



# Department of Justice

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## **SUMMARY OF MAJOR U.S. EXPORT ENFORCEMENT AND EMBARGO PROSECUTIONS: 2007 TO THE PRESENT**

Below is a snapshot of some of the major export and embargo-related criminal prosecutions handled by the Justice Department since January 2007. These cases resulted from investigations by the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI), the Department of Commerce's Bureau of Industry and Security (BIS), the Pentagon's Defense Criminal Investigative Service (DCIS), and other law enforcement agencies. This list of cases is not exhaustive and only represents select cases

- ***Laboratory Equipment, Fuel Cells and other Items to Iran*** – On Feb. 24, 2011, in the Eastern District of Pennsylvania, Mohammad Reza Vaghari was convicted of crimes relating to his participation in illegal business transactions with Iran between 2005 and 2008. Vaghari was convicted of one count of conspiracy to violate the International Emergency Economic Powers Act (IEEPA); two substantive counts of violating IEEPA; and one count of Naturalization Fraud stemming from his attempt to procure U.S. citizenship. Vaghari's co-conspirator, Mir Hossein Ghaemi, pleaded guilty on November 30, 2010. Vaghari operated in this country through a Pennsylvania corporation called Saamen Company, purchasing items from American companies and illegally exporting the items to Iran through the United Arab Emirates. Among the items Vaghari caused and attempted to be delivered to Iran were computers, fuel cell systems, ultrasonic liquid processors, ultrasound machines, and other laboratory equipment. The investigation was conducted by the FBI and BIS.
- ***Automatic Rifles and Plastic Explosives to the FARC*** – On Feb. 24, 2011, Hector Antonio Guillen-Martinez, of El Salvador, was indicted by a federal grand jury in the Eastern District of Virginia for attempting to provide material support to the Revolutionary Armed Forces of Colombia (FARC), a designated terrorist organization, carrying an explosive during the commission of a felony, transferring explosive materials knowing that they will be used to commit a crime of violence, carrying a destructive device in relation to a crime of violence, and possession of 5 kilograms or more of cocaine with the intent to distribute. According to the indictment, Guillen-Martinez sold several automatic rifles, greater than 20 pounds of plastic explosives, and other explosives to an individual whom he believed to be a member of the FARC. As charged in the indictment, the defendant believed that these weapons and explosives were to be used by the FARC in Colombia to eradicate Americans from Colombia, dead or alive. Guillen-Martinez was apprehended in the Eastern District of Virginia when he traveled to the District in order to transfer a load of 20 kilograms of cocaine to New York City on behalf of the FARC. This case was investigated by the DEA
- ***Firearms and Ammunition to Mexico*** – On Feb. 11, 2011, Isaac Cervantes-Sanchez and Leonel Richard Soto, were sentenced in the Southern District of Texas to 46 months in prison and 24 months in prison, respectively, for their roles in the straw purchasing firearms and ammunition

bound for Mexico. Cervantes-Sanchez was convicted of illegally exporting munitions, while Soto was convicted of lying to buy two AK-47s for Cervantes-Sanchez. Both men pleaded guilty to the offenses in December 2010. In August 2009, federal agents saw the defendants load approximately 4,000 rounds of ammunition into a vehicle driven by Cervantes. CBP agents stopped Cervantes and Soto as they attempted to leave the United States. Cervantes admitted to exporting the ammunition to Mexico. Soto purchased two AK-47 type firearms for Cervantes and was paid \$300 to do so. Both men have been in federal custody since their August 2008 arrest. The investigation was conducted by ATF, ICE and CBP.

- ***Export / Import of Unmanned Aerial Vehicle*** -- On Feb. 10, 2011, in the Middle District of Florida, Henson Chua, 47, a citizen of the Philippines, was charged by criminal complaint for illegally conspiring to temporarily import into the U.S. and then to export from the U.S., an unmanned aerial vehicle (UAV), specifically designed and manufactured for the U.S. military, in violation of Arms Export Control Act. The complaint alleges that the conspiracy began in or about May 2010 and continued until the present date. Chua arrived at the Los Angeles airport and was arrested. In May 2010, Chua used eBay to post photographs and offer for sale a UAV known as the "Raven." The Raven is a U.S. made UAV manufactured by AeroVironment Inc. for the U.S. Army. Undercover Homeland Security/ICE Agents posing as buyers were able to identify the UAV and confirm that it was U.S. government property. Agents purchased the UAV and it is currently in law enforcement possession. The investigation was conducted by ICE.
- ***Firearms Components to the United Kingdom*** – On Feb. 8, 2011, a grand jury in the Middle District of Tennessee returned an indictment charging five individuals and a Nashville, Tenn., arms manufacturer with conspiracy to violate the Arms Export Control Act and other offenses in connection with the illegal export and import of firearms and firearms components. The indictment charged Guy Savage, of the United Kingdom, Sabre Defence Industries, LLC, a Nashville-based arms manufacturer owned by Savage, as well as four officers of Sabre: Charles Shearon, Elmer Hill, Michael Curlett, and Arnold See, Jr. The indictment alleges that the defendants conspired to cause firearm components on the U.S. Munitions List to be exported from the United States without first obtaining authorization from the Department of State, by falsifying shipping records, concealing components in false bottoms of shipping cartons, and mislabeling and undervaluing shipments of firearm components. The investigation was conducted by the ATF and ICE.
- ***Dow Trade Secrets to China*** – On Feb. 7, 2011, a federal jury in the Middle District of Louisiana convicted Wen Chyu Liu, aka David W. Liou, a former research scientist, of stealing trade secrets from Dow Chemical Company and selling them to companies in the People's Republic of China. According to the evidence presented in court, Liou came to the United States from China for graduate work. He began working for Dow in 1965 and retired in 1992. Dow is a leading producer of the elastomeric polymer, chlorinated polyethylene (CPE). Dow's Tyrin CPE is used in a number of applications worldwide, such as automotive and industrial hoses, electrical cable jackets and vinyl siding. While employed at Dow, Liou worked as a research scientist on various aspects of the development and manufacture of Dow elastomers, including Tyrin CPE. The evidence at trial established that Liou conspired with at least four current and former employees of Dow's facilities in Plaquemine, Louisiana, and Stade, Germany, who had worked in Tyrin CPE production, to misappropriate those trade secrets in an effort to develop and market CPE process design packages to Chinese companies. Liou traveled throughout China to market the stolen information, and he paid current and former Dow employees for Dow's CPE-related material and information. In one instance, Liou bribed a then-employee at the Plaquemine facility with \$50,000 in cash to provide Dow's process manual and other CPE-related information. The investigation was conducted by the FBI.

- ***Assault Weapon Parts and Gun Sights to Philippines*** – On Feb. 7, 2011, Mike Cabatingan pleaded guilty in the District of Arizona to conspiracy to violate the Arms Export Control Act and the International Emergency Economic Powers Act. On Feb. 24, 2010, a federal grand jury in the Central District of California returned an indictment against Cabatingan and two other men, Romulo Reclusado and Tirso Aguayo, for conspiring to illegally export defense articles and other controlled items from the United States to the Philippines. The defendants allegedly conspired to export to the Philippines molds used to make components for AR-15 assault rifles as well as holographic rifle sights. Aguayo and Cabatingan were arrested on Feb. 25, 2010. Reclusado remains at large. Reclusado was previously convicted in 1997 of conspiracy to transfer machine guns and illegally transferring machine guns for which he received a 27-month prison sentence. The investigation was conducted by ICE and DCIS.
- ***Tactical SUVs Armed with M 134 Mini-guns to Turkmenistan*** – On Feb 4, 2011, Ruslan Gilchenko was sentenced in the District of Arizona to 18 months in prison and three years supervised release for conspiracy to violate the Arms Export Control Act. A Feb. 24, 2010 indictment charged Gilchenko and Victor Dobrogaiev with conspiracy to violate the Arms Export Control Act, money laundering and fraud charges. According to the charges, Gilchenko and Dobrogaiev attempted to obtain three sport utility vehicles outfitted with M134 Mini-guns, which are fully automatic defense suppression weapons that fire at a rate of 3,000 rounds per minute, for illegal export to Turkmenistan. As part of the conspiracy, the defendants allegedly agreed to pay \$1.2 million to purchase three armed vehicles and forwarded \$340,000 to sellers in the U.S. as a down payment. In connection with the transaction, Gilchenko, who represents a company in Slovenia called MG CZ Group, allegedly sought to defraud the government of Turkmenistan of by causing the price of the transaction to be inflated. Gilchenko pleaded guilty to the conspiracy count on Sept. 29, 2010. The investigation was conducted by ICE.
- ***Specialized Metals For Iranian Missile Program*** – On Feb. 1, 2011 an indictment returned on July 21, 2010, was unsealed in the District of Columbia charging Milad Jafari, an Iranian citizen and resident, with illegally exporting and attempting to export specialized metals from the United States through companies in Turkey to several entities in Iran -- including entities that have been sanctioned involvement in ballistic missile activities. The Treasury Department also designated Jafari, several of his family members, associates, and corporate entities in Iran and Turkey, under Executive Order 13382, which targets for sanctions the proliferators of weapons of mass destruction and their supporters – thereby isolating them from the U.S. financial and commercial systems. According to the Treasury designation, Jafari and his associates operate a procurement network that provides direct support to Iran’s missile program by securing metal products, including steel and aluminum alloys, for subordinates of Iran’s Aerospace Industries Organization (AIO). The indictment alleges that Jafari and others operated Macpar and STEP, businesses with locations in Istanbul and Tehran. From Feb. 2004 through Aug. 2007, Jafari and his conspirators solicited orders from customers in Iran and purchased goods from U.S. companies on behalf of these Iranian customers. Jafari and others allegedly wired money to the U.S. companies as payment, concealed from the U.S. companies the end-use of the goods, and caused the goods to be shipped to Turkey and later to Iran. For instance, the indictment alleges that in July 2006, Sanam Industrial Group – an entity in Iran that is controlled by Iran’s AIO and has since been sanctioned by the U.S. and United Nations for involvement in nuclear and ballistic missile activities -- issued to Jafari’s company, STEP, a request for quote for 660 pounds of a specialized steel welding wire with aerospace applications in rocket/missile casings. Jafari caused an order to be placed for 660 pounds of this welding wire with a Nevada company. The following month, the Nevada firm received more than \$38,000 from Jafari’s company, Macpar. According to the indictment, Jafari made arrangements for the welding wire to be picked up from the Nevada

company. In response to questions from the Nevada company about the end-use of the welding wire, Jafari told the company that the materials “will not be exported from Turkey and will not be used for any nuclear, missile or chemical/biological weapons related applications,” the indictment alleges. The shipment was detained by the Commerce Department in 2007 before it left the country. The indictment alleges that Jafari and his conspirators were successful in causing several shipments of other materials to be exported from the United States to Iran via Turkey, including: three kilograms of custom-made brazing alloy, 1,366 pounds of commercial bronze bars, electronic testing equipment, U.S. fiber-optic equipment and aerosol generators for fire suppression systems. The investigation was conducted by BIS and FBI.

- ***Assault Rifles and Explosives to the West Bank*** – On Jan. 27, 2011, Yanny Aguila Urbay was convicted by a jury in the Southern District of Florida of conspiracy to possess stolen, fully-automatic M-16s, AK-47s and silencers, and receiving grenades and improvised explosive devices. On Dec. 16, 2010, his co-defendant, Palestinian national Abdalaziz Aziz Hamayel, pleaded guilty to conspiracy to possess stolen machine guns and to transport grenades and improvised explosive devices. Urbay and Hamayel were first charged by complaint on Aug. 31, 2010, and later in a Sept. 10, 2010 indictment. The charges resulted from an undercover operation in which Hamayel and Urbay met with an undercover agent and discussed the purchase price of between 200-300 stolen automatic assault rifles, 150 grenades and remotely detonated explosives. According to the court documents, Hamayel indicated that the arms would be destined for the West Bank. During negotiations, the defendants were shown two M-16s, an AK-47, two grenades, and two improvised explosive devices for an unknown purchaser. Hamayel later requested a picture of the weapons to show his money supplier as proof that the weapons and explosives were available. Hamayel then traveled to the West Bank. Hamayel was arrested upon his return to Miami from Jordan on Aug. 30, 2010. Urbay was arrested on Sept. 6, 2010 in Miami. The investigation was conducted by the FBI.
- ***Electronics Used in Military Radar & Electronic Warfare to China*** – On Jan. 27, 2011, Yufeing Wei was sentenced in the District of Massachusetts to 36 months in prison, while on Jan. 26, 2011, her co-defendant, Zhen Zhou Wu, was sentenced to 97 months in prison. Their company, Chitron Electronics, Inc. was fined \$15.5 million. Wei, Wu and Chitron Electronics, Inc. were convicted at trial on May 17, 2010 of conspiring for a period of more than ten years to illegally export to the People’s Republic of China military electronics components and sensitive electronics used in military phased array radar, electronic warfare and missile systems. Several Chinese military entities were among those receiving the exported equipment. Wu and Wei were also both convicted of filing false shipping documents with the U.S. government. As proven at trial, defendants illegally exported military electronic components to China through Hong Kong. The electronics exported are primarily used in military phased array radar, electronic warfare, military guidance systems, and military satellite communications. The defendants also illegally exported Commerce Department-controlled electronics components to China with military applications such as electronic warfare, military radar, and satellite communications systems. Wu founded and controlled Chitron, with headquarters in Shenzhen, China and a U.S. office located in Waltham, Mass., where defendant Wei served as Manager. Wu and Chitron sold electronics from the U.S. to Chinese military factories and military research institutes, including numerous institutes of the China Electronics Technology Group Corporation, which is responsible for the procurement, development and manufacture of electronics for the Chinese military. Since as early as 2002, Wu referred to Chinese military entities as Chitron’s major customer and employed an engineer at Chitron’s Shenzhen office to work with Chinese military customers. By 2007, 25% of Chitron’s sales were to Chinese military entities. Shenzhen Chitron Electronics Company Limited, Wu’s Chinese company through which U.S. electronics were delivered to the Chinese military and other end-users, was also indicted. The court has entered a contempt order against

Chitron-Shenzhen for refusing to appear for trial and fined the corporation \$1.9 million dollars. Co-defendant Bo Li, aka Eric Lee, previously pled guilty to making false statements on shipping documents. The case was investigated by BIS; ICE; FBI; and DCIS.

- ***AK-47s and Other Firearms to Mexico*** – On Jan. 25, 2011, federal prosecutors in the District of Arizona announced that grand juries had returned five different indictments against 34 defendants accused of illegally trafficking firearms from the United States to Mexico. That day, law enforcement authorities in Arizona arrested 20 defendants charged in one indictment (*U.S. v. Avila et al*) with conspiring to purchase hundreds of firearms, including AK-47s, to be illegally exported to Mexico, by acting as “straw purchasers,” i.e., falsely declaring they were buying the weapons for themselves when they were purchasing them for others. Four other indictments (*U.S. v. Flores, U.S. v. Broome, U.S. v. Aguilar, and U.S. v. Abarca*) charged 14 additional defendants with making false statement during the purchase of a firearm, in connection with “straw purchases” of multiple firearms destined for Mexico. The investigations were conducted by an Organized Crime Drug Enforcement Task Force consisting of ATF, ICE, IRS, DEA, the Department of Agriculture and the Phoenix Police Department.
- ***Stealth Missile Exhaust Designs and Military Technical Data to China*** – On Jan. 24, 2011, a federal judge in the District of Hawaii sentenced Noshir Gowadia, 66, of Maui to 32 years in prison for communicating classified national defense information to the People’s Republic of China (PRC), illegally exporting military technical data, as well as money laundering, filing false tax returns and other offenses. On Aug. 9, 2010, a federal jury in the District of Hawaii found Noshir S. Gowadia guilty of 14 criminal violations after six days of deliberation and a 40-day trial. These included five criminal offenses relating to his design for the PRC of a low-signature cruise missile exhaust system capable of rendering a PRC cruise missile resistant to detection by infrared missiles. The jury also convicted Gowadia of three counts of illegally communicating classified information regarding lock-on range for infrared missiles against the U.S. B-2 bomber to persons not authorized to receive such information. Gowadia was also convicted of unlawfully exporting classified information about the B-2, illegally retaining information related to U.S. national defense at his home, money laundering and filing false tax returns for the years 2001 and 2002. Gowadia was an engineer with Northrop Grumman Corporation from 1968 to 1986, during which time he contributed to the development of the unique propulsion system and low observable capabilities of the B-2 bomber. Gowadia continued to work on classified matters as a contractor with the U.S. government until 1997, when his security clearance was terminated. Evidence at trial revealed that from July 2003 to June 2005, Gowadia took six trips to the PRC to provide defense services in the form of design, test support and test data analysis of technologies for the purpose of assisting the PRC with its cruise missile system by developing a stealthy exhaust nozzle and was paid at least \$110,000 by the PRC. The jury convicted Gowadia of two specific transmissions of classified information: a PowerPoint presentation on the exhaust nozzle of a PRC cruise missile project and an evaluation of the effectiveness of a redesigned nozzle, and a computer file providing his signature prediction of a PRC cruise missile outfitted with his modified exhaust nozzle and associated predictions in relation to a U.S. air-to-air missile. The prosecution also produced evidence which documented Gowadia’s use of three foreign entities he controlled, including a Liechtenstein charity purportedly for the benefit of children, to disguise the income he received from foreign countries. This case was investigated by FBI, the U.S. Air Force Office of Special Investigations, the IRS, U.S. Customs and Border Protection, and ICE.
- ***Ammunition Primers to Jamaica*** – On Jan. 24, 2011, Orville Andrew Braham, of Brockton, Mass., was indicted in the Southern District of Florida in connection with the transportation in his luggage of ammunition primers, which caused an explosion at the Miami International Airport on Dec. 28, 2010. Braham boarded a flight in Boston ultimately bound for Jamaica with hundreds of

.45 caliber ammunition primers concealed in his luggage. The primers exploded when a baggage handler at the Miami airport placed the luggage on the ground. The investigation was conducted by FBI, ATF and Department of Transportation.

- ***Infrared Military Technology to South Korea*** – On Jan. 20, 2011, Kue Sang Chun, a former longtime employee at the NASA Glenn Research Center in Ohio and resident of Avon Lake, Ohio, pleaded guilty in the Northern District of Ohio with one count of violating the Arms Export Control Act and one count of filing false tax returns. He was charged in an information on Jan. 10, 2011. According to court documents, while working as an electrical engineer for NASA, Chun also operated a business out of his home through which he illegally exported U.S. munitions to the South Korea and performed consulting services for Korean businesses. Chun illegally exported several infrared focal plane array detectors and infrared camera engines, which are classified as defense articles on the U.S. munitions list, to South Korea for use in Korean government projects between March 2000 and November 2005. Chun entered into a contract with a Korean company to design, build and test electronics to support the items he was exporting. On occasion, Chun used his NASA e-mail address to order sensitive items from U.S. manufacturers, falsely asserting that they would be used for NASA projects in the United States, when in fact, they were to be exported to South Korea. The investigation was conducted by the FBI and IRS.
- ***Semi-Automatic Assault Rifles to Mexico*** – Dario Rodriguez-Gomez and Manuel Gamez-Valenzuela pleaded guilty in the Northern District of Georgia to conspiring to transport semi-automatic assault rifles to Mexico. A co-defendant in the case, Daniel Bernal-Perez, has pleaded guilty to being an illegal alien in possession of firearms. All three defendants were indicted on March 9, 2010. Rodriguez-Gomez pleaded guilty on Jan. 7, 2011 to the conspiracy count as well as one count of being an illegal alien in possession of a firearm. Gamez-Valenzuela pleaded guilty to conspiracy on Jan. 7, 2011, and Bernal-Perez pleaded guilty on Jan. 19, 2011. The investigation was conducted by ATF, DEA, and ICE.
- ***Military Night Vision Scopes to Russia*** – On Jan. 14, 2011, Anna Fermanova pleaded guilty in the Eastern District of New York to one count of violating the Arms Export Control Act. In March 2010, U.S. Customs and Border Protection (CBP) officers searched Fermanova's checked luggage at John F. Kennedy International Airport (JFK) in New York as she was preparing to board a flight to Moscow and identified three night vision items they suspected of being export controlled. ICE agents asked Fermanova about the night vision scopes, and she admitted she had obscured some of the identification numbers on the items and that she knew a license was required to export them to Russia. ICE agents detained the items and permitted Fermanova to board her flight to Moscow. ICE agents later determined that the items consisted of a Raptor night vision weapon sight and two advanced rifle sights, which are designated as defense articles. On July 15, 2010, Fermanova was arrested (pursuant to a July 9, 2010 complaint) at JFK upon her return from Russia and she was charged with attempting to export the military night vision scopes. This investigation was conducted by ICE.
- ***F-5 Fighter Jet and Other Military Items to Iran*** – On Jan. 13, 2011, Marc Knapp, of Simi Valley, California, pleaded guilty in the District of Delaware to a two-count information charging him with violating the Arms Export Control Act and the International Emergency Economic Powers Act. The information, filed on Nov. 22, 2010, charges that Knapp engaged in a seven-month course of criminal conduct involving illegal exports to Hungary and attempted exports to Iran during negotiations with undercover agents posing as Iranian purchasers. Among other things, Knapp attempted to export a complete F-5 Tiger II fighter jet, as well as F-14 flight ejection seats, anti-gravity flight suits, search and rescue beacons and emergency manuals for

U.S. fighter jets. On two occasions, Knapp illegally exported items, including anti-gravity flight suits, to Hungary believing they were destined for Iran. The investigation was conducted by ICE and DCIS.

