



Department of Justice

FOR IMMEDIATE RELEASE
MARCH 2010
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NSD
(202) 514-2007
TDD (202) 514-1888

FACT SHEET: MAJOR U.S. EXPORT ENFORCEMENT 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.

- ***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, aka John Chan, with conspiring to and attempting to illegally export munitions without the required licenses. According to the 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.
- ***Military Optics Technology to China, Russia, Turkey and South Korea*** – On March 17, 2010, Rocky Mountain Instrument Company, a company headquartered in Lafayette, Colo., was charged in the District of Colorado with illegally exporting defense articles without the required U.S. government licenses. The criminal information charged the company with illegally exporting defense items, specifically prisms and technical data related to various optics used in military applications, to Turkey, South Korea, the People's Republic of China and Russia. The case was investigated by ICE and DCIS.
- ***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). With respect to the conspiracy to violate AECA, BAES admitted to making and causing to be made false, inaccurate and incomplete 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 specific 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.

- ***Assault Weapon Parts and Gun Sights to Philippines*** – On Feb. 24, 2010, a federal grand jury in the Central District of California returned an indictment against three men, Romulo Reclusado, Tirso Aguayo, and Mike Cabatingan, for conspiring to illegally export defense articles and other controlled items 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.
- ***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.
- ***International Arms Dealer and Associate Indicted for Sanctions Violations*** – On Feb. 17, 2010, international arms dealer, Viktor Bout, and his associate, Richard Chichakli, were indicted 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. Bout was named in a separate indictment unsealed in March 2008, in the Southern District of New York, charging him with conspiracy to kill U.S. nationals, conspiracy to acquire and use an anti-aircraft missile, conspiracy to provide material support to terrorists in connection with his alleged efforts to supply missiles and other weapons to Colombia's Fuerzas Armadas Revolucionarias de Colombia (FARC). Bout is in the custody of authorities in Thailand and is fighting his extradition to the United States. This investigation was conducted by the DEA.

- ***Commercial 747 Aircraft to Iran*** – On Feb. 5, 2010, Balli Aviation Ltd., a subsidiary of the United Kingdom-based Balli Group PLC, pleaded guilty in the U.S. District Court for the District of Columbia to a two-count criminal information in connection with its illegal export of commercial Boeing 747 aircraft from the United States to Iran. Under the plea agreement, Balli Aviation Ltd. agreed to pay a \$2 million criminal fine and be placed on corporate probation for five years. 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.
- ***Missile Components to Iran*** – On Feb. 3, 2010, Yi-Lan Chen, aka Kevin Chen, of Taiwan, was arrested in Guam on charges of illegally exporting U.S. missile components to Iran in violation of the International Emergency Economic Powers Act (IEEPA). According to the complaint filed in the Southern District of Florida, 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. Jihad 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. Among the dual-use items that Chen allegedly caused to be shipped to Iran were P200 Turbine Engines, MIL-S-8516 Sealing Compound, Glass to Metal Pin Seals, and Circular Hermetic Connectors. Agents learned of Chen's efforts after he attempted to obtain and export to Iran detonators from a California company. The investigation was conducted by BIS ICE, and the State Department's Diplomatic Security Service.
- ***Vacuum Pumps With Potential Nuclear Applications to Iran*** – On January 11, 2010, in the Central District of California, an initial appearance was held for Jirair Avanesian, who was

indicted on Dec. 30, 2009 in connection with a conspiracy involving the illegal exportation and smuggling of specialized vacuum pump equipment out of the United States in violation of the Iranian Transaction Regulations, and money laundering. In addition, another suspect in the case, Amirhossein Sairafi, was arrested by German authorities in connection with the conspiracy. A third conspirator, Farhad Masoumian, who was charged along with Avanesian, remains at large. The indictment alleges that Masoumian, who is based in Iran, was directing Avanesian, an individual based in Southern California, to procure and illegally export vacuum pumps, which have potential nuclear applications, from the United States. Masoumian and Avanesian corresponded by email, which reflect Masoumian directing Avanesian to purchase certain vacuum pump equipment in the United States and then export under false shipping documentation to avoid inspection or detection of the true nature of the materials they were exporting. At the direction of Masoumian, Avanesian allegedly exported the vacuum pump equipment from the United States to AVAC, a corporation located in the United Arab Emirates, whose managing director is Sairafi, who would then forward the parts to Masoumian in Iran. 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.

