

Members of International Procurement Network Indicted for Supplying Iran with U.S. Military Aircraft Components

Total of 12 Defendants in U.S., France, U.A.E. and Iran Charged

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MACON, Ga. – Seven individuals and five corporate entities based in the United States, France, the United Arab Emirates (U.A.E.) and Iran have been indicted in the Middle District of Georgia for their alleged roles in a conspiracy to illegally export military components for fighter jets and attack helicopters from the United States to Iran. One of the defendants and his company were sentenced yesterday, with the individual receiving nearly five years in prison. Another defendant and his company have admitted their illegal conduct and also pleaded guilty in the investigation.

Federal prosecutors today unsealed a superseding indictment in Macon, Ga., charging eight of the defendants with conspiring to violate and violating the Arms Export Control Act (AECA), the International Emergency Economic Powers Act (IEEPA) and the Iranian Transactions Regulations, as well as conspiracy to defraud the United States, money laundering and false statement violations. Charges against the four other defendants, who have pleaded guilty in the case, are contained in the original indictment in the investigation that was filed previously.

The indictment and other enforcement actions were announced by Todd Hinnen, Acting Assistant Attorney General for National Security; Michael J. Moore, U.S. Attorney for the Middle District of Georgia; Brock Nicholson, Special Agent-in-Charge of the U.S. Immigration and Customs Enforcement, Homeland Security Investigations (ICE-HSI) office in Atlanta; Brian D. Lamkin, Special Agent-in-Charge of the FBI's Atlanta Field Division; and Robert Luzzi, Special Agent-in-Charge of the Commerce Department, Office of Export Enforcement (OEE) Miami Field Office.

The Defendants

Thus far, four defendants based in the United States have been charged as part of the investigation. They are The Parts Guys LLC, a company in Port Orange, Fla., that maintains a warehouse at the Middle Georgia Municipal Airport in Macon, as well as the president of The Parts Guys, Michael Edward Todd, who is a U.S. national. In addition, Galaxy Aviation Services, a company in St. Charles, Ill., and its president, Hamid Seifi, also known as Hank Seifi, an Iranian-born U.S. national, have been charged.

Todd was arrested last year in Atlanta based on the original indictment in the case. Todd and his company, The Parts Guys, pleaded guilty to conspiracy to violate the AECA on May 9, 2011, and have yet to be sentenced. Federal agents arrested Seifi in Atlanta earlier this year, also based on the original indictment. Seifi and his company, Galaxy Aviation, pleaded guilty on Feb. 24, 2011, to conspiracy to violate the AECA and violating the IEEPA. Yesterday, Seifi was sentenced to 56 months in prison followed by three years of supervised release, a fine of \$12,500 and forfeiture of \$153,950, while Galaxy Aviation, which is now defunct, received a \$400 special assessment.

Three defendants based in France have also been indicted as part of the investigation. They are Aerotechnic, a company in Pinsaguel, France, and its president, Philippe Sanchez, a French national, as well as Luc Teuly, a French national and the sales manager of Aerotechnic. Each of these defendants remains a fugitive.

Two defendants based in the U.A.E. have also been indicted in the case. They are Aletra General Trading, a company in Dubai doing business as "Erman & Sultan Trading Co," and Syed Amir Ahmed Najfi, an Iranian national and purchaser for Aletra. Najfi remains a fugitive.

Three defendants based in Iran have also been charged in the case. They are Sabanican Company, a company in Tehran, and its president, Hassan Seifi, an Iranian national, as well as Reza Seifi, an Iranian national and the managing director of Sabanican Company. Each of these defendants remains at large.

As part of the U.S. government's coordinated action against this procurement network, the Commerce Department announced today that it will add the eight defendants in France, Iran and the U.A.E. to its "Entity List." The Entity List provides notice to the public that certain exports, re-exports and transfers (in-country) to parties identified on the Entity List require a license from the Commerce Department, and that availability of license exceptions in such transactions is limited. All eight parties will be added to the Entity List with a licensing requirement for all items subject to the Commerce Department export regulations and with a presumption of denial.

