

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

CRIMINAL NO. 10-309 (PLF)

v.

MANSOUR MOGHTADERI ZADEH,

also known as

MANSOUR ZADEH,

also known as

MITA ZAREK,

also known as

MITA ZADEH,

BARSAN AERO CHEMICALS LTD.,

LAVANTIA LTD.,

JAYHOUN FARAZ KALA CO. LTD.,

and

ARAXISTRADe MANAGEMENT LTD.

Defendants.

FILED

OCT 27 2016

Clerk, U.S. District & Bankruptcy
Courts for the District of Columbia

STATEMENT OF OFFENSE IN SUPPORT OF GUILTY PLEA

Pursuant to Rule 11 of the Federal Rules of Criminal Procedure, defendant MANSOUR MOGHTADERI ZADEH, also known as MANSOUR ZADEH, also known as MITA ZAREK, also known as MITA ZADEH (hereinafter, defendant or "ZADEH", or "MANSOUR MOGHTADERI ZADEH") agrees and stipulates that the following is true and correct:

Background

1. Defendant ZADEH is a citizen and resident of Iran who procured goods from the United States and other countries on behalf of customers located in Iran. Beginning as early as in or about May 2005, and continuing through in or about December 2008, defendant MANSOUR MOGHTADERI ZADEH, using companies that he owned and/or operated, agreed with

employees of an aircraft parts supplier in the Netherlands to export U.S.-origin goods to Iran. Members of the conspiracy did so without the required license from the Office of Foreign Assets Control. After at least since the issuance of a Temporary Denial Order issued by the United States Department of Commerce, ZADEH conspired to continue to unlawfully export goods from the United States to Iran.

2. Defendant BARSAN AERO CHEMICALS, LTD. ('BARSAN') is an Iranian company that is owned and operated by defendant ZADEH and others. Defendant BARSAN is located in Tehran, Iran.

3. Defendant LAVANTIA LTD. ("LAVANTIA") is a Cypriot company that is owned and operated by defendant ZADEH. Defendant LAVANTIA is located in Nicosia, Cyprus.

4. Defendant JAYHOUN FARAZ KALA COMPANY LTD. ("JAYHOUN FARAZ KALA") is an Iranian company that is owned and operated by defendant ZADEH. Defendant JAYHOUN FARAZ KALA is located in Tehran, Iran.

5. Defendant ARAXIS TRADE MANAGEMENT LTD. ("ARAXIS TRADE MANAGEMENT") is a Cypriot company that is owned by a family member of defendant ZADEH, and is operated by defendant ZADEH and others. Defendant ARAXIS TRADE MANAGEMENT is located in Nicosia, Cyprus. Defendant ARAXIS TRADE MANAGEMENT was created in or about March 2008 following the issuance of the Temporary Denial Order against, among others, defendant LAVANTIA.

6. Under the International Emergency Economic Powers Act ("IEEPA"), 50 U.S.C. §§ 1701-1706, the President of the United States ("the President") was granted authority to deal with unusual and extraordinary threats to the national security, foreign policy or economy of the

United States. 50 U.S.C. § 1701(a). Pursuant to that authority, the President may declare a national emergency through Executive Orders that have the full force and effect of law. Among other things, IEEPA empowers the President to issue regulations governing exports from the United States. On March 15, 1995, the President issued Executive Order 12,957, which declared that the actions and policies of the Government of Iran constituted an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States and declared a national emergency under IEEPA to deal with that threat. 60 Fed. Reg. 14,615 (Mar. 17, 1995). In two subsequent Executive Orders in 1995 and 1997, the President clarified his original declaration of a national emergency. See Exec. Order No. 13,059; 62 Fed. Reg. 44,531 (Aug. 21, 1997); Exec. Order No. 12,959; 60 Fed. Reg. 24,757 (May 9, 1995). Since 1997, the President has continued the national emergency with respect to Iran and the 1995 and 1997 Executive Orders. The most recent continuation of this national emergency was executed on March 9, 2016. 81 Fed. Reg. 12,791 (Mar. 10, 2016). In his 2016 Notice, President Barack Obama referenced the July 2015 Joint Comprehensive Plan of Action ("JCPOA"), stating that, "[d]espite the historic deal to ensure the exclusively peaceful nature of Iran's nuclear program, certain actions and policies of the Government of Iran continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. For this reason, the national emergency declared on March 15, 1995, must continue in effect beyond March 15, 2016." *Id.* at 12,793.

7. To implement the national emergency with respect to Iran, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") promulgated the Iranian Transactions Regulations ("ITR") (now issued as the Iranian Transactions and Sanctions Regulations, but referred to herein as the ITR), 31 C.F.R. Part 560.

8. The ITR prohibited, among other things, the export, reexport, sale, or supply, directly or indirectly, of any goods, technology, or services from the United States or by a United States person, wherever located, to Iran or the Government of Iran, without prior license from the United States Department of the Treasury, through the Office of Foreign Assets Control ("OFAC"), located in the District of Columbia. The ITR further prohibited any transactions that evade or avoid, or have the purpose of evading or avoiding, any of the prohibitions contained in the ITR, including the unauthorized exportation of goods from the United States to a third country if the goods are intended or destined for Iran. The IIR were in effect at all times during the course of the defendant's conspiracy.

