



News Releases

June 8, 2010

American citizen from Maryland and 5 Iranians indicted in conspiracy to illegally provide satellite technology to Iran

GREENBELT, Md. - A federal grand jury has indicted six individuals -- one American and five Iranian citizens -- on charges of conspiring to illegally provide satellite hardware and technology to Iran, in violation of the International Emergency Economic Powers Act and money laundering. The indictment alleges that as a result of the conspiracy, an Iranian earth satellite equipped with a camera was launched into space in Russia on about Oct. 27, 2005. The indictment was returned on June 2, 2010, and unsealed today.

Charged in the indictment are: Nader Modanlo, 49, of Potomac, Md., a naturalized U.S. citizen born in Iran; Hamid Malmirian, 53; Reza Heidari, 52; Mohammad Modares, 44; Abdol Reza Mehrdad, 43; and Sirous Naseri, 55, all Iranian nationals.

Nader Modanlo was arrested this morning and has an initial appearance scheduled today at 2:00 p.m. in U.S. District Court in Greenbelt. The other defendants remain at large.

The indictment was announced by U. S. Attorney for the District of Maryland Rod J. Rosenstein; Department of Homeland Security (DHS) Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE) John Morton; and Special Agent in Charge Rebecca Sparkman of the Internal Revenue Service - Criminal Investigation, Washington D.C. Field Office.

"Keeping our nation safe is ICE's top priority. To that end, we will vigorously investigate and prosecute individuals who attempt to export items to countries like the Islamic Republic of Iran," said ICE Assistant Secretary John Morton. "This case should send a message to those who seek to jeopardize the security of the United States by wilfully violating our customs laws - we will find you, and we will bring you to justice."

"The indictment alleges that the defendants violated the Iran Trade Embargo by creating a front company to conceal the fact that they were providing goods, technology and services to Iran in return for millions of dollars," said U.S. Attorney Rod J. Rosenstein. "The Iran Trade Embargo prohibits Americans from supplying goods, technology and services to Iran directly or indirectly,

and an investigation led by ICE and the IRS led to in these allegations that the defendants violated that embargo."

"The IRS-Criminal Investigation, along with our law enforcement partners, takes these violations of law very seriously," stated Rebecca Sparkman, IRS-Criminal Investigation special agent in charge, Washington DC Field Office. "The IRS has stepped up its efforts in the global community and promoters of international fraud should be aware that they are under the watchful scrutiny of the IRS."

The president of the United States issued an Executive Order in 1995 imposing a trade embargo against Iran, after finding that Iran's policies and actions posed a threat to the national security of the United States. Under the embargo, the Department of the Treasury, through the Office of Foreign Assets Control, issued the Iranian Transactions Regulations, which prohibited the export, re-export, sale or supply, directly or indirectly, by a U.S. citizen, of goods, technology, or services to Iran or the government of Iran, without prior authorization of the Office of Foreign Assets Control.

According to the indictment, from January 2000 through Nov. 27, 2007, Modanlo, Malmirian, Heidari, Modares, Mehrdad and Naseri concocted a scheme to evade the Iran trade embargo, by using sham companies to conceal Iranian involvement in prohibited activities and transactions. The indictment states that beginning in 1992, Modanlo was the principal owner, chairman and president of Final Analysis, Inc. (FAI) in Maryland. Beginning in 1994, FAI contracted with POLYOT, an aerospace enterprise company owned by the government of the Russian Federation, to provide launch services for FAI satellites. From 1995 through 2000, FAI and POLYOT also designed, constructed and launched a satellite and an in-orbit communications system.

Modanlo and other FAI personnel met with POLYOT officials as part of that relationship. As required by law, Modanlo obtained U.S. export licenses in order to export and launch the telecommunications satellites and other equipment from Russia.

In November 2001, Modanlo established New York Satellite Industries, LLC, (NYSI) after creditors filed a petition to place FAI into involuntary bankruptcy. NYSI purchased FAI's assets and Modanlo served as Chairman and managing member of NYSI, using his home address as NYSI's business address.

Beginning in 2000, Modanlo brokered an agreement between POLYOT and a customer in Iran to construct and launch satellites and a ground station. The indictment charges that Modanlo met with Malmirian, who held himself out as an Iranian government representative, and POLYOT officials to discuss a Russian-Iranian satellite agreement, reaching an agreement for the design, development, assembly, integration, test and launch of a small low-earth orbiting spacecraft and the installation of a ground station in December 2001.

Between December 2001 and April 2002, Modanlo, Naseri, Heidari and Malmirian traveled to a foreign country to seek an intermediary to form a company called Prospect Telecom in order to conceal Iranian participation as an investor/lender in Modanlo's satellite telecommunications

activities. Between April and June 2002, Heidari, Modares and Mehrdad allegedly established Prospect Telecom and opened a bank account overseas in the name of Prospect Telecom.

The indictment further alleges that Heidari, Modares, Naseri, and Mehrdad caused \$10 million to be wired from Prospect Telecom's bank account overseas to Modanlo's NYSI account in Bowie, Maryland, in consideration for Modanlo's assistance to Iran and the Iranians in brokering the satellite agreement with Russia and for NYSI providing telecommunications services in support of that agreement. According to the indictment, Heidari and Modanlo agreed that NYSI would assist in obtaining telecommunications service provider licenses for the owners of Prospect Telecom and for the benefit of the Islamic Republic of Iran. The indictment alleges that Modanlo and Heidari also provided false information about Prospect Telecom during bankruptcy proceedings in order to conceal the Iranians' interest in Prospect Telecom.

The indictment also seeks the forfeiture of \$10 million from each of the defendants, which is alleged to be the proceeds of the offense.

The defendants face a maximum sentence of five years in prison for the conspiracy.

Nader Modanlo also faces a maximum penalty of 20 years in prison on each of three counts of violating the Iran Trade Embargo. Modanlo, Heidari, Modares and Mehrdad face a maximum penalty of 20 years in prison for money laundering.

U. S. Attorney Rod J. Rosenstein thanked Assistant U. S. Attorneys David I. Salem and Deborah A. Johnston, who are prosecuting the case.

-- ICE --