 750.4(e).

In another example, officials from one bureau told us they were unsure whether Commerce licenses allowed for end-use checks and, as a result, did not think they could request such checks as part of their reviews.

Officials from the reviewing bureaus told us an agencywide guidance document would be helpful for them to better understand State's review process for Commerce export license applications.

Officials from the reviewing bureaus told us they were not part of the export license application review process around the time of the 2020 transfer, either because they worked in another role or did not yet work for the agency. Thus, they were unable to provide information regarding why State did not have agencywide guidance for such reviews. In July 2024, an ISN official told us the reviewing bureaus could reach out to them for verbal guidance about the export license application review process.

Federal internal control standards state that management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.⁴² For example, management should develop and maintain documentation of its internal control system to establish and communicate the who, what, when, where, and why of internal control execution—such as license adjudication processes—to personnel. Federal internal control standards further state that management should implement control activities through policies.⁴³ This principle is further supported by State's Foreign Affairs Manual, which also states that program managers implement control activities through policies.⁴⁴

Without written agencywide guidance for conducting reviews, bureaus may develop partial or inconsistent guidance for their staff, if they develop any at all. Agencywide guidance could help State better ensure its reviews of Commerce export license applications are consistent and thoroughly satisfy State's obligations in the review process.

No agencywide guidance for determining which Commerce export license applications to review. State also lacks agencywide guidance

⁴²GAO-14-704G, Principle 3.

⁴³GAO-14-704G, Principle 12.

⁴⁴2 FAM 020 – Management Controls.

for determining which types of Commerce export license applications to review. State and other reviewing agencies can decline to review certain types of Commerce applications by submitting “do-not-staff memos” to Commerce for those applications.⁴⁵ For example, State may choose not to review applications for firearms to specific countries and that are under a certain dollar value. Once Commerce receives those memos, it programs its licensing platform to no longer route those types of applications to the reviewing agency until notified otherwise, according to State officials. As a result, Commerce does not receive input from agencies that decline to review these applications under do-not-staff status.

We found that in 2020, ISN—as State’s lead coordinator for Commerce export license applications—had declined for State to review certain types of applications for firearms exports to 47 countries. Of those countries, seven were on the Bureau of Democracy, Human Rights, and Labor’s (DRL) 2023 list of “Countries for Review in Leahy and Munitions Vetting,” which identifies countries requiring additional review by DRL for human rights considerations.⁴⁶ For example, one do-not-staff memo said State did not wish to review applications under a certain value for government end users in Mexico. However, Mexico was on the 2023 DRL list as a country for which government end users should be reviewed.

Officials from all the reviewing bureaus with which we spoke told us they were unaware that the do-not-staff memos existed and were, thus, unaware that ISN had declined State’s authority to review those types of applications. As previously noted, these officials told us they either did not work at State or were not assigned to review export license applications around the time of the 2020 transfer. Therefore, they were unable to confirm whether ISN had consulted with their bureaus when developing the do-not-staff memos in 2020. In October 2024, ISN officials provided

⁴⁵ISN officials told us the do-not-staff memos generally address export license applications for European Union allies, as well as allies and close partnerships in North America, South America, and the Pacific. ISN officials told us the do-not-staff memos allow State to prioritize its limited resources on reviews of high-risk, dual-use export license applications that may be inconsistent with U.S. foreign policy and national security objectives, as opposed to applications from lower risk countries.

⁴⁶“Leahy vetting” refers to State’s application of two statutory provisions prohibiting the U.S. government from providing assistance to units of foreign security forces where there is credible information that such unit has committed gross violations of human rights. See § 22 U.S.C. 2378d and 10 U.S.C. § 362. State evaluates and assesses available information about the human rights records of the unit and the individual, reviewing a full spectrum of open source and classified records.

us with evidence that at least one bureau had reviewed and approved the 2020 do-not-staff memo for their region but were unable to show us whether the other bureaus had been consulted for their do-not-staff memos.

Officials in State's reviewing bureaus told us they were concerned that applications from certain countries would have been included in the memos without their consultation and, as a result, they were not seeing applications that might merit review. The officials also told us that blanket declinations should be reviewed periodically because circumstances in a country or region can change quickly. For example, an official in DRL told us the agency reviews its country lists annually to help ensure they reflect current conditions.

In July 2024, ISN officials told us the do-not-staff-memos had been under internal review following Commerce's 2023 licensing pause, and any future memos would be reviewed at least annually with the reviewing bureaus' input during that process. However, ISN's licensing SOP does not address consulting with other bureaus to develop or periodically review do-not-staff memos. In October 2024, ISN officials reiterated that the bureau would annually review the memos and seek the other bureaus' input but did not yet have a process in place to do so.

Federal internal control standards state that management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.⁴⁷ For example, management should develop and maintain documentation of its internal control system to establish and communicate the who, what, when, where, and why of internal control execution to personnel. Federal internal control standards further state that management should implement control activities through policies.⁴⁸ This principle is further supported by State's Foreign Affairs Manual, which also states that program managers implement control activities through policies.⁴⁹

ISN officials told us that several positions in State's bureaus are often staffed with Foreign Service Officers who rotate every few years. As a result, the officials said institutional knowledge can be lost and continuity

⁴⁷GAO-14-704G, Principle 3.

⁴⁸GAO-14-704G, Principle 12.

⁴⁹2 FAM 020 – Management Controls.

of processes can be disjointed when practices, such as consulting with regional bureaus to develop and review do-not-staff memos, are not written down in guidance.

State's involvement in Commerce's licensing process is designed to provide assurance that licensing decisions reflect U.S. foreign policy and national security interests in different countries. Without written guidance for consulting reviewing bureaus when developing do-not-staff memos, ISN may inadvertently prevent those bureaus from opining on applications that fall within their scopes of expertise.

State's Bureau Primarily Responsible for Reviewing Commerce Firearms Licenses Lacks Access to Watch List to Screen License Applicants

In 2019, State's Directorate of Defense Trade Controls (DDTC) began sharing its internal watch list with BIS in anticipation of Commerce taking over responsibility for export licensing of nonautomatic and semiautomatic firearms.⁵⁰ However, State officials told us ISN does not have access to that watchlist as it coordinates and conducts State's reviews of Commerce export license applications.

DDTC and BIS each maintain an internal watch list to screen all parties identified on export license applications. A watch list match would trigger further review of the license and ultimately could result in the denial of a license. DDTC and BIS also use watch lists as a means of targeting transactions for possible end-use checks to verify the legitimacy of end users of controlled exports. Both agencies' watch lists include any derogatory information they collect internally from their past screening and end-use monitoring of licenses. For example, if information is identified raising questions about the legitimacy of a party to a license during the license application review, that information would be used to update the watch list to inform future license application reviews.

In 2019, DDTC and BIS entered into a memorandum of understanding (MOU) to share their watch lists with each other.⁵¹ However, ISN does not have access to DDTC's internal watch list to facilitate its reviews of Commerce export license applications.⁵² ISN officials told us that they

⁵⁰In 2019, we recommended that State share its watch list with Commerce to enhance oversight of firearms and related items transferred from State to Commerce. See [GAO-19-307](#).

⁵¹Departments of State and Commerce, *Memorandum of Understanding on Information-Sharing for Screening of Export License Application* (Nov. 27, 2019).

⁵²DDTC maintains the internal watch list, and, along with ISN, reports to the Undersecretary for Arms Control and International Security.

received relevant information from the watch list in the year immediately following the transfer, but have not received continued access to that list. DDTC officials responsible for the watch list confirmed that ISN does not have access to the watch list and had not requested such access.

ISN officials told us they used the information provided after the transfer to compile their own tracking and management database but said full access to DDTC's internal watch list would facilitate their reviews of Commerce export license applications. For example, ISN officials told us that an applicant may apply for licenses for both a CCL-controlled and a USML-controlled commodity. Because DDTC is still responsible for adjudicating export licenses for USML-controlled firearms, DDTC officials told us their internal watch list may contain derogatory information about that applicant that would be useful to ISN's review.

While BIS has access to information from DDTC's watch list, ISN officials noted that they could more effectively leverage their expertise to support Commerce's review by using the watch list information coupled with licensing data to identify and research concerning trends in firearms exports. For example, ISN officials used licensing data to identify several concerning, high-risk trends in 2023. ISN officials told us that bringing these trends to Commerce's attention contributed to the May 2024 changes to Commerce's licensing policies. One of those trends was an increase in license applications for high-value firearms exports to poorer countries in Central and South America, which ISN officials found concerning. For example, in Guatemala, where the World Bank estimates that, in 2023, more than half of the population lived in poverty, ISN told us they identified 43 different resellers or distributors for high-value firearms. ISN officials told us that access to DDTC's watch list would allow them to do more research about the end users identified in such trends, which they said would ultimately provide greater fidelity to the interagency licensing process.

Information sharing is supported by a policy statement included in the Export Control Reform Act of 2018. The statement says that among other factors, the "export control system must ensure that it is transparent, predictable, and timely, has the flexibility to be adapted to address new threats in the future, and allows seamless access to and sharing of export control information among all relevant U.S. national security and foreign policy agencies."⁵³ Additionally, federal internal control standards state

⁵³50 U.S.C. § 4811(8).

that management should internally communicate the necessary quality information to achieve the entity's objectives.⁵⁴ Management should communicate quality information down and across reporting lines to enable personnel to perform key roles in achieving objectives and addressing risks. Without access to DDTC's internal watch list, ISN may lack critical information needed to effectively screen license applicants for firearms exports and target possible cases for end-use monitoring to ensure that these exports are used as intended and by legitimate end users.

Commerce and State Do Not Have Processes for Periodically Reviewing Their Interagency MOU on Sharing Watch List Information

As previously discussed, in 2019, State and Commerce developed a process for sharing internal watch list information to aid in the oversight of firearms exports and formalized it in an MOU. However, we found that State and Commerce do not have a process in place to periodically review interagency agreements to ensure they still are in effect. As a result, their MOU expired in November 2022, which officials at State and Commerce did not realize until about 2 weeks after it had lapsed.

In November 2022, after the MOU expired, officials at both agencies informally agreed to continue sharing watch list information in the spirit of the original agreement while they worked to update and implement a new MOU. State officials told us State and Commerce were sharing data weekly from their respective watch lists. Commerce officials told us a new MOU was a priority for both agencies. However, as of January 2025, the agencies had not signed a new or revised MOU, more than 2 years after it expired. Neither State nor Commerce officials could explain why the MOU lapsed. As of January 2025, State and Commerce officials told us they were finalizing an extension to the original MOU.

We have previously reported that written agreements are most effective when they are regularly monitored and updated.⁵⁵ Additionally, leading practices for interagency collaboration note that written agreements can be used to provide consistency in the long term, especially when there are changes in leadership.⁵⁶ With staff turnover, as well as changes in administrations, the need to maintain institutional knowledge becomes even more important. Without an MOU in place, State and Commerce risk losing crucial information about processes and procedures related to their

⁵⁴GAO-14-704G, Principle 14.

⁵⁵GAO, *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012).

⁵⁶GAO-23-105520.

mutual sharing of watch lists, which could disrupt the flow of information from one agency to the other. As we noted in our 2019 report, the agencies' watch lists provide critical information to one another to effectively screen applicants and target licenses for end-use monitoring.⁵⁷ Without each other's watch list information, State and Commerce may lack critical information needed to ensure that exported firearms are used as intended and by legitimate end users.

Commerce's End-Use Monitoring of Firearms Hampered by Staffing Gaps, Limited Training, Potentially Conflicting Duties, and Insufficient Timeliness Data

End-use monitoring is a key component of Commerce's export control system for firearms. End-use checks help to verify the legitimacy of exports of firearms under Commerce's jurisdiction and determine the reliability of the parties to the transaction. However, we found that Commerce's end-use monitoring efforts are hampered by several factors, such as personnel gaps, limited training, potentially conflicting duties, and insufficient data.

BIS Lacks Dedicated Personnel to Conduct End-Use Monitoring in Regions at Highest Risk for Firearms Diversion

BIS relies primarily on overseas law enforcement personnel known as Export Control Officers (ECO) to conduct end-use monitoring. However, BIS lacks ECOs covering the Western Hemisphere and Africa, two regions at high risk for firearms diversion or misuse. As a result, when BIS wants to conduct an end-use check in a country in one of these two regions, BIS must rely on non-ECO personnel who may lack the appropriate qualifications to conduct end-use checks on BIS's behalf.

As of October 1, 2024, BIS has 11 ECO positions overseas, according to BIS officials (see fig. 6).⁵⁸ Each ECO has an assigned geographic area of responsibility in which they conduct end-use checks. In 2019, we reported that the Western Hemisphere and Africa were not covered by BIS's ECO

⁵⁷[GAO-19-307](#).

⁵⁸According to BIS, the agency also has one Export Control Analyst position in Ottawa, Canada, that is responsible for intergovernmental coordination on export controls and enforcement in Canada. Export Control Analysts do not conduct end-use checks but may support those conducted by Sentinel teams in their area of responsibility.

