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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES OF AMERICA

v.

OBAIDULLAH SYED and
BUSINESS SYSTEM
INTERNATIONAL PVT. LTD.

Case No. 20 CR 629

Violations: Title 18, United States Code,
Sections 371; Title 50, United States
Code, Sections 1705(a) and (c)

COUNT ONE

JUDGE ROWLAND

MAGISTRATE JUDGE WEISMAN

The SPECIAL MAY 2019 GRAND JURY charges:

1. At times material to this indictment:
 - a. BUSINESS SYSTEM INTERNATIONAL PVT. LTD. was a provider of high-performance computing platforms, high performance servers, and software application solutions, located in Pakistan.
 - b. BSI USA, Incorporated was a company incorporated in Illinois and located in Chicago, Illinois
 - c. Defendant OBAIDULLAH SYED was a resident of Illinois and the owner and Chief Executive Officer of BUSINESS SYSTEM INTERNATIONAL PVT. LTD. and BSI USA, Incorporated.
 - d. Co-Conspirator A was a resident of Pakistan and a Director of Marketing and Sales of BUSINESS SYSTEM INTERNATIONAL PVT. LTD.
 - e. Co-Conspirator B was a resident of Pakistan and a Secretary, Coordinator, and employee of BUSINESS SYSTEM INTERNATIONAL PVT. LTD.

f. Co-Conspirator C was a resident of Pakistan and a Senior Support Engineer and employee of BUSINESS SYSTEM INTERNATIONAL PVT. LTD.

g. Co-Conspirator D was a resident of Pakistan and a Senior Support Engineer and employee of BUSINESS SYSTEM INTERNATIONAL PVT. LTD.

h. Co-Conspirator E was a resident of Pakistan and a Software Engineer and employee of BUSINESS SYSTEM INTERNATIONAL PVT. LTD.

i. Computer Company A was a high performance computing manufacturer located in California.

j. Computer Company B was a computer periphery and server hardware company located in Georgia.

k. Computer Company C was a computer manufacturer located in California.

l. Computer Company D was a distributor of electronic components located in Minnesota.

m. The Pakistan Atomic Energy Commission was a Pakistani government agency, located in Pakistan, responsible for the design, fabrication, and testing of high explosives and nuclear weapons parts, uranium mining and enrichment, and the development of solid-fueled ballistic missiles.

n. The Pakistan Institute of Engineering and Applied Sciences was a nuclear research facility, located in Islamabad, Pakistan, that prioritized training

current and prospective engineers and scientists of the Pakistan Atomic Energy Commission.

The Export Administration Regulations

o. The International Emergency Economic Powers Act (“IEEPA”), Title 50, United States Code, Sections 1701-1707, granted the President of the United States the authority to deal with unusual or extraordinary threats to the national security, foreign policy, or economy of the United States.

p. Pursuant to Title 50, United States Code, Sections 1705(a) and (c) of IEEPA, it was a crime to willfully violate, attempt to violate, conspire to violate, or cause a violation of any regulation promulgated thereunder, including the Export Administration Regulations, as more fully described below.

q. The Export Administration Act of 1979, Title 50 Appendix, United States Code, Sections 2401-2420, regulated the export of goods, technology, and software from the United States. Pursuant to the Export Administration Act, the U.S. Department of Commerce promulgated the Export Administration Regulations (“EAR”), Title 15, Code of Federal Regulations, Parts 730-774, which contained restrictions on the export of goods from the United States.

r. Although the Export Administration Act lapsed in August 2001, pursuant to his authority under IEEPA, the President issued Executive Order 13222 on or about August 17, 2001. In that order, the President 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 Export

Administration Act's expiration. Pursuant to IEEPA, the President, and subsequent Presidents, ordered that the EAR provisions remain in full force and effect despite the expiration of the Export Administration Act.

s. In general, the EAR applied to items, including commodities, technology, and software, that were "dual use" in nature, meaning that they had military and non-military applications. For various national security reasons, the EAR prohibited the export of certain items to specific countries and entities, absent permission from the U.S. Department of Commerce issued in the form of an export license. The U.S. Department of Commerce, Bureau of Industry and Security ("BIS") maintained the Commerce Control List, which consisted of general categories of items that were controlled for export.

t. The EAR contain a list of names of businesses, individuals, research institutions, government and private organizations, and others, that are subject to specific license requirements for the export, reexport, and in-country transfer of specified items. These persons comprise the U.S. Department of Commerce's "Entity List," which is found at Title 15, Code of Federal Regulations, Part 744, Supplement No. 4. The U.S. Department of Commerce first published the Entity List in February 1997 as part of its efforts to inform the public of entities who have engaged in activities that could result in an increased risk of the diversion of exported, reexported and transferred (in-country) items, to weapons of mass destruction programs. Since its initial publication, grounds for inclusion on the Entity List have expanded to include activities prohibited by the U.S. State

Department and activities contrary to U.S. national security and foreign policy interests.

u. On November 19, 1998, the U.S. Department of Commerce added the Pakistan Atomic Energy Commission to the Entity List, and it has remained on the list at times material to this indictment.

v. An export from the United States to the Pakistan Atomic Energy Commission required a license issued by the U.S. Department of Commerce, Bureau of Industry and Security.