- ***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 \$81,277 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. 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 investigation was conducted 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.
- ***U.S. Fighter Jet Engines and Parts to Iran*** – On Nov. 23, 2009, Jacques Monsieur, a Belgian national and resident of France suspected of international arms dealing for decades, pleaded guilty in the Southern District of Alabama to conspiracy to illegally export F-5 fighter jet engines and parts from the United States to Iran. On Aug. 27, 2009, a grand jury returned a six-count indictment charging Monsieur and Dara Fatouhi 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. According to the indictment, 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 allegedly requested that the items be routed through Colombia and the United Arab Emirates on their way to Iran. He also allegedly 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.
- ***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 in the investigation. 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 Easttron 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.
- ***Military and Restricted Dual-Use Electronic Components to China*** – On Oct. 1, 2009, a second superseding indictment was returned in the District of Massachusetts charging three Chinese nationals and two corporations with conspiring, for more than 10 years, to illegally export defense articles and controlled electronics to end-users in China, including several Chinese military entities. The defendants, Zhen Zhou Wu, Yufeng Wei, and Bo Li, and Chitron Electronics, Inc. (Chitron-USA), and Shenzhen Chitron Electronics Company Ltd., were charged in the 38-count second superseding indictment. Among other things, Wu, Wei, Chitron-U.S, and Shenzhen Chitron were charged with illegally exporting electronics to the Shanghai Academy of Spaceflight Technology, which conducts research for the development of missiles, rockets, space launch vehicles and satellites. The individual defendants were officers and employees of Chitron-

USA, a Massachusetts corporation that was wholly owned by Shenzhen Chitron, based in Shenzhen, China. These officers allegedly purchased goods from various U.S. companies, consolidated them in packages at Chitron USA and illegally exported them to mainland China using freight forwarders in Hong Kong. Defendants Wu, Wei, and Li were first arrested on Dec. 5, 2008 and charged in the District of Massachusetts with conspiring to file, and causing others to file, false export documents in connection with U.S.-origin electronics exported to China. The investigation was conducted by BIS, ICE, FBI, and IRS.

- ***Sensitive Aircraft Components to Iran*** – On Sept. 24, 2009, Aviation Services International (ASI), a Netherlands-based aviation services company, its owner, Robert Kraaiipoel, 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. The investigation was conducted by BIS, ICE and the Bureau of Alcohol, Tobacco, Firearms and Explosives.
- ***Missiles, Explosives, Arms to Overthrow Government in Laos*** – On Sept. 17, 2009, a grand jury in the Eastern District of California returned a five-count superseding indictment charging 12 defendants with conspiring to overthrow the government of Laos by force and violence. The superseding indictment alleges that the defendants conspired to acquire and furnish military arms, munitions, materiel, personnel, and money to insurgents in Laos to conduct military operations against the government of Laos and to overthrow the government. The indictment outlines a series of meetings with an undercover ATF agent and conversations among the defendants during which they allegedly outlined plans to acquire and ship arms to insurgents in Laos for use against the current government and to procure mercenaries to initiate targeted bombings of government buildings in the Lao capital, all as part of an effort to effectuate a coup. The charged defendants are Harrison Jack; Lo Cha Thao; Lo Thao; Youa True Vang; Hue Vang; Chong Vang Thao; Seng Vue; Chue Lo; Nhia Kao Vang; David Vang; Jerry Yang; and Thomas Yang. The investigation was conducted by the ATF and FBI.
- ***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.
- ***Economic Espionage / Theft of Space Shuttle and Rocket Secrets for China*** – On July 16, 2009, former Rockwell and Boeing engineer Dongfan “Greg” Chung was convicted at a bench trial in the Central District of California 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. On Feb. 8, 2010, Chung was sentenced to nearly 16 years in prison (188 months) in the Central District of California.

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. According to the indictment, individuals in the Chinese aviation industry began sending Chung “tasking” letters as early as 1979. Over the years, the letters directed Chung to collect specific technological information, including data related to the Space Shuttle. Chung responded in one letter indicating a desire to contribute to the “motherland.” In various letters to his handlers in the PRC, Chung referenced engineering manuals he had collected and sent to the PRC, including 24 manuals relating to the B-1 Bomber that Rockwell had prohibited from disclosure outside of the company. The investigation was conducted by the FBI and NASA.