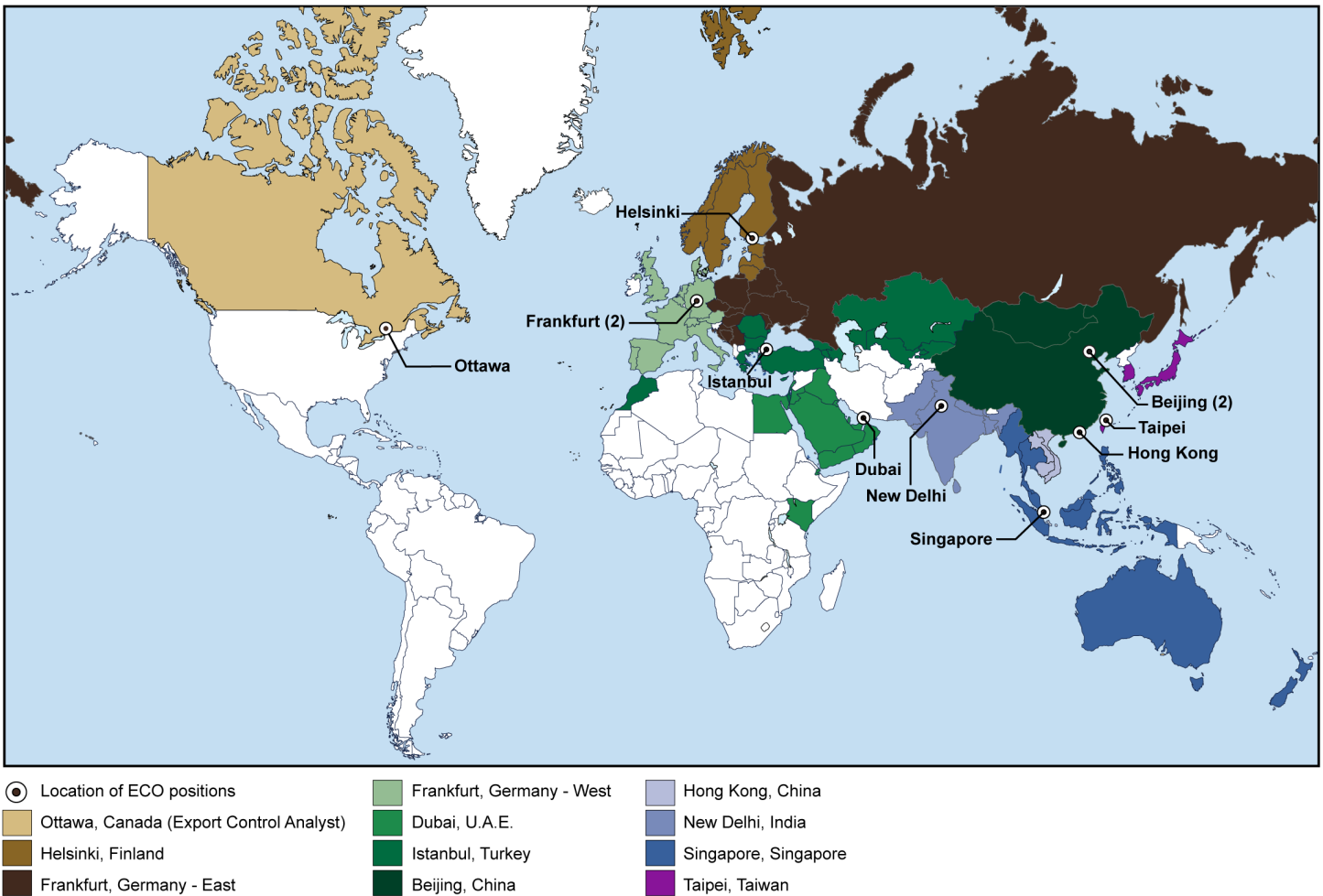
areas of responsibility.⁵⁹ As shown in figure 6, as of October 2024, most of the countries in the Western Hemisphere and Africa were still not covered.⁶⁰ Between fiscal years 2021–2023, countries in the Western Hemisphere and Africa collectively represented 42 percent of all export license applications approved for firearms (see app. II for more information). In addition, countries from these two regions included two of the top 10 destination countries for approved firearms export license applications during the same period.⁶¹

⁵⁹[GAO-19-307](#). In 2019, Djibouti and Egypt were covered by an ECO area of responsibility.

⁶⁰Since our 2019 report, four countries in Africa have been added to an area of responsibility: Kenya, Mauritius, and the Seychelles (covered by the ECO in Dubai); and Morocco (covered by the ECO in Turkey).

⁶¹Brazil and Canada were the first and third of the top 10 destination countries, respectively (see app. II for more information). In 2022, BIS created an Export Control Analyst position that covers Canada. As of October 2024, Brazil is not within an ECO area of responsibility. In 2019, Brazil greatly eased import restrictions for firearms, according to Commerce officials. U.S. exports of nonautomatic and semiautomatic firearms to Brazil increased by about 230 percent between fiscal years 2021–2023 over fiscal years 2017–2019. As of 2023, Brazil has reimposed many of its firearms restrictions, according to Commerce officials.

Figure 6: Locations of Department of Commerce Export Control Officer Positions and Areas of Responsibility, as of October 1, 2024

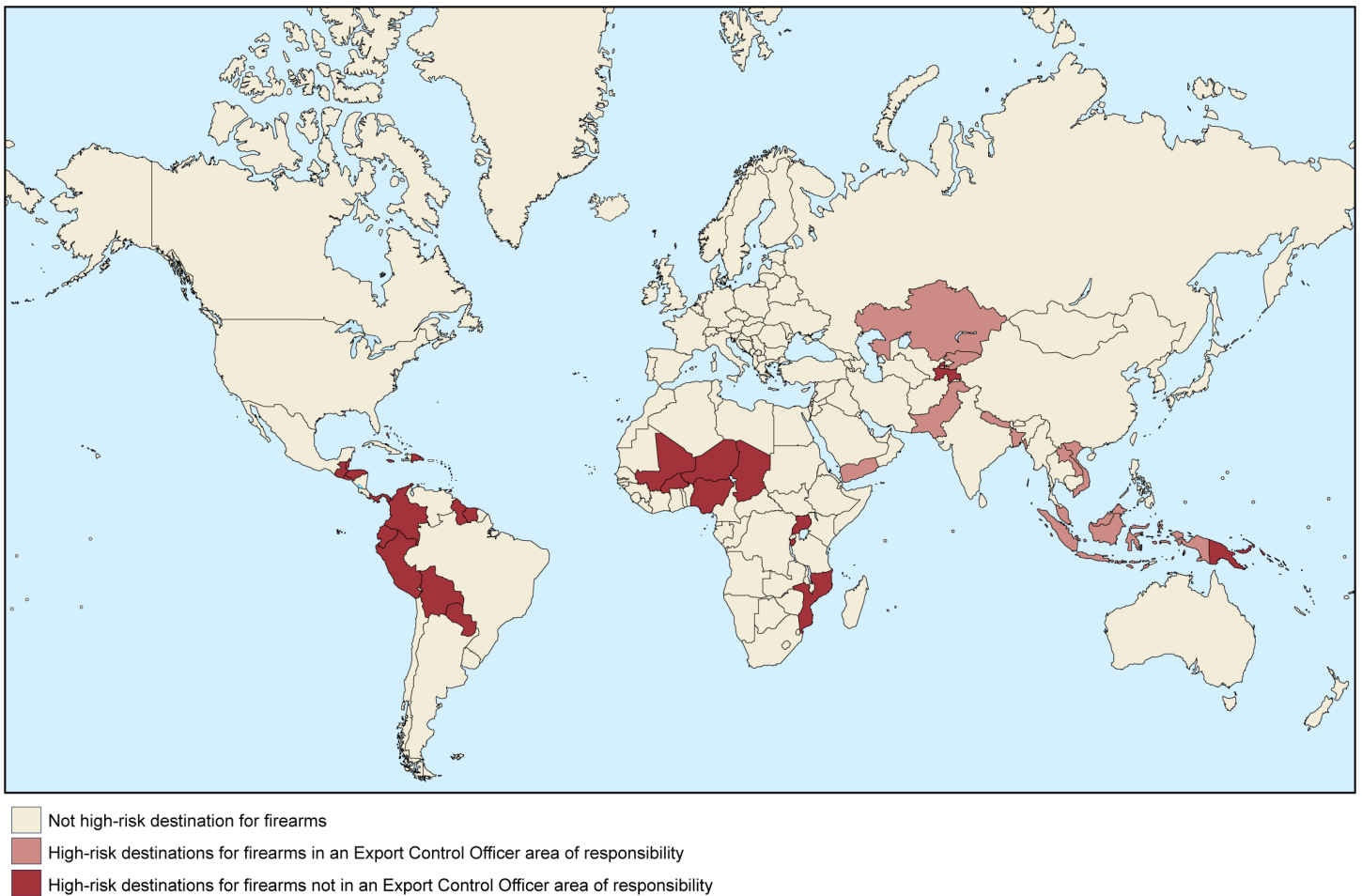


Sources: GAO analysis of Department of Commerce data (data); Map Resources (map). | GAO-25-106849

Of the 36 countries at high risk for firearms diversion or misuse, 24 (67 percent) are in the Western Hemisphere or Africa. Twenty-six of those 36 countries (72 percent) are not located in an ECO area of responsibility (see fig. 7). U.S. firearms exports to nongovernment end users in countries on State’s and BIS’s high-risk list present a substantial risk of being diverted or misused in a manner contrary to U.S. national security and foreign policy interests. Firearms diversion presents several risks, such as use in crimes and to foment regional instability. These risks were evidenced in 2023 when a U.S.-origin firearm, legally exported to Peru

under a Commerce license, was used in the assassination of an Ecuadorian presidential candidate.

Figure 7: High-Risk Destinations for Firearms and Location within Export Control Officer Area of Responsibility



Sources: GAO analysis of Department of Commerce data (data); Map Resources (map). | GAO-25-106849

Note: Export license applications for firearms involving nongovernment end users in countries on the Department of Commerce’s “High-Risk Destinations for Firearms and Related Items” list are reviewed under a policy of presumption of denial. Additionally, applications involving U.S. arms-embargoed countries are reviewed under a policy of denial. Those countries are Afghanistan, Belarus, Burma, Cambodia, Central African Republic, China, Democratic Republic of Congo, Cuba, Eritrea, Haiti, Iran, Iraq, North Korea, Lebanon, Libya, Nicaragua, Russia, Somalia, Republic of South Sudan, Sudan, Syria, Venezuela, and Zimbabwe. See 22 C.F.R. § 126.1 and 15 C.F.R. Part 740 Supplement No. 1 for specific regulatory requirements for U.S. arms-embargoed countries.

BIS officials told us the agency prefers for ECOs to conduct end-use checks because they are knowledgeable of export control laws and regulations and are more familiar with the countries in their respective areas of responsibility. For example, one ECO told us they were able to identify red flags on export transactions because they were familiar with the business practices and trade flows in the countries they cover. Additionally, BIS officials told us ECOs are the most familiar with the country-specific rules for conducting end-use checks in their respective areas of responsibilities, which can be complex in some regions.

When BIS wants to conduct an end-use check in a country not covered by an ECO, it uses BIS Special Agents and U.S. diplomatic personnel to conduct the check. From fiscal years 2021–2023, ECOs conducted about 55 percent of BIS end-use checks for firearms and related items; Special Agents conducted about 38 percent of checks, traveling under BIS's Sentinel Program, discussed below;⁶² and diplomatic personnel from ITA and State conducted the remaining 7 percent of checks. However, using non-ECO personnel has limitations:

- **Sentinel Program.** Under this program, trained BIS Special Agents are deployed as a team from the U.S. to countries to conduct end-use checks. The trips last for about 2 weeks at a time. These agents have criminal investigative experience and are knowledgeable of export laws and regulations, however, they are likely not familiar with the country or region where they are conducting the checks, according to BIS officials.

These agents also must coordinate travel and schedule end-use checks weeks in advance. As a result, BIS officials told us Sentinel teams typically do not perform prelicense checks, which need to be conducted within 14 days of being requested, generally limiting them to conducting postshipment verifications.⁶³ Moreover, BIS officials told us that Sentinel trips generally only occur between May and

⁶²These checks occurred in 16 countries, of which five were in an ECO area of responsibility. More than half of the Sentinel team checks (about 56 percent) were in the Western Hemisphere and nearly a third of them (about 32 percent) were in Africa.

⁶³For example, between fiscal years 2021–2023, Sentinel teams conducted four prelicense checks, or about 1 percent of BIS end-use checks for firearms and related items conducted during that period.

September, if and after BIS has received an annual appropriation and allocated enough money for the trips.⁶⁴

- **Diplomatic personnel.** BIS officials told us that, if Sentinel teams or ECOs are not available, they request Foreign Commercial Service Officers from Commerce's International Trade Administration or Foreign Service Officers from State to conduct the checks on BIS's behalf. These officials are stationed in the region or country of the check and tend to be familiar with local practices. However, they generally do not have criminal investigative experience as is required for ECOs and Sentinel teams, according to BIS officials. BIS officials told us they try not to request end-use checks from diplomatic personnel because it is not a part of their normal responsibilities, and they may not have had experience with conducting end-use monitoring.

See table 4 for a summary of personnel that conduct end-use checks for BIS and potential limitations associated with each.

⁶⁴BIS officials told us that Sentinel trips generally do not occur while BIS is operating under a continuing resolution because the Sentinel Program does not have a line-item appropriation and is only funded once BIS has received its annual appropriations. From fiscal years 2021–2023, the U.S. government operated under continuing resolutions for 345 days, or about 32 percent of the days in that period. BIS officials told us that in some cases Sentinel teams can conduct end-use checks while operating under a continuing resolution if those checks are funded through another activity, such as BIS traveling abroad for an investigation or when traveling for another official purpose. For example, BIS officials told us Special Agents traveled to a country for an ongoing criminal investigation and, while there, conducted end-use checks in that region. In another example, Special Agents traveled to a country for a conference and conducted checks in that region.

Table 4: Specialized Experience, General Duties, and Potential Limitations of Government Personnel That Conduct Firearms End-Use Checks for Bureau of Industry and Security

Agency	Personnel title	Specialized experience	General duties ^a	Potential limitations ^a
Bureau of Industry and Security (BIS)	Export Control Officer	Law enforcement; often prior experience with BIS	Conduct end-use checks; coordinate with foreign governments and businesses	Coverage limited to certain geographic areas
BIS	Sentinel Team Special Agent	Law enforcement within BIS	Conduct end-use checks	Limited regional expertise
International Trade Administration	Foreign Commercial Service Officer	Trade analysis and promotion	Promote U.S. commercial interests abroad	No law enforcement experience
Department of State	Foreign Service Officer	Varies ^b	Promote U.S. interests abroad through diplomacy	No law enforcement experience

Source: GAO analysis of Departments of Commerce and State information. | GAO-25-106849

^aGeneral duties and potential limitations are not exhaustive lists.