The Foreign Trade Regulations

w. The U.S. Department of Commerce, through the Foreign Trade Regulations, Title 15, Code of Federal Regulations, Part 30, required the filing of electronic export information through the Automated Export System. The purpose of the Foreign Trade Regulations was to strengthen the United States government's ability to prevent the export of certain items to unauthorized destinations and end users because the Automated Export System aids in targeting, identifying, and when necessary, confiscating suspicious or illegal shipments prior to exportation.

x. Electronic export information was required to be filed for, among other things, all exports subject to the EAR that require an export license, regardless of value or destination.

y. The electronic export information filed in the Automated Export System was required to contain, among other things, the names and addresses of all the parties to the transaction, country of ultimate destination, and a description,

quantity, and value of the items exported, pursuant to Title 15, Code of Federal Regulations, Part 30.6(a). Prior to October 1, 2008, exporters were required to submit the same information in a paper document called a Shipper's Export Declaration.

2. At no time material to this indictment did SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, BUSINESS SYSTEM INTERNATIONAL PVT. LTD., BSI USA, Incorporated, Computer Company A, Computer Company B, Computer Company B, Computer Company C, or Computer Company D apply for or obtain a license from the U.S. Department of Commerce, Bureau of Industry and Security, to export goods from the United States to the Pakistan Atomic Energy Commission.

3. Beginning no later than in or around May 2006, and continuing until at least in or around October 2015, in the Northern District of Illinois, Eastern Division, and elsewhere,

OBAIDULLAH SYED and
BUSINESS SYSTEM INTERNATIONAL PVT. LTD.,

defendants herein, conspired with each other and with Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and with others known and unknown to the Grand Jury to:

a. commit an offense against the United States, namely, to willfully and knowingly violate, attempt to violate, and attempt to cause a violation of, licenses, orders, regulations, and prohibitions issued under the International Emergency Economic Powers Act, Title 50, United States Code, Sections 1701 to 1707, namely, defendants exported, sold, and supplied, attempted to export, sell, and

supply, and attempted to cause to be exported, sold, and supplied, directly and indirectly, from the United States, goods, including a Computer Company A 3000 C-Brick with L1 Controller and Fans, bearing serial number MHT802; two Computer Company A PCA 2 x 500 MHz IP35 PIMMs (R14K 8MB), bearing serial numbers MFS551 and MHJ941; a Computer Company A AC/DC 3100WDC Power Supply for Onyx2 Rack, bearing serial number NM13940; a Seagate 146Gb 15K FC disk drive, bearing serial number 3KN2LCMA; and six Finisar TXRX OPT 1G/10G 850nm transceivers, to the Pakistan Atomic Energy Commission, without first obtaining the required authorization from the U.S. Department of Commerce, Bureau of Industry and Security, in violation of Title 50 United States Code, Section 1705(a), and Title 15, Code of Federal Regulations, Parts 730.7, 734.3, 734.13, 736.2, 744, Supplement No. 4, and 764.2.

b. knowingly submitted and caused the submission of false and misleading export information through the Shippers Export Declaration and Automated Export System, in that the defendant and the co-conspirators stated and represented, and caused to be stated and represented, in a Shippers Export Declaration that the end user and ultimate consignee of export shipments were either BUSINESS SYSTEM INTERNATIONAL PVT. LTD. or Taxila Engineering University, when, in fact, defendant and the co-conspirators knew that the information was false and that the end user and ultimate consignee of each export shipment was either the Pakistan Atomic Energy Commission or the Pakistan

Institute of Engineering and Applied Sciences, in violation of Title 13, United States Code, Section 305(a)(1).

MANNER AND MEANS OF THE CONSPIRACY

4. It was part of the conspiracy that defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and others conspired to export U.S.-origin computers, computer systems, and associated equipment from the United States to the Pakistan Atomic Energy Commission without a license issued by the U.S. Department of Commerce by fraudulently identifying either SYED, BUSINESS SYSTEM INTERNATIONAL PVT. LTD., Taxila University, Taxila Engineering University, or National University of Science & Technology, as the purchaser, recipient, or intended end-user of such items, all for the purpose of evading U.S. export laws and regulations.

5. It was further part of the conspiracy that defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and others communicated regarding the export and attempted export of products from the United States to the Pakistan Atomic Energy Commission, including through various email accounts.

6. It was further part of the conspiracy that defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and others negotiated the sale, or assisted in negotiating the sale, of U.S.-origin computers, computer systems, and associated equipment to the

Pakistan Atomic Energy Commission and to the Pakistan Institute of Engineering and Applied Sciences.

7. It was further part of the conspiracy that defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and others prepared and submitted, or assisted in the preparation and submission, of orders to purchase U.S.-origin computers, computer systems, and associated equipment from U.S.-based computer companies, including Computer Company A, Computer Company B, Computer Company C, and Computer Company D.

