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Department of Justice

U.S. Attorney's Office

District of Columbia

FOR IMMEDIATE RELEASE

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International Business Organizations Convicted of Criminal Conspiracy to Violate Iranian Sanctions

WASHINGTON – Two international business organizations pleaded guilty and were sentenced today in the United States District Court for the District of Columbia for their participation in a criminal conspiracy to violate U.S. export laws and sanctions by sending U.S.-origin goods to Iran.

Taiwan business organization DES International Co., Ltd. (“DES”), and Brunei business organization Soltech Industry Co., Ltd. (“Soltech”), each pleaded guilty to conspiring to defraud the United States and to violate the International Emergency Economic Powers Act and the Iranian Transactions and Sanctions Regulations. The two companies were each sentenced to pay a fine of \$83,769, which is three times the value of the goods unlawfully exported to Iran, and to serve a five-year term of corporate probation. The sentences were handed down by United States District Judge Jia M. Cobb.

The announcement was made by U.S. Attorney for the District of Columbia Matthew M. Graves; Assistant Attorney General of the National Security Division Matthew G. Olsen; Special Agent in Charge Oliver E. Rich, Jr., of the Federal Bureau of Investigation's (FBI) San Antonio Field Office; Acting Special Agent in Charge Craig Larrabee, of the San Antonio, Texas, Field Office of Homeland Security Investigations at the Department of Homeland Security Investigations (HSI); Special Agent in Charge Michael Mentavlos, of the Southwest Field Office of the Defense Criminal Investigative Service of the Department of Defense (DCIS); and Special Agent in Charge Trey McClish, of the Dallas Field Office of the Department of Commerce, Office of Export Enforcement (DOC).

“We will pursue individuals and organizations, wherever located, who would threaten our national security by attempting to illegally resell U.S. origin goods to Iran,” said U.S. Attorney Graves. “The U.S. government has many avenues to hold those who break our sanctions and export control laws accountable and will ensure that the penalties for these crimes will be substantially greater than the anticipated profit from these schemes. We thank all of our law enforcement partners for their unwavering commitment to this effort.”

“The defendant companies, which shared common directors and employees, have pled guilty to obtaining US export-controlled goods for the benefit of the government of Iran and concealing the US origin of those goods to facilitate their illicit transfer,” said Assistant Attorney General Matthew G. Olsen of the

Justice Department's National Security Division. "Today we are holding them accountable for violating our laws at the expense of US national security."

"The defendants in this case took actions that placed profit and economic gain above U.S. national security and global stability," said FBI San Antonio Division Special Agent in Charge Oliver E. Rich Jr. "Today's sentencing demonstrates the unwavering commitment of the FBI, U.S. Attorney's Office, Department of Homeland Security, Department of Defense and Department of Commerce to hold accountable anyone who would threaten U.S. national security and the safety of the American people."

"HSI will continue to work with our federal and international law enforcement partners to ensure offenders who are violating U.S. export laws and sanctions are brought to justice," said Acting Special Agent in Charge Craig Larrabee, HSI San Antonio. "We will remain steadfast in our commitment to protect our homeland from all adversaries."

"Keeping our nation's sensitive technologies out of the hands of our adversaries is one of our highest priorities," said Special Agent in Charge Mentavlos, Defense Criminal Investigative Service (DCIS), Southwest Field Office. "DCIS, the law enforcement arm of the Department of Defense Office of Inspector General, and our federal partners are committed to identifying and holding accountable those that seek to evade U.S. export enforcement laws, putting our warfighters at risk."

"BIS's aggressive enforcement of the Export Administration Regulations plays a critical role in protecting U.S. national security," said Special Agent in Charge Trey McClish. Dallas Field Office of the Department of Commerce, Office of Export Enforcement "In this instance, our partnership with HSI, DCIS, FBI, and the U.S. Attorney's Office sends the message that violating U.S. export control rules on Iran will not be tolerated."

According to the plea agreement documents, DES and Soltech, which were affiliated with one another by virtue of common directors, employees, and customers, both procured goods from the United States for the benefit of Iranian government entities and business organizations. In particular, a sales agent for both DES and Soltech helped an Iranian research center obtain U.S. goods without a license from the Department of the Treasury. These goods included a power amplifier designed for use in electromechanical devices as well as cybersecurity software. The companies' sales agent took steps to conceal the U.S. origin of the goods, including by removing serial number stickers with the phrase "Made in USA" from packages, and by causing the cybersecurity software to be downloaded onto a computer outside of Iran. In addition, the sales agent shared developments regarding this illegal conduct with other employees and directors of DES and Soltech. An arrest warrant issued for the sales agent has not yet been executed.

The investigation was conducted by the FBI's San Antonio, Texas, Field Office, HSI, DCIS, and DOC. Assistant U.S. Attorney Michael J. Friedman and National Security Division Trial Attorney Christopher M. Rigali are representing the United States.

Topic(s):

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