^bForeign Service Officers are generalists who choose a career track, or functional specialization, that determines the type of work they do for the majority of their career. There are five career tracks: consular, economic, management, political, and public diplomacy. State does not require specific professional experience for acceptance to the Foreign Service.

Federal internal control standards state that management should identify, analyze, and respond to significant changes that could impact the internal control system.⁶⁵ They further state that changes in conditions affecting the entity and its environment—such as the 2020 transfer of jurisdiction from State to Commerce—often require changes to the entity’s internal control system, as existing controls may not be effective for meeting objectives or addressing risks under changed conditions. Management should analyze and respond to identified changes and related risks in order to maintain an effective internal control system.

In 2018, BIS officials told us that they both were anticipating a higher workload after the 2020 transfer and were very much aware of the risks for firearms and ammunitions trafficking and proliferation in Latin America. Despite that, BIS officials told us that Commerce did not request additional funding for ECO positions until its fiscal year 2025 budget request when it requested funding for two ECO positions in Central and South America. Further, Commerce did not request an ECO position for Africa. BIS has not assessed the number of ECO positions needed for

⁶⁵GAO-14-704G, Principle 9.

global coverage or reallocated its current ECOs to provide such coverage.⁶⁶ In both 2018 and 2023, BIS officials told us BIS would continue to use Sentinel teams and diplomatic personnel in regions where it does not have ECO coverage.

BIS risks inconsistent end-use monitoring globally when it relies on personnel who either are not familiar with the regions where they are conducting end-use checks or do not have investigative backgrounds. That risk is heightened for end-use checks on firearms in regions at highest risk for diversion and misuse. For example, Sentinel Program Special Agents may appropriately apply investigative techniques when conducting a check but might miss important nuances that individuals familiar with the regional markets might understand. Conversely, diplomatic personnel may appropriately apply cultural competencies to the end-use check but might not be aware of how to apply useful investigative techniques. Without consistent and effective end-use monitoring in the Western Hemisphere and Africa, BIS does not have reasonable assurance that it is sufficiently mitigating the risks for diversion and misuse of firearms in those regions.

BIS Does Not Provide New-Hire Training Specific to Export Control Officers

ECOs are a small group of law enforcement officers that play a unique and critical role in monitoring compliance of transactions subject to Commerce's regulations—the Export Administration Regulations (EAR). However, BIS officials told us BIS does not provide ECOs with formal training specific to their role before they start on the job.

According to BIS, ECOs serve as the agency's overseas representatives, leveraging their law enforcement, commercial, and diplomatic skills to expand the U.S. government's export compliance capabilities. For example, each year ECOs conduct hundreds of end-use checks on a wide range of controlled commodities, from semiconductors to firearms. ECOs also support other BIS activities, such as planning events to educate foreign companies on U.S. export controls and coordinating controls with host country governments.

⁶⁶BIS officials told us the agency has not conducted a long-term resource needs assessment since 2016 but have annually communicated resources needs, including additional workforce needs, in its annual budget request to Congress. However, until its fiscal year 2025 budget request, Commerce had not requested funding for new ECOs to fill its ongoing gaps in global coverage.

ECOs can be hired from inside or outside of BIS, according to BIS officials.⁶⁷ ECOs must have criminal investigative experience or knowledge of the EAR. BIS ECOs told us these skills were critical to success in the role because ECOs are expected to perform from day one, such as by investigating transactions of commodities controlled by Commerce. As a result, BIS officials told us that ECOs are generally hired from a pool of internal applicants with law enforcement experience, such as BIS Special Agents. Applicants hired from this internal pool have also typically performed end-use monitoring during Sentinel Program trips, which BIS officials said provides them with the training necessary to conduct end-use checks.

BIS officials told us that, given these background requirements and expectations, most ECOs come to the role familiarized with agency policies and investigations and are knowledgeable of the EAR. However, BIS officials told us the agency occasionally hires ECOs from outside of BIS who might not have experience with end-use monitoring or working knowledge of Commerce's export control regulations. For example, one of the ECOs we interviewed was originally hired into his position from another agency. Regardless, BIS officials told us that new ECOs' professional experiences—whether hired internally or externally—generally equip them to perform the ECO role.

BIS officials told us that, while the agency does not have new-hire training specific to the role of the ECO, it does provide new ECOs with some on-the-job training, as necessary. BIS officials also told us such training is supplemented with job aides that help officials carry out their duties. However, we found that some ECOs did not receive on-the-job training as described and were either unaware of the job aides or did not find them useful. Additionally, BIS officials told us the job aides were out-of-date.

On-the-job training. BIS officials told us new ECOs are paired with an outgoing or a previous ECO for a week or two of on-the-job training, whom they shadow while conducting end-use checks. However, the four ECOs we spoke to said they had not overlapped with the outgoing ECO to receive training in their area of responsibility when they were first hired as ECOs. Two ECOs told us they would have liked to overlap with the outgoing ECO of their area of responsibility because it might have helped them more quickly understand the nuance of their regions, such as

⁶⁷For the purposes of this report, we consider a "new hire" to be a person newly hired to the ECO role with no prior experience as an ECO, regardless of whether they were hired inside or outside of BIS.

country-specific considerations or customs. These ECOs told us they took the initiative to reach out and speak to the ECOs who previously covered their areas of responsibility, which they said clarified some nuances about the regions. BIS officials told us ECOs may be temporarily assigned to shadow a senior ECO in conducting end-use checks in selected locations. For example, two ECOs we interviewed said they were stationed on short-term assignments in another region and conducted end-use checks. However, both ECOs also told us the temporary location was very different from their current area of responsibility.

Job aides. In the absence of specific training, BIS officials told us that each ECO, whether new or experienced, receives BIS's end-use check SOP and ECO Handbook, job aides they said were sufficient instructions for how to conduct end-use checks. However, BIS officials also told us both documents were from 2016 and in need of updates.⁶⁸

Additionally, ECOs we spoke to were either unaware of the SOP or said they did not use it because it was not helpful for carrying out their daily responsibilities. For example, the SOP states that ECOs should include specific information in their cable documenting the check, such as a brief description of the facility visited, and the actions taken or information obtained. However, one ECO told us they did not use the SOP and that every ECO has a different cable writing format.

Additionally, we found that neither the SOP nor the ECO Handbook provide ECOs with information on how to perform their responsibilities outside of end-use checks, such as developing bilateral relationships with foreign governments or planning and implementing relevant events. All four of the ECOs we spoke to told us these responsibilities were primary functions of their role.

Federal internal controls standards state that management should demonstrate a commitment to recruit, develop, and retain competent individuals.⁶⁹ For example, management should establish expectations of competence for key roles to help the entity achieve its objectives and develop and retain competent personnel through training. Training allows

⁶⁸During the course of our review, BIS officials told us the agency was in the process of updating both the SOP and ECO Handbook.

⁶⁹[GAO-14-704G](#), Principle 4. Competence is the qualification to carry out assigned responsibilities. It requires relevant knowledge, skills, and abilities, which are largely gained from professional experience, training, and certifications.

individuals to develop competencies appropriate for their role, reinforce standards of conduct, and tailor the training to the needs of the role. We have previously reported that well-designed training programs are linked to the organizational, occupational, and individual skills needed for an agency to perform effectively.⁷⁰

BIS officials told us that specific new-hire training for ECOs was not necessary because the combination of ECOs' prior experiences with end-use checks and BIS law enforcement sufficiently prepares them for their roles. BIS officials also noted that ECOs receive annual training on issues related to their roles.⁷¹ However, these trainings may occur after an ECO has been on the job for some time and, as previously discussed, not all ECOs come to the role with knowledge of the EAR or Commerce's processes. Without specific new-hire training, new ECOs' prior experience alone may not adequately prepare them for a role BIS describes as both unique and critical to monitoring compliance of transactions subject to the EAR.

New-hire training could also help BIS to emphasize the importance of agency policies and procedures outlined in its SOPs, especially if new ECOs are shadowing an ECO who is unaware of such SOPs.

End-use checks play a vital role in helping to prevent firearms from falling into the hands of end users who might divert or misuse them. Without role-specific, new-hire training, BIS might not be preparing ECOs to conduct their duties in a manner consistent with BIS's expectations. Moreover, without such training, BIS cannot have reasonable assurance that its ECOs have the appropriate baseline of skills and competencies needed to conduct end-use checks.

⁷⁰[GAO-04-546G](#).

⁷¹BIS officials told us ECOs generally return to the U.S. every year to participate in BIS's annual update conference and attend training sessions or meetings on a variety of issues related to their roles, including requalifying on weapons, discussions with BIS officials that select end-use checks, briefings on issues relevant to their respective areas of responsibility, or meetings with senior officials.

BIS Relies on Intra- and Interagency Assistance for End-Use Checks but Does Not Have Agreements Outlining Policies and Expectations

When an ECO or Sentinel team are not available to conduct an end-use check in a country or region, BIS requests that diplomatic personnel conduct the end-use check, generally a Foreign Commercial Service Officer from Commerce’s International Trade Administration (ITA) or Foreign Service Officer from State. However, BIS officials told us the agency does not have an intra- or interagency agreement with either ITA or State formalizing the process for making those requests.

BIS officials told us that, to request assistance with an end-use check, the agency requests the contact information of ITA personnel—or State personnel if ITA personnel are not available—at an embassy or consulate and reaches out to the person directly to request assistance as a “favor.” They also told us they prefer to use individuals who have previously conducted an end-use check for BIS. If ITA or State personnel have questions, the officials said they provide them with the end-use check SOP and make themselves available for discussions by phone.

As previously discussed, ITA and State personnel generally do not have the same skills and experience as ECOs, such as knowledge of the EAR or experience as a criminal investigator. BIS officials said they understand ITA and State personnel have other responsibilities, so they try to limit these types of requests to high priorities such as prelicense checks. However, the officials also told us these types of checks tend to have the most risk because the licenses are contingent on a favorable end-use check before the commodity can be shipped.

Leading practices for interagency collaboration indicate that agreements in formal documents can strengthen participants’ commitment to work collaboratively and enhance accountability for results.⁷² Additionally, written agreements can be used to articulate a framework outlining how a collaborative effort operates and how decisions will be made. Such agreements also benefit from incorporating other leading collaboration practices, such as clarifying roles and responsibilities. For example, agencies can use written agreements to define and agree on their respective roles and responsibilities, including how the collaborative effort will be led. In doing so, agencies can clarify who will do what, organize their joint and individual efforts, and facilitate decision-making.

In addition, federal internal control standards state that management should demonstrate a commitment to recruit, develop, and retain

⁷²[GAO-23-105520](#).

competent individuals by, for example, conducting procedures to determine whether a particular candidate fits the organizational needs and has the competence for the proposed role.⁷³ Written agreements can establish procedures to ensure personnel conducting end-use checks have the requisite training, experience, and expertise to perform the duties assigned to them.

BIS officials told us they were unsure whether the agency previously had an intra- or interagency agreement formalizing this process but stated that it no longer does. They also said requests to ITA and State to conduct end-use checks are rare, so such an agreement might not be necessary. However, BIS data show ITA and State personnel conducted about 7 percent of end-use checks for firearms and related items between fiscal years 2021–2023, mostly prelicense checks. They conducted these checks in 12 countries, eight of which are listed in the EAR as U.S. arms–embargoed countries or countries at high risk for firearms diversion or misuse.⁷⁴ Additionally, in eight of those 12 countries (66 percent), ITA or State personnel conducted 100 percent of the end-use checks for firearms and related items during the same period.

Without intra- or interagency agreements outlining BIS’s requirements and expectations for diplomatic personnel conducting end-use checks, BIS may not know the skills or capabilities of the person conducting end-use checks on its behalf. For example, on at least two occasions, we found that locally employed staff—foreign nationals who work for ITA at U.S. embassies or consulates—conducted end-use checks for firearms on their own in a country now listed as high risk for firearms diversion or misuse as of April 2024. BIS policy states that foreign nationals should not be used to conduct end-use checks unless in “extraordinary circumstances” and only after BIS officials have made a policy exception. However, in both cases we identified, neither BIS nor ITA personnel with whom we spoke were aware that the locally employed staff had conducted the checks on their own but were aware that having done so violated BIS policy. BIS officials told us they review the end-use checks conducted by diplomatic personnel for supervisory approval and will send

⁷³GAO-14-704G, Principle 4. Competence is the qualification to carry out assigned responsibilities. It requires relevant knowledge, skills, and abilities, which are largely gained from professional experience, training, and certifications.

⁷⁴See 15 C.F.R. Part 746 for embargo-specific controls, 15 C.F.R. Part 740 Supplement No. 1—Country Groups for the list of U.S. arms–embargoed countries, and 15 C.F.R. Part 742 Supplement No. 3—High-Risk Destinations for Firearms and Related Items for the list of high-risk countries.

them back if they are not complete or appropriately conducted; however, it is unclear whether these cases received supervisory approval.

A formal intra- or interagency agreement could also establish a process to better ensure that staff assignment decisions are documented, and work products are reviewed by supervisors to ensure compliance with agency policy. Such an agreement could also ensure that the staff assigned have the requisite training, experience, and expertise needed to conduct end-use checks on BIS's behalf. Without such an agreement, BIS cannot ensure that its end-use checks are conducted by the appropriate personnel and their quality meets an agreed upon performance baseline. As a result, end-use checks might not be conducted appropriately, which could have serious consequences, such as firearms falling into the hands of unauthorized end users.

