DEFENSE TRADE SOLUTIONS

WHITEPAPER

Inside the $36M GE Aerospace ITAR Settlement

A Practitioner's Read Of The GE Aerospace Consent Agreement:
Mid-Market Translation, Seven DDTC Signals, And A 12-Question Compliance Posture Scorecard

$36M
Civil penalty

116
ITAR violations

36 months
Consent agreement

What's Inside This Analysis

The headlines explain what happened. This analysis focuses on what the GE Aerospace Consent Agreement means for defense exporters assessing their own compliance posture.

Inside, Defense Trade Solutions translates the four failure categories into mid-market exposure, surfaces seven DDTC signals that deserve a closer read, and provides a 12-question scorecard to help you assess where your program may be vulnerable if DDTC opened an inquiry tomorrow.

Quick recap: The four failure categories

The GE Aerospace Consent Agreement centered on four failure categories. This recap provides the context needed for the practitioner-level analysis that follows.

Failure Category	Charges	Core Issue
Unauthorized Exports of Technical Data to China	3	Laptop hand-carry of ITAR-controlled technical data, ITAR/EAR misclassification of F118 technical data, and F110 freight routing through a proscribed country
Mismanagement of DDTC authorizations	103	Authorization lifecycle failures, including unauthorized retransfers, proviso and exemption violations, offshore procurement issues, congressional notification failure, and SOPs unrevised for 10+ years
Unauthorized exports of defense articles	2	Classification and shipment documentation failures involving an F404 SME mis-shipment to Sweden and F-35 chassis temporarily exported to Israel under the wrong ECCN
Failure to report material changes to DDTC registration	3	Missed 22 C.F.R. §122.4 material change notifications tied to weaknesses in ITAR registration management procedures
TOTAL	116	Six-year violation window, April 2018–November 2024, with 12 voluntary disclosures across five years

The Number To Remember

103 of the 116 charges came from authorization mismanagement. The dramatic incidents, including laptop hand-carry of ITAR-controlled technical data and F110 freight routing through a proscribed country, may attract the headlines. But the operational work of proviso tracking, authorized value tracking, sublicensee oversight, and SOP currency drove the largest share of the charge count.

Part I: What This Looks Like at a $50M–$500M Exporter

GE Aerospace operates at a scale most mid-market defense exporters do not. It would be easy to read the Consent Agreement as a large-enterprise enforcement action with limited relevance to a smaller organization.

That would be a mistake.

The most visible facts may be specific to GE Aerospace, but the underlying failure categories are not. Authorization mismanagement, registration maintenance gaps, classification errors, documentation failures, and technology control weaknesses can surface in any export program. At mid-market scale, those risks are often amplified by leaner teams, fewer redundant review steps, and unclear ownership across the authorization lifecycle.

The table below translates the GE Aerospace failure categories into mid-market exposure.

Authorization Mismanagement (103 Of 116 Charges)	**Highest**	Mid-sized exporters often manage authorizations through spread-sheets or fragmented internal trackers, without a dedicated lifecycle owner. Provisos, authorized values, sublicensees, expiration dates, and SOP updates can drift without active oversight. This is the most likely failure mode at this scale.
Registration Maintenance Failures	**High**	M&A activity, ownership changes, restructuring, and key personnel changes can trigger DDTC registration review. The five-business-day notification window under 22 C.F.R. §122.4 can be missed when no one owns the trigger between legal, corporate development, HR, and trade compliance.
Classification & Documentation Errors	**High**	Smaller compliance teams often have fewer independent review steps before export. A misclassified ECCN or shipment documenta-tion error can create the same violation pattern, with less margin to catch it before the item leaves the United States.
Unauthorized Exports To Proscribed Destinations	**Lower (but not zero)**	The China-related fact patterns may be less common at mid-market scale, but the risk increases when commercial companies move into defense and apply EAR-based habits to ITAR-controlled work. With-out disciplined separation between commercial and defense activ-ity, vendors, customers, systems, and personnel can cross streams quickly.

