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Fact Sheet: Major U.S. Export Enforcement Prosecutions During the Past Two Years

Below is a snapshot of some of the major export and embargo-related criminal prosecutions handled by the Justice Department over the past two years, beginning in October 2006. 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.

- **Carbon-Fiber Material with Rocket & Spacecraft Applications to China** – On Oct. 28, 2008, a grand jury in the District of Minnesota returned an indictment charging Jian Wei Deng, Kok Tong Lim, and Ping Cheng with conspiring to illegally export to the People's Republic of China (PRC) controlled carbon-fiber material with applications in aircraft, rockets, spacecraft, and uranium enrichment process. According to the indictment, 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. Jian Wei Ding and Kok Tong Lim are residents of Singapore and affiliated with a Singaporean import/export company known as FirmSpace, Pte Ltd. Ping Cheng is a resident of New York and the sole shareholder of Prime Technology Corporation. This investigation was conducted by BIS and ICE.
- **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. 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 released, 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 Endeveco 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.
- **Space Launch Technical Data and Services to China** – On Sept. 24, 2008, Shu Quan-Sheng, a native of China, naturalized U.S. citizen and PhD physicist, was arrested in the Eastern District of Virginia on charges of illegally exporting space launch technical data and services to the People's Republic of China (PRC) and offering bribes to Chinese government officials. Shu 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. According to the complaint, beginning in or around January 2003, Shu provided technical assistance and foreign technology acquisition expertise to several PRC government entities involved in the design, development, engineering and manufacture of a space launch facility in the southern island province of Hainan, PRC. This facility will house liquid-propelled heavy payload launch vehicles

designed to send space stations and satellites into orbit, as well as provide support for manned space flight and future lunar missions. Among those PRC government entities involved in the Hainan space launch facility the People's Liberation Army's General Armaments Department and the 101st Research Institute (101 Institute). Shu is accused of illegally exporting technical data related to the design and manufacture of a "Standard 100 M3 Liquid Hydrogen (LH) 2 Tank," and illegally providing assistance to foreign persons in the design, development, assembly, testing or modification of the "Standard 100 M3 LH2 Tank" and related components of fueling systems for a foreign launch facility. The complaint also alleges that Shu offered 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. This investigation was conducted by the FBI, ICE, BIS and 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. Sentencing is set for October 30, 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 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 Technical Data on Unmanned Aerial Vehicles to China** – On Sept. 3, 2008, J. Reece Roth, a former Professor Emeritus at the University of Tennessee, was convicted in the Eastern District of Tennessee 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 information 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 and information related to a U.S. Air Force research and development 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. The investigation was conducted by the FBI, ICE, U.S. Air Force Office of Special Investigations, DCIS and BIS.
- **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.
- **Thermal Imaging Cameras to China** -- On Aug. 25, 2008, in the Central District of California, Evan Zhang (a/k/a You Wen Zhang), pleaded guilty to one count of exporting national security controlled items without obtaining the necessary license in violation of the International Emergency Economic Powers Act and the Export Administration Regulations. Zhang served as the President and Chief Executive Officer of Zybron Optical Electronics, Inc., an Ohio company involved in the development of high tech commodities, including infrared thermal imaging devices. In February 2007, Zhang illegally exported infrared thermal imaging cameras to Zhi Yong Guo, the managing director of Beijing Shenzhoukaiye System Engineering Technology Research Center in Beijing, China. Zhang is the second person to plead guilty in this case, which involves two additional defendants. On July 16, 2008, Tah Wei Chao, of Beijing, China, pleaded guilty to one count of conspiracy and two counts of illegally exporting or attempting to restricted items. Zhi Yong Guo, a Chinese national, is scheduled to stand trial in October 2008, on one count of conspiracy and one count of illegally exporting or attempting to restricted items. Both Chao and Guo were arrested at the Los Angeles International Airport in April 2008 after authorities recovered 10 cameras hidden in their suitcases. They were charged on April 7, 2008. The investigation was conducted by BIS, ICE, FBI, and other federal agencies.
- **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.
- **Night Vision Goggles to Pakistan, Italy, South Korea** – On July 31, 2008, Rigel Optics, Inc., pleaded guilty in the Southern District of Iowa to one count of violating the Arms Export Control Act in connection with an illegal export of night vision goggles, while its President, Donald Wayne Hatch, pleaded guilty to one count of false statements in connection with the case. The defendants were indicted on June 24, 2008 for illegally exporting military night vision systems to Pakistan, Italy, and South Korea. The investigation was conducted by ICE and BIS
- **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.
- **Infrared Assault Rifle Scopes to Indonesia** -- On July 28, 2008, in the Western District of Wisconsin, Doli Syarief Pulungan was sentenced to 48 months in prison followed by three years supervised release. On May 6, 2008, Pulungan, a citizen of Indonesia, was convicted of conspiracy to violate the Arms Export Control Act in connection with a plot to illegally export 100 Leupold Mark 4 CQ/T Riflescopes to Indonesia. Pulungan was first charged on Oct. 1, 2007. The tactical riflescopes have infrared capability and are designed to attach to M-16 and AR-15 assault rifles. The investigation was conducted by the FBI.
- **Night Vision Firearm Sights to Japan** – On July 28, 2008, Tomoaki Iishiba, 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, Iishiba admitted that he illegally shipped firearms parts including holographic night vision firearms sights to contacts in Japan. In October and December 2006, Iishiba shipped sixty holographic sights to a contact in Japan and purposely mislabeled the customs form for the shipment because he knew he needed a license to ship the firearms parts to Japan. Iishiba was charged on July 16, 2008. This investigation was conducted by ICE, DCIS, and the Army Criminal Investigation Command.