BIS and ITA Personnel Sometimes Perform Secondary Duties That May Conflict with Their Primary Roles

ECOs from Commerce's BIS and Foreign Commercial Service Officers from Commerce's trade division, ITA, sometimes assist each other with duties that may conflict with their primary roles. However, Commerce lacks controls that effectively mitigate risks associated with these potentially conflicting duties.

Use of ITA officers to conduct end-use checks. BIS occasionally uses ITA officers to conduct end-use checks when ECOs and Sentinel teams are unavailable, but, according to our analysis, ITA officers' primary duties may conflict with the objectives of end-use checks. Although both BIS and ITA are housed within Commerce, these agencies have distinct missions and, as a result, their employees have different roles and responsibilities. BIS's mission is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system, and to promote continued U.S. leadership in strategic technologies. ITA's mission is to create prosperity by strengthening the international competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements.

ECOs help to safeguard Commerce's export control system. ITA officers promote U.S. interests abroad by cultivating personal and professional contacts to influence foreign trade policies to benefit and protect U.S. commercial interests. ITA officers provide fee-based services for U.S. exporters, including the "Gold Key Service," which connects U.S. companies with up to five interested business partners in a foreign market. ITA officials told us these business partners can include firearms

distributors.⁷⁵ ITA officers also connect foreign distributors with U.S. exporters by recruiting them to attend trade shows in the U.S., such as the Shooting, Hunting, and Outdoor Trade (SHOT) Show.⁷⁶ At these tradeshows, foreign buyers can be registered to meet with U.S. exporters. At the SHOT Show, importers can place orders, which might later be subject to end-use checks.

A BIS official told us that end-use checks conflict with ITA officers' primary duties to promote U.S. exports. For example, this official told us that an ITA officer may be asked to connect a U.S. firearms manufacturer with a distributor in their assigned country, then later be asked to conduct an end-use check on that same distributor. The official said the end-use check could ultimately restrict or prevent an export, which would conflict with the ITA officers' primary duties of both promoting U.S. exports and protecting U.S. commercial interests abroad.

We found that between fiscal years 2021–2023, ITA officers conducted 14 end-use checks for firearms and related items in 10 countries (about 5 percent of total firearms-related checks), most of which were prelicense checks. BIS officials told us they try to limit requests of ITA officers to high priority requests, such as prelicense checks, but also said prelicense checks generally present the highest risk.⁷⁷ In six of those 10 countries, ITA officers conducted 100 percent of the end-use checks for firearms and related items in that country. In 11 of the 14 end-use checks (about 79 percent), we found that the ITA officer conducting or assisting in conducting the checks was also the SHOT Show representative for their respective country, assigned to recruit foreign businesses to attend the

⁷⁵ITA officials told us that ITA has had variations of restrictions on the export promotion of firearms since the 1990s, and that export promotion services are subject to ITA's client eligibility vetting policy. According to ITA officials, this involves an interagency review of the export promotion request for any significant concerns of potential for the product to be used to commit human rights abuses. The officials said this policy has led ITA to decline export promotion services in certain circumstances and markets. ITA officials told us that, in May 2024, ITA revised its client eligibility vetting policy to provide for a more enhanced review process for certain types of products, including firearms.

⁷⁶In August 2024, ITA officials told us the agency does not plan to participate in any firearms trade shows for the foreseeable future because, as of 2022, ITA began to focus primarily on its strategic objectives, which include critical and emerging technologies.

⁷⁷Prelicense checks are performed before licenses are granted, authorizing shipment to the end user, in contrast to postshipment verifications, which are conducted after an item has shipped.

trade show as delegates.⁷⁸ In two instances, we found that the ITA officer registered the end users as SHOT Show delegates while completing their end-use checks. Both checks were conducted in a country that was later listed as high risk for firearms diversion or misuse. ITA officials told us the agency does not have any guidance for ITA officers on how to address potentially conflicting duties related to end-use checks.

Detailing ECOs to ITA. BIS officials also discussed the placement of ECOs within ITA as presenting opportunities for conflicting duties. ITA serves as Commerce’s diplomatic arm and, to facilitate the placement of ECOs at overseas posts, ECOs are temporarily detailed to ITA under an intra-agency agreement between the two agencies.⁷⁹ The agreement states that ECOs will serve under ITA but will be responsible for implementing BIS programs.

The intra-agency agreement does not clearly state whether ITA and BIS personnel can fulfill or assist with each other’s duties and what activities would be appropriate. BIS officials told us that ECOs may periodically assist their ITA colleagues with collateral duties or needs to support broader Commerce activities, such as participating in trade shows. Some of the ECOs told us they had participated in ITA functions, such as speaking at conferences about export controls. However, the line between BIS and ITA functions is not always clear. For example, one ECO told us they assisted in coordinating and accompanying delegations to the SHOT Show. And another ECO told us they felt pressured by ITA to participate in an event that they thought could be perceived as a

⁷⁸Five SHOT Show country representatives conducted or participated in the 11 checks. Some individuals attended only one check, while others attended multiple. One end-use check was conducted in both Chile and Honduras; two were conducted in Kenya; three were conducted in El Salvador; and four were conducted in Brazil. Three of those countries—Honduras, El Salvador, and Kenya—were placed on Commerce’s 2024 “High-Risk Destinations for Firearms and Related Items” list as countries at high risk for firearms diversion or misuse.

⁷⁹According to BIS, all Commerce employees, other than Foreign Commercial Service Officers, at U.S. embassies and consulates are posted as limited Foreign Service Officers under ITA. This includes BIS’s ECOs and Export Control Analyst, officials from the U.S. Patent and Trademark Office, and other Commerce bureaus, as needed. As a foreign service agency of the U.S. government, BIS officials told us ITA has the expertise and legal authority to manage Commerce’s overseas cadre of employees. BIS staff detailed to ITA perform their duties as commercial officers, enabling them to conduct end-use checks, which are compliance actions, consistent with other non-law enforcement operations at embassies and consulates, according to BIS officials. ECOs report to the ITA senior commercial officer, who is the principal representative for Commerce at post.

conflict with their role as an ECO (they told us they ultimately did not participate).

ECOs told us that the level of professional interaction between them and ITA personnel depends on the size of the ITA unit at their post. For example, some posts have several ITA personnel, while others may only have one. In the case of the latter, ECOs said they are more likely to be asked to assist on ITA-related functions. However, BIS and ITA told us they do not provide ECOs with guidance on how to handle potentially conflicting duties.

Federal internal control standards state that management should design control activities to achieve objectives and respond to risks.⁸⁰ For example, when designing control activities, management should segregate conflicting duties, including when those duties are delegated. When such segregation is not practical within an operational process because of limited personnel or other factors, management should design alternative controls to address the risk.

An end-use check requires an objective assessment of risk. That objectivity can be undermined if the person conducting the check has, or is perceived to have, primary duties that conflict with those required of the end-use check. For example, as previously discussed, an ITA officer might connect a U.S. business with a distributor in their country or region and later be requested to conduct an end-use check on that distributor. Connecting the U.S. business to the distributor would contribute to an ITA performance metric of promoting U.S. exports. However, an end-use check on that same distributor might result in restrictions on exports to the end user, which would conflict with that performance metric and the ITA officer's primary duty to promote the commercial interests of U.S. exporters. A reasonable person may question the compatibility of those roles vested in one person and, thus, the impartiality of that end-use check.

Similarly, ECOs may have conflicting duties if they assist ITA in coordinating or accompanying trade delegations of importers who may later be subject to end-use monitoring. For example, a reasonable person may question whether ECOs can be sufficiently impartial when

⁸⁰[GAO-14-704G](#), Principle 10.

conducting an end-use check if they previously helped to coordinate and accompany a trade delegation of potential end users to the U.S.

Without appropriate controls, such as formal guidance, BIS and ITA officers might not know how to appropriately mitigate the risks associated with potentially conflicting duties as they arise.

BIS Lacks Data to Assess Timeliness of End-Use Checks

We found that the data in BIS's official system of record for end-use checks—the Investigative Management System Redesign (IMS-R)—do not allow BIS to readily assess whether end-use checks meet its timeliness criteria.⁸¹ BIS guidance states that prelicense checks and postshipment verifications should be conducted within 14 days and 60 days, respectively, of the request for the end-use check. Not meeting these time frames could lead to delays to legitimate transactions or missed opportunities to detect or prevent unauthorized transfers of U.S. goods and technology.

Each end-use check involves a site visit and site visit report to be submitted for supervisory review and approval. BIS tracks an “open date” and “close date” in IMS-R. According to BIS officials

- the **open date** is the date the supervisor opens the new end-use check record in IMS-R, and
- the **close date** is the date the end-use check record undergoes supervisory review and is officially approved and closed by the supervisor in IMS-R.

BIS does not use IMS-R to track the life cycle of an end-use check, including (1) the date officials receive the request to conduct the site visit, (2) the date officials conduct the site visit, or (3) the date officials submit the site visit report for supervisory review and approval. According to BIS officials, system limitations prevent BIS from tracking these additional data elements in IMS-R.⁸² As a result, BIS must use a less efficient

⁸¹In 2020, Commerce's Office of Inspector General also determined that it was not possible to assess the overall timeliness of end-use checks because of insufficient data in IMS-R. See, *Lack of Defined Processes and Procedures Impede Efforts to Monitor End-Use Check Performance*, [OIG-20-019-A](#) (Mar. 2, 2020).

⁸²BIS officials told us that IMS-R is not designed to be a data analytics tool, but that Commerce is developing a new system that should lend itself better to data analytics. According to these officials, implementation of the new system is ongoing and being rolled out in stages, starting October 1, 2024, but full implementation will be dependent on funding.

manual process to determine whether an end-use check was conducted within the 14-day or 60-day time frame.

BIS would need to completely and accurately track these data elements to be able to readily assess whether end-use checks meet timeliness criteria and where in the process any challenges may exist. For example, we found that it took an average of 159 days from the “open date” to “close date” for prelicense checks, and an average of 91 days from the “open date” to “close date” for postshipment verifications.⁸³ However, BIS would need the date of the site visit and the date the site visit report was submitted to determine whether delays in closing end-use checks are related to

- officials not completing and submitting site visit reports in a timely manner (i.e., the difference between the date of the site visit and the date the site visit report was submitted), or
- supervisors not reviewing and approving end-use checks in a timely manner (i.e., the difference between the date the site visit report was submitted and the date the supervisor closed the end-use check record in IMS-R).

Currently, BIS cannot assess end-use check timeliness or determine the cause of the delays.

Federal internal control standards call for management to design control activities and use quality information—that is appropriate, current, complete, accurate, accessible, and provided on a timely basis—to achieve objectives and respond to risks.⁸⁴ For example, management should design control activities so that transactions—such as end-use checks—are completely and accurately recorded and readily available for examination.

Tracking the life cycle of end-use checks would better position BIS to readily assess whether those checks are meeting the time frames

⁸³We used the open and close dates to calculate the number of days it took BIS to close each end-use check. We found that 33 percent of end-use checks for firearms and related items closed in fiscal years 2021–2023 had the same open and close dates, meaning the supervisor opened and closed the record in IMS-R the same day. For those end-use checks that did not have the same open and close dates (67 percent), we found that it took an average of 159 days from the “open date” to “close date” for prelicense checks, and an average of 91 days from the “open date” to “close date” for postshipment verifications.

⁸⁴[GAO-14-704G](#), Principles 10 and 13.

prescribed in BIS guidance. Moreover, life-cycle data would help BIS to address possible challenges related to completing end-use checks. For example, life-cycle data would allow BIS to systematically analyze patterns and trends revealed by how long it takes to complete an end-use check. Such data could help BIS understand why end-use checks take longer in certain countries or regions and whether personnel conducting end-use checks need assistance, such as training or additional resources. By using these life-cycle data, BIS could improve future compliance with internal time frames and enhance the efficiency of export licensing processes.

Conclusions

The Commerce–led, interagency export licensing process plays an important role in managing the risks associated with firearms exports while facilitating legitimate trade. After assuming export control responsibility for most nonautomatic and semiautomatic firearms from State in 2020, Commerce revised its licensing requirements for these firearms in 2024 with the aim of reducing the risk that they would be diverted or misused.

We identified additional ways in which the Commerce–led licensing process could be strengthened. For example, an assessment of State’s fragmented process for reviewing Commerce export license applications might yield opportunities for reducing inconsistencies and unnecessary duplication. Moreover, when State bureaus review Commerce export license applications for foreign policy and national security concerns, additional agencywide guidance from State could help provide greater consistency in these reviews. Establishing mechanisms to consult reviewing bureaus on which license applications State should review could also help provide greater consistency in State’s reviews and assurance that licensing decisions reflect U.S. foreign policy and national security interests in different countries. Finally, establishing intra-agency processes for State’s DDTC to share its watch list with State’s ISN, and interagency processes for State’s DDTC and Commerce’s BIS to review and update their agreement to share watch list information, would help ensure that State and Commerce entities have access to critical information needed to effectively screen applicants to help prevent unauthorized end users from obtaining legally exported U.S. firearms.

Commerce’s end-use monitoring also plays a key role in verifying the legitimacy of U.S. firearms exports, but we identified ways it could be improved. By addressing long-standing personnel gaps for key positions in high-risk areas, Commerce could help ensure it has sufficient ECO coverage globally to conduct end-use checks and needs to rely less on

non-ECO personnel who may lack the optimal competencies and skills for conducting end-use checks. When relying on ECOs, Commerce could improve its efforts by delivering new-hire training specific to the competencies and skills needed to perform the duties of an ECO. When relying on non-ECO personnel, Commerce could improve its efforts by ensuring that mechanisms are in place for Commerce to request assistance in conducting end-use checks and to address any conflicting duties that may exist. Lastly, Commerce could benefit from better tracking of data on the timeliness of end-use checks to identify and address possible challenges related to completing these checks. Taking steps to address these issues would better position Commerce to mitigate the risk of firearms ending up in the wrong hands and being used in ways that undermine U.S. national security and foreign policy interests.

