

Parkville Man Convicted in Plot to Export Industrial Products and Services to Iran *Conspired to Violate the U.S. Embargo Against Iran*

U.S. Attorney's Office

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<http://www.fbi.gov/baltimore/press-releases/2014/parkville-man-convicted-in-plot-to-export-industrial-products-and-services-to-iran>

GREENBELT, MD—A federal jury convicted Ali Saboonchi, age 34, a U.S. citizen residing in Parkville, Maryland, today of conspiracy and seven counts of exporting American manufactured industrial products and services to Iran.

The conviction was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation and Special Agent in Charge William Winter of U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI).

"This case and trial gave the public a rare view into the lengths Mr. Saboonchi and others like him will go to break the law of this country and aid our foreign adversaries," said Steve Vogt, Special Agent in Charge of the FBI Baltimore Division. "We work every day to keep what may seem like benign technology and ideas created here in America from being used against us. These illegal export cases happen more often than the general public gets to see, and it will impact all of us if these conspirators aren't caught and stopped."

The International Emergency Economic Powers Act authorizes the President of the United States to impose economic sanctions on a foreign country when the President declares a national emergency. In 1995, the President issued a series of executive orders declaring that the actions and policies of the government of Iran constituted a national emergency, and imposed economic sanctions against Iran, to include a trade embargo (the Iran Trade Embargo). In order to implement the Iran Trade Embargo, the U.S. Department of the Treasury promulgated regulations that prohibit the export, sale or supply to Iran of any goods or services from the United States without prior authorization.

According to evidence presented during the two week trial, from November 2009 to the present, Saboonchi conspired with others to evade the Iran Trade Embargo by exporting American manufactured industrial goods and services to Iranian businesses. A co-conspirator, located in Iran, had Saboonchi in Maryland create and operate Ace Electric Company to obtain goods to be sent to Iran. The co-conspirator, who operated businesses in Tehran, Iran and the United Arab Emirates (UAE), solicited purchase orders and business from customers in Iran for industrial parts and components manufactured in America, including:

- two cyclone separators, which are used in pipelines to separate impurities such as sand from liquids;
- six thermocouples, which are used to measure temperatures of liquids and gasses in industrial applications in the chemical and petrochemical fields;
- 10 stainless steel filter elements, which are used primarily in the oil and gas industry and can be used in water plants, hydrocarbon plants and nuclear plants;
- four bypass filters;
- three flow meters, which are used primarily in industrial applications to measure the flow of water but could be adjusted to measure other liquids and gasses;
- three actuator springs, which are used to control the flow rate of a liquid;
- numerous industrial parts, including hydraulic valves and connectors; and
- liquid pumps and valves, which have oil, gas, energy, aerospace and defense applications.

Trial evidence showed that Saboonchi obtained price quotes and paid for these items, and took delivery of most of the goods, which he then shipped to co-conspirators in UAE and, in at least one case, China. The co-conspirator would repay Saboonchi for the goods and further arrange for the entities in the UAE and China to send the goods on to him and his customers in Iran. Saboonchi did not obtain authorization to export the products.

Saboonchi faces a maximum sentence of 20 years in prison for the conspiracy and on each of seven counts for illegal export to an embargoed country. U.S. District Judge Paul W. Grimm scheduled sentencing for February 2, 2015, at 1:00 p.m.

Co-defendants Arash Rashti Mohammad, and Mehdi Mohammadi, are citizens and residents of Iran. They were indicted in 2013, along with Saboonchi, on charges arising from the conspiracy, and are currently fugitives.

United States Attorney Rod J. Rosenstein praised the FBI and HSI Baltimore for their work in the investigation. Mr. Rosenstein thanked Assistant United States Attorneys Christine Manuelian and Kristi O'Malley, who are prosecuting the case.

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