- ***Bullet-Proof Vest Inserts to Colombia*** – On Jan. 13, 2011, Jerome Stewart Pendzich, of Hampton, Tenn., pleaded guilty in the Eastern District of Tennessee to violating the Arms Export Control Act. According to court documents, ICE agents became aware that Pendzich was attempting to sell a bullet-proof vest on E-bay. In May and June 2009, Pendzich attempted to export military-grade, small-arms protective inserts to purchasers in Colombia, who were undercover agents. The investigation was conducted by ICE.
- ***Weapons to Mexico*** – On Jan. 11, 2011, former U.S. Army First Sergeant Manuel Zamora-Mendoza was sentenced to three years probation in the Southern District of Texas in connection with his efforts to smuggle rifles, ammunition and night vision goggles to Mexico. On July 3, 2010, Zamora-Mendoza was arrested while attempting to enter Mexico from Laredo after CBP officers found seven rifles, two handguns, six rifle scopes and 6,729 rounds of ammunition, and a pair of night vision goggles concealed in his vehicle. The night vision goggles were from his military unit in Fort Hood. This investigation was conducted by ICE and ATF.
- ***Iran Embargo Violations*** – On Jan. 10, 2011, the Child Foundation, a charity in Oregon, and its founder and CEO, Mehrdad Yasrebi, pleaded guilty in the District of Oregon to conspiracy to defraud the United States by concealing violations of the U.S.-embargo on Iran. Yasrebi and the charity admitted that they used several different methods to facilitate money transfers to Iran through the Child Foundation. Using a series of money transmitters and the Swiss bank account of a related charity, the defendants arranged for claimed embargo-exempt food commodities transactions from Dubai designed to disguise what were, in reality, significant cash transfers to Iran. This investigation was conducted by the FBI, IRS, and ICE.
- ***U.S. Military Equipment to Yemen*** – On Jan. 7, 2011, Amen Ahmed Ali was sentenced in the Eastern District of California to five years in prison followed by three years supervised release for conspiracy to act as an illegal agent of a foreign government, to possess stolen government property, and to unlawfully export defense materials. Ali pleaded guilty to these violations on Oct. 7, 2010. Beginning in 1987, Ali conspired with others to act as an unregistered agent of the Government of Yemen, and received instructions and acted on behalf of the Armed Forces Department of the Republic of Yemen. Ali admitted that he took official actions on behalf of the Yemeni Government and that, among other things, he issued documents in 2002 ordering the arrest of a person upon his return to Yemen. Ali also admitted that in 2003 he had conspired with another person to cause various defense articles to be exported to Yemen without a license, including bullet proof vests and chemical protective suits. Finally, Ali admitted in his plea agreement that in late 2005 and early 2006, he negotiated with an undercover FBI agent to obtain and ship to Yemen materials that he believed were stolen U.S. military equipment, including night vision goggles, satellite telephones and laptop computers. The investigation was conducted by the Joint Terrorism Task Force, including FBI and ICE.
- ***Assault Weapons to Mexico*** – On Jan. 5, 2011, Jesus Quintanilla was sentenced in the Southern District of Texas to 37 months in prison for straw purchasing 13 firearms. He was arrested in July 2010 and pleaded guilty in October 2010. After ATF agents saw Quintanilla attempt to purchase an AK-47 type weapon, agents approached him and he admitted to agents that he had previously purchased nine AK-47 type weapons and four pistols for another person who was reportedly associated with a Mexican drug cartel. The investigation was conducted by the ATF.

- Weapons and Ammunition to Nigeria*** – On Jan. 3, 2011, Emenike Charles Nwankwoala, of Laurel, Md., was sentenced in the District of Maryland to 37 months in prison followed by two years supervised release in connection with a scheme to export guns, including shotguns and pistols, and ammunition to Nigeria. According to the charges, Nwankwoala illegally shipped weapons and ammunition to Nigeria for a decade, while employed as a state probation officer. He concealed the weapons and ammunition in shipping containers and lied about the contents and destination of these items. The investigation was conducted by ICE, ATF, and BIS.
- High-Performance Coating to Nuclear Reactor in Pakistan*** – On Dec. 21, 2010, PPG Paints Trading (Shanghai) Co. Ltd, a wholly-owned Chinese subsidiary of U.S.-based PPG Industries Inc., pleaded guilty in the District of Columbia to conspiring to violate the International Emergency Economic Powers Act, the Export Administration Regulations and other charges. The guilty plea stemmed from actions by PPG Paints Trading that caused the illegal export, re-export and/or transshipment of high-performance coatings from the U.S. to the Chashma 2 Nuclear Power Plant in Pakistan (Chashma 2), via the People’s Republic of China without the required export license. Chashma 2 is a Pakistan Atomic Energy Commission power plant under construction in Punjab province, Pakistan. The Pakistan Atomic Energy Commission is the organization in Pakistan responsible for Pakistan’s nuclear program, including the development and operation of nuclear power plants in Pakistan. In November 1998, following Pakistan’s first successful detonation of a nuclear device, the Commerce Department’s BIS added the Pakistan Atomic Energy Commission, as well as its subordinate nuclear reactors and power plants, to the list of prohibited end users under the Export Administration Regulations. As part of its plea agreement, PPG Paints Trading agreed to pay the maximum criminal fine of \$2 million, and serve five years of corporate probation. Under the terms of the related civil settlements, PPG Industries and PPG Paints Trading also agreed to pay civil penalties of \$750,000 and \$1 million respectively. The investigation was conducted by the Commerce Department’s BIS.
- Arms Exports to Russia*** – On Dec. 13, 2010, in the Middle District of Pennsylvania, Sergey Korznikov, a Russian citizen, pleaded guilty to a superseding information charging him with conspiracy to smuggle military articles from the United States to Russia. On July 29, 2010, Korznikov’s co-defendant Mark Komoroski was sentenced to 32 months in prison and ordered to pay \$10,000 after pleading guilty to conspiring to smuggle military equipment to Russia. Komoroski, of Nanticoke, Pa.; Korznikov, of Moscow, and two companies, D&R Sports Center and Tactica Limited, were charged in a 2008 superseding indictment with conspiring to smuggle military equipment, including rifle scopes, magazines for firearms, face shields, and other military equipment from the United States to Russian to be resold to unknown persons. The case was investigated by ICE, IRS, ATF, U.S. Postal Service, Department of Commerce and DCIS.
- Radiation-Hardened Semiconductor Devices to China*** – On Dec. 3, 2010, Lian Yang, a resident of Woodinville, Washington, was arrested pursuant to a criminal complaint filed in the Western District of Washington charging him with conspiracy to violate the Arms Export Control Act. According to the complaint, Yang attempted to purchase and export from the United States to China 300 radiation-hardened, programmable semiconductor devices that are used in satellites and are also classified as defense articles under the U.S. Munitions List. The complaint alleges that Yang contemplated creating a shell company in the United States that would appear to be purchasing the parts, concealing the fact that the parts were to be shipped to China. Yang allegedly planned that false purchasing orders would be created indicating that parts that could be legally exported were being purchased, not restricted parts. Yang and his co-conspirators allegedly wire-transferred \$60,000 to undercover agents as partial payment for a sample of five



devices. As part of the conspiracy, Yang allegedly negotiated a payment schedule with the undercover agents for the purchase and delivery of the remaining 300 devices in exchange for a total of \$620,000. This investigation was conducted by the FBI, ICE and CBP.

- ***Vacuum Pumps With Potential Nuclear Applications to Iran*** – On Nov. 30, 2010, in the Central District of California, Iranian national Amirhossein Sairafi pleaded guilty to conspiracy to violate the International Emergency Economic Powers Act and Iranian Transaction Regulations, as well as illegal exportation and smuggling of vacuum pump equipment out of the United States; and money laundering. Sairafi was arraigned on Sept. 27, 2010 after being extradited from Germany to the United States for his alleged role in a scheme to export specialized vacuum pump equipment from the U.S. to Iran via the United Arab Emirates. The vacuum pumps and related equipment at issue have a number of applications, including in the enrichment of uranium. Sairafi was first charged in a Jan. 4, 2010 criminal complaint and arrested in Germany in January 2010 pursuant to a U.S. provisional arrest warrant. Two others have been charged in the conspiracy, Jirair Avanesian and Farhad Masoumian. On July 16, 2010, Avanesian, the owner and operator a company in California called XVAC, pleaded guilty to conspiracy to illegally export specialized vacuum pump equipment out of the United States and other violations. Avanesian was indicted on Dec. 30, 2009 and arrested in January 2010. Masoumian, an individual based in Iran who was charged along with Avanesian and Sairafi, remains at large. The charging documents allege that Masoumian, based in Iran, was directing Avanesian, in California, to procure and illegally export vacuum pumps from the United States. At the direction of Masoumian, Avanesian allegedly exported the vacuum pump equipment from the United States to AVAC, a corporation in the United Arab Emirates whose managing director is Sairafi. Sairafi would then forward the parts to Masoumian in Iran, according to the charging documents. Between December 2007 and November 2008, there were at least seven shipments containing vacuum pump equipment purchased and exported by Avanesian at Masoumian's request, the indictment alleges. This case was the product of an investigation by the Export and Anti-proliferation Global Law Enforcement (EAGLE) Task Force in the Central District of California, which includes the FBI, ICE, BIS, CBP, Diplomatic Security Service and the Transportation Security Administration.
- ***International Arms Dealer Extradited to U.S. to Stand Trial on Terrorism Charges*** – On Nov. 17, 2011, after more than two years of legal proceedings in Thailand, accused international arms dealer, Viktor Bout was extradited from Thailand to the Southern District of New York to stand trial on charges of conspiracy to kill Americans, conspiracy to acquire and use an anti-aircraft missile, and conspiracy to provide material support to terrorists in connection with his efforts to provide millions of dollars of weapons, including surface-to-air missiles and armor piercing rocket launchers, to the Fuerzas Armadas Revolucionarias de Colombia (FARC), a designated foreign terrorist organization based in Colombia. Bout was arrested on March 5, 2008 by Thai authorities in Bangkok, Thailand. According to court documents, between November 2007 and February 2008, Bout and associate Andrew Smulian agreed to sell large quantities of weapons to two confidential sources working with the Drug Enforcement Administration (DEA) who held themselves out as FARC representatives acquiring these weapons for the FARC to use in Colombia. During one series of consensually recorded meetings in Romania, Smulian allegedly advised the confidential sources that Bout had 100 Surface-to-Air missiles available immediately; that Bout could also arrange to have a flight crew airdrop the weapons into Colombia using combat parachutes; and that Bout and Smulian would charge \$5 million to transport the weapons. Bout engaged in multiple recorded phone calls with one of the DEA cooperating sources. On Feb. 17, 2010, Bout, and his associate, Richard Chichakli, were charged in a separate indictment in the Southern District of New York in connection with their alleged efforts to purchase aircraft from companies located in the United States in violation of economic sanctions that prohibited

such transactions. The indictment also charged them with money laundering conspiracy, wire fraud conspiracy, and six separate counts of wire fraud. The indictment alleged that, for more than a decade, Bout engaged in a global weapons-trafficking business that included assembling a fleet of cargo airplanes capable of transporting weapons and military equipment to various parts of the world, including Africa, South America, and the Middle East. Chichakli, an American citizen, allegedly assisted Bout in the operations and financial management of Bout's network of aircraft companies. Bout and Chichakli are alleged in the indictment to have transferred more than \$1.7 million from overseas into U.S. bank accounts in order to purchase aircraft, via numerous front companies in order to avoid U.N. sanctions and U.S. prohibitions.

- ***Digital Microwave Radios to Iran*** – On Nov. 23, 2010, Vikramiditya Singh, a resident of Fountain Hills, Arizona, and the owner of Orion Telecom Networks, Inc., pleaded guilty in the District of Delaware to a one count information alleging that he caused and attempted to cause the illegal export of digital microwave radios to Iran between Sept. 2008 and May 2010. This case was investigated by ICE.
- ***Fully Automatic AK-47 Machine Guns to Drug Cartels in Mexico*** – On Nov. 9, 2010, Julian Garcia-Penalzo (aka Martin Ramirez-Rodriguez) was sentenced in the Northern District of Florida to 572 months in prison after pleading guilty on Aug. 17, 2010 to conspiracy to export machine guns to Mexico, conspiracy to possess and transfer machine guns, as well as additional drug and firearm charges. On June 22, 2010, a federal indictment was returned charging Garcia-Penalzo and Ramiro Gomez-Gomez, both of Mexico, with conspiracy to illegally export 50 fully-automatic AK-47 machine guns to Mexico for use by drug cartels. According to the indictment, Gomez-Gomez told an undercover agent that he had a contact in Mexico who was seeking 800 AK-47s. The defendants also allegedly indicated they were also willing to purchase grenades, bulletproof vests, and ammunition for Mexican cartel operatives. Ultimately, the defendants arranged for \$23,000 as a down payment for the purchase of 50 fully-automatic AK-47s. Gomez-Gomez and Garcia-Penalzo were also charged with illegal possession of firearms and drug violations. The indictment charged five other defendants, including Santiago Valdez-Gomez, Jose Barajas, Pascual Montor-Torres, and Maria Cifuentes-Espinoza and Florencio Barrios-Hernandez, in connection with a related drug conspiracy. The investigation was conducted by ATF, DEA, ICE and local law enforcement in the Northern District of Florida.
- ***Military Aircraft Engines to Venezuela*** – On Oct. 28, 2010, Floyd D. Stilwell of Phoenix, Arizona, and Marsh Aviation Company of Mesa, Arizona were indicted in the District of Arizona for violating the Arms Export Control Act and conspiracy. The indictment alleges that beginning in Nov. 2005 through Feb. 2008, Stilwell Marsh Aviation and others contributed to the export of T-76 military aircraft engines from the United States to Venezuela for use by the Venezuelan Air Force. The T-76 aircraft engine was designed for the OV-10 Bronco Aircraft which is a light armed reconnaissance aircraft specifically suited for counterinsurgency missions. The indictment also alleges that the defendants furnished assistance to members of the Venezuelan Air Force, including training in the assembly, testing, maintenance and use of the T-76 military aircraft engine without the required authorization from the State Department. The investigation was conducted by the FBI, ICE, and the DCIS.
- ***Rocket Propulsion Systems, Engines and Technology to South Korea*** – On Oct. 20, 2010, Juwhan Yun, a.k.a. Jw Yun, a naturalized U.S. citizen of Korean origin, was sentenced in the Southern District of Florida to 57 months in prison and 3 years supervised release. On May 14, 2010, Yun pleaded guilty to attempting to illegally export defense articles to South Korea, including components for a 20 mm gun, known as the M61 Vulcan; components for a SU-27

Russian fighter jet; and RD-180 rocket propulsion systems, and related technology without the required State Department licenses. Yun was arrested on April 15, 2009, in Fort Lauderdale, Fla., and subsequently indicted on April 29, 2009 for attempting to purchase rocket materials for a company working on the Korean Satellite Launch Vehicle project and which was previously involved in developing Korea's KOMPSAT-1 satellite. Yun was previously convicted in May 1989 of conspiracy to violate the Arms Export Control Act in connection with an effort to export 500 quarter-ton bombs of sarin nerve gas to Iran. None of the bombs ultimately made it to Iran. He was sentenced to 39 months in federal prison in 1989. He was released from federal prison in March 1991 and was debarred by the State Department as a result of his conviction. This investigation was conducted by ICE and DCIS.

- ***Missiles, Grenade Launchers & Other Weapons to Sri Lankan Terrorists:*** On Oct. 18, 2010, a federal jury in the District of Maryland convicted Balraj Naidu, a citizen of Singapore, of conspiracy to provide material support to a foreign terrorist organization stemming from his efforts to supply the Liberation Tigers of Tamil Eelam (Tamil Tigers) with advanced American weaponry. He was later sentenced to 57 months in prison on Dec. 16, 2010. Beginning in February 2006, Naidu and his co-conspirators attempted to purchase state of the art weaponry from China, Thailand, North Korea, the Phillipines and Indonesia for the Tamil Tigers operating within Sri Lanka, to be used to fight against Sri Lankan government forces. Several arms merchants refused to supply the Tamil Tigers with weaponry once the destination for the arms had been disclosed by Naidu and his associates. In April 2006, Naidu's Indonesian sources for weapons unwittingly introduced Naidu and his associates to an agent for an undercover business in Maryland that purported to sell military weapons. In the subsequent months, the conspirators' negotiations with the undercover agent centered on the acquisition of American made weaponry. Terms of the sale included delivery of the weapons to locations in international waters off the coast of Sri Lanka. The weaponry was to be off-loaded by the Sea Tigers, the naval branch of the Tamil Tigers. A co-conspirator, Haniffa Bin Osman, visited Baltimore in the summer of 2006, where he examined and test-fired much of the weaponry. As a result of the trip, Tamil Tiger representatives wire transferred \$250,000 into the undercover business' accounts as down payment on a \$900,000 weapons deal. Approximately 28 tons of weapons and ammunition, which the conspirators believed they were purchasing, was air-lifted to the U.S. territory of Guam. On September 29, 2006, after inspecting the weapons and transferring an additional \$450,000 into the undercover business' accounts, co-conspirators Bin Osman, Haji Subandi, Erick Wotulo and Thirunavukarasu Varatharasa were arrested and indicted. The investigation continued and led to the indictment of Naidu and an alleged Tamil Tigers financier on charges of conspiracy to provide material support to the Tamil Tigers and related offenses. Thirunavukarasu Varatharasa, a citizen of the Democratic Socialist Republic of Sri Lanka; Haji Subandi and retired Indonesian Marine Corps General Erick Wotulo, both citizens of the Republic of Indonesia; and Haniffa Bin Osman, a citizen of the Republic of Singapore, pleaded guilty to their participation in the conspiracy and were sentenced to 57 months, 37 months, 30 months and 37 months in prison, respectively, in 2007 and 2008. Two additional defendants, Rinehard Rusli and Helmi Soedirdja, pleaded guilty to export and money laundering violations in January 2007 as part of a related plot to provide military night vision devices to the Indonesian military. The case was investigated by ICE, FBI, and DCIS.
- ***Restricted Electronics to China*** – On Oct. 11, 2010, York Yuan Chang, known as David Zhang, and his wife, Leping Huang, were arrested on charges in the Central District of California of conspiring to export restricted electronics technology to the People's Republic of China (PRC) without a license and making false statements. According to the Oct. 9, 2010 criminal complaint, the defendants are the owners of General Technology Systems Integration, Inc., (GTSI), a California company involved in the export of technology to the PRC. GTSI allegedly entered

into contracts with the 24<sup>th</sup> Research Institute of the China Electronics Technology Corporation Group in China to design and transfer to the PRC technology for the development of two-types of high-performance analog-to-digital converters (ADCs). The defendants allegedly hired two engineers to design the technology and provide training to individuals in the PRC. Twice in 2009, U.S. Customs and Border Protection officials stopped the engineers upon their return to the United States and allegedly found computer files and documents indicating illegal technology transfer involving GTSI and China. According to the complaint, Chang and Huang allegedly sought to cover up the project after authorities contacted the engineers. The ADCs that the defendants allegedly attempted to export to the PRC are subject to export controls for national security and anti-terrorism reasons. This investigation was conducted by the FBI, BIS, ICE, IRS and DCIS.