Recommendations for Executive Action

We are making a total of 12 recommendations, including five to State and seven to Commerce. Specifically:

The Secretary of State should assess the department's process for reviewing export license applications for Commerce-controlled firearms and determine the feasibility of consolidating coordination authority into one bureau. (Recommendation 1)

The Secretary of State should develop agencywide guidance for reviewing export license applications for Commerce-controlled firearms to ensure consistent reviews across reviewing bureaus. Such guidance should outline information relevant to the review process, including roles, responsibilities, and expectations for reviews, and should serve as a baseline from which the bureaus can develop bureau-level guidance relevant to their roles in the review process. (Recommendation 2)

The Secretary of State should ensure that the Assistant Secretary of State for International Security and Nonproliferation establishes mechanisms to ensure that State's decisions to review or decline to review Commerce's export license applications include the perspective of other State bureaus that have equities in these export license applications. (Recommendation 3)

The Secretary of State should ensure that the Under Secretary of State for Arms Control and International Security develops a process for sharing relevant information from DDTC's internal watch list with ISN to enhance oversight of Commerce-controlled firearms exports. (Recommendation 4)

The Secretary of State should ensure that the Under Secretary of State for Arms Control and International Security develops a process to monitor and update its interagency agreement with Commerce to share watch list information to ensure that this agreement remains in effect. (Recommendation 5)

The Secretary of Commerce should ensure that the Under Secretary of Commerce for Industry and Security develops a process to monitor and update its interagency agreement with State to share watch list information to ensure that this agreement remains in effect. (Recommendation 6)

The Secretary of Commerce should ensure that the Under Secretary of Commerce for Industry and Security determines whether one or more ECOs are needed in the regions not currently within an ECO area of responsibility. If BIS determines one or more ECOs are needed but cannot create new positions, it should assess whether it can reallocate current ECOs or other resources to provide for appropriate global coverage. (Recommendation 7)

The Secretary of Commerce should ensure that the Under Secretary of Commerce for Industry and Security develops and implements new-hire training specific to the competencies and skills needed to perform the duties of an ECO. (Recommendation 8)

The Secretary of Commerce should ensure that the Under Secretaries of Commerce for Industry and Security and International Trade develop and document a formal intra-agency process for BIS to request assistance in conducting end-use checks. Such a document should clearly define personnel requirements, roles, and responsibilities. (Recommendation 9)

The Secretary of Commerce should ensure that the Under Secretary of Commerce for Industry and Security, in consultation with the Department of State, develop and document a formal interagency process for BIS to request assistance in conducting end-use checks. Such a document should clearly define personnel requirements, roles, and responsibilities. (Recommendation 10)

The Secretary of Commerce should ensure that the Under Secretaries of Commerce for Industry and Security and International Trade develop controls to address conflicting duties that may exist between BIS and ITA, as appropriate. Such controls should include developing guidance for BIS

and ITA employees who assist in the duties of the other agency.
(Recommendation 11)

The Secretary of Commerce should ensure that the Under Secretary of Commerce for Industry and Security takes steps to track the data BIS needs to be able to readily assess whether end-use checks are meeting internal timeliness criteria. (Recommendation 12)

Agency Comments and Our Evaluation

We provided a draft of this report for review and comment to State, Commerce (BIS, ITA, and Census), and DOD. In its comments, reproduced in appendix IV, State concurred with the five recommendations directed to the Secretary of State and said that it will address the recommendations. Commerce (BIS and ITA) provided comments via email. In its comments, Commerce concurred with the seven recommendations directed to the Secretary of Commerce and said that it will address the recommendations. Commerce disagreed with part of the basis for recommendation 11—which calls on Commerce to develop controls to address conflicting duties that may exist between BIS and ITA—but said it would take steps to implement the recommendation. Specifically, while Commerce agreed that having ITA officials perform ECO activities may represent a conflicting duty, it disagreed that such a conflict could occur when ECOs help with ITA activities. However, as we discuss in our report, ECOs may have conflicting duties if they assist ITA in coordinating or accompanying trade delegations of importers who may later be subject to end-use monitoring conducted by the ECO. For example, a reasonable person may question whether ECOs can be sufficiently impartial when conducting an end-use check if they previously helped to coordinate and accompany a trade delegation of potential end users to the U.S. Without appropriate controls, such as formal guidance, BIS and ITA officers might not know how to appropriately mitigate the risks associated with potentially conflicting duties as they arise. Commerce and State also provided technical comments, which we incorporated as appropriate. Census and DOD did not have any comments on the report.

We are sending copies of this report to the appropriate congressional committees and the Secretaries of State, Commerce, and Defense. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-4128 or ElHodiriN@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who make key contributions to this report are listed in appendix V.



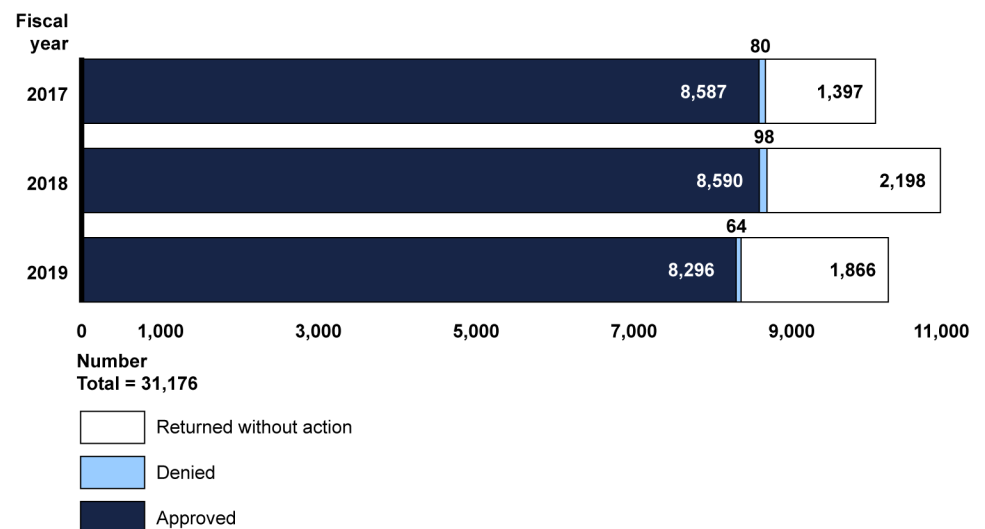
Dr. Nagla'a El-Hodiri
Director, International Affairs and Trade

Appendix I: State Export License Applications and End-Use Checks for Firearms, Fiscal Years 2017–2019

State Export License Applications for Firearms, Fiscal Years 2017–2019

During the 3 full fiscal years (2017–2019) before the transfer of certain firearms from Department of State to Department of Commerce export control jurisdiction, State adjudicated 31,176 export license applications for U.S. Munitions List (USML) Category I firearms under its jurisdiction (see fig. 8).¹ While the total number of applications adjudicated increased slightly from fiscal year 2017 to fiscal year 2019, State’s approval rate remained relatively constant during this period, averaging 82 percent per year. State approved most (25,473 of 31,176) applications for a total value of \$7.2 billion.²

Figure 8: Number of Export License Applications for Firearms Approved, Denied, or Returned without Action by Department of State, Fiscal Years 2017–2019



Source: GAO analysis of Department of State data. | GAO-25-106849

¹Our analysis does not enable a direct comparison between export license applications for firearms before and after the transfer of jurisdiction (see app. III for further details). Also, differences in State and Commerce licensing rules could make comparisons misleading. For example, State requires licenses to be limited to only one end user, while Commerce may allow multiple end users on a single license, reducing the total number of licenses for which an applicant must apply. State also requires a purchase order for all license applications and limits the approved amount to the amount specified on the purchase order, which means that the total value of approved licenses is likely to be lower for State than for Commerce.

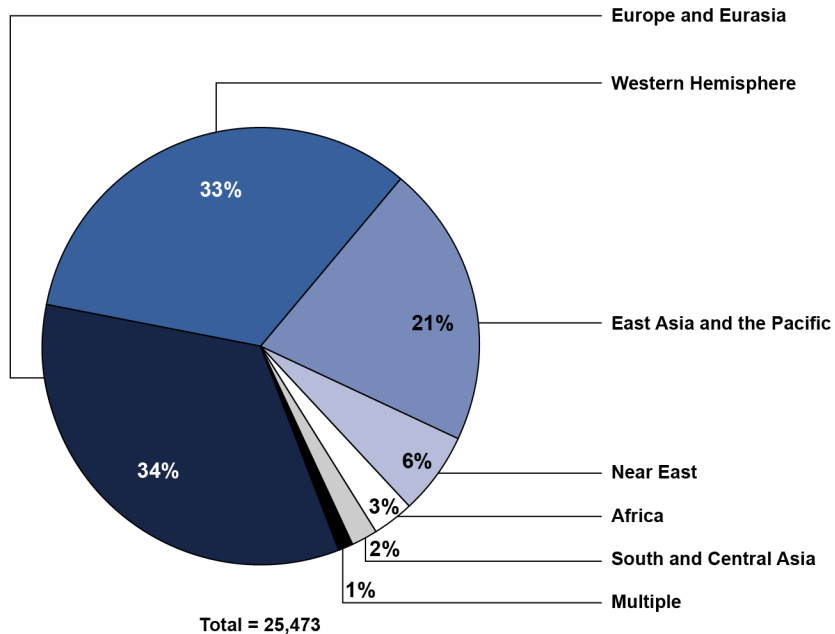
²\$7.2 billion reflects the total value approved and does not reflect the actual export value. The total valued approved increased slightly from \$2.6 billion in fiscal year 2017 to \$2.7 billion in fiscal year 2019. According to State officials, approved licenses may not result in actual exports. Exporters may use the export license over multiple years (generally 4 years) and may not fully utilize the value of the export license.

Appendix I: State Export License Applications and End-Use Checks for Firearms, Fiscal Years 2017–2019

Note: For the purposes of this analysis, “firearms” refers to U.S. Munitions List Category I items prior to the March 2020 transfer of jurisdiction of items from State to Commerce, such as nonautomatic, semiautomatic, and fully automatic firearms; other types of firearms, such as combat shotguns; firearm attachments, such as silencers and riflescopes; firearm parts and components; and technical data and defense services related to these items.

The number of export license applications for USML Category I firearms approved by State during fiscal years 2017–2019 varied by geographic region. Three regions—Europe and Eurasia, the Western Hemisphere, and East Asia and the Pacific—represented 88 percent of approved applications (see fig. 9). Approved applications included 186 countries and territories, yet the top 20 countries represented over 70 percent of the total number of approved applications (see fig. 10). The top 20 countries listed in approved applications ranged from Canada (3,286 applications) to Norway (297 applications).

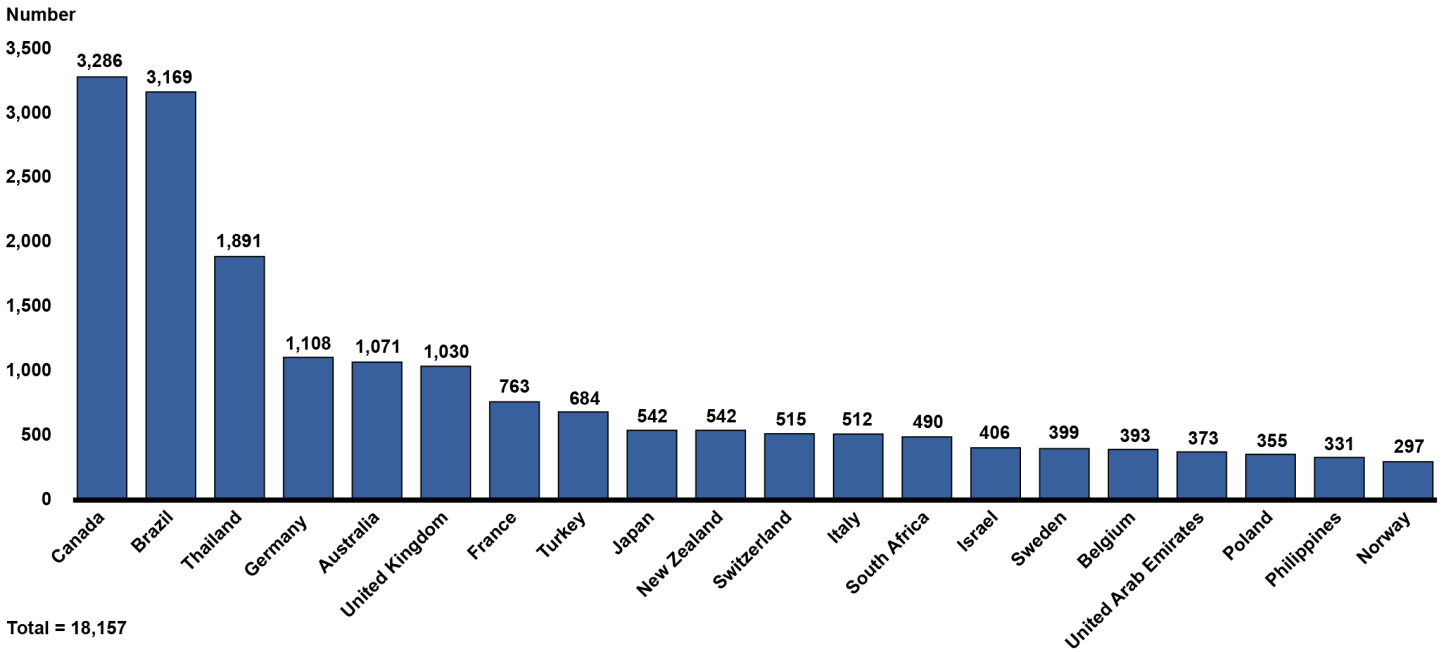
Figure 9: Percentage of Department of State–Approved Export License Applications for Firearms by Geographic Region, Fiscal Years 2017–2019



Source: GAO analysis of Department of State data. | GAO-25-106849

Note: For the purposes of this analysis, “firearms” refers to U.S. Munitions List Category I items prior to the March 2020 transfer of jurisdiction of items from State to Commerce, such as nonautomatic, semiautomatic, and fully automatic firearms; other types of firearms, such as combat shotguns; firearm attachments, such as silencers and riflescopes; firearm parts and components; and technical data and defense services related to these items. This analysis uses the category “Multiple” to capture approved license applications where the “destination country” includes one or more country or territory, which may be located within one or in more than one geographic region.