9. Also pursuant to IEEPA, on August 17, 2001, the President issued Executive Order 13,222, which declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States in light of the expiration of the Export Administration Act ("EAA"), 50 App. U.S.C. §§ 2401-2420, which lapsed on August 17, 2001. 66 Fed. Reg. 44,025 (Aug. 22, 2001). While in effect, the EAA regulated the export of goods, technology, and software from the United States. Pursuant to the provisions of the EAA, the Department of Commerce's Bureau of Industry and Security ("BIS") promulgated the Export Administration Regulations ("EAR"), 15 C.F.R. §§ 730-774, which contained restrictions on the export of goods outside of the United States, consistent with the policies and provisions of the EAA. See 15 C.F.R. § 730.02. In Executive Order 13, 222, pursuant to IEEPA, the President ordered that the EAR's provisions remain in full force and effect despite the expiration of the EAA. Presidents have issued annual Executive Notices extending the national emergency declared in Executive Order 13,222 from the time period

covered by that Executive Order through the present. *See, e.g.*, 81 Fed. Reg. 52,587 (Aug. 8, 2016).

10. Pursuant to 15 C.F.R. §§ 764.6(c) and 766.24 of the EAR, the United States Department of Commerce may issue an order temporarily denying export privileges to an individual or entity when such an order is necessary in the public interest to prevent the occurrence of an imminent violation. The EAR prohibit any person from engaging in conduct contrary to a temporary denial order. The EAR further prohibit any person from causing, aiding, abetting, or soliciting conduct contrary to a temporary denial order as well.

11. From at least on or about October 2007, when the U.S. Department of Commerce issued a Temporary Denial Order against defendant LAVANTIA and Mita Zarek, an alias for defendant MANSOUR MOGHTEADERI ZADEH, ZADEH knew that the United States had imposed sanctions against Iran which prohibited him from exporting goods, technology and services from the United States to Iran without a license from the United States government.

12. During the course of the conspiracy alleged in the indictment, neither ZADEH, BARSAN, LAVANTIA, JAYHOUN FARAZ KALA, ARAXIS TRADE MANAGEMENT nor any of his other coconspirators ever applied for, or obtained, a license to export goods, technology and services to Iran from the United States government, in particular, OFAC, which is located in the District of Columbia.

EXPORT OF FIBER OPTIC VIDEO TRANSMITTER AND RECEIVER

13. Members of the conspiracy arranged the export of a fiber optic video transmitter and receiver from the United States to Iran, without the required license from OFAC. To do so, they took the following steps:

(a) In or about October 2005, Electronic Equipment Company ("EEC"), located in Tehran, Iran, requested that ZADEH, through defendant BARSAN, procure a fiber optic video transmitter and receiver, identified by the U.S. manufacturer part number.

(b) On or about October 18, 2005, members of the conspiracy, located in the Netherlands requested a quote for a fiber optic video transmitter and receiver, identified by the U.S. manufacturer part number, from a representative of a company located in New York state ("New York Company").

(c) On or about February 8, 2006, members of the conspiracy, located in the Netherlands, placed an order for a fiber optic video transmitter and receiver, identified by the U.S. manufacturer part number, with the New York Company for approximately \$1,700.00.

(d) On or about February 8, 2006, members of the conspiracy, located in the Netherlands sent a sales order to EEC, located in Tehran, Iran, for a fiber optic video transmitter and receiver, identified by the U.S. manufacturer part number, for approximately \$2,210.00.

(e) On or about February 9, 2006, members of the conspiracy caused the fiber optic video transmitter and receiver to be shipped from the New York Company to the Netherlands, where it was re-packaged and shipped to EEC in Tehran, Iran.

(f) On or about March 1, 2006, members of the conspiracy paid Zadeh, through Basran, a commission for the shipment.

(g) Between on or about March 2006, and on or about July 2006, Zadeh communicated the end user's concerns about the product shipped to members of the conspiracy.

EXPORT OF AVIATION COURSE INDICATORS

14. During the course of the conspiracy, members of the conspiracy exported aviation course indicators from the United States to Iran, without the required license from OFAC. To do so, they took the following steps:

(a) In or about July 2006, a customer located in Tehran, Iran, requested that ZADEH, through defendant BARSAN, purchase aviation course indicators, identified by the U.S. manufacturer part number.

(b) On or about July 11, 2006, members of the conspiracy, located in the Netherlands, placed an order for three overhauled aviation course indicators, identified by the U.S. manufacturer part number, with a company located in Kansas ("Kansas Company") for \$5,967.00.

(c) On or about July 11, 2006, members of the conspiracy, located in the Netherlands, sent a sales order to defendant BARSAN, located in Tehran, Iran, the three overhauled aviation course indicators, identified by the U.S. manufacturer part number, for approximately \$7,757.10.