- **Chemical Purchasing Software to Iran** – On July 25, 2008, Ali Amirnazmi, the owner of Trantech Consultants, Inc., in Pennsylvania, was indicted in the Eastern District of Pennsylvania, for acting as an unregistered agent of the Iranian government, violating U.S. sanctions against Iran, and for lying to federal agents. For more than a decade, Amirnazmi allegedly sold software designed to help buyers around the globe locate the best prices for various chemicals to several Iranian companies that were owned in part or in whole by the Iranian government. This investigation was conducted by the FBI and IRS.
- **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.
- **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 .
- **Surface-to-Air Missiles, Night Vision Devices, Firearms to Foreign Terrorists** – On July 10, 2008, Erik Wotulo, a retired Indonesian Marine Corps general, was sentenced in the District of Maryland to 30 months in prison for conspiracy to provide material support to terrorists (the Liberation Tigers of Tamil Eelam or Tamil Tigers), and money laundering. According to the plea agreement, beginning in April 2006, Wotulo conspired with Haji Subandi, Haniffa Bin Osman and Thirunavukarasu Varatharasa to export state-of-the-art firearms, machine guns and ammunition, surface to air missiles, night vision goggles and other military weapons to the Tamil Tigers operating in Sri Lanka, to be used to fight against Sri Lankan government forces. The conspirators contacted an undercover business located in Maryland about the sale of military weapons. In September 2006, the defendants arrived in Guam, where they met with undercover officers to inspect and take possession of the weapons, and were eventually arrested. On Jan. 3, 2008, Varatharasa was sentenced to 57 months in prison. Subandi was sentenced to 37 months in prison on Dec. 14, 2007, while Osman is scheduled to be sentenced in August 2008. Two additional defendants, Rinehard Rusli and Helmi Soedirdja, pleaded guilty to export and money laundering violations on Jan. 30, 2007, as part of a related plot to provide military night vision devices to the Indonesian military. The investigation was conducted by ICE, the FBI, and DCIS.

- **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.
- **Stolen Software to Iran** – On June 25, 2008, Mohammad Reza Alavi pleaded guilty to transporting stolen property in interstate commerce, in connection with his theft of software belonging to the Palo Verde Nuclear Generating station in Arizona that was valued at \$400,000. On May 28, 2008 a jury also convicted Alavi of unauthorized access to a protected computer, but deadlocked on charges that he illegally exported the software. Alavi is a former employee of the Palo Verde nuclear plant, the largest in the United States, and served as a software engineer in the Simulator Support Group which maintained a simulator system to train control room employees on the operation of nuclear reactors. The simulator system utilizes software called "3KeyMaster" 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 the "3KeyMaster" software on his personal laptop without permission of Palo Verde. Alavi then took the software to Iran. 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 U.S. Following his arrest, Alavi admitted he took the software to help him obtain future employment in the nuclear field. The FBI conducted the investigation.
- **Fighter Jet and Military Helicopter Components to Iran** – On July 3, 2008, Hassan Saied Keshari, Traian Bujduveanu, Kesh Air International, and Orion Aviation Corp, were indicted in the Southern District of Florida for conspiring to violate the International Emergency Economic Powers Act, the U.S. Iran Embargo, and the Arms Export Control Act for their participation in a conspiracy to export U.S.-made military aircraft parts to Iran. On June 20, 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. Keshari owns and operates Kesh Air International, a business located in Novato, California. Bujduveanu owns and operates Orion Aviation Corp., located in Plantation, Florida. 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.
- **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.
- **Amplifiers / Missile Target Acquisition Technology to China** – On June 5, 2008, a grand jury in the Southern District of Florida returned an indictment charging Joseph Piquet, AlphaTronX, Inc, Thompson Tam, and Ontime Electronics Technology Limited with violations of the Arms Export Control Act and the International Emergency Economic Powers Act in connection with a conspiracy to illegally export to China military amplifiers used in early warning radar and missile target acquisition systems. The defendants were also charged will illegally exporting controlled dual-use amplifiers that have military applications. Piquet is the owner and President of AlphaTronX, a company in Port St. Lucie, Florida, that produces electronic components. Tam is a director of Ontime Electronics, an electronics company in China. This investigation was conducted by BIS and ICE.
- **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 and his associate Jeff Weiss were arrested pursuant to this shipment. The investigation was conducted by 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.