- ***AK-47s Assault Rifles to Somalia*** – On Oct. 5, 2010, Joseph O’Toole, a former U.S. Air Force Colonel F-4 Fighter pilot and U.S. citizen, and Chanoch Miller, an Israeli national, pleaded guilty in the Southern District of Florida to charges of knowingly and willfully conspiring to export AK-47 assault rifles from the U.S. to Somalia without a license from the Department of State. According to the indictment and statements made during the plea hearing, beginning in April 2010, Miller contacted O’Toole to arrange for the transportation of approximately 6,000 fully automatic AK-47 assault rifles from Bosnia to Somalia. To facilitate the transportation of the AK-47 assault rifles, O’Toole contacted an individual who, unbeknownst to O’Toole, was working undercover for ICE and the DCIS. Miller agreed to purchase 700 fully automatic AK-47 assault rifles from the undercover individual. These assault rifles were to be shipped from the United States through Panama and then to Somalia. Miller paid \$116,000 to the undercover individual as partial payment of the transportation costs and commissions to O’Toole for the shipment of the 700 assault rifles. Both defendants were charged in a June 17, 2010 indictment with conspiring and attempting to illegally export defense articles, money laundering and money laundering conspiracy. The investigation was conducted by ICE and DCIS.
- ***U.S. Fighter Jet Engines and Parts to Iran*** – On Sept 22, 2010, Jacques Monsieur, a Belgian national and resident of France suspected of international arms dealing for decades, was sentenced by a judge in the Southern District of Alabama to 23 months imprisonment. On Nov. 23, 2009, Monsieur pleaded guilty to conspiracy to illegally export F-5 fighter jet engines and parts from the United States to Iran. He and co-conspirator Dara Fatouhi were first charged by indictment on Aug. 27, 2009, with conspiring to illegally export F-5 fighter jet engines and parts from the United States to Iran, as well as money laundering, smuggling, and Iran embargo violations. Monsieur was arrested on Aug. 28, 2009 after arriving in New York aboard a flight from Panama. Fatouhi, an Iranian national living in France who allegedly worked with the Iranian government to procure military items, remains at large. During a series of e-mails and meetings in Paris and London with undercover federal agents, Monsieur requested engines and parts for the F-5 fighter jet for export to Iran. Monsieur requested that the items be routed through Colombia and the United Arab Emirates on their way to Iran. He also arranged for a wire transfer of \$110,000 as payment for F-5 fighter jet parts and indicated to undercover agents that a deposit of \$300,000 would be forthcoming as payment for two F-5 fighter jet engines. The investigation was conducted by ICE and DCIS.
- ***Sensitive Military Encryption Technology to China*** – On Sept. 13, 2010, Chi Tong Kuok, a resident of Macau, China, was sentenced in the Southern District of California to serve 96 months in prison for his efforts to obtain sensitive defense technology used in encrypted U.S. military or government communications and to cause them to be illegally exported to Macau and Hong Kong. On May 11, 2010, Kuok was convicted at trial of conspiracy to export defense articles without a license and to smuggle goods, smuggling goods, attempting to export defense articles

without a license and money laundering. Kuok was arrested on June 17, 2009 in Atlanta, Ga., after he arrived from Paris to catch a connecting flight to Panama in order to meet with undercover federal agents to take possession of controlled U.S. technology. Kuok sought to obtain a variety of encryption, communications and global positioning system equipment used by the U.S. and NATO militaries. For instance, Kuok negotiated with undercover agents to obtain PRC-148 radios and a KG-175 Taclane Encryptor. The PRC-148 is a multi-band radio originally designed for the U.S. Special Operations Command. The KG-175 Taclane Encryptor was developed by General Dynamics under a contract with the National Security Agency for use by the U.S. military to encrypt Internet Protocol communications. This investigation was conducted by ICE and DCIS.

- ***\$4 Million Arms Shipment to Cote d'Ivoire*** - On Sept. 9, 2010, a criminal complaint was filed in the Northern District of California charging Nguessan Yao, a citizen of Cote d'Ivoire (Ivory Coast) with conspiring to smuggle goods out of the United States in connection with a plot to illegally export 4,000 handguns, 200,000 rounds of ammunition, and 50,000 teargas grenades from the United States to Cote d'Ivoire. Yao was arrested by federal agents at JFK Airport on Sept. 9, 2010, in New York before departing the United States. According to the complaint, Yao conspired with several other individuals in Cote d'Ivoire to obtain a large shipment of Glock 9mm pistols, ammunition and tear gas grenades from undercover ICE agents for use in Cote d'Ivoire. The conspirators allegedly proposed that the weapons and other items be falsely labeled in shipping invoices as humanitarian goods for Cote d'Ivoire, such as solar panels, water pumps and first aid kits. The conspirators arranged for nearly \$4 million to be paid to undercover ICE agents for the purchase of the arms shipment. None of the conspirators had a State Department license to export munitions to Cote d'Ivoire, which is the subject of a United Nations arms embargo. This investigation was conducted by ICE.
- ***Stolen U.S. Military Night Vision & Optics to China and England*** – On Sept. 9, 2010, a grand jury in the Southern District of California returned an indictment charging Phillip Andro Jamison with trafficking in stolen government property, interstate transportation of stolen goods and exporting defense articles without a license. Jamison, a U.S. Navy employee stationed aboard Naval Amphibious Base Coronado, California, allegedly stole more than 280 items from the U.S. Navy between October 2008 and September 2009 and then sold these items to customers via eBay, an Internet auction and shopping website. The indictment further alleges that Jameson illegally exported to Hong Kong and England combat-grade night vision devices, riflescopes and laser aiming devices without first obtaining the required export licenses from the State Department. The investigation was conducted by ICE and NCIS.
- ***Dow Trade Secrets to China*** – On Aug. 31, 2010, an indictment was unsealed in the Southern District of Indiana charging Kexue Huang with economic espionage intended to benefit a foreign government and instrumentalities, as well as interstate and foreign transportation of stolen property. Huang was arrested on July 13, 2010 in Massachusetts. The indictment alleges that Huang, a Chinese national and U.S. permanent legal resident, misappropriated and transported trade secrets and property to the People's Republic of China (PRC) while working as a research scientist at Dow AgroSciences LLC (Dow). While he was employed at Dow, Huang directed university researches in the PRC to further develop the Dow trade secrets. He also allegedly applied for and obtained grant funding that was used to develop the stolen trade secrets. The investigation was conducted by the FBI.
- ***Iran Embargo Violations*** – On Aug. 16, 2010, Mahmoud Reza Banki was sentenced in the Southern District of New York to 30 months in prison for violating the Iran trade embargo,

operating an unlicensed money transmittal business between the U.S. and Iran, conspiracy and false statements. From Jan. 2006 to Sept. 2009, Banki, a U.S. citizen and resident of Manhattan, provided money transmitting services to residents of Iran by participating in the operation of a hawala. Banki used the hawala network to receive wire transfers totaling \$3.4 million from companies and individuals around the globe into a personal bank account that he maintained for this purpose at Bank of America in Manhattan. Banki then would notify his father or one of his Iran-based hawala operators of the deposits, so that a corresponding amount of Iranian currency could be disbursed in Iran. Banki was found guilty on June 4, 2010, after first being indicted on Jan. 6, 2010. The investigation was conducted by ICE and OFAC.

- ***Nuclear-Related Equipment to Iran*** – On July 29, 2010, Mahmoud Yadegari was sentenced in a Canadian court in Toronto to four years and three months in prison for attempting to export pressure transducers that he had purchased in the United States to Iran, via Canada. Yadegari purchased pressure transducers from a company in Massachusetts and transported them to Canada. From there, he attempted to export the items to the United Arab Emirates, and ultimately to Iran in March 2009. Pressure transducers have applications in the production of enriched uranium. The Massachusetts company alerted ICE to the purchases, which, in turn worked with Canadian authorities. Yadegari was found guilty on July 6, 2010 of nine charges, including the Customs Act, the United Nations Act, the Export Import Permits Act, and the Nuclear Safety and Control Act. He was originally arrested by Canadian authorities in 2009 after a joint investigation by BIS, ICE and Canadian authorities.
- ***Handguns to the United Kingdom*** – On July 26, 2010, Steven Neal Greenoe was charged by criminal complaint in the Eastern District of North Carolina with unlawfully shipping firearms on commercial aircraft without notifying the carrier and with violating the Arms Export Control Act in connection with the illegal export of firearms from the United States to the United Kingdom. A superseding indictment returned in Sept. 2010 charged him with illegally exporting more than 60 handguns. A subsequent superseding indictment returned on Feb. 2, 2011, alleged that Greenoe, and at least two other individuals he recruited, obtained pistol purchase permits, completed the ATF forms required to purchase firearms and purchased firearms. After purchasing the firearms, Greenoe took the firearms apart, disguised the firearms as machining engineering samples and inert firearms and concealed them in his checked luggage. As alleged in the indictment, on nine occasions, from Feb. 22, 2010, to July 25, 2010, Greenoe concealed a total of 63 pistols in his checked luggage and traveled from Raleigh to the United Kingdom. The investigation was conducted by ICE and ATF.
- ***F-5 Fighter Jet Components to Iran*** – On July 7, 2010, a superseding indictment was returned in the District of Columbia charging Mac Aviation Group, an Irish trading company, and its officers Thomas and Sean McGuinn of Sligo, Ireland, with purchasing F-5 fighter aircraft parts from U.S. firms and illegally exporting them to Iran. The defendants were previously charged in July 2008 in connection with illegally exporting helicopter engines and other aircraft components to Iran. The new charges allege that, from 2005 and continuing until 2006, the defendants caused canopy panels designed for the F-5 fighter jet, valued at \$44,500 to be exported from the United States to Iran and that the defendants falsely stated that the end-user for the panels was Nigeria. The transaction with Iran was allegedly arranged through the Iran Aircraft Manufacturing Industrial Company, known as HESA, which has been designated by the United States as an entity involved weapons mass destruction proliferation. The investigation was conducted by ICE and DCIS.
- ***Combat Riflescopes Overseas*** – On June 25, 2010, Chou-Fu Ho was arrested after being indicted in the Southern District of California on charges of smuggling and illegally exporting military

night vision systems to various locations overseas without the required State Department licenses. According to the indictment Ho illegally exported to Hong Kong and Japan combat riflescopes listed on the U.S. Munitions List without obtaining the required export licenses. Ho also allegedly attempted to illegally export combat riflescopes to Ireland, Austria and the United Arab Emirates. The investigation was conducted by ICE and DCIS.

- ***Oil Field Equipment to the Sudan*** – On June 22, 2010, Agar Corporation Inc., a company in Houston, pleaded guilty in the Southern District of Texas to violating the International Emergency Economic Powers Act and agreed to pay \$2 million in criminal fines and forfeiture as well as civil penalties to the U.S. Treasury’s Office of Foreign Assets Control. Agar Corporation illegally facilitated the export of multi-phase flow meters by an affiliate in Venezuela to the Sudan for use in the Melut Basin oilfield in violation of the embargo on the Sudan. The investigation was conducted by ICE.
- ***Military Optics Technology to China, Russia, Turkey and South Korea*** – On June 22, 2010, in U.S. District Court for the District of Colorado, Rocky Mountain Instrument Company (RMI), a Colorado corporation located in Lafayette, Colorado, pled guilty to one count of knowingly and willfully exporting defense articles without a license in violation of the Arms Export Control Act. The company was then immediately sentenced to five years of probation and ordered to forfeit \$1,000,000. Between April 2005 and October 2007, RMI exported from the United States to Turkey, South Korea, the People’s Republic of China, and Russia, prisms and technical data related to various optics used in military applications, which were designated as defense articles on the U.S. Munitions List, without having first obtained the required export licenses. The military technology that RMI illegally exported consisted of guidance or targeting systems used in such military items as unmanned aerial vehicles, AC-130 gunships, Abrams tanks, TOW missile systems, and Bradley fighting vehicles. RMI was originally charged by criminal information on March 17, 2010. The case was investigated by ICE and DCIS.
- ***Illegal Oil Transaction with Iraq*** – On June 21, 2010, Muthanna Al-Hanooti pleaded guilty in the Eastern District of Michigan to one count of violating the International Emergency Economic Powers Act (IEEPA) for unlawfully accepting an allocation of two million barrels of Iraqi oil from the Government of Iraq in December 2002 without the required U.S. government license. Al-Hanooti was previously charged in a Feb. 13, 2008, indictment with conspiracy to act as an unregistered agent of the Government of Iraq, an IEEPA violation, and making false statements in connection with his alleged work on behalf of the Iraqi Intelligence Service. This investigation was conducted by the FBI.
- ***Fighter Jet Components to Iran*** – On June 17, 2010, Omid Khalili, an Iranian national, pleaded guilty in the Southern District of Alabama to attempting to illegally export U.S. fighter jet parts from the United States to Iran. Khalili, along with defendant “Masun,” whose last name is unknown, were charged in a nine-count indictment on Jan. 28, 2010, with conspiracy, money laundering, smuggling, as well as violations of the Arms Export Control Act and the International Emergency Economic Powers Act. Khalili was arrested by federal agents in March 2010 upon his arrival in Miami. Khalili and Masun have been actively working with the Iranian government to procure military items for the Iranian government. In November 2009, Khalili reached out to an undercover federal agent requesting pricing for a list of military aircraft parts to be sent to Iran. Thereafter, he sent four separate payments totaling more than \$70,000 to a bank in Alabama as a down payment for the parts. The investigation was conducted by ICE and DCIS.

- ***Satellite Hardware and Technology to Iran*** – On June 2, 2010, a federal grand jury in the District of Maryland returned an indictment charging Nader Modanlo, an American, and five Iranian citizens on charges of conspiring to illegally provide satellite hardware and technology to Iran in violation of the International Emergency Economic Powers Act and money laundering. The indictment alleges that as a result of the conspiracy, an Iranian earth satellite equipped with a camera was launched into space in Russia on Oct. 27, 2005. According to the indictment, from January 2000 through November 27, 2007, the defendants concocted a scheme to evade the Iran trade embargo, by using sham companies to conceal Iranian involvement in prohibited activities and transactions. The indictment notes that some \$10 million was wired from an overseas account to the account of a defendant in the United States in consideration for his assistance to Iran and the Iranians in brokering a satellite agreement with Russia and for his New York company providing telecommunications services in support of that agreement. Charged in the indictment are: Nader Modanlo, of Potomac, Maryland, a naturalized U.S. citizen born in Iran; Hamid Malmirian; Reza Heidari; Mohammad Modares; Abdol Reza Mehrdad; and Sirous Naseri, all Iranian nationals. Nader Modanlo was arrested on June 8, 2010 in Maryland. The other defendants remain at large. The investigation was conducted by ICE and the IRS.
- ***Thermal Imaging Cameras to China*** – On May 14, 2010, Sam Ching Sheng Lee, part-owner and chief operations manager of Multimillion Business Associate Corporation ("MBA"), pleaded guilty in the Central District of California to conspiracy to violate the International Emergency Economic Powers for illegally exporting national security-controlled thermal imaging cameras to China. His nephew, Charles Yu Hsu Lee, pleaded guilty the same day to misprision of a felony for the same activity. The Lees were arrested on Dec. 30, 2008 in Hacienda Heights, Ca, pursuant to a Dec. 16, 2008 indictment charging them with conspiracy to export and exporting national security-controlled items without a license in violation of the IEEPA. The indictment alleged that the defendants, doing business as MBA, an import/export business located in Hacienda Heights, assisted persons in China illegally procure export controlled thermal-imaging cameras. During the period between April 2002 and July 2007, defendants allegedly exported a total of ten thermal-imaging cameras to China in circumvention of export laws. After being advised of strict export restrictions, Charles Lee allegedly purchased the cameras from U.S. suppliers for approximately \$9,500 a piece by withholding the fact that the devices were destined to China. His uncle, Sam Lee, then received the devices and, through his company, arranged for their shipment to Shanghai, China without obtaining proper licenses. One of the recipients is alleged to be an employee of a company in Shanghai engaged in the development of infrared technology. The thermal-imaging cameras are controlled for export to China by the Department of Commerce for national security and regional stability reasons because of their use in a wide variety of military and civilian applications. This investigation was conducted by the EAGLE Task Force in the Central District of California.
- ***U.S. Missile Components to Iran*** – On May 13, 2010, Yi-Lan Chen, aka Kevin Chen, of Taiwan, and his Taiwan corporation, Landstar Tech Company Limited, pleaded guilty in the Southern District of Florida to a three count criminal information charging them with illegally exporting dual-use commodities to Iran that have potential military applications. Chen was arrested in Guam on Feb. 3, 2010. According to court documents in the case, customers in Iran affiliated with that nation's missile program sent orders by e-mail to Chen for specific goods. Chen then requested quotes, usually by e-mail, from U.S. businesses and made arrangements for the sale or shipment of the goods to one of several freight forwarders in Hong Kong and Taiwan. Once in Hong Kong or Taiwan, the goods were then shipped to Iran. Among the customers in Iran were buyers for Electro SANAM Industries, which serves as a front company for Aerospace Industries Organization in Iran and has been linked to Iranian ballistic missile programs. Another Iranian customer was the owner of the Noavaran Sooyab Sanat, Co., which is a division of Jihad



Engineering Research Center. Jahad Engineering Research Center has been linked to chemical research and development facilities and has been listed as an entity of concern by the British government for the procurement of weapons of mass destruction. In one e-mail with an Iranian customer, Chen stated, "As you know we cannot tell USA this connector is for you. So we have to tell a white lie to USA that this is for our factory in Hong Kong." Among the dual-use items that Chen caused to be shipped to Iran were 120 circular hermetic connectors and 8,500 glass-to-metal seals. While the goods have commercial applications, they also can make a significant contribution to the military or nuclear potential of other nations. Agents learned of Chen's efforts after he attempted to obtain and export to Iran some 2,000 detonators from a California company. On Aug. 27, 2010, Chen was sentenced to 42 months in prison, while Landstar Tech Company Limited was sentenced to one year probation. The investigation was conducted by BIS and ICE.

- ***Commercial 747 Aircraft to Iran*** – On May 11, 2010, Balli Aviation Ltd., a subsidiary of the U.K.-based Balli Group PLC, was sentenced in the District of Columbia to pay a \$2 million fine and to serve a five-year corporate period of probation after pleading guilty on Feb. 5, 2010, to a two-count criminal information in connection with its illegal export of commercial Boeing 747 aircraft from the United States to Iran. The \$2 million fine, combined with a related \$15 million civil settlement among Balli Group PLC, Balli Aviation Ltd., the U.S. Department of Commerce's Bureau of Industry and Security (BIS), and the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), represented one of the largest fines for an export violation in BIS history. Balli Aviation Ltd. conspired to export three 747 aircraft from the U.S. to Iran without the required export licenses. According to the criminal information, Balli Aviation Ltd., through its subsidiaries, the Blue Sky Companies, purchased U.S.-origin aircraft with financing obtained from an Iranian airline and caused these aircraft to be exported to Iran without obtaining the required U.S. government licenses. Further, Balli Aviation Ltd. entered into lease arrangements that permitted the Iranian airline to use the U.S.-origin aircraft for flights in and out of Iran. In addition, Balli Aviation Ltd. violated a Temporary Denial Order issued by BIS that prohibited the company from conducting any transaction involving any item subject to the Export Administration Regulations. The investigation was conducted by BIS and OFAC.
- ***\$500 Million Forfeiture for Iran Embargo Violations and Other Charges*** – On May, 10, 2010, the former ABN AMRO Bank N.V., now named the Royal Bank of Scotland N.V., agreed to forfeit \$500 million in connection with a conspiracy to defraud the United States, to violate the International Emergency Economic Powers Act and to violate the Trading with the Enemy Act, as well as a violation of the Bank Secrecy Act. A criminal information was filed in the District of Columbia. The bank waived indictment, agreed to the filing of the information, and accepted and acknowledged responsibility for its conduct. ABN AMRO agreed to forfeit \$500 million as part of a deferred prosecution agreement. From 1995 through December 2005, ABN AMRO assisted sanctioned countries and entities in Iran, Libya, Sudan, Cuba and elsewhere in evading U.S. laws by facilitating hundreds of millions of U.S. dollar transactions. The IEEPA and TWEA violations relate to ABN AMRO conspiring to facilitate illegal dollar transactions on behalf of financial institutions, including Bank Markazi and Bank Melli of Iran as well as other customers from Iran, Libya, the Sudan, Cuba and other sanctioned nations. ABN AMRO Bank offices and employees in the Netherlands, the UAE, Saudi Arabia, and elsewhere stripped mention of Iranian and Sudanese banks from international funds transfer instructions sent to the New York branch of the bank thereby causing and facilitating financial transactions for the benefit of the Iranian and Sudanese financial institutions. The investigation was conducted by the IRS and FBI.
- ***Military Flight Simulation Technology Overseas*** – On March 25, 2010, an indictment was unsealed in federal court in the District of Massachusetts charging Hok Shek Chan, Wong Fook Loy and Ngo Tek Chai with conspiring to and attempting to illegally export munitions without

the required licenses. According to the October 2008 indictment, Chan, a Hong Kong citizen, conspired with two Malaysian nationals, Wong Fook Loy and Ngo Tek Chai, and others to cause the export of 10 indicators servo tachometers used in C-130 military flight simulators from the United States without the required license from the State Department. Chan was extradited from Hong Kong to face the charges against him in Boston. The case was investigated by ICE, BIS, and DCIS.