Figure 10: Top 20 Destination Countries for Department of State–Approved Export License Applications for Firearms, Fiscal Years 2017–2019



Note: For the purposes of this analysis, “firearms” refers to U.S. Munitions List Category I items prior to the March 2020 transfer of jurisdiction of items from State to Commerce, such as nonautomatic, semiautomatic, and fully automatic firearms; other types of firearms, such as combat shotguns; firearm attachments, such as silencers and riflescopes; firearm parts and components; and technical data and defense services related to these items. This analysis excludes approved license applications where the “destination country” includes more than one country or territory.

State End-Use Checks for Firearms, Fiscal Years 2017–2019

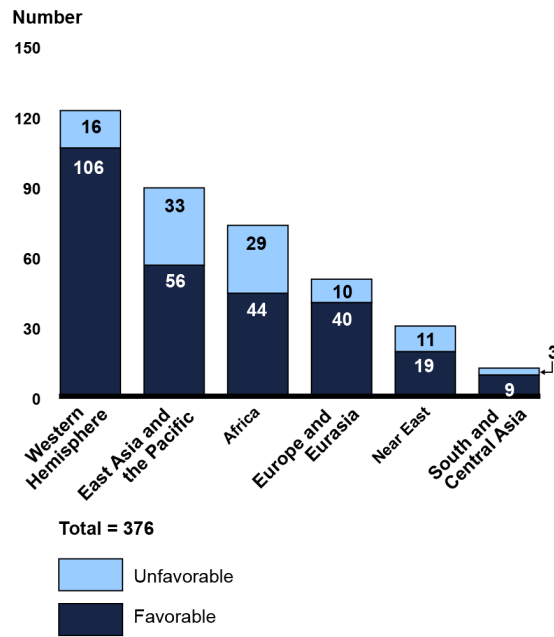
State conducted 376 end-use checks for USML Category I firearms during fiscal years 2017–2019 in 74 countries.³ This represents 1.2 percent of adjudicated export license applications for firearms. Countries in three regions—the Western Hemisphere, East Asia and the Pacific, and Africa—represented 76 percent of State’s end-use checks. State reported a favorable result for 73 percent of its end-use checks. The proportion of favorable-to-unfavorable end-use checks varied by geographic region. The unfavorable rate was lowest (13 percent) for the Western Hemisphere and highest (40 percent) for Africa. State’s most common reasons for an unfavorable result were derogatory information

³End-use checks include prelicense checks in support of the license application review and postshipment verifications after the license has been approved and items have shipped.

Appendix I: State Export License Applications and End-Use Checks for Firearms, Fiscal Years 2017–2019

on a foreign party, a party's refusal to cooperate, inability to confirm order or receipt of goods, and involvement of an unlicensed foreign party. (See figure 11 for a breakdown of end-use checks by geographic region and outcome.)

Figure 11: Number of Department of State End-Use Checks for Firearms by Geographic Region and Outcome, Fiscal Years 2017–2019



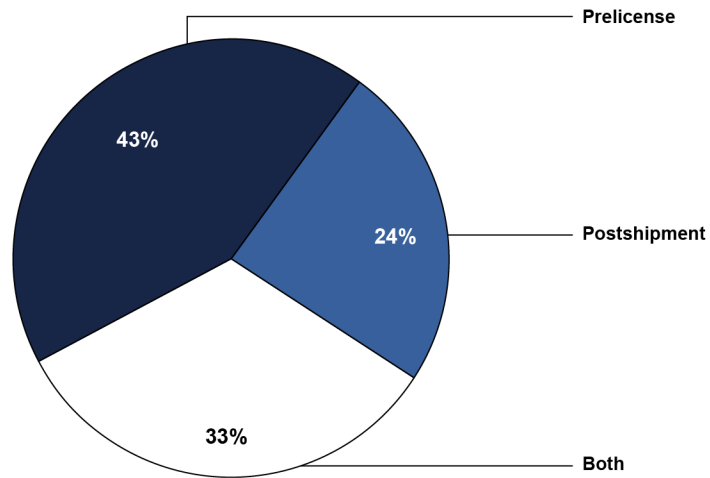
Source: GAO analysis of Department of State data. | GAO-25-106849

Note: For the purposes of this analysis, “firearms” refers to U.S. Munitions List Category I items prior to the March 2020 transfer of jurisdiction of items from State to Commerce, such as nonautomatic, semiautomatic, and fully automatic firearms; other types of firearms, such as combat shotguns; firearm attachments, such as silencers and riflescopes; firearm parts and components; and technical data and defense services related to these items.

Of the 376 end-use checks State conducted for USML Category I firearms during fiscal years 2017–2019, most involved a prelicense check or both a prelicense check and postshipment verification (see fig. 12).

Appendix I: State Export License Applications and End-Use Checks for Firearms, Fiscal Years 2017–2019

Figure 12: Percentage of Department of State Prelicense and Postshipment End-Use Checks for Firearms, Fiscal Years 2017–2019



Total = 376

Source: GAO analysis of Department of State data. | GAO-25-106849

Note: For the purposes of this analysis, “firearms” refers to U.S. Munitions List Category I items prior to the March 2020 transfer of jurisdiction of items from State to Commerce, such as nonautomatic, semiautomatic, and fully automatic firearms; other types of firearms, such as combat shotguns; firearm attachments, such as silencers and riflescopes; firearm parts and components; and technical data and defense services related to these items.

Appendix II: Commerce Export License Applications and End-Use Checks for Firearms, Fiscal Years 2021–2023

Commerce Export License Applications for Firearms, Fiscal Years 2021–2023

During the 3 full fiscal years (2021–2023) after the transfer of certain firearms from Department of State to Department of Commerce export control jurisdiction, Commerce adjudicated 19,026 export license applications for firearms under its jurisdiction on the Commerce Control List (CCL) (see fig. 13).¹ While the total number of applications adjudicated declined by 27 percent from fiscal year 2021 to fiscal year 2023, Commerce’s approval rate remained relatively constant during this period, averaging 94 percent per year. Commerce approved most (17,938 of 19,026) export license applications for firearms for a total value of \$12.2 billion.²

For the purposes of this analysis, “firearms” refers to six Export Control Classification Numbers (ECCN) on the CCL—0A501, 0A502, 0A504, 0D501, 0E501, and 0E504.³ These ECCNs capture items such as nonautomatic and semiautomatic firearms; other types of firearms, such as shotguns; firearm attachments, such as riflescopes and sighting

¹Our analysis does not enable a direct comparison between export license applications for firearms before and after the transfer of jurisdiction (see app. III for further details). Also, differences in State and Commerce licensing rules could make comparisons misleading. For example, State requires licenses to be limited to only one end user, while Commerce may allow multiple end users on a single license, reducing the total number of licenses for which an applicant must apply. State also requires a purchase order for all license applications and generally limits the approved amount to the amount specified on the purchase order, which means that the total value of approved licenses is likely to be lower for State than for Commerce.

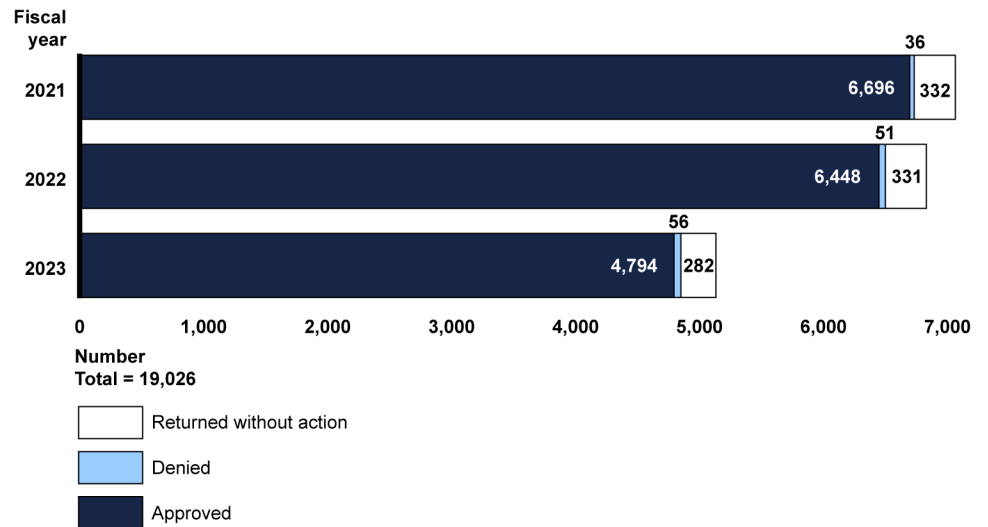
²\$12.2 billion reflects the total value approved and does not reflect the actual export value. The total value approved increased from \$3.0 billion in fiscal year 2021 to \$3.9 billion in fiscal year 2023. According to Commerce officials, approved licenses may not result in actual exports. Because Commerce export licenses were generally valid for 4 years and a purchase order was not required to apply for an export license, the total value of approved licenses is likely to be much higher than the actual export value. In April 2024, Commerce announced that it would revoke existing licenses for the export of firearms and related items to nongovernment end users in 36 countries at high risk for firearms diversion or misuse, effective July 1, 2024, which may retroactively reduce the number and value of approved licenses. For any license that was revoked, the license holder may appeal the revocation or reapply.

³In March 2020, when certain firearms from U.S. Munitions List Category I under State’s jurisdiction transferred to the CCL under Commerce’s jurisdiction, they transferred to these six ECCNs, according to Commerce officials. These ECCNs also capture items that were already under Commerce’s jurisdiction prior to the transfer, such as long barrel shotguns, parts, and components. These six ECCNs were effective through May 29, 2024. On May 30, 2024, Commerce revised its ECCNs for firearms to distinguish between nonautomatic and semiautomatic firearms and between firearms and related parts, components, accessories, and attachments. These changes occurred after the end of fiscal year 2023 and therefore did not affect our analysis.

Appendix II: Commerce Export License Applications and End-Use Checks for Firearms, Fiscal Years 2021–2023

devices; firearm parts and components; and technical data related to these items.

Figure 13: Number of Export License Applications for Firearms Approved, Denied, or Returned without Action by Department of Commerce, Fiscal Years 2021–2023



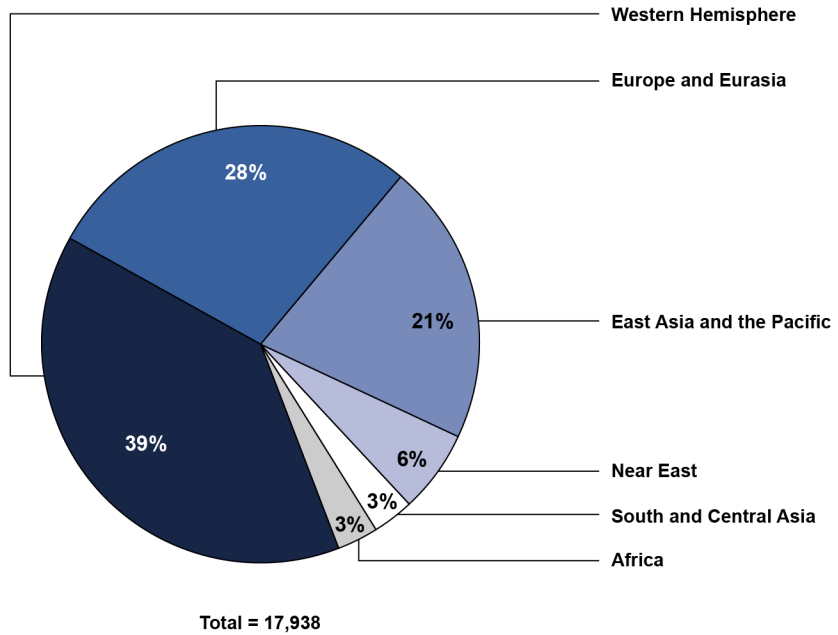
Source: GAO analysis of Department of Commerce data. | GAO-25-106849

Note: For the purposes of this analysis, “firearms” refers to six Export Control Classification Numbers (ECCN) on the Commerce Control List—0A501, 0A502, 0A504, 0D501, 0E501, and 0E504. These ECCNs capture items such as nonautomatic and semiautomatic firearms; other types of firearms, such as shotguns; firearm attachments, such as riflescopes and sighting devices; firearm parts and components; and technical data related to these items.

The number of export license applications for CCL-controlled firearms approved by Commerce during fiscal years 2021–2023 varied by geographic region. Three regions—the Western Hemisphere, Europe and Eurasia, and East Asia and the Pacific—represented 88 percent of approved applications (see fig. 14). Approved applications included 169 countries and territories, yet the top 20 countries represented over 70 percent of the total number of approved applications (see fig. 15). The top 20 countries listed in approved applications ranged from Brazil (4,014 applications) to Czechia (194 applications).