- ***Sensitive Military Encryption Technology to China*** – On July 7, 2009, Chi Tong Kuok, a Portuguese and possibly Chinese national who is a resident of Macau, China, was indicted in the Southern District of California in connection with his alleged efforts to acquire sensitive defense technology used in encrypted U.S. military or government communications from U.S. sellers via the Internet (eBay) and to cause these items to be illegally exported to China. The indictment charges Kuok with conspiracy to export defense articles and smuggle goods from the United States, smuggling goods from the United States, attempted export of defense articles and money laundering. Kuok was arrested on June 17, 2009 in Atlanta, Ga., as he was en route from Macau to Panama in order to meet with undercover federal agents to take possession of controlled U.S. technology. Among other things, Kuok allegedly negotiated with undercover agents to obtain PRC-148 radios and a key needed to operate the cryptographic functions on a KG-175 Taclane Encryptor. The PRC-148 is a multi-band radio used most commonly by U.S. Special Forces. The KG-175 was developed by General Dynamics and is used to encrypt Internet communications for classified military networks. According to court documents, Kuok told agents, after his arrest, that he had been “acting at the direction of officials for the People’s Republic of China” and that “he and PRC officials sought the items to figure out ways to listen to or monitor U.S. government and military communications.” This investigation was conducted by ICE and DCIS.
- ***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 followed by two years supervised release 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. Roth and AGT were first charged on May 20, 2008 in an 18-count indictment. 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 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. 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.
- ***Rocket Propulsion Systems, Engines and Technology to South Korea*** – On April 15, 2009, Juwhan Yun, a.k.a. J.W. Yun, a U.S. citizen of Korean origin, was arrested in Fort Lauderdale, Fla., for conspiring to illegally export defense articles to South Korea, specifically RD 180 rocket propulsion systems, engines, and technology that are on the U.S. Munitions List and the Missile Technology Control Regime Annex. A criminal complaint filed in the Southern District of Florida alleges that Yun was attempting to purchase these 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. An indictment charging Yun with illegally brokering defense articles and items on the Missile Technology Control Annex was returned in the Southern District of Florida on April 29, 2009. Yun was previously convicted in May 1989 of conspiracy to violate the Arms Export Control Act in connection with an effort to export sarin nerve gas bombs to Iran. He was sentenced to 30 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.
- ***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. 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. 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. 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. 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 “5th 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. 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 Group, 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. 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. 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. The investigation was conducted by ICE.

- ***Thermal Imaging Cameras to China*** – On Dec. 31, 2008, Sam Ching Sheng Lee, Part-Owner and Chief Operations Manager of Multimillion Business Associate Corporation ("MBA"), and his nephew, Charles Yu Hsu Lee, made initial court appearances in the Central District of California on federal charges related to a conspiracy to procure and illegally export sensitive technology to China. Sam Lee, 63, native of China, and Charles Lee, 31, native of Taiwan, were arrested on Dec. 30, 2008 in Hacienda Heights, California. Both men are charged in an indictment filed on December 16, 2008, with felony counts of conspiracy and exporting national security controlled items without a license in violation of the International Emergency Economic Powers Act and Export Administration Regulations. The indictment alleges that the defendants, doing business as MBA, an import/export business located in Hacienda Heights, assisted persons in China to 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.
- ***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 ten 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.
- ***Lab Equipment & Computers to Iran*** -- On Nov. 17, 2008, the U.S. Attorney for the Eastern District of Pennsylvania unsealed an indictment charging Mohammad Reza Vaghari and Mir Hossein Ghaemi with violations of the International Emergency Economic Powers Act for illegally exporting a variety of U.S.-origin goods to the United Arab Emirates for ultimate delivery to Iran. Operating through a Pennsylvania company called Saamen Company, the defendants allegedly illegally exported computers, fuel cell systems, ultrasonic liquid processors, ultrasound machines, and other laboratory equipment. The investigation was conducted by the FBI and BIS.