- ***U.S. – Origin Tools to Libya*** – On March 9, 2010, Uni-Arab Engineering and Oil Field Services, a firm incorporated in the United Arab Emirates and operated in part by two naturalized U.S. citizens, Jaime Radi Mustafa and Nureddin Shariff Sehweil, pleaded guilty in the Eastern District of Louisiana to violating U.S. sanctions against Libya. According to the plea agreement, Uni-Arab caused goods to be shipped from Texas to the Netherlands in 2001 and 2002, where they were repackaged and illegally shipped to Libya.
- ***BAE Systems PLC Pleads Guilty and Ordered to Pay \$400 Million*** – On March 1, 2010, BAE Systems PLC (BAES), a multinational defense contractor with headquarters in the United Kingdom, pleaded guilty in the District of Columbia to conspiracy to defraud the United States, conspiracy to make false statements about its Foreign Corrupt Practices Act compliance program, and conspiracy to violate the Arms Export Control Act (AECA) and International Traffic in Arms Regulations (ITAR). BAES was sentenced on March 1, 2010 to a \$400 million fine, 36 months probation, and a \$400 assessment. With respect to the conspiracy to violate AECA, BAES admitted to making false statements and failing to make required disclosures to the U.S. government in connection with the administration of certain regulatory functions, including statements and disclosures related to applications for arms export licenses, as required by the AECA and ITAR. As part of the licensing scheme, applicants are required to identify associated commissions to the State Department- whether they are legitimate commissions or bribes - paid to anyone who helps secure the sales of defense materials. BAES admitted that, as part of the conspiracy, it knowingly and willfully failed to identify commissions paid to third parties for assistance in soliciting, promoting or otherwise securing sales of defense items in violation of the AECA and ITAR. In one instance, BAES caused the filing of false applications for export licenses for Gripen fighter jets to the Czech Republic and Hungary by failing to tell the export license applicant or the State Department of £19 million BAES paid to an intermediary with the high probability that it would be used to influence that tender process to favor BAES. The case was investigated by the FBI and ICE, with assistance by DCIS and the General Services Administration, Office of Inspector General.
- ***Semi-Automatic Pistols to Cayman Islands*** – On Feb. 23, 2010, a grand jury in the Southern District of Florida returned an indictment charging Junior Estiven with conspiracy to smuggle firearms, making false statements in connection with the acquisition of firearms, and possession of firearms with obliterated serial numbers. Estiven and others allegedly conspired to smuggle semi-automatic pistols to the Cayman Islands. Several other individuals were charged and pleaded guilty in connection with the scheme previously. David Gilbert Lyons, Mitchell Anthony Brown and Brittanio Jermie Watson were all indicted in the Southern District of Florida on May 5, 2009 in connection with the attempted illegal export of firearms to the Cayman Islands and other charges. Lyons was sentenced to 57 months in prison, while Brown was sentenced to 37 months in prison, and Walton was sentenced to 51 months in prison. In addition, Sheila Caraballo Madrigal was charged on Sept. 14, 2009 with conspiracy to smuggle firearms, conceal shipment of firearms and acquire firearms by making false statements. She later pleaded guilty and was sentenced to three years probation. The investigation was conducted by ICE and ATF.

- ***Electronics to Designated Terror Entity in Paraguay*** – On Feb. 19, 2010, federal authorities in the Southern District of Florida announced the indictment of four individuals and three Miami businesses on charges involving the illegal export of electronics to a U.S. designated terrorist entity in Paraguay. The defendants charged were Samer Mehdi, of Paraguay, Khaled T. Safadi, of Miami, Ulises Talavera, of Miami, Emilio Jacinto Gonzalez-Neira, of Paraguay, Cedar Distributors, Inc. (Cedar), a Miami-based firm owned by defendant Safadi, Transamerica Express of Miami, Inc. (Transamerica), a Miami-based firm owned by defendant Talavera, and Jumbo Cargo, Inc. (Jumbo), a Miami-based firm owned by defendant Gonzalez-Neira. All were indicted on charges of conspiracy, violating the International Emergency Economic Powers Act and smuggling electronic goods from the United States to Paraguay. According to the indictment, from March 2007 through January 2008, freight-forwarders Talavera, through Transamerica, and Gonzalez-Neira, through Jumbo, exported Sony brand electronics, including Play station 2 consoles and digital cameras, to Samer Mehdi, owner of Jomana Import Export, an electronics business located within the Galeria Page, a shopping center in Ciudad del Este, Paraguay. Safadi, through Cedar, was a distributor of the electronics to the freight-forwarders. Since Dec. 6, 2006, the shopping center known as Galeria Page in Ciudad del Este, Paraguay, has been designated as a Specially Designated Global Terrorist entity by the U.S. Treasury Department, on grounds that it serves as a source of fundraising for Hizballah in the Tri-Border Area and is managed and owned by Hizballah members in the Tri-Border Area. Consequently, any transaction or dealing by a U.S. person with Galeria Page is prohibited. The OFAC designation banned trade with Galeria Page and all tenants located therein. The investigation was conducted by ICE FBI, CBP, BIS, OFAC, and U.S. Secret Service.
- ***Economic Espionage / Theft of Space Shuttle and Rocket Secrets for China*** – On Feb. 11, 2010 former Rockwell and Boeing engineer Dongfan “Greg” Chung was sentenced to 188 months imprisonment and three years supervised release after his July 16, 2009 conviction in the Central District of California. Chung was convicted of charges of economic espionage and acting as an illegal agent of the People’s Republic of China (PRC), for whom he stole restricted technology and Boeing trade secrets, including information related to the Space Shuttle program and the Delta IV rocket. According to the judge’s ruling, Chung served as an illegal agent of China for more than 30 years and kept more than 300,000 pages of documents reflecting Boeing trade secrets stashed in his home as part of his mission of steal aerospace and military trade secrets from Boeing to assist the Chinese government. Chung sent Boeing trade secrets to the PRC via the mail, via sea freight, via the Chinese consulate in San Francisco, and via a Chinese agent named Chi Mak. On several occasions, Chung also used the trade secrets that he misappropriated from Boeing to prepare detailed briefings that he later presented to Chinese officials in the PRC. Chung was originally arrested on Feb. 11, 2008, in Southern California after being indicted on eight counts of economic espionage, one count of conspiracy to commit economic espionage, one count of acting as an unregistered foreign agent, one count of obstruction of justice, and three counts of making false statements to the FBI. The investigation was conducted by the FBI and NASA.
- ***Chemical Purchasing Software to Iran*** – On Jan. 11, 2010, Ali Amirnazmi, of Berwyn, PA, was sentenced in the Eastern District of Pennsylvania to 48 months in prison for his Feb. 13, 2009 conviction on one count of conspiracy to violate the International Emergency Economic Powers Act (IEEPA); three counts of violating IEEPA, three counts of making false statements; and three counts of bank fraud. Amirnazmi was also ordered to forfeit \$64,000 and to pay \$17,277 restitution to Penn Liberty Bank. Amirnazmi, the owner of Trantech Consultants, Inc., in Pa., was charged by superseding indictment in October 2008 with crimes relating to his participation from 1996 to July 2008 in illegal business transactions and investments with companies located in Iran, including companies controlled in whole or in part by the government of Iran, as well as

lying to federal officials about those transactions, and bank fraud. Evidence at trial revealed that Amirnazmi worked at the express direction of the highest echelons of the Iranian government, specifically President Mahmoud Ahmadinejad and his close advisors, to advance the Iranian petrochemical industry. Amirnazmi is a chemical engineer who, among other things, licensed to Iranian companies the use of a proprietary database and software system that he had developed. The software was designed to help buyers around the globe locate the best prices for various chemicals. Amirnazmi, a citizen of both the United States and Iran, was first indicted on July 25, 2008. The case was investigated by the FBI and IRS.

- ***Military Equipment to Yemen, Libya & Other Locations*** – On Jan. 7, 2010, Ioannis Papathanassiou, of Vienna, Va., entered a guilty plea on behalf of his company, Taipan Enterprises, Ltd., in the Eastern District of Virginia for attempting to illegally broker the sale of weapons, night vision goggles and other military equipment to purchasers in Yemen, Libya, Chile and other nations. Taipan Enterprises was ordered to pay a fine of \$15,000. Court records indicate that Papathanassiou attempted to arrange the sale of Swiss-made machine pistols to a purchaser in Yemen, attempted to arrange the sale of Canadian night vision technology from Canada to Libya, attempted to arrange the sale of Canadian armored vehicles to the Chilean marine corps, attempted to arrange the sale of M4 rifles, gas grenades, armored vehicles and other military equipment to Chile, and attempted to arrange the sale of a number of military armored vehicles from a Belgian defense manufacturer to a Missouri-based company for final use in Vietnam. The investigation was conducted by ICE and CBP.
- ***Firearms to Mexico*** – On Jan. 6, 2010, Daniel Bernardino was convicted in the Northern District of Texas on firearms and ammunition smuggling charges in connection with a nationwide investigation of the violent drug cartel, La Familia, and its efforts to smuggle firearms to Mexico in order to arm their personnel there. Seven individuals from the Fort Worth, TX, area were originally indicted along with Bernardino on firearms smuggling and related charges. They include Alberto Pulido, Juan Ramirez, Javier Rosales, Jesus Ortega, Gustavo Pulido, and Eduardo Flores. Although Alberto Pulido remains a fugitive, the other defendants have pleaded guilty for their roles in the conspiracy. Bernardino arrested on Oct. 21, 2009. In December 2008, he and others were stopped north of the Texas border in a caravan of vehicles, one of which contained 33 firearms and 9,000 rounds of ammunition. On May 3, 2010, Defendants Ortega, Bernardino, and Gustavo Pulido were all sentenced. Defendant Ortega was sentenced to 48 months imprisonment, Defendant Bernardino was sentenced to 78 months imprisonment. Defendant Pulido was sentenced to 48 months imprisonment. On April 5, 2010, Defendants Lozano, Flores and Ramirez were all sentenced. Defendant Lozano was sentenced to 36 months imprisonment. Defendant Flores was sentenced to 57 months imprisonment. Defendant Ramirez was sentenced to 120 months imprisonment. This investigation was conducted by ATF and DEA
- ***Firearms to Canada*** – On Dec. 18, 2009, Ugur Yildiz, a former suburban Chicago gun shop owner, was sentenced in the Northern District of Illinois to 7½ years in prison for illegally exporting more than 200 firearms to Canada -- some of which were later used in violent crimes. Yildiz, of Park Ridge, owned the Chicagoland Bells gun store. He was charged with violations of the Arms Export Control Act. Canadian authorities recovered several guns registered to Yildiz -- including one traced to a killing and another that was pointed at a law enforcement officer.
- ***Restricted Components to Iran*** – On Dec. 17, 2009, James Larrison, of Avondale, AZ, pleaded guilty in the District of Delaware to a one-count criminal information charging him with violating the International Emergency Economic Powers Act. From August 2008, through February 2009, Larrison attempted to illegally export from the United States to Iran Hitachi JU-Z2 Junction Units

(camera control box, 8-port multiple television camera control delegation switch). The charges result from an investigation launched after the seizure in October 2007 of a laptop computer from convicted Iranian procurement agent Amir Hossein Ardebili. This case was investigated by ICE.

- ***Missile Components to Iran*** – On Dec. 2, 2009, a federal grand jury in the Northern District of Illinois returned an indictment charging Davoud Baniameri, an Iranian national and U.S. legal permanent resident, and Andro Telemi, a naturalized U.S. citizen born in Iran, with conspiring to illegally export TOW missile components from the United States to Iran. According to the indictment, between August and September 2009, Baniameri and Telemi conspired to illegally export to ten connector adapters that are used to attach the missile guidance set to the traversing unit for the TOW and TOW2 missile systems. These parts are designated as defense articles on the U.S. Munitions List and require a State Department license to export. Baniameri was arrested on a criminal complaint on Sept. 9, 2009 after meeting with an undercover agent, taking possession of the components and attempting to board a flight from Los Angeles to Dubai, United Arab Emirates, connecting to Tehran, Iran. Baniameri conducted business via Pacific Green Valley, a business in California, while Telemi conducted business as Oceanic Import Cars, Inc., a business located in California. This investigation was conducted by ICE, DCIS, BIS, and the IRS.
- ***Military Electronics for Radar, Fighter Jets, and Missiles to Iran*** -- On Dec. 2, 2009, criminal indictments were unsealed in the Districts of Delaware and Massachusetts relating to the prosecution of Iranian arms procurement agent Amir Hossein Ardebili. Defendant Ardebili pled guilty to these indictments on May 19, 2008. Ardebili has pled guilty to multiple violations of the Arms Export Control Act, International Emergency Economic Powers Act, smuggling, conspiracy and money laundering. The charges result from a three year international undercover investigation which exposed Ardebili's role as a prolific arms acquisitions agent for the government of Iran. During the investigation, Ardebili negotiated the purchase and illegal export of a number of military components, including: QRS-11 Gyro Chip Sensors, which are used in numerous advanced aircraft, missile, space and commercial applications; MAPCGM0003 Phase Shifters, which perform a key function in electronically steered antennae and have many applications including phased array radar, which is used in military target acquisition and missile guidance; and Digital Air Data Computer, which is a replacement for the computer installed on the U.S. F-4 fighter aircraft used by Iran that calculates flight parameters including altitude, air speed, static pressure, mach number, and true angle of attack. Ardebili's negotiations with undercover agents culminated in a face-to-face meeting in a foreign nation in October of 2007, after which Ardebili was arrested and extradited to the United States in January 2008. On Dec. 14, 2009, Ardebili was sentenced to five years in prison. The investigation was conducted by ICE and DCIS.
- ***Anti-Aircraft Missiles and Machine Guns to Syria*** -- On Nov. 24, 2009, a grand jury in the Eastern District of Pennsylvania returned an indictment charging Dani Nemr Tarraf and Douri Nemr Tarraf, with conspiring to illegally export anti-aircraft missiles (FIM-92 Stingers) machine guns (approximately 10,000 Colt M4 Carbines), as well as M72 Light anti-armor weapons, Glock pistols, as well night vision equipment, from Philadelphia to the Port of Latakia, Syria. In addition, these two defendants and Hassan Mohamad Komeiha, and Hussein Ali Asfour — were charged with conspiring to transport stolen goods. Dani Nemr Tarraf and Ali Fadel Yahfoufi were also charged with conspiring to commit passport fraud. According to a criminal complaint filed in the case, in or about mid-June 2009, Dani Tarraf asked whether an undercover law enforcement official (UC) could supply guided missiles and told the UC that he (Tarraf) wanted the UC to export approximately 10,000 "commando" machine guns [Colt M4 Carbines with short barrels] from the United States. On or about July 28, 2009, in Philadelphia, Tarraf paid the UC a deposit of approximately \$20,000 toward the cost of purchasing FIM-92 Stinger missiles and

approximately 10,000 Colt M4 Carbines and shipping these items outside the United States to the Port of Latakia, Syria. Dani Tarraf was arrested on Nov. 21, 2009. The investigation was conducted by the FBI's Joint Terrorism Task Force, ICE, IRS, Secret Service, DCIS, ATF, and other law enforcement agencies.

- ***Military & Commercial Aircraft Components to Iran*** – On Nov. 5, 2009, Laura Wang-Woodford, a U.S. citizen who served as a director of Monarch Aviation Pte Ltd., a Singapore company that imported and exported military and commercial aircraft components for more than 20 years, was sentenced in the Eastern District of New York to 46 months in prison and ordered to forfeit \$500,000 for conspiring to violate the U.S. trade embargo by exporting controlled aircraft components to Iran. On March 13, 2009, Wang-Woodford pled guilty to the charges. She was arrested on Dec. 23, 2007, at San Francisco International Airport after arriving on a flight from Hong Kong. She and her husband, Brian D. Woodford, a U.K. citizen who served as chairman and managing director of Monarch, were originally charged in a 20-count indictment on January 15, 2003. Brian Woodford remains a fugitive. A superseding indictment charging Wang-Woodford with operating Jungda International Pte. Ltd (“Jungda”), a Singapore-based successor to Monarch, was returned on May 22, 2008. According to the superseding indictment, the defendants exported controlled U.S. aircraft parts from the U.S. to Monarch and Jungda in Singapore and Malaysia and then re-exported those items to companies in Tehran, Iran, without obtaining the required U.S. government licenses. The defendants also falsely listed Monarch and Jungda as the ultimate recipients of the parts on export documents filed with the U.S. government. The aircraft parts illegally exported to Iran include aircraft shields, shears, “o” rings, and switch assemblies, as well as U.S. military aircraft components, designed for use in Chinook military helicopters. At the time of her arrest, Wang-Woodford possessed catalogues from a Chinese company, the China National Precision Machinery Import and Export Corporation (“CPMIEC”), containing advertisements for surface-to-air missile systems and rocket launchers. CPMIEC has been sanctioned by the Treasury Department as a specially designated Weapons of Mass Destruction proliferator, based, in part, on CPMIEC’s history of selling military hardware to Iran. The investigation was conducted by BIS and ICE.
- ***Carbon-Fiber Material with Rocket & Spacecraft Applications to China*** – On Oct. 8, 2009, three individuals were sentenced in the District of Minnesota for illegally exporting high-modulus, carbon fiber material to the China Academy of Space Technology. Jian Wei Ding was sentenced to 46 months in prison. Kok Tong Lim was sentenced to just over one year of confinement because of his cooperation in the case, while Ping Cheng was sentenced to one year probation due to his cooperation. On March 20, 2009, Ding pleaded guilty to one count of conspiracy to violate the Export Administration Regulations. Cheng entered his plea on Feb. 13, 2009 and Lim entered his plea on March 9, 2009. All three men were indicted on Oct. 28, 2008 for conspiring to illegally export to China controlled carbon-fiber material with applications in aircraft, rockets, spacecraft, and uranium enrichment process. The intended destination for some of the materials was the China Academy of Space Technology, which oversees research institutes working on spacecraft systems for the PRC government. For national security, nuclear proliferation and antiterrorism reasons, the U.S. government requires a license to export these carbon-fiber materials. Jian Wei Ding was a resident of Singapore and owned or was affiliated with various Singaporean import/export companies, including Jowa Globaltech Pte Ltd, FirmSpace Pte Ltd, and Far Easton Co. Pte Ltd. Kok Tong Lim was a resident of Singapore and once was affiliated with FirmSpace, Pte Ltd. Ping Cheng was a resident of New York and the sole shareholder of Prime Technology Corporation. This investigation was conducted by ICE and BIS.
- ***Sensitive Aircraft Components to Iran*** – On Sept. 24, 2009, Aviation Services International (ASI), a Netherlands-based aviation services company, its owner, Robert Kraaijpoel, and his son

Robert Neils Kraaiipoel, pleaded guilty in the District of Columbia to a one-count criminal information alleging conspiracy to violate the International Emergency Economic Powers Act (IEEPA) and the Iranian Transactions Regulations. From about October 2005 to about October 2007, the defendants received orders from customers in Iran for U.S.-origin goods, including various aircraft components that were restricted from being transshipped into Iran. The defendants then contacted companies in the United States and negotiated purchases of materials on behalf of Iranian customers. The defendants provided false end-user certificates to certain U.S. companies to conceal that customers in Iran would be the true recipients of the goods. The goods were routed to Iran through the Netherlands, the United Arab Emirates, and Cyprus. In 2006 alone, Aviation Services obtained some 290 aircraft-related components from the U.S. and caused them to be shipped to Iran. Many of these U.S.-origin goods were sent to Iranian government agencies, Iranian procurement agencies or companies doing business in Iran. ASI agreed to pay a \$100,000 fine and corporate probation for five years. The investigation was conducted by BIS, ICE, DCIS and FBI.

- ***Sighting Devices to Afghanistan and Taiwan*** – On Sept. 18, 2009, Aaron Henderson, doing business as Vahalla Tactical Supply, pleaded guilty in the Southern District of Iowa to a criminal information, arising from his illegal export of restricted sighting devices to Taiwan and Afghanistan without the required export licenses. Henderson was sentenced to time served and two years-supervised release. The investigation was conducted by BIS, ICE and the Bureau of Alcohol, Tobacco, Firearms and Explosives.
- ***Restricted Integrated Circuits with Military Applications to China*** – On Aug. 3, 2009, William Chai-Wai Tsu, an employee of a Beijing-based military contracting company called Dimigit Science & Technology Co. Ltd, and the vice president of a Hacienda Heights, CA, front company called Cheerway, Inc., was sentenced in the Central District of California to 40 months in prison. Tsu illegally exported more than 400 restricted integrated circuits with applications in military radar systems to China over a 10-month period, according to court documents. These dual-use items are restricted for export for national security reasons. Tsu purchased many of the items from U.S.-distributors after falsely telling these U.S. companies that he was not exporting the circuits abroad. According to court documents, Tsu supplied restricted U.S. technology to several customers in China, including the “704 Research Institute,” which is known as the “Aerospace Long March Rocket Technology Company” and is affiliated with the state-owned China Aerospace Science & Technology Corporation. Tsu’s employer in China, Dimigit, boasted in brochures that its mission was “providing the motherland with safe, reliable and advanced electronic technical support in the revitalization of our national military industry.” Tsu was indicted in the Central District of California on Feb. 6, 2009 on charges of violating the International Emergency Economic Powers Act. He later pleaded guilty to two federal counts of the indictment on March 13, 2009. This case was the product of an investigation by the Export and Anti-proliferation Global Law Enforcement (EAGLE) Task Force in the Central District of California, which includes BIS, ICE, FBI, CBP, Diplomatic Security Service and the Transportation Security Administration.
- ***Restricted Thermal Imaging Technology to China*** – On July 27, 2009, Zhi Yong Guo, a resident of Beijing, was sentenced in the Central District of California to 60 months in prison, while Tah Wei Chao, also a resident of Beijing, was sentenced to 20 months in prison. Both were sentenced in connection with a plot to procure and illegally export thermal-imaging cameras to the People’s Republic of China without obtaining the required export licenses. Guo and Chao were indicted on federal charges on July 17, 2008. Chao pleaded guilty to three federal counts in July 2008. On Feb. 23, 2009, following a one-week trial, Guo was convicted of two federal counts. The case related to ten cameras concealed in luggage destined for China in April 2008. The export of these

thermal-imaging cameras to China are controlled by the Department of Commerce for national security and regional stability reasons because of their use in a wide variety of civilian and military applications. In March 2008, Chao ordered 10 thermal-imaging cameras from FLIR Systems, Inc. for \$53,000. Representatives from FLIR Systems repeatedly warned Chao that the cameras could not be exported without a license. Both Chao and Guo were arrested at Los Angeles International Airport in April 2008 after authorities recovered the ten cameras that had been hidden in their suitcases. In addition to the 10 cameras intercepted by federal authorities, Chao admitted that, acting at the behest of Guo, he shipped three cameras to China in October 2007. The evidence at trial showed that Guo, an engineer and a managing director of a technology development company in Beijing, directed Chao to obtain the cameras for Guo's clients, the Chinese Special Police and the Special Armed Police. This case was the product of an investigation by the Export and Anti-proliferation Global Law Enforcement (EAGLE) Task Force in the Central District of California, including BIS, ICE, FBI, CBP, DSS, and TSA.