Appendix II: Commerce Export License Applications and End-Use Checks for Firearms, Fiscal Years 2021–2023

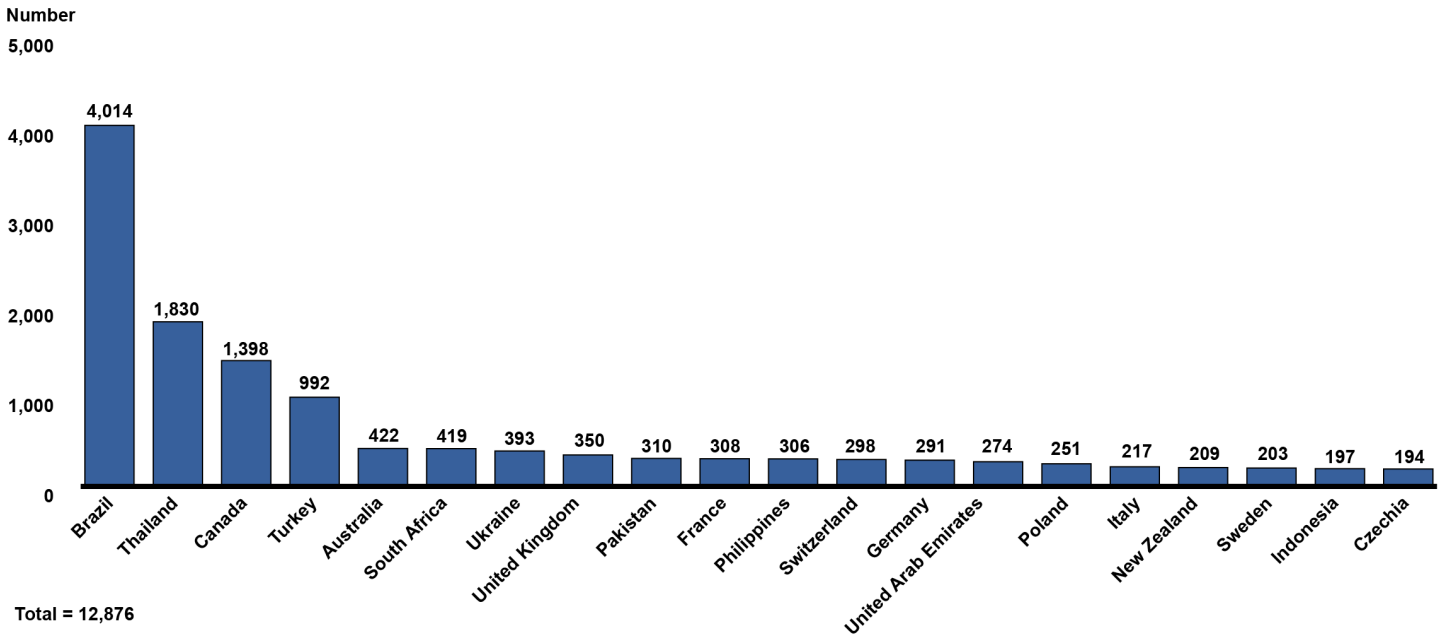
Figure 14: Percentage of Department of Commerce–Approved Export License Applications for Firearms by Geographic Region, Fiscal Years 2021–2023



Source: GAO analysis of Department of Commerce data. | GAO-25-106849

Note: For the purposes of this analysis, “firearms” refers to six Export Control Classification Numbers (ECCN) on the Commerce Control List—0A501, 0A502, 0A504, 0D501, 0E501, and 0E504. These ECCNs capture items such as nonautomatic and semiautomatic firearms; other types of firearms, such as shotguns; firearm attachments, such as riflescopes and sighting devices; firearm parts and components; and technical data related to these items.

Figure 15: Top 20 Destination Countries for Department of Commerce–Approved Export License Applications for Firearms, Fiscal Years 2021–2023



Note: For the purposes of this analysis, “firearms” refers to six Export Control Classification Numbers (ECCN) on the Commerce Control List—0A501, 0A502, 0A504, 0D501, 0E501, and 0E504. These ECCNs capture items such as nonautomatic and semiautomatic firearms; other types of firearms, such as shotguns; firearm attachments, such as riflescopes and sighting devices; firearm parts and components; and technical data related to these items. This analysis excludes approved license applications where the “destination country” includes more than one country or territory.

Commerce End-use Checks for Firearms, Fiscal Years 2021–2023

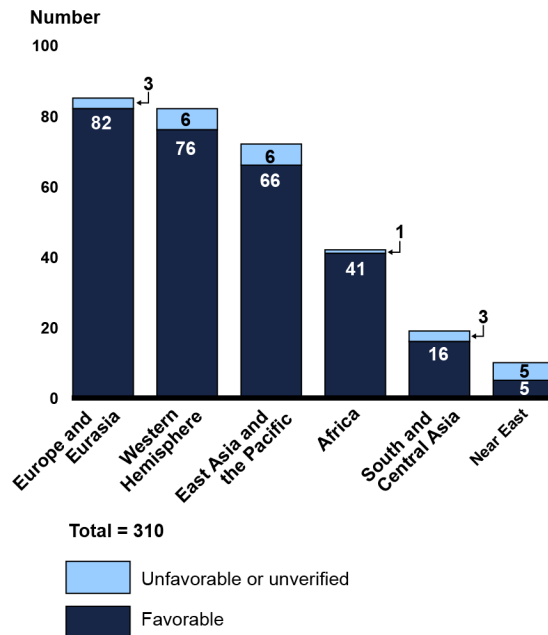
Commerce conducted 310 end-use checks for CCL-controlled firearms during fiscal years 2021–2023 in 58 countries.⁴ This represents 1.6 percent of adjudicated export license applications for firearms. Countries in three regions—Europe and Eurasia, the Western Hemisphere, and East Asia and the Pacific—represented 77 percent of Commerce’s end-use checks. Commerce reported a favorable result for 92 percent of its end-use checks. An unverified or unfavorable result occurs if the end-use check cannot verify the bona fides (i.e., legitimacy and reliability) of a

⁴End-use checks include prelicense checks in support of the license application review and postshipment verifications after the license has been approved and items have shipped. Specifically, these 310 end-use checks were related to export license applications for firearms, or licensed exports of firearms, controlled under five ECCNs on the CCL—0A501, 0A502, 0A504, 0D501, or 0E501. Commerce did not conduct any end-use checks related to ECCN 0E504. Commerce may also conduct checks on unlicensed firearms exports, which was outside the scope of this analysis.

Appendix II: Commerce Export License Applications and End-Use Checks for Firearms, Fiscal Years 2021–2023

foreign party or reveals facts that are inconsistent with the license or regulations, according to Commerce officials. (See figure 16 for a breakdown of end-use checks by geographic region and outcome.)

Figure 16: Number of Department of Commerce End-Use Checks for Firearms by Geographic Region and Outcome, Fiscal Years 2021–2023



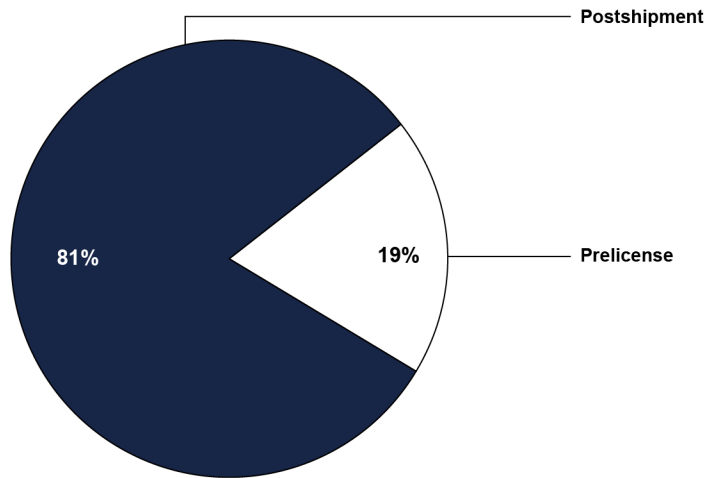
Source: GAO analysis of Department of Commerce data. | GAO-25-106849

Note: These end-use checks were related to export license applications for firearms, or licensed exports of firearms, controlled under five Export Control Classification Numbers (ECCN) on the Commerce Control List—0A501, 0A502, 0A504, 0D501, or 0E501. These ECCNs capture items such as nonautomatic and semiautomatic firearms; other types of firearms, such as shotguns; firearm attachments, such as riflescopes and sighting devices; firearm parts and components; and technical data related to these items. Commerce did not conduct any end-use checks related to ECCN 0E504.

Of the 310 end-use checks Commerce conducted for CCL-controlled firearms during fiscal years 2021–2023, most were postshipment verifications (see fig. 17).

Appendix II: Commerce Export License Applications and End-Use Checks for Firearms, Fiscal Years 2021–2023

Figure 17: Percentage of Department of Commerce Prelicense and Postshipment End-Use Checks for Firearms, Fiscal Years 2021–2023



Total = 310

Source: GAO analysis of Department of Commerce data. | GAO-25-106849

Note: These end-use checks were related to export license applications for firearms, or licensed exports of firearms, controlled under five Export Control Classification Numbers (ECCN) on the Commerce Control List—0A501, 0A502, 0A504, 0D501, or 0E501. These ECCNs capture items such as nonautomatic and semiautomatic firearms; other types of firearms, such as shotguns; firearm attachments, such as riflescopes and sighting devices; firearm parts and components; and technical data related to these items. Commerce did not conduct any end-use checks related to ECCN 0E504.

Appendix III: Objectives, Scope, and Methodology

This report examines (1) how U.S. exports of firearms have changed since the transfer of jurisdiction, (2) the Department of Commerce–led interagency export licensing process for firearms, and (3) Commerce’s efforts to monitor the end-use of firearms exports. In addition, this report provides information on export license applications and end-use checks before the transfer of jurisdiction (see app. I) and after (see app. II).

To address the first objective, we obtained and analyzed data on U.S. firearms exports from the Automated Export System—the system U.S. exporters use to electronically declare their exports. We interviewed officials from Commerce’s U.S. Census Bureau and Bureau of Industry and Security (BIS) to understand the data and identify any limitations on how we use them. To capture 3 full fiscal years before and after the transfer of jurisdiction, we analyzed data from fiscal years 2017–2019 (October 1, 2016–September 30, 2019) and fiscal years 2021–2023 (October 1, 2020–September 30, 2023). We assessed the reliability of the data by conducting validity checks and found the data to be sufficiently reliable to describe the value, destinations, and recipients of U.S. firearms exports during the 3-year periods before and after the transfer of jurisdiction.¹ We adjusted dollar values for inflation using the Bureau of Labor Statistics’ export price index for nonagricultural commodities. We chose not to report on the volume of U.S. firearms exports due to inconsistencies in units of the quantity variable in raw Automated Export System data.

To focus on commercial firearms exports, we excluded from our analysis exports under Department of State license code “S94,” which is used for foreign military sales. We used Schedule B and Harmonized Tariff Schedule of the U.S. (HTSUS) codes to identify and analyze U.S. exports of firearms that were most likely under Commerce’s jurisdiction following the transfer of jurisdiction.² Within Schedule B and HTSUS codes 9301–

¹According to Commerce officials, a distributor purchasing firearms on behalf of a government entity may be classified as a reseller, but Commerce would consider the ultimate consignee to be a government entity. However, U.S. firearms exports to these resellers may still be at risk for diversion; for example, during our study period, a reseller with a government client was reported to have sold a number of firearms that were later recovered from crimes. In addition, unless the rate of misclassification changed during our study period, misclassification cannot help to explain the changes in recipient types over time.

²The Schedule B is used to classify U.S. export products and is administered by Census. The HTSUS is used to classify U.S. import products and is administered by the U.S. International Trade Commission. Exporters have the option of reporting a Schedule B code or HTSUS code when entering data into the Automated Export System.

9303 (which cover firearms such as military weapons, revolvers, pistols, and shotguns), we chose to include codes for classes of firearms where more than 50 percent of the value exported during fiscal years 2021–2023 was shipped via a Commerce license or Commerce license exception.³ We refer to the Schedule B and HTSUS codes included in our analysis as “nonautomatic and semiautomatic firearms.”

According to Commerce officials, Schedule B and HTSUS codes 9301–9303 do not perfectly separate fully automatic firearms from nonautomatic and semiautomatic firearms. For this reason, our results could underestimate or overestimate the value of U.S. nonautomatic and semiautomatic firearms exports. However, given that Schedule B and HTSUS codes 9301–9303 did not change during our study period, we can have more confidence in our estimates of the percentage changes in value over time. Moreover, as a robustness check, we executed our analysis on Schedule B and HTSUS codes using 25 percent and 75 percent export value thresholds for shipping via a Commerce license or Commerce license exception. We found similar trends in the total value of U.S. exports of nonautomatic and semiautomatic firearms, including to resellers and to countries at high risk for firearms diversion or misuse.

To address the second objective, we reviewed relevant laws, regulations, agency guidance, and standard operating procedures related to Commerce’s export controls or licensing process for firearms exports. Because Commerce oversees an interagency licensing process for firearms exports, which includes a review by State, we also examined State guidance and standard operating procedures related to those reviews. In addition, we interviewed agency officials to understand the steps they took to review and adjudicate Commerce export license applications for firearms since the 2020 transfer of jurisdiction. Specifically, we interviewed agency officials from the following:

³The full list of Schedule B codes we included using this method is: 9301906000, 9302000020, 9302000040, 9302000090, 9303100000, 9303200030, 9303200035, 9303200080, 9303303020, 9303303030, 9303307010, 9303307012, 9303307017, 9303307025, 9303307030, and 9303904000. In addition, we included exports under the following HTSUS codes: 9301903020, 9303200020, 9303200040, 9303200065, 9303304020, 9303304030, 9303308010, 9303308012, 9303308017, 9303308025, and 9303308030.

- Commerce’s Office of General Counsel, Office of Chief Counsel for Industry and Security.
- Commerce’s BIS, Offices of Nonproliferation and Foreign Policy Controls, Enforcement Analysis, and Export Enforcement.
- Three State regional bureaus and three functional bureaus that review export license applications for Commerce-controlled firearms.⁴ We also obtained written responses from three additional regional bureaus and one additional functional bureau.⁵
- State’s Bureau of Political-Military Affairs, Directorate of Defense Trade Controls, which previously reviewed export license applications for the firearms that transferred to Commerce’s jurisdiction in 2020.
- Department of Defense’s Defense Technology Security Administration, which also reviews export license applications for Commerce-controlled firearms and maintains the U.S. Exports System (USXPORTS) used to facilitate the interagency export licensing review and adjudication process.