- **Trade Secrets to China** – On April 1, 2008, Hanjuan Jin, a naturalized U.S. citizen born in China, was indicted in the Northern District of Illinois for allegedly stealing business trade secrets from her employer, a telecommunications company in Chicago, and attempting to take these technical documents with her to China for a new employer there. Jin allegedly possessed more than 1,000 electronic and paper proprietary documents when she attempted to travel one-way to China in Feb. 2007. The U.S. company had spent hundreds of millions of dollars on research and development for the proprietary data that Jin allegedly possessed without authorization. Jin was charged with three counts of theft of trade secrets. The investigation was conducted by the FBI, with assistance from U.S. Customs and Border Protection.
- **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.
- **Theft of Trade Secrets on U.S. Space Shuttle for China** – On Feb. 11, 2008, Dongfan “Greg” Chung, a former Boeing engineer, was arrested in Southern California after being indicted on charges of economic espionage and acting as an unregistered foreign agent of the People’s Republic of China (PRC), for whom he allegedly stole Boeing trade secrets related to several aerospace and military programs, including the Space Shuttle, the Delta IV rocket program and the Air Force’s C-17 aircraft. Chung, who was employed by Rockwell International from 1973 until its defense and space unit was acquired by Boeing in 1996, was named in an indictment in the Central District of California accusing him of 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. Between 1985 and 2003, Chung made multiple trips to the PRC to deliver lectures on technology involving the Space Shuttle and other programs, and during those trips he met with agents of the PRC. The investigation was conducted by the FBI and NASA.
- **Two Sentenced in Iranian Embargo Case** -- On Feb. 8, 2008, in the District of Columbia, Mojtaba 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 & Commercial Aircraft Components to Iran** – On Feb. 1, 2008, Laura Wang-Woodford, the director of a Singapore-based aviation company, was arraigned in the Eastern District of New York in connection with charges that she illegally exported controlled U.S. commercial and military aircraft components to Iran. She pleaded not guilty and was ordered detained. Wang-Woodford is a U.S. citizen who served as the director of Monarch Aviation Pte, Ltd., a company in Singapore that has imported and exported aircraft components for more than 16 years. She and her husband, Brian D. Woodford, were charged in a 20-count indictment with Arms Export Control Act and International Emergency Economic Powers Act violations in the Eastern District of New York. According to the indictment, Wang-Woodford exported controlled U.S. aircraft parts from the United States to her company in Singapore and then re-exported these commodities to a company in Tehran, Iran without obtaining the required U.S. Government licenses. A superseding indictment against the couple was returned on May 27, 2008. At the time of her Dec. 23, 2007 arrest in San Francisco, Wang-Woodford was carrying catalogues from the China National Precision Machinery Import and Export Company (CPMIEC), which contained advertisements for surface-to-air missiles and rocket launchers. CPMIEC has been sanctioned by the Treasury Department as a specially designated Weapons of Mass Destruction proliferator. The investigation was conducted by BIS and ICE.
- **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 Frazer 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** – On Dec. 17, 2007, Andrew Freyer was sentenced to 17 months in prison and ordered to pay a \$10,000 criminal fine for his part in a conspiracy to export U.S.-origin valves to Iran via Australia. On Aug. 15, 2007, Freyer was convicted at trial of one count of aiding and abetting. 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 was 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 Rinzier 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. Rinzier 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.
- **Military Night Vision Equipment to Hizballah** – On Nov. 29, 2007, Fawzi Assi, a former resident of Dearborn, Michigan, pleaded guilty to providing material support to Hizballah, a designated foreign terrorist organization. Mr. Assi admitted that, on July 13, 1998, he attempted to board an airplane at Detroit Metro Airport on an international flight for Lebanon with two Boeing global positioning satellite modules, night vision goggles and a thermal imaging camera. He was attempting to deliver these items to a person in Lebanon, who was purchasing the equipment for Hizballah. Shortly after his arrest in 1998, Assi was ordered released from custody during a hearing in which the government sought to have him detained. He fled to Lebanon and remained there until May 2004 when he returned to the United States and was arrested again. The case was investigated by the FBI and ICE and was prosecuted in the Eastern District of Michigan.
- **F-14 Fighter Jet Components and Other Military Items to Iran** – On Nov. 20, 2007, a grand jury in the Southern District of New York returned an indictment charging Yousef Boushvash with violating the Arms Export Control Act, smuggling, conspiracy to commit money laundering and other violations in connection with his alleged acquisition of F-14 military fighter jet components and other military parts from the United States for export to Iran. The grand jury later returned two superseding indictments against Boushvash adding new offenses. According to the charges, Boushvash operated a company in Dubai, United Arab Emirates, called Glasgow International LLC which served as a hub for his illegal arms deals. Boushvash and his co-conspirators allegedly contacted numerous suppliers in the U.S. via e-mail and had them illegally export military components to the UAE, Thailand, and other locations, for ultimate transshipment to