- ***Military Technical Data on Unmanned Aerial Vehicles to China*** – On July 1, 2009, Dr. John Reece Roth was sentenced in the Eastern District of Tennessee to 48 months in prison, two years supervised release and a \$1,700 assessment for illegally exporting sensitive military technical data related to a U.S. Air Force contract. Roth, a former Professor Emeritus at the University of Tennessee, was convicted on Sept. 2, 2008 of 15 counts of violating the Arms Export Control Act, one count of conspiracy, and one count of wire fraud. Roth had illegally exported military technical data relating to plasma technology designed to be deployed on the wings of Unmanned Aerial Vehicles (UAVs) or “drones” operating as a weapons or surveillance systems. The illegal exports involved technical data related to an Air Force research contract that Roth provided to foreign nationals from China and Iran. In addition, Roth carried multiple documents containing controlled military data with him on a trip to China and caused other controlled military data to be e-mailed to an individual in China. On Aug. 20, 2008, Atmospheric Glow Technologies, Inc (AGT), a privately-held plasma technology company in Tennessee, also pleaded guilty to charges of illegally exporting U.S. military data about drones to a citizen of China in violation of the Arms Export Control Act. AGT was sentenced on Feb. 12, 2010 to a \$4,000 assessment and a \$25,000 fine. Roth and AGT were first charged on May 20, 2008. In a related case, on April 15, 2008, Daniel Max Sherman, a physicist who formerly worked at AGT, pleaded guilty to an information charging him with conspiracy to violate the Arms Export Control Act in connection with this investigation. Sherman was later sentenced to 14 months in prison on Aug. 10, 2009 after cooperating in the investigation. The investigation was conducted by the FBI, ICE, U.S. Air Force Office of Special Investigations, DCIS and BIS.
- ***Missiles & Other Arms to Colombian Terror Organization*** – On July 1, 2009, Palestinian born businessman Tareq Mousa al-Ghazi was sentenced in the Southern District of New York to 25 years in prison after his March 17, 2009 conviction for conspiring with Syrian arms dealer, Monzer Al-Kassar, and others in a plot to sell surface-to-air missiles, 4,000 grenades, and nearly 9,000 assault rifles to the Fuerzas Armadas Revolucionarias de Colombia, or FARC, a designated terrorist organization in Colombia. Al-Ghazi was found guilty of conspiracy to murder U.S. officers and employees, conspiracy to acquire and export anti-aircraft missiles, and conspiracy to provide material support to terrorists. Al-Ghazi's co-defendants, Monzer al-Kassar and Luis Felipe Moreno Godoy, were both convicted at trial on Nov. 20, 2008 in connection with the same conspiracy and were sentenced on Feb. 24, 2009 to 30 years imprisonment and 25 years imprisonment, respectively. In June 2007, Al Kassar was arrested in Spain, while Moreno and El Ghazi were arrested in Romania pursuant to a May 29, 2007 indictment alleging that they agreed to sell millions of dollars worth of surface-to-air missiles, rocket-propelled grenade launchers, ammunition, and machine guns to the FARC, between February 2006 and May 2007. Al Kassar also offered to send 1,000 men to fight with the FARC against U.S. military officers in Colombia.



On June 13, 2008, Al Kassar arrived in New York after being extradited from Spain. Since the early 1970s, Al Kassar has been a source of weapons and military equipment for armed factions engaged in violent conflicts around the world. Some of these factions have included known terrorist organizations, such as the Palestinian Liberation Front, the goals of which included attacking United States interests and United States nationals. The investigation was conducted by the Drug Enforcement Administration, Spanish National Police and Romanian Border Police

- ***Military Night Vision Technology to China*** – On July 1, 2009, Bing Xu, of Nanjing, China, was sentenced in the District of New Jersey to 22 months in prison followed by two years of supervised release after pleading guilty on Feb. 24, 2009, to conspiracy to illegally export military-grade night vision technology to China. Xu, a manager at Everbright Science and Technology, Ltd, a company in Nanjing, China, admitted that he conspired with others at Everbright to purchase certain night-vision technology from a company in the United States, which required a license from the State Department for export. Xu admitted that he and others at Everbright first attempted to obtain the necessary export license for the night-vision equipment. When the license application was denied by the Department of State, Xu agreed with others at Everbright to take steps to export the night-vision optical equipment illegally. Xu has been in custody since his arrest in on October 2007 pursuant to a criminal complaint. Xu arrived in New York on Oct. 26, 2007 from China a day after his Chinese employer wire transferred \$14,080 to agents as payment for the purchase of the equipment. The investigation was conducted by ICE and the DCIS.
- ***Restricted Nuclear Materials to Foreign Government*** – On June 18, 2009, Roy Lynn Oakley, of Harriman, Tenn., was sentenced in the Eastern District of Tennessee to six years in prison for unlawful disclosure of restricted data under the Atomic Energy Act in connection with his efforts to sell materials used in the production of highly enriched uranium to a foreign government. Oakley pleaded guilty to this offense on Jan. 26, 2009. Oakley had worked as a contract employee at the East Tennessee Technology Park (ETTP), in Oak Ridge, Tenn., which was previously a Department of Energy facility that produced highly enriched uranium. While employed at ETTP, Oakley stole restricted nuclear materials from the facility and offered them for sale to the French government. The French government officials did not pursue the purchase of these items. The FBI launched an undercover investigation posing as an agent of the foreign government and arrested Oakley after he offered them the nuclear materials in exchange for \$200,000 cash. The materials involved were pieces of equipment known as “barrier” and associated hardware items that play a crucial role in the production of highly enriched uranium. The investigation was conducted by the FBI and Department of Energy.
- ***Fighter Jet and Military Helicopter Components to Iran*** – On June 11, 2009, Traian Bujduveanu was sentenced in the Southern District of Florida to 35 months in prison followed by three years supervised release for his role in a conspiracy to illegally export military and dual-use aircraft parts to Iran. Bujduveanu appeared on behalf of himself and his now defunct corporation, Orion Aviation Corp., in federal court to announce his guilty plea on April 2, 2009. Bujduveanu’s co-defendant, Hassan Keshari, and his corporation, Kesh Air International, pleaded guilty in January 2009 to charges of conspiring to illegally export military and commercial aircraft components to Iran. Keshari was sentenced to 17 months in prison on May 14, 2009. On July 3, 2008, Keshari, Kesh Air International, as well as Bujduveanu, and his company Orion Aviation, were indicted for their participation in a conspiracy to export U.S.-made military and dual-use aircraft parts to Iran. In June 2008, agents arrested Keshari at Miami International Airport as he walked off a flight from Atlanta. Bujduveanu was arrested at his Plantation, Florida, home on June 21, 2008. Since August 2006, Keshari and Bujduveanu have allegedly procured U.S.-made military aircraft parts for buyers in Iran and have illegally shipped the parts to a

company in Dubai, UAE, for shipment to buyers in Iran. Keshari allegedly received the orders for specific parts by e-mail from buyers in Iran. Keshari then requested quotes, usually by e-mail, from Bujduveanu and made arrangements with Bujduveanu for the sale and shipment of the parts to a company in Dubai. From Dubai, the parts were then shipped on to Iran. Keshari and Bujduveanu are alleged to have obtained and illegally shipped to buyers in Iran parts for the CH-53 military helicopter, the F-14 Tomcat fighter jet, and the AH-1 attack helicopter. Keshari is also alleged to have requested quotes for other parts for other military aircraft, including F-4 Phantom aircraft. This investigation was conducted by BIS, ICE, and DCIS.

- ***Thermal Imaging Cameras to China*** – On June 9, 2009, a federal grand jury in the Southern District of Ohio indicted Hing Shing Lau, also known as Victor Lau, a foreign national living in Hong Kong, Peoples Republic of China, on charges of trying to buy 12 infrared thermal imaging cameras from a Dayton-area company in order to illegally export the cameras to Hong Kong and China. The indictment alleges that Lau tried to buy 12 thermal imaging cameras manufactured in Texas by contacting a company in the Dayton area. On three occasions, he wired transferred a total of \$39,514 from Hong Kong to the U.S. as partial payment for the cameras. The indictment charges Lau with two counts of violating export control laws and four counts of money laundering. Canadian authorities arrested Lau on June 3, 2009, at the Toronto International Airport pursuant to a provisional arrest warrant issued by U.S. authorities. The investigation was conducted by the FBI, and BIS, with the assistance of the U.S. Department of State.
- ***Stolen Military Optics Sold Overseas via Internet*** – On June 1, 2009, in the Southern District of West Virginia, former U.S. Marines Timothy Oldani and Joseph Oldani were ordered to serve five months in prison and pay \$52,872 in restitution, and 21 months in prison and \$72,013 in restitution, respectively, for conspiring to steal military night vision optics and illegally export them from the United States. On Feb. 2, 2009, the Oldani brothers pleaded guilty. Joseph admitted that while on active duty with the Marines, he stole military optics from his station in Georgia and transported them to his brother Timothy in West Virginia, where Timothy sold the stolen items to overseas purchasers on the Internet, primarily via eBay. The pair sold miniature night vision sights and target pointer illuminators via the Internet to purchasers in Hong Kong, Taiwan, and Japan. The investigation was conducted by DCIS and ICE.
- ***Amplifiers & Missile Target Acquisition Technology to China*** – On May 14, 2009, Joseph Piquet, the owner and President of AlphaTronX, a company in Port St. Lucie, Fla., that produces electronic components, was sentenced in the Southern District of Florida to 60 months in prison followed by two years supervised release. On March 5, 2009, he was convicted of seven counts arising from a conspiracy to purchase military electronic components from Northrop Grumman Corporation, and to ship them to Hong Kong and the People's Republic of China without first obtaining required export licenses under the Arms Export Control Act and the International Emergency Economic Powers Act. Among those items involved in the conspiracy were high-power amplifiers designed for use by the U.S. military in early warning radar and missile target acquisition systems, as well as low noise amplifiers that have both commercial and military use. Piquet was first indicted on June 5, 2008, along with his company, AlphaTronX, Inc, as well as Thompson Tam, and Ontime Electronics Technology Limited. Tam is a director of Ontime Electronics, an electronics company in China. On March 2, 2009, the Court ordered the dismissal of the indictment against AlphaTronX. This investigation was conducted by BIS and ICE.
- ***Military Night Vision Goggles to Italy*** – On May 12, 2009, Rigel Optics, Inc. was sentenced in the Southern District of Iowa to pay a \$90,000 fine and a \$400 special assessment for illegally exporting military night vision goggles to Italy. Rigel's owner, Donald Wayne Hatch, was

sentenced to two years probation and ordered to pay a \$5,000 fine for making false statements in connection with the illegal export. On July 31, 2008, the defendants pleaded guilty to these violations. The defendants were indicted on June 24, 2008 for illegally exporting military night vision systems. The case was investigated by ICE and BIS.

- ***Trade Secrets to China*** – On April 10, 2009 Yan Zhu, a Chinese citizen in the U.S. on a work visa, was arrested in the District of New Jersey on charges of theft of trade secrets, conspiracy, wire fraud, and theft of honest services fraud in connection with a plot to steal software from his former U.S. employer and sell a modified version to the Chinese government after he was fired. Zhu was employed as a senior environmental engineer from May of 2006 until his termination in July of 2008. Zhu worked for a comprehensive multi-media environmental information management portal that developed a proprietary software program for the Chinese market which allows users to manage air emissions, ambient water quality, and ground water quality. This investigation was conducted by the FBI.
- ***Restricted Technology to China*** – On April 7, 2009, Fu-Tain Lu was arrested in San Francisco pursuant to an April 1, 2009 indictment in the Northern District of California charging him with lying to federal agents and conspiring to illegally export restricted microwave amplifier technology to China. According to the indictment, Lu, and the two companies he founded, Fushine Technology, Inc., of Cupertino, Calif., and Everjet Science and Technology Corporation, based in China, conspired to export sensitive microwave amplifier technology that was restricted for national security reasons to China without first obtaining a Commerce Department license. On Feb. 17, 2010, a superseding indictment was returned charging Fu-Tain Lu, Fushine Technology, Inc., and Everjet Science and Technology Corporation with conspiracy to violate export regulations and making false statements. This investigation was conducted by the Department of Commerce (BIS), the FBI, ICE, and U.S. Customs and Border Protection.
- ***Rocket / Space Launch Technical Data to China*** – On April 7, 2009, Shu Quan-Sheng, a native of China, naturalized U.S. citizen and PhD physicist, was sentenced to 51 months in prison for illegally exporting space launch technical data and defense services to the People’s Republic of China (PRC) and offering bribes to Chinese government officials. Shu pleaded guilty on Nov. 17, 2008, in the Eastern District of Virginia to a three-count criminal information. He was arrested on Sept. 24, 2008. He was the President, Secretary and Treasurer of AMAC International, a high-tech company located in Newport News, Va., and with an office in Beijing, China. Shu provided the PRC with assistance in the design and development of a cryogenic fueling system for space launch vehicles to be used at the heavy payload launch facility located in the southern island province of Hainan, PRC. The Hainan facility will house launch vehicles designed to send space stations and satellites into orbit, as well as provide support for manned space flight and future lunar missions. Shu also illegally exported to the PRC technical data related to the design and manufacture of a “Standard 100 M3 Liquid Hydrogen (LH) 2 Tank. In addition, Shu offered approximately \$189,300 in bribes to government officials with the PRC’s 101 Institute to induce the award of a hydrogen liquefier project to a French company he represented. In January 2007, the \$4 million hydrogen liquefier project was awarded to the French company that Shu represented. This investigation was conducted by the FBI, ICE, BIS and DCIS.
- ***Military Aircraft Components to Iran*** – On April 2, 2009, eleven defendants were indicted in the Southern District of Florida on charges of participating in a conspiracy to export U.S.-made military aircraft parts to Iran. On April 3, 2009, federal agents arrested defendant Baktash Fattahi, an Iranian national and legal U.S. resident, at his residence in Lancaster, Calif. The other ten defendants charged in the indictment are Amir Hosein Atabaki, an Iranian national;

Mohammad Javad Mohammad Esmaeil, an Iranian national; Abbas Haider, an Indian citizen residing in Dubai; Mohammed Javid Yahya Saboni, an Iranian national residing in Dubai; Reza Zahedi Pour, an Iranian national; Mahdi Electronic Trading Co, an Iranian business; Planet Commercial Brokerage, a Dubai business; Raht Aseman Co, Ltd, an Iranian business; Sahab Phase, an Iranian business; and Sea Speed UAE, a Dubai business. According to the indictment, the defendants conspired to and did export 13 different types of military aircraft parts to Iran by way of Dubai, United Arab Emirates. Among the aircraft parts the defendants are alleged to have obtained and illegally shipped to buyers in Iran are parts for the F-5 (“Tiger”) Fighter Jet, the Bell AH-1 (“Cobra”) Attack Helicopter, the CH-53 Military Helicopter, the F-14 (“Tomcat”) Fighter Jet, and the UH-1 (“Huey”) Military Helicopter. According to the Indictment, defendants in Iran sent orders by email to a co-conspirator in Novato, Calif., for specific aircraft parts. The co-conspirator in Calif. then requested quotes, usually by e-mail, from another co-conspirator in Plantation, Fla., and made arrangements with that co-conspirator in Plantation for the sale and shipment of the parts to one of several defendants in Dubai. From Dubai, the parts were then shipped on to Iran. On March 10, 2010, Baktash Fattahi pleaded guilty to conspiracy to violate the International Emergency Economic Powers Act by exporting military and commercial aircraft parts to Iran and was sentenced to 35 months in prison on July 20, 2010. This investigation was conducted by ICE, DCIS, Diplomatic Security Service, with assistance from OFAC and State Department’s Directorate of Defense Trade Controls.

- ***Military Aircraft Parts to Israel*** – On April 2, 2009, Stuart Wax pleaded guilty in the District of Connecticut to a one-count criminal information charging him with making a false statement in an export control document. Wax entered the plea both for himself and on behalf of his company, M.M.M. Wheels, Inc. In 2003, Wax exported parts used in the F-4 fighter jet to be sent to a company in Israel without the required license from State Department. Wax indicated on the shipping documents that the box contained “plumbing parts for repair,” although he knew the contents actually were parts for military aircraft. On Sept. 10, 2009, Wax and M.M.M. Wheels, Inc., were sentenced to one year probation apiece. This investigation was conducted by ICE, DCIS, and BIS agents.
- ***Thermal Imaging Cameras to South Korea*** – On March 25, 2009, David Lee plead guilty in the Northern District of Illinois to a one count indictment charging that he illegally exported thermal imaging cameras to South Korea without obtaining the required export license. Lee, the owner of Lucena Technology, Inc., an export company in Park Ridge, Ill., exported seven thermal imaging cameras to South Korea in June 2007 without obtaining the required U.S. Department of Commerce export license. Under the terms of the plea agreement, Lee agreed to forfeit \$59,500 which represents the proceeds from the sale of the cameras. Lee was originally indicted on Dec. 16, 2008. On June 29, 2009, Lee was sentenced to two years probation and a \$3,000 fine. The investigation was conducted by BIS and U.S. Customs and Border Protection.
- ***Aircraft Engines and Components to Iranian Military*** – On March 24, 2009, a 25-count indictment was unsealed in the District of Columbia charging Mac Aviation Group, a trading company in Ireland, and three of its officers with purchasing aircraft engines and components from U.S. firms and illegally exporting these components to Iran via Malaysia and the United Arab Emirates. Among the alleged recipients of these goods was the Iran Aircraft Manufacturing Industrial Company (HESA), a military entity designated by the U.S. for its role in Iran’s nuclear and ballistic missile program, as well as Iran Aircraft Industries (IACI). The three Mac Aviation officers charged in the indictment, which was filed on July 22, 2008, are Thomas McGuinn, his son, Sean McGuinn, and Sean Byrne. According to the indictment, the defendants purchased 17 aircraft engines from Rolls-Royce in Indiana and caused them to be exported to a publishing

company in Malaysia, and later shipped on to HESA in Iran. The indictment also alleges that the defendants purchased 50 aircraft components known as “5<sup>th</sup> Stage vanes” from the United States and illegally exported them to Iran, and also obtained various U.S.-origin aircraft bolts, which they routed through a trading company in the United Arab Emirates to Iran. The defendants are alleged to have worked with Hossein Ali Khoshnevisrad and his Tehran business, Ariasa, AG, in purchasing some of these components for Iran. Khoshnevisrad was arrested on March 14, 2009 in San Francisco on federal export violations. This case was investigated by ICE and BIS.