- Missiles, Grenade Launchers & Other Weapons to Sri Lankan Terrorists:*** On Oct. 30, 2008 in the District of Maryland, Haniffa Bin Osman was sentenced to 37 months in prison for conspiracy to provide material support to a designated foreign terrorist organization and money laundering. Haniffa Bin Osman conspired with several others to provide material support to the Tamil Tigers, a designated foreign terrorist organization and attempted to illegally export arms, including state of the art firearms, grenade launchers, night vision devices, surface to air missiles and unmanned aerial vehicles. According to the plea agreement, from April 2006, to September 29, 2006 Osman conspired with Haji Subandi, Erick Wotulo, and Thirunavukarasu Varatharasa, to provide state of the art firearms, machine guns, and ammunition, surface to air missiles, night vision goggles and other military weapons to the Liberation Tigers of Tamil Eelam (Tamil Tigers) operation within Sri Lanka, to be used to fight against Sri Lankan government forces. The conspirators contacted an undercover business in Maryland about the sale of military weapons, requesting price quotes and negotiating the purchases. Subandi sent an itemized list of 53 military weapons, including sniper rifles, machine guns and grenade launchers that he wanted to acquire for the Tamil Tigers. Subandi advised the undercover business that Osman would inspect the weapons for the Tamil Tigers. Wotulo also advised that the chief of Tamil Tigers requested that he and Osman travel to Baltimore to meet with the undercover agents. On July 10, 2008, Wotulo, a retired Indonesian Marine Corps general, was sentenced to 30 months in prison for his role in the conspiracy. On Jan. 3, 2008, Varatharasa was sentenced to 57 months in prison. Subandi was sentenced to 37 months in prison on Dec. 14, 2007. 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.
- 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 case was investigated by ICE, DCIS, and NCIS.
- Violation of Trade Embargo with Iran*** – On Oct. 15, 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: 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. 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. 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. The defendants were arrested and charged in Oct. 2007. 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 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. 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. 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, Ishiba 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. Ishiba was charged on July 16, 2008. 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. 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. He faces a maximum sentence of 30 years and a \$1 million fine. 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.
- ***Firearms to Canada*** – On June 19, 2008, Ugur Yildiz was arrested and charged in a criminal complaint in the Northern District of Illinois with illegally exporting some 220 firearms from Chicago to Canada in 2006. The investigation was conducted by ICE and the ATF.
- ***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.
- ***Arms Exports to Russia*** – On June 6, 2008, the United States Attorney for the Middle District of Pennsylvania announced that a superseding indictment was returned against Russian nationals, Sergey Korznikov of Moscow, Mark Komoroski of Nanticoke, Pa, and two companies, D&R Sports Center and Tactica Limited. The indictment charged them 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.
- ***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. 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. 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 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. 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. 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. 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.
- ***International Arms Dealer Charged with Conspiracy to Provide Weapons to Terrorists***: On March 6, 2008, a criminal complaint was unsealed in U.S. District Court for the Southern District of New York charging Viktor Bout, an international arms dealer, and his associate Andrew Smulian with conspiring 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 the complaint, between November 2007 and February 2008, Bout and 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. The United States plans to pursue the extradition of Bout from Thailand. Smulian has already made his initial court appearance in the Southern District of New York. This investigation was conducted by the DEA.
- ***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.
- ***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 a 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. 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. 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. He was sentenced to 17 months in prison and ordered to pay a \$10,000 criminal fine. 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 Boushvas 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 Boushvas adding new offenses. According to the charges, Boushvas operated a company in Dubai, United Arab Emirates, called Glasgow International LLC which served as a hub for his illegal arms deals. Boushvas 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. Boushvas 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 to serve a two-year prison term. Tappin remains a fugitive. The case was investigated by ICE.
- ***U.S. Stealth Missile Data & Military Secrets to China*** – On Oct. 26, 2007, Noshir Gowadia was charged in a second superseding indictment in the District of Hawaii with an additional count of transmitting classified national defense information to China and two additional counts of filing false tax returns. Gowadia was charged in a superseding indictment in November 2006 with performing substantial defense related services for China by agreeing to design, and later designing, a cruise missile exhaust system nozzle that renders the missile less susceptible to detection and interception. Among other violations, Gowadia was charged in the first superseding

indictment with willfully communicating classified national defense information to China with the intent that it be used to the advantage of China or to the injury of the U.S, as well as unlawfully possessing classified information, and laundering funds paid to him by the Chinese government for his illegal defense work. The original indictment against Gowadia was returned on Nov. 8, 2005. The investigation was conducted by the FBI, Air Force Office of Special Investigations, IRS, CBP, and 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 Waye 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. 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.

- ***Economic Espionage and Theft of Trade Secrets*** – On Sept. 26, 2007, Lan Lee and Yuefei Ge were charged in a superseding indictment the Northern District of California on charges of economic espionage and theft of trade secrets. The indictment alleges that the pair conspired to steal trade secrets from two companies and created a new firm to create and sell products derived from the stolen trade secrets. The charges also allege that Lee and Ge attempted to obtain funds for their new company from the government of China, in particular China's General Armaments Division and China's 863 Program, otherwise known as the National High Technology Research and Development Program of China. The case was investigated by the FBI.
- ***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 Abdhir 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 Abdhir communicated frequently with Zulkifli Abdhir, 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 Abdhir 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. 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 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. 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. 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. 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. 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, Hadiano 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, have pleaded guilty in this case. The investigation was conducted by ICE and DCIS.

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