We determined that the control environment, control activities, and information and communication components of internal control were significant to this objective, along with the underlying principles that management should

- establish an organizational structure, assign responsibility, and delegate authority to achieve the entity’s objectives (principle 3);
- design control activities to achieve objectives and respond to risks (principle 10);
- implement control activities through policies (principle 12); and

⁴The regional bureaus were the Bureau of African Affairs, Bureau of South and Central Asian Affairs, and Bureau of Western Hemisphere Affairs. The functional bureaus were the Bureau of Democracy, Human Rights, and Labor, Office of Security and Human Rights; Bureau of Economic and Business Affairs, Office of Economic Sanctions Policy and Implementation; and the Bureau of International Security and Nonproliferation, Office of Conventional Arms Threat Reduction.

⁵Those regional bureaus were the Bureau of East Asian and Pacific Affairs, Bureau of European and Eurasian Affairs, and Bureau of Near Eastern Affairs. The functional bureau was the Bureau of International Narcotics and Law Enforcement Affairs.

- internally communicate the necessary quality information to achieve the entity's objectives (principle 14).⁶

We assessed Commerce's and State's licensing review and adjudication processes, and their associated guidance and standard operating procedures, when available, against these principles and against leading practices for interagency collaboration, which note that written agreements can be used to provide consistency in the long term⁷ and are most effective when regularly updated and monitored.⁸

To address the third objective, we reviewed BIS guidance and standard operating procedures for conducting end-use checks. We interviewed BIS officials, including four current Export Control Officers who had conducted end-use checks for firearms or related items during their tours of duty. We also reviewed case notes for end-use checks completed during fiscal years 2021–2023 as context for how BIS guidance and standard operating procedures for conducting end-use checks are implemented. In addition, we reviewed documents and interviewed officials from State and Commerce's International Trade Administration (ITA) to understand their roles in BIS's end-use monitoring program. Specifically, we interviewed officials from

- Commerce's Office of General Counsel, Office of Chief Counsel for International Commerce;
- BIS's Offices of Enforcement Analysis and Export Enforcement;
- State's Bureau of International Security and Nonproliferation, Office of Conventional Arms Threat Reduction and Bureau of Economic and Business Affairs; and
- ITA's Global Markets, U.S. and Foreign Commercial Service.

We determined that the control environment, risk assessment, control activities, and information and communication components of internal

⁶GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

⁷GAO, *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, [GAO-12-1022](#) (Washington, D.C.: Sept. 27, 2012).

⁸GAO, *Government Performance Management: Leading Practices to Enhance Interagency Collaboration and Address Crosscutting Challenges*, [GAO-23-105520](#) (Washington, D.C.: May 24, 2023).

control were significant to this objective, along with the underlying principles that management should

- demonstrate a commitment to recruit, develop, and retain competent individuals (principle 4);
- identify, analyze, and respond to significant changes that could impact the internal control system (principle 9);
- design control activities to achieve objectives and respond to risks (principle 10); and
- use quality information to achieve the entity’s objectives (principle 13).⁹

We assessed our findings from our reviews and interviews against these principles and against leading practices in (1) interagency collaboration, which call for using written agreements to enhance collaboration,¹⁰ and (2) human capital, which call for designing and implementing effective training programs.¹¹

In addition, we obtained and analyzed data on BIS end-use checks from the Investigative Management System Redesign (IMS-R). We assessed the reliability of the data by conducting validity tests and found the data to be sufficiently reliable to describe the number, types, and locations of BIS end-use checks for firearms and related items completed during fiscal years 2021–2023, as well as the proportion of BIS to non-BIS personnel who completed these checks.

In appendixes I and II, we provide information on export license applications and end-use checks before and after the transfer of jurisdiction. We completed two separate analyses, one capturing export license applications and end-use checks for firearms and related items under State’s jurisdiction in the 3-year period before the transfer, and another capturing export license applications and end-use checks for firearms and related items under Commerce’s jurisdiction in the 3-year period after the transfer. Specifically, we did the following:

⁹[GAO-14-704G](#).

¹⁰[GAO-23-105520](#).

¹¹GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government* (Supersedes [GAO-03-893G](#)), [GAO-04-546G](#) (Washington, D.C.: Mar. 1, 2004).

- For appendix I, we obtained and analyzed data on State export license applications from USXPORTS. We assessed the reliability of the data by conducting validity checks and found the data to be sufficiently reliable to describe the number and approval rate of export license applications for firearms and related items adjudicated by State during fiscal years 2017–2019, as well as the value and destination countries for approved applications.

We also obtained and analyzed data on State end-use checks from the Defense Export Control and Compliance System. We assessed the reliability of the data by conducting validity checks and found the data to be sufficiently reliable to describe the number, types, locations, and outcomes of end-use checks for firearms and related items completed by State during fiscal years 2017–2019.

For the purposes of these analyses, we use “firearms” to refer to U.S. Munitions List (USML) Category I items such as nonautomatic, semiautomatic, and fully automatic firearms; other types of firearms, such as combat shotguns; firearm attachments, such as silencers and riflescopes; firearm parts and components; and technical data and defense services related to these items.¹² Some of these items subsequently transferred to Commerce’s jurisdiction in March 2020—including nonautomatic and semiautomatic firearms up to .50 caliber; shotguns with a barrel length less than 18 inches; and parts, components, accessories, and attachments for these firearms. Fully automatic firearms and related items remained on the USML under State’s jurisdiction.

- For appendix II, we obtained and analyzed data on Commerce export license applications from the Commerce USXPORTS Exporter Support System.¹³ We assessed the reliability of the data by conducting validity checks and found the data to be sufficiently reliable to describe the number and approval rate of export license applications for firearms and related items adjudicated by Commerce during fiscal years 2021–2023, as well as the value and destination countries for approved applications.

¹²The USML is a classification found in the International Traffic in Arms Regulations to identify defense articles and services for export control purposes. See 22 C.F.R. § 121.1 for enumeration of the defense articles and services listed on the USML.

¹³The Commerce USXPORTS Exporter Support System is Commerce’s system of record for accepting export license applications and interconnects with USXPORTS for the interagency licensing review and adjudication process.

We also obtained and analyzed data on Commerce end-use checks from IMS-R. We assessed the reliability of the data by conducting validity checks and found the data to be sufficiently reliable to describe the number, types, locations, and outcomes of end-use checks for firearms and related items completed by Commerce during fiscal years 2021–2023. Because Commerce does not use IMS-R to track the life cycle of an end-use check, including (1) the date officials receive the request to conduct an end-use check, (2) the date officials conduct the end-use check, or (3) the date officials submit the end-use check report for processing, we determined that the data cannot be used to assess the timeliness of Commerce end-use checks.

For the purposes of these analyses, we use “firearms” to refer to six Export Control Classification Numbers (ECCN) on the Commerce Control List—0A501, 0A502, 0A504, 0D501, 0E501, and 0E504.¹⁴ According to Commerce officials, these ECCNs capture USML Category I items transferred from State, as well as items that were already under Commerce’s jurisdiction prior to the transfer. These ECCNs capture items such as nonautomatic and semiautomatic firearms; other types of firearms, such as shotguns; firearm attachments, such as riflescopes and sighting devices; firearm parts and components; and technical data related to these items.

Our analysis does not enable a direct comparison between export license applications and end-use checks for firearms before and after the transfer of jurisdiction. Specifically, the data we obtained from Commerce cannot be used to isolate USML Category I firearms and related items transferred from State from firearms and related items that were already under Commerce’s jurisdiction prior to the transfer. Similarly, the data we obtained from State cannot be used to isolate firearms and related items that remained under State’s jurisdiction from firearms and related items that transferred to Commerce’s jurisdiction. Furthermore, differences in State and Commerce licensing rules could make comparisons misleading. For example, State requires licenses to be limited to only one end-user, while Commerce may allow multiple end-users on a single license, reducing the total number of licenses for which an applicant must apply. State also requires a purchase order for all applicants, which

¹⁴The ECCN is an alpha-numeric classification found in the Commerce Control List of the Export Administration Regulations to identify dual-use items for export control purposes. See 15 C.F.R. Part 774 Supplement No. 1 for enumeration of the dual-use items listed on the Commerce Control List.

means that the total value of approved licenses is likely to be lower for State than for Commerce.

We conducted this performance audit from June 2023 to February 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix IV: Comments from the Department of State



United States Department of State
Comptroller
Washington, DC 20520

January 13, 2025

Kimberly Gianopoulos
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Ms. Gianopoulos:

We appreciate the opportunity to review your draft report, "EXPORT CONTROLS: Improvements Needed in Licensing and Monitoring of Firearms." GAO Job Code 106849.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

Sincerely,

James A Walsh
Walsh

Digitally signed by
James A Walsh
Date: 2025.01.13
16:21:29 -05'00'

James A. Walsh

Enclosure:
As stated

cc: GAO – Nagla'a El-Hodiri
OIG - Norman Brown

Department of State Response to GAO Report
EXPORT CONTROLS: Improvements Needed in Licensing
and Monitoring of Firearms
(GAO-25-106849, GAO Code 106849)

Thank you for the opportunity to comment on the GAO draft report “*Export Controls: Improvements Needed in Licensing and Monitoring of Firearms.*”

Recommendation 1: The Secretary of State should assess the department’s process for reviewing export license applications for Commerce-controlled firearms and determine the feasibility of consolidating coordination authority into one bureau.

Department Response: The State Department agrees with GAO’s first recommendation in consolidating coordination authority of export license applications of Commerce-controlled firearms. The Office of Conventional Arms Threat Reduction within the Bureau of International Security and Nonproliferation (ISN/CATR) is the State Department’s coordinating authority for export license applications subject to the Export Administration Regulations (EAR), including Commerce-controlled firearms.

Recommendation 2: The Secretary of State should develop agencywide guidance for reviewing export license applications for Commerce-controlled firearms to ensure consistent reviews across reviewing bureaus. Such guidance should outline information relevant to the review process, including roles, responsibilities, and expectations for reviews, and should serve as a baseline from which the bureaus can develop bureau-level guidance relevant to their roles in the review process.

Department Response: The State Department agrees with GAO’s second recommendation to develop agency-wide guidance for reviewing export license applications for Commerce-controlled firearms. As the State Department’s coordinating authority for the EAR, ISN/CATR maintains a standard operating procedure with stakeholders across the State

Department to review Department of Commerce export license applications to ensure national security, foreign policy, and regional stability issues are fully considered.

Recommendation 3: The Secretary of State should ensure that the Assistant Secretary for International Security and Nonproliferation establishes mechanisms to ensure that State's decisions to review or decline to review Commerce's export license applications include the perspective of other State bureaus that have equities in these export license applications.

Department Response: The State Department agrees with GAO's third recommendation to establish a mechanism to ensure that State Department decisions to review or decline to review Commerce's export license applications include the perspective of other State Department bureaus. On an annual basis, the Office of Conventional Arms Threat Reduction within the Bureau of International Security and Nonproliferation (ISN/CATR) coordinates with regional and functional bureaus in drafting memos that instruct the Commerce Department under which scenarios the State Department wishes to review or not review export license applications for Commerce-controlled firearms.

Recommendation 4: The Secretary of State should ensure that the Undersecretary of State for Arms Control and International Security develops a process for sharing relevant information from DDTC's internal watch list with ISN to enhance oversight of Commerce-controlled firearms exports.

Department Response: The State Department agrees with the GAO's fourth recommendation to develop a process for sharing relevant information from PM/DDTC's internal watchlist with the Bureau of International Security and Nonproliferation's (ISN). To enhance ISN's oversight of Commerce-controlled firearms exports, PM/DDTC is working with ISN to establish a joint feasibility study aimed at determining the level of information appropriate for assisting all parties in fulfilling their mission needs. PM/DDTC and ISN will develop a Memorandum of Understanding, as appropriate, to codify the agreed upon process.

3

Recommendation 5: The Secretary of State should ensure that the Under Secretary for Arms Control and International Security develops a process to monitor and update its interagency agreement with Commerce to share watch list information to ensure that this agreement remains in effect.

Department Response: The Department agrees with the GAO's fifth recommendation to develop a process to monitor and update the interagency agreement between PM/DDTC and Commerce to share watchlist information to ensure that this agreement remains in effect. As such, PM/DDTC is extending the duration of the agreement period from three years to five years. Additionally, offices with equities will meet at least annually to ensure the document continues to reflect the mission needs of both Departments. Areas the offices identify as requiring updating will be incorporated into the next version of the agreement to be published at least one month prior to the expiration date of the existing version of the agreement.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Nagla'a El-Hodiri, (202) 512-4128 or ElHodiriN@gao.gov

Staff Acknowledgments

In addition to the contact named above, Drew Lindsey (Assistant Director), Esther Toledo (Analyst-in-Charge), Benjamin L. Moser, John Hussey, Christopher Koblitis, Gabriel Nelson, Terry Richardson, and Yinghua Shi made significant contributions to this report.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its [website](#) newly released reports, testimony, and correspondence. You can also [subscribe](#) to GAO's email updates to receive notification of newly posted products.

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [X](#), and [YouTube](#).
Subscribe to our [RSS Feeds](#) or [Email Updates](#). Listen to our [Podcasts](#).
Visit GAO on the web at <https://www.gao.gov>.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: <https://www.gao.gov/about/what-gao-does/fraudnet>

Automated answering system: (800) 424-5454 or (202) 512-7700

Congressional Relations

A. Nicole Clowers, Managing Director, ClowersA@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Sarah Kaczmarek, Managing Director, KaczmarekS@gao.gov, (202) 512-4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

Strategic Planning and External Liaison

Stephen J. Sanford, Managing Director, spel@gao.gov, (202) 512-4707 U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548