- ***Sensitive U.S. Technology to Iranian Missile & Nuclear Entities*** -- On March 20, 2009, Iranian national and resident Majid Kakavand was arrested in France pursuant to a provisional U.S. arrest warrant issued in the Northern District of California. An April 7, 2009 indictment charges Kakavand and two co-defendants, Amir Gasemi and Alex Ramzi, with overseeing an international network that allegedly purchased thousands of military and commercial items from U.S. companies and illegally exported these goods to Iran via Malaysia. The alleged recipients of these goods included two Iranian military entities designated by the United States for their role in Iran’s nuclear and ballistic missile program. According to court documents, Kakavand served as a director of a company in Malaysia called Evertop Services Sdn Bhd, that he and others created to procure goods from the United States and Europe for export to Iran. Gasemi was also a director of Evertop Services, while Ramzi served as the purchasing supervisor. Evertop Services’ primary customers in Iran were two Iranian military entities, Iran Electronics Industry (IEI), and Iran Communication Industries (ICI), both of which were designated in 2008 by the United States for their role in Iran’s nuclear and ballistic missile programs. Furthermore, IEI was listed by the European Union as an entity linked to Iran’s proliferation-sensitive nuclear activities or Iran’s development of nuclear weapon delivery systems. Using Evertop Services, Kakavand and his-co-defendants allegedly purchased products for Iran from U.S. companies in several states, including California, Alabama, Florida, Washington, and New Jersey. Kakavand has allegedly exported more than 30 shipments of goods from the United States to Iran since February 2006. These shipments contained electronic and avionic components, including capacitors, spectrometers, resistors, sensors, connectors, and airborne antennae. Kakavand allegedly concealed from the U.S. companies that the ultimate end-users of these products were in Iran, and at no time did he have a license to export or re-export goods to Iran. For example, in one transaction, Kakavand allegedly purchased 41,900 radial connectors from a company in California and, in January 2008, wired \$51,425 to the firm as payment for the goods. The affidavit indicates that these goods were exported from the United States to Evertop Services in Malaysia, then re-exported to ICI in Iran. In other transactions spelled out in the affidavit, Kakavand used similar techniques to illegally export sensors, inductors and other materials to Iran. On May 5, 2010, the U.S. extradition request for Kakavand was denied by a French court. Kakavand was released by French authorities and returned to Iran. This investigation was conducted by BIS and ICE.
- ***Aircraft Engines and Advanced Surveillance Cameras to Iranian Military*** -- On March 14, 2009, Hossein Ali Khoshnevisrad was arrested in San Francisco pursuant to a sealed criminal complaint charging him and his Tehran-based business, Ariasa, AG, with purchasing helicopter engines and advanced aerial cameras for fighter bombers from U.S. firms and illegally exporting them to Iran using companies in Malaysia, Ireland and the Netherlands. Among the alleged recipients of these U.S. goods was an Iranian military firm that has since been designated by the United States for being owned or controlled by entities involved in Iran’s nuclear and ballistic missile program. The criminal complaint, which was filed under seal in the District of Columbia on Aug. 1, 2008, charges Khoshnevisrad and Ariasa with two counts of unlawfully exporting U.S. goods to Iran and two counts of conspiracy to unlawfully export U.S. goods to Iran in violation of the International Emergency Economic Powers Act. According to the complaint, from Jan. 2007

through Dec. 2007, Khoshnevisrad and Ariasa caused Mac Aviation GGroup, a trading company in Ireland, to purchase 17 model 250 turbo-shaft helicopter engines from Rolls-Royce Corp. in Indiana for \$4.27 million. Mac Aviation allegedly concealed from Rolls-Royce the end user of the engines, and arranged for them to be exported from the U.S. to a purported “book publisher” in Malaysia, and later shipped to Iran. Among the recipients in Iran was the Iran Aircraft Manufacturing Industrial Company, known as HESA, which was designated by the United States for being controlled by Iran’s Ministry of Defense and Armed Forces Logistics and providing support to the Iranian Revolutionary Guard Corps. According to the complaint, Khoshnevisrad and Ariasa also caused to be exported to Iran several aerial panorama cameras from the United States. These cameras were designed for the U.S. Air Force for use on bombers, fighters and surveillance aircraft, including the F-4E Phantom fighter bomber, which is currently used by the Iranian military. According to the affidavit, in 2006, Khoshnevisrad instructed a Dutch aviation parts company to place an order for these cameras with a U.S. company located in Pennsylvania and to ship them to an address in Iran. According to the affidavit, the Dutch company ordered the aerial panorama cameras from the Pennsylvania firm, falsely stating that the Netherlands would be the final destination for the cameras. This investigation was conducted by BIS, FBI, ICE and DCIS.

- ***Miniature Unmanned Aerial Vehicle Components to China*** -- On March 12, 2009, a federal grand jury in the District of Columbia returned an indictment charging Yaming Nina Qi Hanson, her husband Harold Dewitt Hanson (an employee at Walter Reed Army Medical Center), and a Maryland company, Arc International, LLC, with illegally exporting miniature Unmanned Aerial Vehicle (UAV) Autopilots to a company in the People’s Republic of China. The UAV components are controlled for export to China for national security reasons. According to court documents, beginning in 2007, the Hansons began attempting to acquire the autopilots from a Canadian manufacturer in order to re-export them to Xi’an Xiangyu Aviation Technical Group in China. Qi Hanson initially represented that the autopilots would be used for a model airplane civilian flying club in China. When Canadian company officials questioned the utility of autopilots – designed for use on unmanned aircraft – for flying club hobbyists, Qi Hanson claimed that autopilots would be used on US aircraft to record thunderstorm and tornado developments and ice-pack melting rates in the arctic. On or about August 7, 2008, after having fraudulently taken delivery of 20 of these autopilots (valued at \$90,000), Qi Hanson boarded a plane in the United States bound for Shanghai, and hand-delivered the items to Xi’an Xiangyu Aviation Technical Group in China. Both Hansons ultimately pleaded guilty on Nov. 13, 2009 to felony false statement violations. On Feb. 3, 2010, Harold Dewitt Hanson was sentenced to 24 months imprisonment, while his wife, Yaming Nina Qi Hanson was sentenced to time served. The investigation was conducted by BIS and FBI.
- ***3,500 Military Night Vision Goggles to Iranian military*** – On March 6, 2009, Shahrazad Mir Gholikhan was sentenced in the Southern District of Florida to 63 months in prison for brokering defense articles to Iran and other export violations in connection with an effort by she and her husband, Mahmoud Seif, to illegally procure 3,500 sets of Generation III military night vision goggles from the United States for Iran’s military and police forces. Gholikhan was convicted of the charges on Dec. 19, 2008. Gholikhan and her husband were first arrested in 2004 in Vienna, Austria, after a meeting with undercover law enforcement officials in which they received the first sample shipment of U.S. night vision goggles destined for Iran. After her arrest, Gholikhan told authorities that she and her husband were not allowed to transport the items from Austria to Iran, but that the Iranian Embassy in Austria was to organize the shipment of night vision goggles to Iran. Austrian authorities subsequently released the couple and they returned to Iran. Seif remains a fugitive. Gholikhan was arrested by U.S. authorities in December 2007 upon her arrival in the United States. She later pleaded guilty to one count of conspiracy. However, she

subsequently withdrew the plea after a dispute over her sentence and represented herself at a new trial in 2008, where she was convicted of three of six counts. This investigation was conducted by ICE, DCIS, and Austrian law enforcement.

- ***Pump Components to Iran*** – On Feb. 5, 2009, two German nationals and a German company were indicted in the District of Massachusetts for conspiring to illegally export pump parts worth more than \$200,000 to Iran in violation of the International Emergency Economic Powers Act. According to the indictment, Hans Schneider and Christof Schneider conspired with an individual in Jordan to obtain pump parts from a U.S. company for centrifugal sulphuric acid and sulphur pumps located in Iran. The pump parts would be delivered to Germany and re-exported to Iran by the defendants via their company, Schneider GmbH. The case was investigated ICE and BIS.
- ***Restricted Electronic Components to China*** – On Jan. 20, 2009, Michael Ming Zhang and Policarpo Coronado Gamboa were arrested pursuant to indictments in the Central District of California charging them with separate schemes involving the illegal export of controlled U.S. electronic items to China and the illegal trafficking of counterfeit electronic components from China into the United States. Zhang was the president of J.J. Electronics, a Rancho Cucamonga, CA, business, while Gamboa owned and operated Sereton Technology, Inc., a Foothill Ranch, CA, business. Zhang allegedly exported to China dual-use electronic items that have uses in U.S. Army battle tanks. He also allegedly imported and sold in the United States roughly 4,300 Cisco electronic components bearing counterfeit marks from China. Gamboa is charged with conspiring with Zhang to import Sony electronic components with counterfeit marks from China for distribution in the United States. On July 9, 2009, Gamboa pleaded guilty one count of the indictment and was later sentenced to 5 years probation and was ordered to pay \$13,600 restitution to Sony Electronics. On July 6, 2009, Zhang pleaded guilty to count one in each of the indictments. The case was investigated by the FBI, BIS, DCIS, ICE, the U.S. Postal Inspection Service, and the Orange County Sheriff's Department, in conjunction with the EAGLE Task Force in the Central District of California.
- ***Night Vision Technology to Singapore*** – On Jan. 15, 2009, Thomas J. Loretz was indicted in the District of Massachusetts for illegally exporting defense articles and making false statements in connection with the illegal export of sophisticated night vision technology to Singapore. Specifically, Loretz was charged with illegally exporting to Singapore hundreds of Imaging Grade Micro-Channel Plates and Premium Grade Micro-Channel Plates, which are used for military night vision optics. Loretz allegedly submitted false shipper's export documents to the government stating that the plates were commercial. Loretz pleaded guilty to four counts of the indictment on March 8, 2010. The investigation was conducted by ICE.
- ***Military Night Vision Systems to Vietnam*** -- On Dec. 16, 2008, federal authorities arrested Liem Duc Huynh pursuant to a December 3, 2008 indictment in the Central District of California charging him and two other defendants Dan Tran Dang and George Ngoc Bui with Arms Export Control Act violations. Dang is expected to make his initial court appearance in January 2009, while Bui remains a fugitive. According to the indictment, the defendants ran an export business called Professional Security, out of a Huntington Beach, California, residence, which illegally shipped at least 55 state-of-the-art night vision goggles to Vietnam in violation of the Arms Export Control Act. The three men are accused of conspiring to illegally ship Generation 3 Night Vision Goggles manufactured by ITT Industries to Vietnam. Because the goggles are classified as a "defense article" on the U.S. Munitions List, written permission must be obtained from the U.S. Department of State to legally export them. The charges against the men stem from an undercover investigation by ICE, the U.S. Naval Criminal Investigative Service (NCIS) and BIS.

- ***Software Stolen From Nuclear Plant to Iran*** – On Dec. 16, 2008, Mohammad Reza Alavi, a former employee of the Palo Verde Nuclear Generating Station in Arizona, was sentenced in the District of Arizona to 15 months in prison for illegally accessing a protected computer and for transportation of stolen software. On June 25, 2008, Alavi pleaded guilty to transporting stolen property in interstate commerce, in connection with his theft of software belonging to the Arizona nuclear plant that was valued at \$400,000. On May 28, 2008 a jury also convicted Alavi of unauthorized access to a protected computer. Alavi served as a software engineer in the Simulator Support Group at the nuclear plant, which maintained a simulator system to train control room employees on the operation of nuclear reactors. The simulator system utilizes software to replicate current reactor status at Palo Verde allowing an operator to artificially create various incidents to train employees on safety and protocol procedures. The government presented evidence at trial that, after Alavi gave Palo Verde notice of his intent to terminate employment, he installed this software on his personal laptop without permission of Palo Verde. Alavi admitted that he took the software to Iran for use in future employment in the nuclear industry. Alavi's conduct was uncovered when he accessed the software vendor's website from Iran and obtained a code which allowed the software to be unlocked and activated. Alavi was indicted on April 12, 2007, following his arrest that month upon returning to the United States. The FBI conducted the investigation.
- ***Military Night Vision Equipment to Hizballah*** -- On Dec. 12, 2008, in the Eastern District of Michigan, Fawzi Assi was sentenced to 10 years' imprisonment for attempting to provide material support to Hizballah, a foreign terrorist organization. Assi's offense conduct took place in 1998, when he attempted to board an airplane at Detroit Metro Airport with restricted military items destined for two men in Lebanon whom he believed to be members of Hizballah. Specifically he attempted to illegally export night vision goggles, global positioning satellite modules, and a thermal imaging camera. Assi pled guilty on Nov. 29, 2007. Assi had been a fugitive until he voluntarily surrendered to the FBI in Lebanon and was flown to the United States on May 17, 2004. The case was investigated by the FBI and ICE.
- ***Trade Secrets to China*** -- On Dec. 9, 2008, in the Northern District of Illinois, Hanjuan Jin was charged in a superseding indictment that added three counts of economic espionage in violation of 18 U.S.C. § 1831. The charges were added to an April 1, 2008, indictment that charged Jin with theft of trade secrets under 18 U.S.C. § 1832. Jin is a former Motorola employee who started with the company in 1998. On February 28, 2007, one day after quitting Motorola, Jin was stopped at O'Hare airport with over 1,000 Motorola documents in her possession, both in hard copy and electronic format. A review of Motorola computer records showed that Jin accessed a large number of Motorola documents late at night. At the time she was stopped, Jin was traveling on a one-way ticket to China. The section 1831 charges are based on evidence that Jin intended that the trade secrets she stole from Motorola would benefit the Chinese military. Motorola had spent hundreds of millions of dollars on research and development for the proprietary data that Jin allegedly stole. The investigation was conducted by the FBI, with assistance from U.S Customs and Border Protection.
- ***Stolen Trade Secrets to Chinese Nationals*** – On Nov. 21, 2008, Fei Ye and Ming Zhong were sentenced in the Northern District of California to one year in prison each, based in part on their cooperation, after pleading guilty on Dec. 14, 2006 to charges of economic espionage for possessing trade secrets stolen from two Silicon Valley technology companies. The pair admitted that their company was to have provided a share of any profits made on sales of the stolen chips



to Chinese entities. The case marked the first convictions in the nation for economic espionage. They were first indicted on Dec. 4, 2002. The investigation was conducted by ICE, FBI and CBP.

- ***Stolen Military Night Vision Systems to Hong Kong*** – On Oct. 29, 2008, a criminal complaint was filed in the District of Hawaii against six U.S. Marines based at Kane’ohe Bay, Hawaii, for conspiring to illegally export stolen military night vision. Ryan Mathers, Charles Carper, Ronald William Abram, Jason Flegm, Mark Vaught, and Brendon Shultz were each charged with conspiracy to smuggle goods out of the United States. According to the complaint, the investigation began when agents learned that one of the defendants was selling stolen U.S. military night vision equipment on the Internet via eBay. A cooperating defendant subsequently purchased several night vision systems from the defendants, representing they would be illegally exported to Hong Kong. The Court later dismissed the indictment against defendants Schultz (April 24, 2009), Flegm (March 5, 2009), and Vaught (March 24, 2009) and a second superseding indictment was filed on April 14, 2010 charging Defendants Mathers, Carper, Abram, and Joshua Vaughn with conspiring to illegally export stolen military night vision monocular devices. The case was investigated by ICE, DCIS, and NCIS.
- ***Violation of Trade Embargo with Iran*** – On Oct. 14, 2008, Seyed Mahmood Mousavi, a former interrogator for the Islamic Revolutionary Court in Iran, was sentenced in the Central District of California to 33 months in prison and a \$12,500 fine for violating the trade embargo with Iran, false statements to the FBI, and filing a false tax return. Mousavi entered into consulting contracts to support a company in Iran in their efforts to bid for a mobile communication license and to establish a bank and leasing company in Iran. On April 24, 2008, Mousavi was convicted at trial of all counts of a June 8, 2007 indictment. The investigation was conducted by the FBI.
- ***Telecommunications Equipment to Iraq*** – On Oct. 2, 2008, Dawn Hanna was convicted by a jury in the Eastern District of Michigan on eight counts of an indictment charging her with illegally exporting telecommunications and other equipment with potential military applications to Iraq during the administration of Saddam Hussein and during the embargo on that country. Co-defendant Darrin Hanna was acquitted at trial. On July 19, 2007, both defendants were indicted on charges of conspiracy, violating the International Emergency Economic Powers Act, money laundering conspiracy, and false statements. From 2002 to 2003, the defendants allegedly received \$9.5 million in proceeds to supply telecommunications and other equipment to Iraq in violation of the U.S. embargo that existed prior to the invasion by coalition forces in 2003. On March 25, 2009, Dawn Hanna was sentenced to six years in prison and ordered to pay \$1.1 million, which represented profits to her and her business. This investigation was conducted by ICE, the Internal Revenue Service (IRS) and the FBI.
- ***Military Accelerometers to China*** – On Sept. 26, 2008, Qing Li was sentenced in the Southern District of California to 12 months and one day in custody, followed by three years of supervised release, and ordered to pay \$7,500 for conspiracy to smuggle military-grade accelerometers from the United States to the People’s Republic of China (PRC). Li pleaded guilty on June 9, 2008 to violating Title 18, USC Section 554. She was indicted for the offense on Oct. 18, 2007. According to court papers, Li conspired with an individual in China to locate and procure as many as 30 Endevo 7270A-200K accelerometers for what her co-conspirator described as a “special” scientific agency in China. This accelerometer has military applications in “smart” bombs and missile development and in calibrating the g-forces of nuclear and chemical explosions. The investigation was conducted by ICE and the DCIS.

- Electronics & IED Components to Iran*** – On Sept. 18, 2008, a 13-count indictment was unsealed in the Southern District of Florida charging eight individuals and eight companies with conspiracy, violations of the International Emergency Economic Powers Act, the U.S. Iran embargo, and false statements in connection with their participation in conspiracies to illegally export electronics, Global Positioning Systems (GPS) systems, and other dual-use commodities to Iran. All the items had potential military applications, including in the construction of Improvised Explosive Devices (IEDs). Among other things, the indictment alleges the defendants illegally exported to Iran 345 GPS systems and 12,000 Microchip brand microcontrollers. These specific types of microcontrollers have been found in IEDs in Iraq. The businesses charged are: Mayrow General Trading, Atlinx Electronics, Micatic General Trading, Madjico Micro Electronics, and Al-Faris, all Dubai-based businesses; Neda Industrial Group, an Iran-based business; and Eco Biochem Sdn BHD and Vast Solution Sdn BHD, Malaysian businesses. The individuals charged are charged are: Ali Akbar Yahya and Farshid Gillardian, both Iranian nationals who are naturalized British citizens; F.N. Yaghmaei, Bahman Ghandi, Ahmad Rahzad, all Iranian nationals; Kaam Chee Mun, a resident of Malaysia; Djamshid Nezhad, a resident of Germany; and Majid Seif, an Iranian national residing in Malaysia. As part of the enforcement action, the Department of Commerce added 75 individuals and companies affiliated with this Iranian procurement network to its Entities list. On August 24, 2009, defendant Gillardian pleaded guilty to a superseding information charging him with making false statements. This investigation was conducted by Commerce BIS, DCIS, ICE, and the Treasury Department’s Office of Foreign Assets Control (OFAC.)
- Rifle Scopes to Russia*** – On Sept. 11, 2008, a grand jury in the Middle District of Pennsylvania indicted Boris Gavrilov, D&B Compas Ltd, and Kiflet Arm on charges of illegally exporting military-grade and dual-use rifle scopes to Russia without the required U.S. government licenses. Gavrilov is believed to be a resident of Israel. D&B Compas is located in Israel, while Kiflet Arm is located in Humboldt, Texas. Extradition proceedings for Gavrilov have commenced. The investigation was conducted by ICE and BIS.
- Controlled Technology to Indian Missile & Space Facility*** – On Sept. 9, 2008, in the District of Columbia, a grand jury returned a five-count indictment against Siddabasappa Suresh, an Indian national, and Rajaram Engineering Corporation, an Indian corporation, on charges of illegally supplying the Government of India with controlled goods and technology without the required licenses. According to the indictment, from 2001 to 2003, Suresh and Rajaram caused the illegal export of more than 100 controlled goods with an approximate value of \$136,000. The indictment specifically identified six shipments to Vikram Sarabhai Space Centre (VSSC), which was within the Department of Space of the Government of India and responsible for research, development, and production of India’s space launch system. These activities encompassed both civilian spacecraft and ballistic missiles. All of these transactions involved complex electronic instruments used in high performance testing and monitoring essential in the research and development of launching systems, including missile delivery systems. The investigation was conducted by the Department of Commerce BIS.
- Fighter Jet Components to Iran*** -- On Sept. 5, 2008, George Frank Myles, Jr. pleaded guilty to conspiring to illegally export military aviation parts without obtaining the permission of the State Department, in violation of the Arms Export Control Act. Myles was indicted for this offense on Sept. 6, 2007 in the Southern District of New York, and the case was transferred to the Southern District of Florida pursuant to Rule 21. Myles was sentenced to 51 months imprisonment in November 2008. During the conspiracy, which spanned from April 2005 to March 2007, Myles supplied a number of military aviation parts, including F-14 parts, to an Iranian national, who

allegedly picked up the parts in Dubai, United Arab Emirates and Bangkok, Thailand. On Nov. 7, 2008, Defendant Myles was sentenced to 51 months imprisonment and 2 years supervised release. This investigation was conducted by ICE.