The honest read

If you are a **$50M–$500M defense exporter** and read the GE Aerospace Consent Agreement as a large-enterprise problem, look again. The mid-market risk is not that your program looks exactly like GE's. It is that smaller gaps can compound faster when ownership is unclear, reviews are informal, and authorization activity continues long after approval.
That is the significance of the 103 authorization management charges. The greatest exposure may not be the incident that makes the headline. It may be the control gap that has been sitting inside the process for years.

Part II: Seven Signals DDTC Embedded in the Consent Agreement

A consent agreement does more than resolve an enforcement matter. Its language, structure, required remedial measures, and cited aggravating factors can reveal how DDTC is evaluating compliance programs and where enforcement expectations may be moving.

The GE Aerospace Consent Agreement offers several signals beyond the headline numbers. Here are seven that deserve a closer read.

Signal 1

External SCO requirement, not internal

DDTC required GE Aerospace to engage an external Special Compliance Officer for a minimum of 24 months. DDTC could have allowed implementation to be overseen internally, but instead required outside oversight. When compliance failures appear systemic or long-running, internal remediation may not be enough. Independent oversight can become part of the remedy.

Signal 2

Independent external audit on top of the SCO

DDTC required at least one independent external audit in addition to the external SCO. The two requirements serve different purposes: the SCO oversees implementation, while the audit provides separate validation of the ITAR compliance program. Ongoing oversight and point-in-time validation are not substitutes. In this Consent Agreement, DDTC required both.

Signal 3

"Systemic Nature Across Multiple Business Units" Cited As Aggravating

DDTC cited the systemic nature of the violations across multiple business units as an aggravating factor. That wording matters. It suggests DDTC was looking beyond individual incidents to the broader pattern of control failures across the organization. For mid-sized exporters with multiple program lines, subsidiaries, or operating units, a gap in one area should prompt a wider review. If the same weakness exists elsewhere, the issue may no longer look isolated.

Signal 4

10-Year-Old SOPs Called Out Specifically

GE's authorization management SOPs had not been updated in more than 10 years. That detail matters because stale procedures can become evidence of weak control ownership, especially when authorization activity continues across years, programs, and parties. For exporters, the question is not only when an SOP was last revised. It is whether the company can show documented review, current ownership, and alignment with how the program actually operates.

Signal 5

Half The Penalty Earmarked For Remedial Measures

Of the $36M civil penalty, $18M was suspended for remedial compliance measures approved by the Department of State. That structure ties a significant portion of the penalty directly to program improvement and reinforces a practical reality. Remediation becomes more costly once a gap has become an enforcement matter.

Signal 6

Voluntary Self-Disclosure Was Credited, But Bounded

DDTC credited GE Aerospace's voluntary self-disclosures, cooperation, and remedial improvements. It also noted that additional violations could have been charged absent GE's cooperation. That cooperation included tolling agreements, which gave DDTC more time to investigate and resolve the matter without GE avoiding accountability. Even with that credit, the aggravating factors still resulted in a $36M civil penalty. Voluntary self-disclosure and cooperation remain important mitigation tools. They are not substitutes for preventing the violation in the first place.

Signal 7

Six-year violation window, four-year disclosure-to-settlement cycle

The violations spanned April 2018 through November 2024. GE Aerospace submitted voluntary disclosures from August 2019 through December 2024, and the settlement followed in April 2026. That timeline matters. A compliance gap does not become safe simply because it is old. Disclosures, follow-up requests, remedial activity, and tolling agreements can extend the enforcement process for years.

Why These Signals Matter

Consent agreements are not just enforcement records. They are practical indicators of how DDTC evaluates compliance failures, remediation, cooperation, and program ownership. DTS reads charging letters and consent agreements through that lens, then applies those lessons before similar gaps become a client's enforcement issue.

Part III: The 12-Question Compliance Posture Scorecard

This scorecard maps to the four failure categories in the GE Aerospace Consent Agreement. It is not a comprehensive compliance audit. It is a fast, directional read on where your program may have exposure if DDTC opened an inquiry.