Iran. 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.
- **Military Night Vision Technology to China** – On Oct. 31, 2007, Bing Xu, of Nanjing, China, was charged by criminal complaint in the District of New Jersey with attempting to illegally export military-grade night vision technology from the U.S. to China. According to court documents, Xu arrived in New York on October 26 from China a day after his Chinese employer wire transferred \$14,080 to federal agents as payment for the purchase of the restricted equipment. The investigation was conducted by ICE and the DCIS.
- **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 to three years probation and to pay a \$5,000 criminal fine. One 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 to three years probation and a \$1,000 criminal fine after pleading guilty on June 14, 2007 to one count of aiding and abetting the operation of an unlicensed money transmitting business. Also, on Oct. 11, 2007 Tak Components was sentenced to one year probation and to forfeit \$38,016. On June 14, 2007, Tak Components pleaded guilty to 16 counts of violating the International Emergency Economic Powers Act. Tak Components illegally exported a variety of equipment to Iran, falsely claiming they were destined for the United Arab Emirates. Both defendants were charged on June 6, 2007. This investigation was conducted by ICE and BIS.
- **Illegal Exports of F-4 and F-14 Fighter Jet Components** – On Oct. 5, 2007, Abraham Trujillo and David Wayne of Ogden, Utah, were charged in the District of Utah with attempting to illegally export components for F-4 and F-14 fighter jets using the Internet. According to the charges, the defendants attempted to illegally export military cable assemblies, wiring harnesses and other restricted components to Canada in 2006 and 2007. Such exports are of particular concern because F-14 components are widely sought by Iran, which is currently the only nation in the world that still flies the F-14 fighter jet. 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.
- **Sensitive Aircraft Components to Iran** – On Sept. 18, 2007, Aviation Services International, a Netherlands-based aviation services company, its owner, Robert Kraaiipoel, and two other Dutch companies, Delta Logistics and TPC, were charged in the District of Columbia with illegally exporting aerospace grade aluminum, aircraft components, and other equipment to Iran and the government of Iran. The complaint alleges that, 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, according to the complaint. The investigation was conducted by BIS, ICE, DCIS and 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 Abdir was indicted in the Northern District of California on charges of conspiracy to provide material support to terrorists, providing material support to terrorists, and contributing goods and services to a Specially Designated Global Terrorist. According to the indictment, Rahmat Abdir communicated frequently with Zulkifli Abdir, his fugitive brother and a U.S.-specially designated terrorist who operates in the Philippines and is a member of the central command of *Jemaah Islamiyah*. From his home in California, Rahmat allegedly sent his brother money, two-way radios, Colt .45 magazines, binoculars, rifle scopes, batteries and other materials, even as his brother evaded capture and battled Philippine troops. Zulkifli Abdir was charged in the same indictment with conspiracy to provide material support to terrorists and providing material support to terrorists. The investigation was conducted by the FBI and ICE.
- **Aircraft Components to Iran** – On July 30, 2007, Ali Khan, the owner of TurboAnalysis in Phoenix, AZ, was sentenced in the Eastern District of New York to five years probation, a \$1.4 million forfeiture, and \$100,000 criminal fine in connection with his role in a conspiracy to illegally export aircraft components to Iran. Khan previously pleaded guilty to one count of conspiracy to violate the International Emergency Economic Powers Act in Sept. 2005. He was indicted on May 5, 2004. This investigation was conducted by BIS and ICE.
- **Sensitive Technology to Prohibited Facility in India** – July 30, 2007, Samuel Shangteh Peng was charged in the Central District of California with illegally exporting sensitive technology to an entity in India prohibited from receiving such technology due to proliferation concerns. Peng, an international sales manager at a California company, was charged with illegally exporting vibration amplifiers, cable assemblies and vibration processor units in 1999 and 2000 from the U.S. to Hindustan Aeronautics Limited, Engine Division, in India. In 1998, the U.S. government designated this facility in India as an end-user of concern for proliferation reasons. The investigation was conducted by BIS, ICE, and the Naval Criminal Investigative Service (NCIS).
- **Missiles, Explosives, Arms to Overthrow Government in Laos** – On June 14, 2007, a grand jury in the Eastern District of California returned an indictment charging 11 defendants with conspiring to overthrow the government of Laos by force and violence. Among other things, the defendants were charged with conspiring to acquire hundreds of assault

