



THE UNITED STATES
DEPARTMENT *of* JUSTICE

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TURKISH BANKER SENTENCED TO 32 MONTHS FOR CONSPIRING TO VIOLATE U.S. SANCTIONS AGAINST IRAN AND OTHER OFFENSES

WASHINGTON – Mehmet Hakan Atilla, 47, a resident and citizen of Turkey, was sentenced today to 32 months for his participation in a scheme to violate U.S. economic sanctions imposed on the Islamic Republic of Iran involving billions of dollars' worth of Iranian oil proceeds held at Atilla's employer (Turkish Bank-1). On Jan. 3, after a five-week jury trial, Atilla was convicted of conspiring with others to use the U.S. financial system to conduct transactions on behalf of the government of Iran and other Iranian entities, which were barred by U.S. sanctions, and to defraud U.S. financial institutions by concealing these transactions' true nature.

Assistant Attorney General for National Security John C. Demers and U.S. Attorney Geoffrey S. Berman for the Southern District of New York made the announcement after sentencing by U.S. District Judge Richard M. Berman.

According to the evidence introduced at trial, other proceedings in this case, and documents previously filed in Manhattan federal court:

Beginning in or about 1979, the president, pursuant to the International Emergency Economic Powers Act (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 has 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, among other things, prohibits financial transactions involving the United States or U.S. persons that were intended directly or indirectly for the government of Iran or Iranian entities. Other U.S. sanctions in effect during this case's relevant time period also required foreign financial institutions to restrict the use of Iranian oil proceeds, if those foreign banks wished to continue to do business with the U.S. financial system.

Atilla and others conspired to provide access to restricted oil revenues through international financial networks, including U.S. financial institutions, to the government of Iran, Iranian entities, and entities identified by the Department of the Treasury Office of Foreign Assets Control as Specially Designated Nationals (SDNs). They did so by, among other things, using Turkish Bank-1, at which Atilla served as Deputy General Manager of International Banking, to engage in transactions

involving billions of dollars' worth of petroleum revenues held by the Central Bank of Iran and the National Iranian Oil Company. In particular, they facilitated and protected Turkish Bank-1 customer, international gold trader Reza Zarrab's, ability to supply currency and gold to, and facilitate international financial transactions for, the Government of Iran, Iranian entities, and SDNs using Turkish Bank-1. Many of those financial transactions involved unwitting U.S. financial institutions, in violation of U.S. sanctions against Iran. The elaborate scheme established by Atilla and others also shielded Turkish Bank-1 from U.S. sanctions.

Atilla in particular lied to and deceived U.S. Treasury officials about Turkish Bank-1's activities and its purported compliance efforts in order to avoid subjecting the bank to U.S. sanctions. Additionally, Atilla, Zarrab and others conspired to create and use false and fraudulent documents to disguise prohibited transactions for Iran and make those transactions falsely appear as transactions involving food, thus falling within humanitarian exceptions to the sanctions regime. As a result of this scheme, Atilla and his co-conspirators induced U.S. banks unknowingly to process international financial transactions in violation of the IEEPA, and to launder through the U.S. financial system funds promoting the scheme.

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Mr. Berman praised the outstanding investigative work of the FBI and its New York Field Office, Counterintelligence Division, and the Department of Justice's National Security Division's Counterintelligence and Export Control Section.

Assistant U.S. Attorneys Michael D. Lockard, Sidhardha Kamaraju and David W. Denton Jr. of the Southern District of New York are in charge of the prosecution, with assistance from Deputy Chief Elizabeth Cannon and Trial Attorney David Recker of the National Security Division's Counterintelligence and Export Control Section.

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