Use it candidly. The most valuable answers may be the ones you cannot give with confidence.

Section A: Authorization Lifecycle Management

Question	Yes	Partially	No/Unsure
1 We maintain a tracked, owned export log and compliance plan for every active TAA, MLA, and license, including provisos, authorized values, sublicensees, and expirations.	○	○	○
2 Our authorization management SOPs have been formally reviewed and updated within the last 24 months.	○	○	○
3 We have a documented process for vetting and re-vetting sublicensees tied to each agreement.	○	○	○
4 We have a designated owner who monitors proviso compliance throughout the life of every authorization, not just at issuance.	○	○	○

Section B: Technical Data & Technology Controls

Question	Yes	Partially	No/Unsure
1 We have a current Technology Control Plan covering access to ITAR-controlled technical data by foreign-national employees, contractors, visitors, and other third parties.	○	○	○
2 Our data transfer systems require an ITAR/EAR classification review before controlled technical data can be sent externally.	○	○	○
3 We have a documented traveler briefing program for any employee carrying company devices internationally.	○	○	○
4 Our staff know when to escalate questions about ITAR-controlled, EAR-controlled, or non-controlled information before sharing or transferring data.	○	○	○

Section C: Classification, Logistics & Registration

Question	Yes	Partially	No/Unsure
1 We have a pre-shipment classification verification step that is independent of the originating engineer or program manager.	◯	◯	◯
2 Our freight forwarders have been formally vetted for ITAR awareness and given documented instructions to avoid routing ITAR-controlled items through proscribed countries.	◯	◯	◯
3 We have a §122.4 material change tracker tied to corporate events: M&A, ownership changes, key personnel changes, restructuring.	◯	◯	◯
4 If DDTC opened an inquiry tomorrow, we could produce complete authorization, classification, policy, procedure, and related compliance records within 30 days.	◯	◯	◯

How to read your score

Score	Posture	Recommended Action
10–12 "Yes"	**Strong**	Likely a mature program. Schedule a periodic external assessment to validate controls and benchmark against current enforcement trends.
6–9 "Yes"	**Exposed**	Material gaps may exist. Prioritize the lowest-scoring section because that is where exposure is most likely to concentrate.
0–5 "Yes"	**High Risk**	Your answers suggest meaningful exposure across the same control areas reflected in the GE Aerospace Consent Agreement. Begin a structured program audit, not a point-fix.

How DTS Helps You Avoid the Next Charging Letter

Every failure area reflected in the GE Aerospace Consent Agreement points to a control that can be strengthened before it becomes an enforcement issue. DTS works alongside your team to build the compliance infrastructure that can withstand DDTC scrutiny before a voluntary disclosure is ever on the table.

GE Failure Area	DTS Solution
Unauthorized exports / traveler lapses / deemed export gaps	Technology Control Plan development, traveler briefing programs, and data transfer system reviews against ITAR/EAR classification and access-control requirements
Authorization mismanagement / proviso violations	Authorization lifecycle management, from application through expiration, including proviso tracking, export log tracking, sublicensee vetting, authorized value tracking, and expiration monitoring
ITAR vs. EAR confusion / misclassification	Classification support, including CJ submissions, USML vs. CCL analysis, staff training, and internal review process design
Freight routing / transshipment through proscribed countries	Shipper's Letter of Instruction program review, freight forwarder compliance vetting, and Logistics and Compliance Policy or Procedure
Failure to notify Congress / administrative reporting failures	DDTC notification tracking, agreement amendment management, and 22 C.F.R. §123.15 congressional notification support
Registration maintenance failures	DDTC registration review, submission support, and 22 C.F.R. §122.4 material change analysis tied to corporate events

If your scorecard surfaced a gap, let's talk

If this analysis is mapped to a gap you already know exists, or one you suspect but cannot yet confirm, that is the right conversation to have now. Schedule a no-cost 30-minute program review with a DTS practitioner at defense-trade.com