- ***Ammunition to Mexico*** – On Sept 5, 2008, Noe Guadalupe Calvillo, Juan Luis Hernandez-Ramos, Guadalupe Ramiro Munoz-Mendez and Rogelio Garcia were sentenced in the Southern District of Texas to 46 months in prison, 37 months in prison, 30 months in prison, and 39 months in prison, respectively, after pleading guilty to illegally exporting thousands of rounds of ammunition to Mexico. Calvillo pleaded guilty to illegally exporting 51,400 rounds of ammunition, while Garcia, Hernandez-Ramos and Munoz-Mendez pleaded guilty to exporting 30,900 rounds of ammunition. This investigation was conducted by ICE.
- ***Military Aircraft Components to China and Iran*** -- On Aug. 28, 2008, Desmond Dinesh Frank, a citizen and resident of Malaysia, was sentenced to 23 months in prison after pleading guilty on May 16, 2008, to several felonies in the District of Massachusetts in connection with a plot to illegally export military items to China and Iran. A six-count indictment returned on Nov. 15, 2007 charged Frank, the operator of Asian Sky Support, Sdn., Bhd., in Malaysia, with conspiring to illegally export items to Iran, conspiring to illegally export C-130 military aircraft training equipment to China, illegally exporting defense articles, smuggling, and two counts of money laundering. Frank was arrested in Hawaii on Oct. 8, 2007 by ICE agents. Frank conspired with others to illegally export and cause the re-export of goods, technology and services to Iran without first obtaining the required authorization from the Treasury Department. He also conspired with others to illegally export ten indicators, servo driven tachometers -- which are military training components used in C-130 military flight simulators -- from the United States to Malaysia and ultimately, to Hong Kong, China, without the required license from the State Department. This investigation was conducted by ICE, BIS, and DCIS.
- ***Forklift Parts to Iran*** – On Aug. 26, 2008, Robert E. Quinn pleaded guilty in the District of Columbia to a criminal information filed on July 9, 2008 alleging that he knowingly made false statements in connection with the illegal export of forklift parts to Iran. On Nov. 6, 2008, Quinn was sentenced to 18 months probation. On Aug. 4, 2006, David Tatum was sentenced to one year probation and a \$5,000 fine, in connection with the illegal export of forklift parts to Iran by Clark Material Handling Corporation via Sharp Line Trading in Dubai, United Arab Emirates. On Jan. 19, 2006, Khalid Mamood, doing business as Sharp Line Trading, was sentenced to 17 months in prison. The case was investigated by ICE and BIS.
- ***Military Laser Aiming Devices & Fighter Pilot Cueing Systems to Taiwan*** – On Aug. 18, 2008, Yen Ching Peng was arraigned in Southern District of New York on Arms Export Control Act violations, as well as money laundering and smuggling violations after being extradited from Hong Kong. Among other things, Peng allegedly attempted to illegally export to Taiwan infrared laser aiming devices, thermal weapons sights, and a Joint Helmet Mounted Cueing System. On occasion, Peng requested that military items be delivered to his associate, Peter Liu, in New York for delivery in Taiwan. On Dec. 11, 2007, Peng was arrested in Hong Kong, while Liu was arrested in New York. Liu later pleaded guilty and was sentenced to 30 months in prison on Aug. 7, 2008. On Dec. 12, 2008, Peng pleaded guilty to five counts of the indictment against him. The investigation was conducted by ICE and DCIS.
- ***Missile Technology to Indian Government Entities*** -- On Aug. 11, 2008, in the District of Columbia, Mythili Gopal was sentenced to four years' probation and fined \$5,000 after pleading guilty on Oct. 30, 2007 to one count of conspiracy to violate the International Emergency

Economic Powers Act and the Arms Export Control Act. Gopal cooperated with the government against her co-conspirator, Parthasarathy Sudarshan, who on June 16, 2008, was sentenced to 35 months in prison. Sudarshan, the owner of an international electronics company called Cirrus Electronics, pleaded guilty in March 2008 to conspiring to illegally export 500 controlled microprocessors and other electronic components to government entities in India that participate in the development of ballistic missiles, space launch vehicles, and combat fighter jets. Among the recipients of the U.S. technology were the Vikram Sarabhai Space Centre and Bharat Dynamics, Ltd., two Indian entities involved in ballistic missile production, as well as the Aeronautical Development Establishment, which is developing India's Tejas fighter jet. Sudarshan was one of four defendants indicted in the case on March 8, 2007. Sudarshan and Gopal were arrested in South Carolina on March 23, 2007. The other two defendants, Akn Prasad and Sampath Sundar remain at large. Court documents in the case indicate Sudarshan was working with an Indian government official located in Washington, D.C. as part of the conspiracy. The investigation was conducted by the FBI, BIS, and ICE.

- ***Equipment to Iran*** – On Aug. 11, 2008, Nicholas D. Groos entered a guilty plea in the Northern District of Illinois to three counts of violating the International Emergency Economic Powers Act and one count of making false statements in connection with a scheme to transship U.S.-origin firefighting equipment to Iran using his position as director of a Viking Corporation subsidiary in Luxemburg. Groos was indicted on May 3, 2007. He was ultimately sentenced to 60 days imprisonment on Dec. 10, 2008. The case was investigated by ICE and BIS.
- ***Engineering Software to Iran*** – On Aug. 7, 2008, James Angehr and John Fowler, the owners of Engineering Dynamics, Inc. were sentenced to five years probation, fined \$250,000 and ordered to forfeit \$218, 583. On April 24, 2008, both pleaded guilty to a one-count information charging them with conspiring to violate the International Emergency Economic Powers Act in connection with a plot to export controlled engineering software to Iran. Engineering Dynamics, Inc. was a Louisiana company that produced software to design offshore oil and gas structures. As part of the case, on May 22, 2008, in the Eastern District of Louisiana, Nelson S. Galgoul, a resident of Brazil and the director of Suporte, a Brazilian engineering company, was sentenced to 13 months in prison for violating the International Emergency Economic Powers Act. Galgoul pleaded guilty on Aug. 2, 2007, to exporting and attempting to export controlled engineering software to Iran without the required U.S. authorization. Galgoul was charged in May 2007. He acted as an agent for Engineering Dynamics, Inc. in the marketing and support of this software and trained users of the software in Iran. As part of the same case. The investigation was conducted by ICE, BIS and FBI.
- ***Telecommunications Systems to Iran*** – On July 28, 2008, Allied Telesis Labs, Inc. was sentenced in the Eastern District of North Carolina to a \$500,000 criminal fine and was placed on probation for two years. The company pleaded guilty on March 18, 2008, to conspiracy to violate the International Emergency Economic Powers Act as part of a scheme to land and execute a \$95 million contract with the Iranian Information Technology Company to rebuild the telecommunications systems of 20 Iranian cities. The company was first charged via criminal information on Jan. 23, 2008. The investigation was conducted by BIS.
- ***Night Vision Firearm Sights to Japan*** – On July 28, 2008, Tomoaki Ishiba, a U.S. Army Captain, pleaded guilty in the Western District of Washington to conspiracy to smuggle goods from the United States. In his plea agreement, Ishiba admitted that he illegally shipped firearms parts including holographic night vision firearms sights to contacts in Japan. In October and December 2006, Iishiba shipped sixty holographic sights to a contact in Japan and purposely

mislabeled the customs form for the shipment because he knew he needed a license to ship the firearms parts to Japan. Iishiba was charged on July 16, 2008. On Nov. 7, 2008, Iishiba was sentenced to 12 months and 1 day imprisonment. This investigation was conducted by ICE, DCIS, and the Army Criminal Investigation Command.

- ***Combat Gun sights to Sweden and Canada*** – On July 24, 2008, Euro Optics Inc., was sentenced in the Middle District of Pennsylvania to a \$10,000 corporate fine, \$800 special assessment, and five years of corporate probation after pleading guilty on March 17, 2008 to illegally exporting advanced combat gun sights to Sweden and Canada without the required licenses. Euro Optics was charged via criminal information on Oct. 5, 2007. This investigation was conducted by ICE and Department of Commerce BIS.
- ***Cryogenic Pumps to Iran*** – On July 17, 2008, Cryostar SAS, formerly known as Cryostar France, a corporation headquartered in France, was sentenced in the District of Columbia to a criminal fine of \$500,000 and corporate probation of two years. On April 11, 2008, the company pleaded guilty to conspiracy, illegal export, and attempted illegal export of cryogenic submersible pumps to Iran without a license. Cryostar specialized in the design and manufacturing of cryogenic equipment, such as pumps, that are used to transport and process natural gases at extremely cold temperatures. The company was charged on March 24, 2008. The investigation was conducted by BIS.
- ***Military Aircraft Components to UAE, Thailand*** – On July 17, 2008, in the Central District of California, Air Shunt Instruments, Inc., was sentenced to pay a criminal fine of \$250,000 and a special assessment of \$400 for making false statements on Shipper's Export Declaration in claiming that a military gyroscope being sent overseas in 2003 did not require an export license, when in fact the item required such a license. Air Shunt, a Chatsworth, California company that buys and sells aircraft and aerospace components, was charged via criminal information and pleaded guilty on July 15, 2008. John Nakkashian, a Vice President for International Sales at Air Shunt, was responsible for obtaining the required licenses for such exports. During the investigation, Nakkashian fled the country and remains a fugitive today. On May 20, 2008, Nakkashian was indicted on four counts of violating the Arms Export Control Act. The indictment alleges he illegally exported components for the J85 engine, used on the F-5 fighter jet, and other military items to Dubai, United Arab Emirates, without first obtaining the required export license from the State Department. The indictment also alleges that he illegally exported a military gyroscope to Thailand. The investigation was conducted by DCIS and ICE.
- ***Computer Software to Cuba*** – On July 15, 2008, Platte River Associates, a Colorado company, was charged in U.S. District Court in Denver by Information for trading with the enemy. The president of Platte River Associates, Jay E. Leonard, was charged in separate Information on July 15, 2008, for unauthorized access of a protected computer. According to the Platte River Associates Information, on or about October 2000, the corporation allegedly provided specialized technical computer software and computer training, which was then used to create a model for the potential exploration and development of oil and gas within the territorial waters of Cuba, without first having obtained a license. This case was investigated by ICE. In the second case, Leonard allegedly used a wireless network connection at Houston International Airport to access a password protected computer website server located in Georgia, belonging to Zetaware Inc., a Texas Corporation. The Information charges that the unauthorized information obtained by the defendant was done by means of interstate commerce. On Oct. 3, 2008, Platte River Associates pleaded guilty to violating the Trading with the Enemy Act and was sentenced on Sept. 14, 2009, to a \$400 assessment, and a fine of \$14,500. On Oct. 2, 2008, Leonard pleaded guilty to

unauthorized access to a protected computer and was sentenced on Dec. 15, 2008 to one year probation. This case was investigated by the FBI.

- ***Military Night Vision Systems to Lebanon*** – On July 9, 2008, Riad Skaff, a naturalized U.S. citizen from Lebanon and former ground services coordinator at O’Hare International Airport, was sentenced in the Northern District of Illinois to two years in prison for using his position at the airport to help smuggle \$396,000 in cash and illegally export weapons scopes, military night vision goggles, and a cellular phone “jammer” to Lebanon. The case resulted from an undercover operation in which agents posed as individuals interested in smuggling money and military items to Lebanon utilizing contacts at O’Hare airport to bypass security. On Aug. 17, 2007, Skaff pleaded guilty to all nine counts of an indictment charging him with bulk cash smuggling; entering an aircraft and airport area in violation of applicable security requirements with the intent to commit a felony; exporting and attempted export of defense articles without first obtaining a required export license; and attempted international export of merchandise, articles, and objects contrary to U.S. law. Skaff was first arrested on Jan. 28, 2007. The investigation was conducted by ICE and DCIS.
- ***Illegal Export of F-5 and F-14 Fighter Jet Components*** – On June 19, 2008, in the Southern District of New York, Jilani Humayun, a Pakistani citizen and resident of Long Island, New York, pleaded guilty to conspiracy to illegally export arms and to commit money laundering. Humayun was arrested on July 19, 2007, and charged by information on December 19, 2007, with Conspiracy to Violate the Arms Export Control Act and Smuggle Goods from the United States, and Conspiracy to Violate the International Emergency Economic Powers Act. According to his plea, Humayun illegally exported parts for F-5 and F-14 military fighter jets to Malaysia which prosecutors said may have eventually ended up in Iran. In the process of exporting these parts, he created airway bills that misrepresented the contents and value of his shipments. Such exports are of particular concern because F-14 components are widely sought by Iran, which is currently the only nation in the world that still flies the F-14 fighter jet. Humayun formed his own company, Vash International, Inc., in 2004, then, on eleven separate occasions between January 2004 and May 2006, exported to Malaysia F-5 and F-14 parts, as well as Chinook Helicopter parts. This investigation was conducted by ICE, BIS, FBI and DCIS.
- ***U.S. Military Source Code and Trade Secrets to China*** – On June 18, 2008, Xiaodong Sheldon Meng was sentenced in the Northern District of California to 24 months in prison, three-years of supervised release, and a \$10,000 fine for committing economic espionage and violating the Arms Export Control Act. Meng pleaded guilty in August 2007 to violating the Economic Espionage Act by misappropriating a trade secret used to simulate motion for military training and other purposes, with the intent to benefit China’s Navy Research Center in Beijing. He also pleaded guilty to violating the Arms Export Control Act for illegally exporting military source code involving a program used for training military fighter pilots. Meng was the first defendant in the country to be convicted of exporting military source code pursuant to the Arms Export Control Act. He was also the first defendant to be sentenced under the Economic Espionage Act. Meng was charged in a superseding indictment on Dec. 13, 2006. The investigation was conducted by FBI and ICE.
- ***Valves to Iran*** – On June 9, 2008, CVC Services was sentenced in the Central District of California to a fine of \$51,000 and five years probation for illegal transactions with Iran. In March 2008, the company pleaded guilty to selling to Iran valves that turn gas and oil pipelines on and off without a license. The company was charged on Jan. 31, 2008. The National Iranian Oil Company had sought the valves. This investigation was conducted by BIS.

- ***Controlled Amplifiers to China*** – On June 6, 2008, WaveLab, Inc. of Reston, Virginia, was sentenced in the Eastern District of Virginia to one year of supervised probation and a \$15,000 fine, together with \$85,000 in forfeiture previously ordered, for the unlawful export of hundreds of controlled power amplifiers to China. The exported items, which have potential military applications, are controlled and listed on the Commerce Control List for national security reasons. Wave Lab purchased these items from a U.S. company and assured the company that the products would not be exported from the United States, but would be sold domestically. WaveLab pleaded guilty on March 7, 2008 to a criminal information filed the same day. The investigation was conducted by BIS and ICE.
- ***Firearms Components to Sudan*** – On June 6, 2008, Khalid Abdelgadir Ahmed was sentenced in the Eastern District of Virginia to five months in prison after pleading guilty on March 13, 2008, to unlawfully attempting to export assault rifle components to the Sudan. Another defendant, Entisar Hagosman, was sentenced to time served and two years supervised probation on June 6, 2008 after pleading guilty on Mar. 13, 2008 to making false statements relating to her activity. Both defendants were charged in a complaint on Jan. 30, 2008. The investigation was conducted by ICE and BIS.
- ***Theft of Military Trade Secrets to Sell to Foreign Governments*** -- On May 16, 2008, Allen W. Cotten of El Dorado Hills, California, was sentenced in the Eastern District of California to two years in prison for theft of trade secrets. Cotten pleaded guilty on Feb. 29, 2008, admitting that while employed at Genesis Microwave Inc., he stole items including plans, designs and parts for the manufacture and testing of detector logarithmic video amplifiers (DLVA) and successive detection logarithmic video amplifiers (SDLVA), which are components used in microwave technologies. These technologies have military applications that include enhancing navigational and guidance capabilities; radar jamming; electronic countermeasures; and location of enemy signals. Cotten sold and offered for sale these items to foreign governments and foreign military contractors. The total amount of actual or intended sales to these companies was \$250,000. Cotten was charged by criminal information on Jan. 30, 2008. The investigation was conducted by the FBI and BIS.
- ***Controlled Computers to Iran*** – On May 15, 2008, Afshin Rezaei was sentenced in the Northern District of Georgia to six months' imprisonment and agreed to forfeit \$50,000. Rezaei pleaded guilty on April 24, 2008 to one count of violating the International Emergency Economic Powers Act for the unlicensed export of computers to Iran via the United Arab Emirates. The computers were controlled for anti-terrorism reasons. Rezaei was indicted on Nov. 14, 2007. The investigation was conducted by BIS and ICE.
- ***Controlled Radiographic Equipment to Iran*** – On May 14, 2008, Bahram “Ben” Maghazehe pleaded guilty in the Southern District of New York to one count of false statements in connection with the illegal shipment of radiographic equipment to Iran. On August 14, 2007, Maghazehe was arrested pursuant to this shipment. Another individual, Jeff Weiss, pleaded guilty on Jan. 20, 2009 to a false statement charge in connection with his dealings with Maghazehe. On Oct. 28, 2008, defendant Maghazehe was sentenced to 5 years probation, \$100 assessment, and \$2,000 fine. The investigation was conducted by the FBI and BIS.
- ***Ammunition to Jamaica, Defense Training to UAE*** -- On May 12, 2008, Lance Brooks was charged in the Southern District of Florida with being an unlicensed broker of defense articles in connection with his efforts to broker the sale of 270,000 rounds of soft point ammunition to the

Jamaica Constabulary Force without the required license from the State Department. On Jan. 9, 2009, Brooks pleaded guilty to count one of the indictment and on Aug. 28, 2009, he received an amended sentence of 12 months and 1 day. The case marked the second time Brooks had been charged with arms export violations. On Dec. 20, 2007, Brooks pleaded guilty to charges brought in Oct. 2007 that he exported defense training services on grenade launchers to the United Arab Emirates without a license. He was on bond pending sentencing in that case when the new charges against him were filed. The investigation was conducted by the FBI.

- ***Test Tube and Microplate Coating Systems to Iran*** – On May 1, 2008, Patrick Gaillard, the owner of Oyster Bay Pump Works, Inc., was sentenced in the Eastern District of New York to one month in prison, three years supervised release and a \$25,000 fine after pleading guilty to conspiracy to violate the International Emergency Economic Powers Act in connection with the planned export of restricted test tube and microplate coating systems to Iran through a trading company in the United Arab Emirates. Gaillard pleaded guilty on June 15, 2007. The coating systems for microplates and test tubes produced by Oyster Bay are controlled for export and can be used in a wide variety of research and laboratory applications. On July 17, 2007, James Gribbon pleaded guilty to conspiracy to violate the Emergency Economic Powers Act in connection with the case. The investigation was conducted by BIS.
- ***Controlled Computer Equipment to Iran*** – On April 28, 2008, Mohammad Mayssami was sentenced in the Northern District of California to two years probation, a \$10,000 fine and 160 hours of community service for his role in financing illegal exports to Iran. On Dec. 17, 2007, Mayssami pleaded guilty to failing to report a suspicious transaction for his part in financing export transactions by Super Micro Computer, Inc. He was originally charged by information on Dec. 3, 2007. Super Micro pleaded guilty on Sept. 18, 2006 to illegally exporting motherboards controlled for national security reasons to Iran and was sentenced to pay a criminal fine of \$150,000., and agreed to pay an administrative fine of \$125,400 to settle charges for related transactions. Super Micro was first charged on Sept. 1, 2006. The case was conducted by BIS.
- ***Military Night Vision Systems to Iran*** – On April 10, 2008, a British court ruled that Nosratollah Tajik should be extradited to the United States in connection with charges that he conspired to illegally export night vision weapons sights and military night vision goggles from the United States to Iran. Tajik plans to appeal the British High Court decision to the European Court of Human Rights. On Oct. 26, 2006, Tajik was arrested at his residence in County Durham in England by British law enforcement authorities, pursuant to U.S. charges filed in the Northern District of Illinois on Aug. 30, 2006. From December 1999 to October 2003, Tajik served as the Iranian Ambassador to Jordan. Tajik also held an honorary fellowship at England's University of Durham's Institute for Middle East and Islamic Studies. According to the August 2006 U.S. complaint, Tajik and a co-conspirator, Esmail Gharekhani, conspired to export to a variety of prohibited items from the United States to Iran via the United Kingdom, including night vision weapon sights and night vision goggles. The co-conspirator sent purchase orders to ICE agents for several controlled articles and asked that the goods be shipped from the U.S. to the United Arab Emirates for transshipment to Iran. During meetings in the United Kingdom, Tajik also allegedly asked agents about procuring a Swiss-manufactured 35mm naval gun capable of intercepting guided missiles. This investigation was conducted by ICE.
- ***Russian Attack Helicopters to Zimbabwe*** – On April 8, 2008, Peter Spitz, a resident of Hallandale, Fla., and the owner of Russian Aircraft Services LLC, was arrested in Miami pursuant to a criminal complaint alleging that he conspired to sell seven MI-24 Russian attack helicopters and three MI-8T Russian military transport helicopters to undercover law enforcement



officials who represented that the helicopters would be going to a Cabinet member of the government of Zimbabwe. Spitz was charged in the Southern District of Florida with illegal arms brokering activities. Spitz pleaded guilty to count one of the indictment in the case on Sept. 12, 2008. The investigation was conducted by ICE and DCIS.