rifles, Stinger missiles, anti-tank missiles, mines, and C-4 explosives which they intended to ship to safe houses in Thailand and Laos for use in overthrowing the government of Laos. Harrison Ulrich Jack, Vang Pao, Lo Cha Thao, Lo Thao, Yua True Vang, Hue Vang, Chong Yang Thao, Seng Vue, Chue Lo, Nhia Kao Vang, and Dang Vang were charged in the indictment with conspiracy to violate the Arms Export Control Act, conspiracy to violate the Neutrality Act, conspiracy to kill, kidnap, and maim; conspiracy to possess a missile system to destroy aircraft, and other violations. The investigation was conducted by the ATF and FBI.

- **Missiles, Arms to Terrorists in Colombia and Armed Factions Around the Globe** – On June 7, 2007, reputed international arms dealer, Monzer Al Kassar, was arrested in Spain and two of his alleged associates, Tareq Mousa El Ghazi and Luis Felipe Moreno Godoy, were arrested in Romania pursuant to a terrorism-related indictment returned in the Southern District of New York. According to the May 29, 2007 indictment, Kassar agreed to sell millions of dollars worth of surface-to-air missiles, rocket-propelled grenade launchers, ammunition, and machine guns to the U.S.-designated terrorist organization, Fuerzas Armadas Revolucionarias de Colombia (FARC), between February 2006 and May 2007. Since the early 1970s, court documents allege, Kassar has been a ready source of weapons and military equipment for armed factions engaged in violent conflicts around the world, including Nicaragua, Brazil, Cyprus, Bosnia, Croatia, Somalia, Iran, and Iraq, among other countries. The investigation was conducted by the Drug Enforcement Administration (DEA) and the FBI.
- **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, Hadianto Djuliarso pleaded guilty in the Eastern District of Michigan to conspiracy to violate the Arms Export Control Act and money laundering in a scheme to purchase and illegally export more than \$1 million worth of machine guns, sniper rifles and other weapons to Indonesia. According to court documents, Djuliarso also made inquiries about purchasing Sidewinder missiles and strafing ammunition for illegal export to Indonesia. Three other defendants, Ibrahim Bin Amran, Ignatius Soeharli, and David Beecroft, have pleaded guilty in this case. The investigation was conducted by ICE and DCIS.
- **U.S. Anti-Submarine Torpedo Technology to South Korea** – On Dec. 21, 2006, Stuart Choi pleaded guilty to an export violation for his role in a scheme to illegally export U.S. anti-submarine torpedo technology to South Korea. The technology was destined for the South Korean “Blue Shark” anti-submarine torpedo program made public during the summer of 2006. This investigation was conducted by ICE.
- **Stolen Trade Secrets to Chinese nationals** – On Dec. 14, 2006, Fei Ye and Ming Zhong pleaded guilty in the Northern District of California 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.
- **Sensitive Technology to Iranian National** – On Dec. 5, 2006, Seyed Rohani Eftekhari pleaded guilty in the Western District of Texas to attempting to purchase a “guided wave” scanning device with the intent of providing the unit to a third party from Iran without the required U.S. government license. He was charged on Oct. 4, 2006. The investigation was conducted by ICE and the FBI.
- **Technology with Nuclear Applications to Iran** – On Nov. 30, 2006, Juan Sevilla, sales director of United Calibration Corporation in California, was sentenced in the Northern District of Illinois for attempting to illegally export to Iran machinery and software to measure the tensile strength of steel in violation of the U.S. embargo. The technology is on the Nuclear Supplier’s Group “Watch List” as a commodity that can make a contribution to nuclear activities of concern. Sevilla was indicted on March 1, 2005 and pleaded guilty on Sept. 14, 2005. The investigation was conducted by BIS and ICE.
