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Department of Justice

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Three Texans, One New Yorker Indicted for Conspiracy to Sell Sanctioned Iranian Petroleum to Refinery in China for Millions in Profit

Assistant Attorney General for National Security John C. Demers and U.S. Attorney for the Eastern District of Pennsylvania William M. McSwain announced that the following defendants were indicted on charges of conspiracy, violating the International Emergency Economic Powers Act (IEEPA), and money laundering conspiracy based on their attempt to transact in sanctioned Iranian petroleum:

- Nicholas Hovan, 34, of New York, NY;
- Zhenyu Wang, aka "Bill Wang," 39, of Dallas, TX;
- Robert Thwaites, 30, of Dallas, TX; and
- Daniel Ray Lane, 39, of McKinney, TX.

"The defendants in this case allegedly conspired to sell Iranian petroleum to a Chinese refinery in order to enrich themselves at the expense of the US Iran sanctions regime," said Assistant Attorney General Demers. "The defendants devised a scheme to use front companies, bribes, and false contractual documents in order to conceal their brazenly illicit activity. We will continue to leverage all of our tools to detect and prevent individuals such as these from engaging in actions that would have harmed the national security of this nation."

"It doesn't get much lower than attempting to get rich by flouting the United States' national security interests," said U.S. Attorney McSwain. "The defendants here allegedly jeopardized the safety and security of the United States by scheming to get in bed with Iran and China. This type of conspiracy deserves the full condemnation of my office and it has it."

The indictment alleges that from May 2019 to February 2020, the defendants conspired in Philadelphia and elsewhere to arrange for the purchase of petroleum from the Islamic Republic of Iran, in violation of United States economic sanctions imposed on Iran, for sale to a refinery in the People's Republic of China. They also allegedly conspired to launder the proceeds of the sale through shell entities and offshore financial accounts to disguise the nature of the transaction. The defendants are charged with conspiring to purchase sanctioned Iranian petroleum, to sell the petroleum to a Chinese refinery, to conceal the origin of the petroleum (including by bribing a Chinese official), and to obtain Antigua passports to open Swiss bank accounts through which the proceeds would be laundered.

In February 2020, the defendants were arrested pursuant to a criminal complaint. As previously reported, the defendants planned two shipments of oil per month going forward, all for an expected profit of roughly \$28 million-per-month.

If convicted, the defendants face a maximum possible sentence of 45 years' imprisonment, a \$1.75 million fine, a three-year term of supervised release, and a \$300 special assessment.

The case was investigated by the FBI and is being prosecuted by First Assistant U.S. Attorney Jennifer Arbittier Williams and Assistant U.S. Attorney Michael J. Rinaldi and in partnership with Trial Attorney David Recker of the Department of Justice's National Security Division, Counterintelligence and Export Control Section.

An indictment, information, or criminal complaint is an accusation. A defendant is presumed innocent unless and until proven guilty

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