- ***U.S. Naval Warship Data to China*** – On March 24, 2008, Chi Mak, a former engineer with a U.S. Navy contractor, was sentenced in the Central District of California to 293 months (more than 24 years) in prison for orchestrating a conspiracy to obtain U.S. naval warship technology and to illegally export this material to China. Mak was found guilty at trial in May 2007 of conspiracy, two counts of attempting to violate export control laws, acting as an unregistered agent of the Chinese government, and making false statements. The investigation found that Mak had been given lists from co-conspirators in China that requested U.S. Naval research related to nuclear submarines and other information. Mak gathered technical data about the Navy's current and future warship technology and conspired to illegally export this data to China. Mak's four co-defendants (and family members) also pleaded guilty in connection with the case. On April 21, 2008, Chi Mak's brother, Tai Mak, was sentenced to 10 years imprisonment pursuant to a June 4, 2007, plea agreement in which he pleaded guilty to one count of conspiracy to export defense articles. On Oct. 2, 2008, Chi Mak's wife, Rebecca Chiu, was sentenced to 3 years in prison for her role in the plot. On Oct. 1, 2008, Fuk Heung Li was sentenced to 3 years probation. On Sept. 24, 2007, Yui Mak was sentenced to 11 months imprisonment. The investigation was conducted by FBI, NCIS, and ICE.
- ***Specialty Alloy Pipes to Iran*** – On March 14, 2008, Proclad International Pipelines, Ltd, a British corporation headquartered in Scotland, was sentenced in the District of Columbia to a criminal fine of \$100,000 and corporate probation of five years for attempting to export from the United States to Iran via the United Kingdom and United Arab Emirates specialty alloy pipes without an export license from the U.S. government. Proclad pleaded guilty to one count of attempted export without an export license on Nov. 30, 2007 after being charged via information on Oct. 16, 2007. The investigation was conducted by ICE and BIS.
- ***Nuclear Testing Equipment to India*** – On March 12, 2008, MTS Systems Corp, of Eden Prairie, Minnesota, pleaded guilty in the District of Minnesota to two misdemeanor counts and was sentenced to two years probation and a \$400,000 fine for submitting false export license applications to the Department of Commerce in connection with the proposed shipment of seismic testing equipment with nuclear applications to an entity in India. MTS knew the end-user in India would likely use the seismic testing equipment for nuclear purposes, but, in its export applications to the Department of Commerce, MTS falsely certified that the equipment would be used only for non-nuclear purposes. Commerce denied the export license. The company was charged on March 11, 2008. The investigation was conducted by BIS and ICE.
- ***100,000 Uzi Submachine Guns to Iran*** – On March 10, 2008, Seyed Maghloubi was sentenced to three years and five months in prison in the Central District of California to attempting to illegally export goods to Iran. As part of his Aug. 27, 2007, plea agreement, Maghloubi admitted that he had plotted to illegally export as many as 100,000 Uzi submachine guns as well as night vision goggles to officials in Iran's government. According to the facts of the plea agreement, the defendant sought to have the weapons shipped from the U.S. to Dubai and later transported over the border to Iran. Maghloubi was first charged on June 1, 2007. The investigation was conducted by the FBI and the Los Angeles Police Department.

- ***Controlled Computers to Syria*** – On Feb. 14, 2008, Mazen Ghashim was sentenced in the Southern District of Texas to three years probation for violating the International Emergency Economic Powers Act and attempted export without a license. He was also ordered to forfeit computers and related equipment valued at \$32,000. The violations occurred in February 2003 when Ghashim and his company KZ Results exported computers and related equipment to Syria without the required licenses. Ghashim was charged on Aug. 14, 2006, and pleaded guilty on Nov. 1, 2006. This investigation was conducted by BIS.
- ***Military Weapons Sight to Germany*** – On Feb. 8, 2008, Bertrand Lalsingh of Hollywood, Florida, pleaded guilty in the U.S. District Court for the Southern District of Florida, to exporting knowingly and willfully an EOTech 553 Holgraphic Weapon Sight, an item designated a “defense article” in Category I of the U.S. Munitions List, from the United States to Germany, without having first obtained authorization from the U.S. Department of State. Laslingh was later sentenced to 5 months in prison.
- ***Two Sentenced in Iranian Embargo Case*** -- On Feb. 8, 2008, in the District of Columbia, Mojtada Maleki-Gomi was sentenced to 18-months and a \$200,000 fine for violating the U.S. embargo against Iran for conspiring to sell textile machinery to Iran. Maleki-Gomi's son, Babak Maleki, was sentenced on the same day to probation for making false statements. On Sept. 29, 2006, Maleki-Gomi, his son, and a third defendant, Shahram Setudeh Nejad, were indicted for conspiracy to violate the International Emergency Economic Powers Act and the Iranian Transactions Regulations, and for violation of the United States Iranian Embargo. On November 19, 2007, Maleki-Gomi pled guilty to the conspiracy charge and his son Babar Maleki pled guilty to superseding information charging him with making false statements.
- ***Military Night Vision Systems Overseas*** – On Jan. 22, 2008, Green Supply, Inc., was sentenced in the Eastern District of Missouri to two years probation, a \$17,500 fine and an \$800 special assessment after pleading guilty in Nov. 2007 to export control violations involving the illegal export of controlled night vision systems. The company was charged via information on Nov. 2, 2007. The investigation was conducted by ICE and BIS.
- ***Firearms to Canada*** – On Jan. 11, 2008, in the Southern District of Florida, defendants Gary Roach and Laron Frazier were convicted on international firearms trafficking charges. The defendants were charged on July 26, 2007, for their role in a scheme in which they used straw purchasers to obtain handguns in Florida, Alabama, and Georgia. They then smuggled the guns to Canada in the door panels of rental cars. On March 28, 2008, Gary Roach was sentenced to 135 months imprisonment, while Laron Frazier was sentenced to 108 months imprisonment. On March 13, 2008, another defendant in the case, Nedson Jeanovil, was sentenced to 51 years imprisonment. This case was investigated by the ATF and ICE.
- ***Military Amplifiers to China*** – On Dec. 19, 2007, Ding Zhengxing, Su Yang and Peter Zhu were indicted in the Western District of Texas for Arms Export Control Act violations in connection with an alleged plot to purchase and illegally export to China amplifiers that are controlled for military purposes. The amplifiers are used in digital radios and wireless area networks. Zhengxing and Yang were arrested in January 2008 after they traveled to Saipan to take possession of the amplifiers. Peter Zhu, of Shanghai Meuro Electronics Company Ltd., in China, remains at large. On July 1, 2009, Zhengxing was sentenced to 46 months imprisonment. He pled guilty on October 17, 2008, to count 1 of the second superseding indictment. The case was investigated by ICE.

- ***Petrochemical Valves to Iran and Iraq*** – Andrew Freyer was convicted on December 17, 2007, in the U.S. District Court for the Central District of California, of five counts of violating the International Emergency Economic Powers Act and one count of conspiracy involving exporting, re-exporting, selling, and supplying valves from the United States to Iran, through Australia, without first obtaining the required U.S. authorization. On Dec. 17, 2007, Freyer was sentenced to 17 months imprisonment. On Oct. 15, 2007, Sharon Doe, Inside Sales Manager for Crane Pacific Valves in California, was sentenced to three years probation after pleading guilty in Jan. 18, 2007 for her role in the export of petrochemical valves to Iran and Iraq through Australia in order to avoid the Export Administration Regulations. Both Freyer and Doe were charged on Dec. 1, 2006. This investigation was conducted by BIS.
- ***Military Night Vision Goggles Illegally Exported Overseas*** – On Dec. 11, 2007, Jerri Stringer was sentenced to 48 months of imprisonment and three years of supervised release in the Northern District of Florida after pleading guilty to several violations in connection with a conspiracy with her son, former U.S. Air Force Staff Sgt. Leonard Allen Schenk, to steal restricted military night vision goggles, aviation helmets, and other equipment from the Air Force and sell them to overseas buyers. On Dec. 6, 2007, Schenk was sentenced to 235 months of imprisonment and three years of supervised release after pleading guilty to a 21-count indictment alleging the sale of stolen military equipment overseas and attempting to hire an undercover agent to kill a potential government witness. Schenk and Stringer were charged in the superseding indictment brought on Aug. 21, 2007. This investigation was conducted by ICE.
- ***Military Night Vision Technology to China*** – On Dec. 3, 2007, Philip Cheng was sentenced in the Northern District of California to two years in prison and ordered to pay a \$50,000 fine for his role in brokering the illegal export of a night vision camera and its accompanying technology to China in violation of federal laws and regulations. Mr. Cheng pleaded guilty on Oct. 31, 2006, to brokering the illegal export of Panther-series infrared camera, a device which makes use of “night vision” technology. He was indicted on June. 3, 2004. The technology used in the device was controlled for national security reasons by the United States Department of State. The case was the result of a joint investigation by ICE, the FBI, the Department of Commerce, and the IRS.
- ***Fighter Jet Components to Germany*** – On Nov. 30, 2007, Murray Rinzler and his company World Electronics, Inc, were sentenced in the District of Connecticut to a criminal fine of \$20,000 after pleading guilty on March 26, 2007 to charges that they conspired to violate the Arms Export Control Act by sending F-14 fighter jet components and other military items to Germany. Rinzler was also sentenced to two years probation. Both defendants were charged via information on March 26, 2007. This investigation was conducted by ICE, DCIS and BIS.
- ***F-14 Fighter Jet Components and Other Military Items to Iran*** – On Nov. 20, 2007, a grand jury in the Southern District of New York returned an indictment charging Yousef Boushvash with violating the Arms Export Control Act, smuggling, conspiracy to commit money laundering and other violations in connection with his alleged acquisition of F-14 military fighter jet components and other military parts from the United States for export to Iran. The grand jury later returned two superseding indictments against Boushvash adding new offenses. According to the charges, Boushvash operated a company in Dubai, United Arab Emirates, called Glasgow International LLC which served as a hub for his illegal arms deals. Boushvash and his co-conspirators allegedly contacted numerous suppliers in the U.S. via e-mail and had them illegally export military components to the UAE, Thailand, and other locations, for ultimate transshipment to Iran. Boushvash had been arrested by Hong Kong authorities on Oct. 29, 2007 in Hong Kong pursuant to a provisional warrant issued by the Southern District of New York. The Justice

Department commenced extradition proceedings to bring Boushvas to New York. On April 11, 2008, days before the extradition hearing was scheduled to begin in Hong Kong, authorities in Hong Kong terminated the proceeding and released Boushvas from custody. Boushvas currently is a fugitive from justice and has been placed on Interpol's list of wanted suspects. Three of Boushvas's U.S. suppliers have been convicted in related cases. Lawrence Davis and Gwendolyn Douglas and George Frank Myles Jr. have all pleaded guilty in the Southern District of New York. This investigation was conducted by ICE and DCIS.

- ***Hawk Missile Batteries to Iran*** – On Nov. 9, 2007, in the Western District of Texas, Robert Caldwell was sentenced to 20 months in prison and two years supervised release for attempting to illegally export to Iran specialized batteries for the Hawk Air Defense Missile system. Caldwell, along with co-defendants, Robert Gibson and Christopher Harold Tappin, were charged for their roles in the export plot on Feb. 2, 2007. Gibson later pleaded guilty and was sentenced on Aug. 24, 2007 to serve a two-year prison term. Tappin is in the United Kingdom fighting extradition to the United States. The case was investigated by ICE.
- ***Pipe Cutting Machines to Iran*** – On Oct. 24, 2007, Roger Unterberger, Muhammad Bhatti, and Go-Trans (North America) Inc., three defendants involved with the investigation of Go-Trans (North American) Inc., were sentenced in the Northern District of Illinois after pleading guilty on Aug. 20, 2007 to making false statements in connection with the attempted export of pipe cutting machines to Iran via Germany. All were charged by criminal information on Aug. 1, 2007. In addition, on July 31, 2007, Mohammed Meshkin was indicted on one count of violating the International Economic Emergency Powers Act in connection with the case. The investigation was conducted by BIS and ICE.
- ***Nickel Powder to Taiwan*** – On Oct. 11, 2007, Theresa Chang was sentenced in the Northern District of California to three years probation and to pay a \$5,000 criminal fine. On June 21, 2007, Chang pleaded guilty to one count of making false statements related to the export of nickel powder controlled for nuclear proliferation reasons to Taiwan without an export license. The investigation was conducted by BIS.
- ***Tractor Parts to Iran*** – On Oct. 11, 2007, Saied Shahsavarani, President of Tak Components, Inc. was sentenced in the Northern District of Illinois to three years probation and a \$1,000 criminal fine after pleading guilty on June 14, 2007 to one count of aiding and abetting the operation of an unlicensed money transmitting business. Also, on Oct. 11, 2007 Tak Components was sentenced to one year probation and to forfeit \$38,016. On June 14, 2007, Tak Components pleaded guilty to 16 counts of violating the International Emergency Economic Powers Act. Tak Components illegally exported a variety of equipment to Iran, falsely claiming they were destined for the United Arab Emirates. Both defendants were charged on June 6, 2007. This investigation was conducted by ICE and BIS.
- ***Illegal Exports of F-4 and F-14 Fighter Jet Components*** – On Oct. 5, 2007, Abraham Trujillo and David Wayne of Ogden, Utah, were charged in the District of Utah with attempting to illegally export components for F-4 and F-14 fighter jets using the Internet. According to the charges, the defendants attempted to illegally export military cable assemblies, wiring harnesses and other restricted components to Canada in 2006 and 2007. Such exports are of particular concern because F-14 components are widely sought by Iran, which is currently the only nation in the world that still flies the F-14 fighter jet. On Feb. 17, 2009, a forfeiture judgment was entered as to Abraham Trujillo for \$44,474.50. He pleaded guilty on November 6, 2008 to Count 2 of a felony information and was sentenced on Dec. 16, 2008, to 36 months probation. On Nov. 14, 2008,

Defendant Waye was sentenced to 36 months probation after pleading guilty on Nov. 6, 2008 to count 2 of a Felony Information. The investigation was conducted by ICE and DCIS.

- ***Products with Nuclear & Missile Applications to Pakistan*** – On Oct. 4, 2007, SparesGlobal, Inc., a Pittsburgh company, was sentenced to pay a \$40,000 criminal fine in the Western District of Pennsylvania for conspiring to falsify documents and make false statements about a 2003 illegal export to the United Arab Emirates (UAE) that ultimately ended up in Pakistan. According to court documents, SparesGlobal exported to a trading company in the UAE restricted graphite products that can be used in nuclear reactors and in the nose cones of ballistic missiles. The graphite products were routed to Pakistan. After the shipment, the company attempted to mislead federal investigators when questioned about the shipment and related documents. On July 7, 2007, SparesGlobal, represented by its President, Om Sharma, pleaded guilty. The company was charged via information on April 23, 2007. The investigation was conducted by BIS.
- ***Restricted Technology to China*** – On Aug. 1, 2007, Fung Yang, the president of Excellence Engineering Electronics, Inc., pleaded guilty in the Northern District of California to a charge of illegally exporting controlled microwave integrated circuits to China without the required authorization from the Department of Commerce. Yang was charged by information on July 31, 2007. The investigation was conducted by BIS and the FBI.
- ***Radios, Ammunition Magazines, Scopes to Designated Terrorist in Philippines*** – On Aug. 1, 2007, Rahmat Abdir was indicted in the Northern District of California on charges of conspiracy to provide material support to terrorists, providing material support to terrorists, and contributing goods and services to a Specially Designated Global Terrorist. According to the indictment, Rahmat Abdir communicated frequently with Zulkifli Abdir, his fugitive brother and a U.S.-specially designated terrorist who operates in the Philippines and is a member of the central command of *Jemaah Islamiyah*. From his home in California, Rahmat allegedly sent his brother money, two-way radios, Colt .45 magazines, binoculars, rifle scopes, batteries and other materials, even as his brother evaded capture and battled Philippine troops. Zulkifli Abdir was charged in the same indictment with conspiracy to provide material support to terrorists and providing material support to terrorists. The investigation was conducted by the FBI and ICE.
- ***Aircraft Components to Iran*** – On July 30, 2007, Ali Khan, the owner of TurboAnalysis in Phoenix, AZ, was sentenced in the Eastern District of New York to five years probation, a \$1.4 million forfeiture, and \$100,000 criminal fine in connection with his role in a conspiracy to illegally export aircraft components to Iran. Khan previously pleaded guilty to one count of conspiracy to violate the International Emergency Economic Powers Act in Sept. 2005. He was indicted on May 5, 2004. This investigation was conducted by BIS and ICE.
- ***Sensitive Technology to Prohibited Facility in India*** – July 30, 2007, Samuel Shangteh Peng was charged in the Central District of California with illegally exporting sensitive technology to an entity in India prohibited from receiving such technology due to proliferation concerns. Peng, an international sales manager at a California company, was charged with illegally exporting vibration amplifiers, cable assemblies and vibration processor units in 1999 and 2000 from the U.S. to Hindustan Aeronautics Limited, Engine Division, in India. In 1998, the U.S. government designated this facility in India as an end-user of concern for proliferation reasons. On May 13, 2009, for his violations of counts 1-5, Peng was sentenced to 3 years probation. The investigation was conducted by BIS, ICE, and the Naval Criminal Investigative Service (NCIS).

- ***F-14 Fighter Jet Components to Iran*** – On May 8, 2007, Reza Tabib was sentenced to 24 months in prison in the Central District of California to violating the International Emergency Economic Powers Act in connection with his efforts to illegally export military aircraft parts to Iran via associates in Germany and the United Arab Emirates. In 2006, federal agents intercepted maintenance kits for the F-14 fighter jet that Tabib and his wife, Terri Tabib, had sent to Iran. A search of their California home led to the seizure of more than 13,000 aircraft parts as well as various aircraft part “shopping lists” that provided to the couple by an Iranian military officer. Reza Tabib pleaded guilty on June 5, 2006 after being charged in Feb. 2006. His wife Terri pleaded guilty on Dec. 14, 2006. She was sentenced to 2 years probation on March 26, 2007. The investigation was conducted by ICE and DCIS.
- ***Controlled Telecommunications Equipment to Cuba*** – On April 25, 2007, LogicaCMG Inc., pleaded guilty in the District of New Hampshire and was sentenced to pay a \$50,000 criminal fine for illegally causing goods to be exported to Cuba. In 2001, LogicaCMG’s predecessor company, CMG Telecommunications, exported telecommunications equipment controlled for national security reasons to Cuba via Panama without the required export license. The company was charged by information on March 30, 2007. This case was investigated by ICE and BIS.
- ***Military Night Vision Components to India*** – On April 19, 2007, a jury in the Western District of Pennsylvania convicted Electro-Glass Products, a Pennsylvania company, of violating the Arms Export Control Act. Evidence at trial established that Electro-Glass illegally exported 23,000 solder glass performs, which are components of military night vision equipment, to a company in India without the required State Department license. On July 13, 2007, Electro-Glass Products was sentenced to 2 years probation, a fine of \$20,000 and a special assessment of \$1,600. The company was indicted on April 5, 2006. The investigation was conducted by ICE.
- ***Telecommunications Equipment from China to Iraq*** – On April 10, 2007, Andrew Huang, the owner of McAndrew’s, Inc, an international export company, pleaded guilty in the District of Connecticut to one count of making false statements to the FBI. Huang was charged in 2006 with operating as a representative for the Chinese Electronic System Engineering Corporation, the technology procurement arm of the government of China. According to court documents, Huang allegedly helped broker the illegal sale and transfer of millions of dollars worth of telecommunications equipment from China to Iraq between 1999 and 2001. Huang was sentenced to 2 years probation and a \$5,000 fine. The investigation was conducted by the FBI, ICE, NCIS, IRS and BIS.
- ***Ballistic Helmets to Suriname*** – On March 28, 2007, Alpine Armoring, Inc., a Virginia company, pleaded guilty in the Eastern District of Virginia to the unlicensed export of controlled ballistic helmets to Suriname. Fred Khoroushi, the president and director of Alpine Armoring, also pleaded guilty to making false statements on an export declaration. Khoroushi was sentenced to one year probation and a \$102,000 fine. Both Alpine Armoring and Khoroushi were charged via information on March 27, 2007. The investigation was conducted by BIS, ICE, and DCIS.
- ***\$100 Million Penalty for Illegal Exports of Military Night Vision Technology to China, Singapore, U.K.*** -- On March 27, 2007, ITT Corporation, the leading manufacturer of military night vision equipment for the U.S. Armed Forces, agreed to pay a \$100 million penalty and admitted to illegally exporting restricted night vision data to China, Singapore, and the United Kingdom in the Western District of Virginia. The company also pleaded guilty to charges that it omitted statements of material fact in required arms exports reports. The \$100 million penalty is believed to be one the largest ever in a criminal export control case. As part of the plea

agreement, ITT Corporation must invest \$50 million of the penalty toward the development of the most advanced night vision systems in the world for the U.S. Armed Forces. The investigation was conducted by DCIS and ICE.

- ***Machine Guns, Arms to Indonesia*** – On Jan. 18, 2007, Hadianto Djuliarso pleaded guilty in the Eastern District of Michigan to conspiracy to violate the Arms Export Control Act and money laundering in a scheme to purchase and illegally export more than \$1 million worth of machine guns, sniper rifles and other weapons to Indonesia. According to court documents, Djuliarso also made inquiries about purchasing Sidewinder missiles and strafing ammunition for illegal export to Indonesia. Three other defendants, Ibrahim Bin Amran, Ignatius Soeharli, and David Beecroft, pleaded guilty in this case. On May 11, 2007, Djuliarso was sentenced to 48 months imprisonment. On May 3, 2007, Bin Amran was sentenced to 48 months imprisonment. On April 26, 2007, Soeharli was sentenced to 36 months imprisonment. On Dec. 12, 2006, Beecroft was sentenced to time served. The investigation was conducted by ICE and DCIS.

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