

**Department of Justice**  
U.S. Attorney's Office  
Southern District of New York

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## **Iranian National Arrested For Scheme To Evade U.S. Economic Sanctions By Illicitly Sending More Than \$115 Million From Venezuela Through The U.S. Financial System**

Geoffrey S. Berman, United States Attorney for the Southern District of New York, John C. Demers, Assistant Attorney General for National Security, Cyrus Vance Jr., New York County District Attorney, and William F. Sweeney Jr., Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), announced today that ALI SADR HASHEMI NEJAD ("SADR") was arrested for his alleged involvement in a scheme to evade U.S. economic sanctions against Iran, to defraud the United States, and to commit money laundering and bank fraud. SADR was charged with participating in a scheme in which more than \$115 million in payments for a Venezuelan housing complex were illegally funneled through the U.S. financial system for the benefit of Iranian individuals and entities. SADR was arrested yesterday on a six-count Indictment (the "Indictment") and presented this afternoon in U.S. District Court for the Eastern District of Virginia. SADR's case has been assigned to U.S. District Judge Andrew L. Carter Jr. in the Southern District of New York.

Manhattan U.S. Attorney Geoffrey S. Berman said: "As alleged, Ali Sadr Hashemi Nejad created a network of front companies and foreign bank accounts to mask Iranian business dealings in Venezuela and evade U.S. sanctions. For years, Sadr allegedly funneled more than \$115 million of a nearly half-billion-dollar Venezuelan construction contract through the U.S. banking system, using entities in Switzerland, Turkey, and the British Virgin Islands to conceal Iran's identity. The arrest of Sadr shows that U.S. economic sanctions against Iran are for real, and violators will be exposed and prosecuted."

Manhattan District Attorney Cyrus Vance Jr. said: "This indictment is the result of an investigation launched by my Office in 2013 into this defendant and his illicit scheme to funnel millions from Venezuela to Iranian-controlled entities. The defendant's conduct strikes at the very heart of what U.S. economic sanctions are designed to prohibit. The most important values in the international community – respect for human rights, peaceful coexistence, and a world free from terrorism – depend on the effective enforcement of these sanctions. We are proud to join with our federal partners to protect the security of our nation and the integrity of our financial system."

Assistant Director-in-Charge William F. Sweeney Jr. said: "Sadr's arrest and the FBI's investigation into his actions are further evidence of Iran's never-ending attempts to circumvent U.S. sanctions. It also illustrates the FBI New York's relentless pursuit of actors representing the Iranian government, and our success at thwarting the use of the U.S. banking systems for Iran's nefarious goals."

According to the Indictment<sup>[1]</sup> unsealed today in Manhattan federal court:

Beginning in 1979, the President, pursuant to the International Emergency Economic Powers Act (the "IEEPA"), has repeatedly found that the actions and policies of the government of Iran constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States and declared a national emergency to deal with the threat. In accordance with these presidential declarations, the United States has instituted a host of economic sanctions against Iran and Iranian entities. This sanctions regime prohibits, among other things, financial

transactions involving the United States or United States persons that were intended for the benefit of the Government of Iran or Iranian individuals or entities.

In August 2004, the Governments of Iran and Venezuela entered into an agreement (the “Agreement”), whereby they agreed to cooperate in certain areas of common interest. The following year, both governments supplemented the Agreement by entering into a Memorandum of Understanding regarding an infrastructure project in Venezuela (the “Project”), which was to involve the construction of thousands of housing units in Venezuela.

The Project was led by Stratus Group, an Iranian conglomerate controlled by SADR and his family with international business operations in the construction, banking, and oil industries. In December 2006, Stratus Group incorporated a company in Tehran, which was then known as the Iranian International Housing Corporation (“IIHC”). IIHC was responsible for construction for the Project. Thereafter, IIHC entered into a contract with a subsidiary of a Venezuelan state-owned energy company (the “VE Company”), which called for IIHC to build approximately 7,000 housing units in Venezuela in exchange for approximately \$475,734,000. Stratus Group created the Venezuela Project Executive Committee to oversee the execution of the Project. SADR was a member of the committee and was responsible for managing the Project’s finances.

In connection with his role on the Project, SADR took steps to evade U.S. economic sanctions and to defraud U.S. banks by concealing the role of Iran and Iranian parties in U.S. dollar payments sent through the U.S. banking system. For example, in 2010, SADR and a co-conspirator used St. Kitts and Nevis passports and a United Arab Emirates address to incorporate two entities outside Iran that would receive U.S. dollar payments related to the Project on behalf of IIHC. The first entity, Clarity Trade and Finance (“Clarity”), was incorporated in Switzerland, and the second, Stratus International Contracting, J.S., a/k/a “Stratus Turkey,” a/k/a “Straturk,” was incorporated in Turkey. Stratus Turkey and Clarity were both owned and controlled by SADR and his family members in Iran. SADR then opened U.S. dollar bank accounts for Clarity and Stratus Turkey at a financial institution located in Switzerland.

Thereafter, SADR and others conducted a series of international financial transactions using Clarity and Stratus Turkey for the benefit of Iranian parties in a manner that concealed the Iranian nexus to the payments, in violation of U.S. economic sanctions. Specifically, between April 2011 and November 2013, the VE Company, at the direction of SADR and others, made approximately 15 payments to IIHC through Stratus Turkey or Clarity, totaling approximately \$115,000,000.

SADR and others directed that payments be routed through banks in the United States to Stratus Turkey’s or Clarity’s bank accounts at the financial institution in Switzerland. The majority of the funds were then transferred to another offshore entity located in the British Virgin Islands, which had been incorporated by SADR and others in 2009. In addition, on February 1, 2012, Clarity wired more than \$2,000,000 of proceeds from the Project directly into the United States. Those proceeds were then used to purchase real property in California.

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SADR, 38, of Iran, is charged with one count of conspiracy to defraud the United States, one count of conspiracy to violate the IEEPA, one count of bank fraud, one count of conspiracy to commit bank fraud, one count of money laundering, and one count of conspiracy to commit money laundering. A chart containing the charges and maximum penalties is below. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

Mr. Berman and Mr. Demers praised the outstanding investigative efforts of the New York County District Attorney’s Office and the FBI. Mr. Berman also thanked the New York County District Attorney’s Office for their ongoing assistance in this investigation.

The prosecution of this case is being handled by the Office’s Terrorism and International Narcotics Unit. Assistant U.S. Attorneys Andrew J. DeFilippis and Matthew Laroche, and Special Assistant U.S. Attorney Garrett Lynch, Deputy Chief of the Major Economic Crimes Bureau at the New York County District Attorney’s Office, are in charge of the prosecution, with assistance from Trial Attorney Matthew Walczewski of the National Security Division’s Counterintelligence and Export Control Section.

<b>Count Number</b>	<b>Description</b>	<b>Maximum Penalty</b>
One	Conspiracy to Defraud the United States 18 U.S.C. § 371	Five years in prison
Two	Conspiracy to Violate IEEPA 50 U.S.C. § 1705	20 years in prison
Three	Bank Fraud 18 U.S.C. § 1344	30 years in prison
Four	Conspiracy to Commit Bank Fraud 18 U.S.C. § 1349	30 years in prison
Five	Money Laundering 18 U.S.C. § 1956	20 years in prison
Six	Conspiracy to Commit Money Laundering 18 U.S.C. § 1956	20 years in prison

<sup>[1]</sup> As the introductory phrase signifies, the entirety of the text of the Indictment and the description of the Indictment set forth herein constitute only allegations, and every fact described should be treated as an allegation.