- **Rifle Scopes, Weapons to Iran** – On Nov. 22, 2006, Fereidoon Kariman was arrested in the Eastern District of Michigan after authorities found rifle scopes, laser range finding binoculars, stun guns and other prohibited items in luggage for his trip to Iran. He pleaded guilty on Nov. 15, 2007 and was later sentenced on March 18, 2008. The investigation was conducted by ICE.
- **Missile Technology / Military Accelerometers to Iran** – On Nov. 13, 2006, officials with the Royal Thai Police arrested Jamshid Ghassemi in Bangkok, Thailand, pursuant to a provisional U.S. arrest warrant. Ghassemi and a co-conspirator, Aurel Fratila, had been indicted on October 17, 2006 in the Southern District of California on charges of conspiracy to violate the Arms Export Control Act, conspiracy to launder money, and money laundering. According to the indictment, the defendants attempted to illegally export military gyroscopes and military accelerometers suitable for ballistic missile guidance, as well as spacecraft navigation and control systems, to Romania for ultimate transshipment to Iran. Ghassemi was released by Thai authorities in Sept. 2008 after the U.S. extradition request was denied. He remains a fugitive. This investigation was conducted by ICE and DCIS.
- **Military Weapons Scopes to China** – On Oct. 25, 2006, Wai Lim William Lam was charged in the District of Connecticut with attempting to smuggle weapons scopes, including submersible night-vision monocular devices, to Hong Kong. He pleaded guilty on Dec. 11, 2006. The investigation was conducted by DCIS, BIS, and ICE.
- **U.S. Military Vehicles to the Middle East** – On Oct. 24, 2006, Ronald Wiseman, a former Defense Reutilization and Marketing Service (DRMS) official, was sentenced in the District of Columbia for illegally selling militarized vehicles to individuals in Middle East nations. A second former DRMS official, Gayden Woodson, pleaded guilty the same day in connection with the scheme. Both were charged on May 5, 2005. The case was investigated by ICE, DCIS and the Defense Logistics Agency.

- **Terrorist Transactions, Computer Exports to Libya and Syria** – On Oct. 13, 2006, sentences were handed down in the Northern District of Texas against Infocom Corporation and Bayan Elashi, Ghassan Elashi and Basman Elashi in connection with prior convictions at trial for dealing in the funds of a Specially Designated Terrorist, a high-ranking official of the terrorist organization, Hamas, and conspiracy to export computers and computer equipment to Libya and Syria. The investigation was conducted by FBI, BIS, ICE, IRS and members of the North Texas Joint Terrorism Task Force.
- **Aircraft Parts to Iran** – On Oct. 13, 2006, Ernest Koh, doing business as Chong Tek, was sentenced in the Eastern District of New York to jail after his conviction at trial for obtaining components that can be used in C-130 military transport planes and P-3 Naval aircraft, and diverting those parts to Malaysia for ultimate transshipment to Iran. In total, the government found that Koh illegally exported roughly \$2.6 million in aircraft parts to Iran. Koh was first charged on Oct. 26, 2005. The investigation was conducted by BIS and ICE.
- **Industrial Furnace to Missile Institute in China** – On Oct. 4, 2006, William Kovacs, the owner and president of Elatec Technology Corporation in Massachusetts, was sentenced in the District of Columbia to 12 months in prison for illegally exporting a hot press industrial furnace to a research institute in China affiliated with that nation's aerospace and missile programs. Kovacs and Elatec pleaded guilty to conspiring to violate export laws on May 28, 2004. They were first charged on Nov. 13, 2003. An associate, Stephen Midgley, separately pleaded guilty on Jan. 10, 2005, to making false statements in export documents. The investigation was conducted by BIS and ICE.

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