(d) On or about July 24, 2006, members of the conspiracy caused the overhauled aviation course indicators, identified by the U.S. manufacturer part number, to be shipped from the United States to coconspirators in the Netherlands.

(e) On or about July 25, 2006, ZADEH and members of the conspiracy caused the three course indicators, identified by the U.S. manufacturer part number, to be shipped from the Netherlands to defendant BARSAN in Tehran, Iran.

ATTEMPTED EXPORT OF AEROSPACE METAL SHEETS AND RODS

15. During the course of the conspiracy, ZADEH and his coconspirators attempted to export aerospace metal sheets and rods from the United States to Iran, without the required license from OFAC. To do so, they took the following steps:

(a) On or about March 14, 2007, coconspirators located in the Netherlands, sent a purchase order for aerospace metal sheets and rods, which are known to have applications in the aviation industry, from a company located in Florida ("Florida Company") on behalf of a customer in Iran.

(b) On or about August 1, 2007, ZADEH, through defendant LAVANTIA, located in Cyprus, sent a purchase order to the Florida Company to purchase the shipment of aerospace metal sheets and rods.

(c) On or about August 29, 2007, coconspirators located in the Netherlands, contacted the Florida Company to explain that the shipment of aerospace metal sheets and rods would be purchased by defendant LAVANTIA, located in Cyprus, and coconspirators in the Netherlands would guarantee payment.

(d) On or about September 6, 2007, ZADEH and other conspirators attempted to cause the aerospace metal sheets and rods to be shipped from the United States to the Netherlands, but the shipment was detained by the United States Department of Commerce pending certification of the end user.

(e) Between on or about September 12, 2007, and on or about September 17, 2007, on multiple occasions ZADEH, using the alias MITA ZAREK, at the request of other members of the conspiracy, contacted an agent of the United States Department of Commerce in an attempt to have the shipment of aerospace metal sheets and rods released and delivered.

16. As a result of ZADEH's communications regarding the aerospace sheets and rods, on or about October 1, 2007, the United States Department of Commerce, headquartered in the District of Columbia, issued a Temporary Denial Order ("TDO") against defendant LAVANTIA,

located in Cyprus, and MITA ZAREK, an alias for defendant MANSOUR MOGHTADERI ZADEH.

17. On or about October 8, 2007, ZADEH, using the alias MITA ZAREK, acknowledged receipt of the TDO in an e-mail to an agent of the United States Department of Commerce.

18. The TDO prohibited defendant LAVANTIA, located in Cyprus, and MITA ZAREK from participating, directly or indirectly, in any way in any transaction involving any commodity exported from the United States, and was in continuous effect from October 10, 2007 through April 10, 2009. Despite being aware that ZADEH's activities were in violation of the TDO and the law since at least on or about October 2007, ZADEH and co-conspirators continued the conspiracy.

EXPORT OF AVIATION CHEMICALS

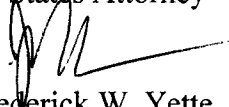
19. During the course of the conspiracy from in or about May 2007 through at least December 2008, and notwithstanding the TDO, ZADEH and his coconspirators exported or attempted to export and caused to be exported from the United States, materials as set out in Counts Fourteen through Twenty-Four of the Indictment, including goods such as resin and chemicals, sealant, paint, pneumatic grease, film adhesive, and polyurethane coating and thinner.

20. The sum of approximately \$69, 159 represents the amount of money equal to property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of the export and sale of these chemicals from the United States.

21. Thus, during the course of the conspiracy, ZADEH knowingly and willfully conspired with others to export goods and technology from the United States to Iran, without a license to engage in such exports from OFAC.

Respectfully submitted,

CHANNING D. PHILLIPS
United States Attorney

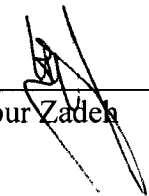


By: Frederick W. Yette
Jeffery Pearlman
Assistant U.S. Attorneys

DEFENDANT'S ACKNOWLEDGEMENT

After consulting with my attorney, William Coffield, Esq. and/or Babak Hoghooghi, Esq., and pursuant to the plea agreement entered into between me, Mansour Zadeh and the United States Attorney's Office for the District of Columbia, and the National Security Division of the U.S. Department of Justice, I hereby state and agree that the foregoing Statement of Facts is true and accurate. No one has forced or compelled me to agree to this Statement of Facts. I have agreed to this Statement of Facts because the facts set forth above are true and accurate to the best of my knowledge.

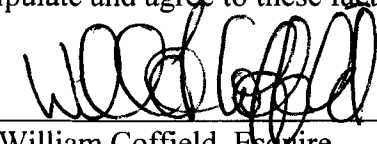
10/27/2016
Date


Mansour Zadeh

ATTORNEY ACKNOWLEDGEMENT

I am Mansour Zadeh's attorney. I have carefully reviewed the foregoing Statement of Facts with him. To my knowledge, his decision to stipulate and agree to these facts is an informed and voluntary one.

10/27/2016
Date


William Coffield, Esquire
Babak Hoghooghi, Esquire
Attorneys for the Defendant