The Charges

According to the charges, the defendants conspired to export components for attack helicopters and fighter jets to Iran without obtaining the required U.S. export licenses. These components included military parts for the Bell AH-1 attack helicopter, the UH-1 Huey attack helicopter, as well as the F-5 and F-4 fighter jets.

Defendant Najfi and his firm in the U.A.E. are alleged to have placed orders and purchased military aircraft parts, including those for the Bell AH-1 attack helicopter, from Todd and his company, The Parts Guys, in the United States. Todd and other conspirators then attempted to and did cause the export of the aircraft parts to the U.A.E.

Defendant Hank Seifi and his firm in Illinois also allegedly placed orders and purchased U.S. aircraft parts from Todd and his company in Georgia -- on behalf of Hassan Seifi, Reza Seifi and their company in Iran. According to the charges, Todd and other conspirators then caused these aircraft parts to be exported to Iran via the defendants in France: Sanchez, Teuly and their company, Aerotechnic.

The charge of conspiracy carries a maximum penalty of five years in prison, while violating the AECA carries a maximum penalty of 20 years in prison, and violating IEEPA carries a maximum penalty of 20 years in prison. Money laundering carries a maximum 20 years in prison, while making false statements carries a maximum of five years in prison.

"The defendants in this case are alleged to have conspired to defraud the United States by illegally acquiring and exporting fighter jet and attack helicopter components. Keeping such advanced weaponry, which is designed to protect the men and women of our Armed Forces and to defend our national interests, from falling into the hands of state sponsors of terror has never been more important," said Todd Hinnen, Acting Assistant Attorney General for National Security.

"Through coordinated law enforcement efforts, we have cut off more than a branch of this illegal supply tree; we have cut off the tree at its trunk. These parts have a military purpose, and I am determined to see that they are not used to harm the United States, its soldiers, citizens or friends. This type of criminal activity should remind each of us that we must be ever vigilant in our efforts to protect our national security. The threat is very real, and comes from even the least suspected places, including middle Georgia," said U.S. Attorney Michael Moore.

"The illegal export of U.S. weapons and military technology presents a direct threat to our national security," said Brock Nicholson, Special Agent-in-Charge of ICE-HSI in Atlanta. "This investigation demonstrates the importance of preventing our military equipment from falling into the wrong hands, where it could potentially be used against our military members, our homeland and our allies. Enforcing U.S. export laws is one of our top priorities, and we will continue working with our law enforcement partners to ensure that those who put our country at risk are discovered and brought forward for prosecution."

Brian D. Lamkin, Special Agent-in-Charge, FBI Atlanta, stated: "The cooperative efforts among the FBI, ICE and U.S. Commerce was critical in bringing this case forward for prosecution by the U.S. Department of Justice. The enforcement of U.S. laws that prohibit the acquisition of specified defense related items is paramount to national security and is a daunting task when back dropped against the vast movement of legitimate international trade that occurs every day in the U.S. The FBI is pleased with the role that it has played in this multi-agency enforcement effort."

"The Commerce Department's Office of Export Enforcement (OEE) dedicates one hundred percent of its resources to enforcing export laws, and today's case is the result of ongoing cooperation with Immigration and Customs Enforcement and the FBI to protect our national security," said Robert Luzzi, Special Agent-in-Charge of OEE's Miami Field Office. "Parties who export to embargoed destinations such as Iran will be pursued and prosecuted to the fullest extent of the law."

This case was investigated by ICE Homeland Security Investigations in Atlanta, FBI Atlanta Field Division and the Department of Commerce's OEE.

The prosecution is being handled by Assistant U.S. Attorneys Jennifer Kolman and Danial E. Bennett from the U.S. Attorney's Office for the Middle District of Georgia and Trial Attorneys Ryan P. Fayhee and Brandon L. Van Grack from the Counterespionage Section of the Justice Department's National Security Division.

The public is reminded that an indictment contains mere allegations and that defendants are presumed innocent unless and until proven guilty.

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National Security Division