8. It was further part of the conspiracy that defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and others made, and caused to be made, false representations to Computer Company A, Computer Company B, and Computer Company C, claiming that either defendant SYED, BUSINESS SYSTEM INTERNATIONAL PVT. LTD., Taxila University, Taxila Engineering University, or National University of Science & Technology, was the purchaser, recipient, or intended end-user of U.S.-origin computers, computer systems, and associated equipment that SYED and the co-conspirators ordered from Computer Company A, Computer Company B, and Computer Company C.

9. It was further part of the conspiracy that defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and others transported or shipped, and caused U.S.-based

computer companies to ship, U.S.-origin computers, computer systems, and associated equipment from various locations throughout the United States to BUSINESS SYSTEM INTERNATIONAL PVT. LTD. in Pakistan.

10. It was further part of the conspiracy that, after the U.S.-origin computers, computer systems, and associated equipment arrived in Pakistan from the United States, defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and others caused those goods to be delivered to the Pakistan Atomic Energy Commission and the Pakistan Institute of Engineering and Applied Sciences.

11. It was further part of the conspiracy that defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and others caused the submission of, and attempted to cause the submission of, information, including documents, shipping information, and Shippers Export Declarations, to the U.S. government identifying false end users of U.S.-origin computers, computer systems, and associated equipment in order to export and to attempt to export those goods to the Pakistan Atomic Energy Commission and the Pakistan Institute of Engineering and Applied Sciences.

12. It was further part of the conspiracy that defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, Co-Conspirator E, and others concealed, misrepresented, and hid and caused to be concealed, misrepresented, and hidden, the existence and purpose of the conspiracy and the acts done in furtherance of the conspiracy.

OVERT ACTS

13. In furtherance of this conspiracy, and to accomplish its objects and purposes, defendant SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, and Co-Conspirator E committed, and caused to be committed, the following overt acts, among others, in the Northern District of Illinois, and elsewhere:

July 2008 Shipment

a. On or about December 3, 2001, Co-Conspirator A, in his capacity as Director of BUSINESS SYSTEM INTERNATIONAL PVT. LTD., submitted an order to purchase an Onyx 3400 visualization computer system from Computer Company A, identifying “Taxila University” as the end user of the computer and directing Computer Company A to ship the item and associated equipment to BUSINESS SYSTEM INTERNATIONAL PVT. LTD. in Pakistan.

b. On or about May 15, 2002, Co-Conspirator A caused Computer Company A to ship the Onyx 3400 visualization computer system and associated equipment from Bensenville, Illinois, to BUSINESS SYSTEM INTERNATIONAL PVT. LTD. in Pakistan, through Chicago, Illinois.

c. Between on or about May 15, 2002, and in or about June 2002, BUSINESS SYSTEM INTERNATIONAL PVT. LTD. caused to be delivered the Computer Company A Onyx 3400 visualization computer system and associated equipment to the Pakistan Atomic Energy Commission.

d. Between on or about May 11, 2006, and in or about April 2008, SYED, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, and Co-Conspirator

D negotiated with representatives of the Pakistan Atomic Energy Commission regarding the price of a C-Brick and Hard drive.

e. On or about April 29, 2008, Co-Conspirator B sent SYED, Co-Conspirator A, Co-Conspirator C, and Co-Conspirator D an email attaching information from the Pakistan Atomic Energy Commission, in which the Pakistan Atomic Energy Commission (i) agreed to purchase from BUSINESS SYSTEM INTERNATIONAL PVT. LTD. a C-Brick for an Onyx 3000 series super computer, a power supply for the C-Brick, and a hard disk for approximately \$16,000; and (ii) directed BUSINESS SYSTEM INTERNATIONAL PVT. LTD. to falsely identify itself as the consignee of the computer equipment without any indication of the Pakistan Atomic Energy Commission on the markings of the packages.

f. Between on or about July 21, 2008 and on or about July 25, 2008, SYED exchanged emails with an employee of Computer Company B, arranging to purchase one Computer Company A 3000 C-Brick with L1 Controller and Fans, bearing serial number MHT802; two Computer Company A PCA 2 x 500 MHz IP35 PIMMs (R14K 8MB), bearing serial numbers MFS551 and MHJ941; one Computer Company A AC/DC 3100WDC Power Supply for Onyx2 Rack, bearing serial number NM13940; and one Seagate 146Gb 15K FC disk drive, bearing serial number 3KN2LCMA. SYED identified himself as the customer purchasing this computer equipment and directed Computer Company B to deliver the equipment to him at BUSINESS SYSTEM INTERNATIONAL PVT. LTD. offices in Pakistan, by way of a freight forwarder.

g. On or about July 25, 2008, SYED caused Computer Company B to ship one Computer Company A 3000 C-Brick with L1 Controller and Fans, bearing serial number MHT802; two Computer Company A PCA 2 x 500 MHz IP35 PIMMs (R14K 8MB), bearing serial numbers MFS551 and MHJ941; one Computer Company A AC/DC 3100WDC Power Supply for Onyx2 Rack, bearing serial number NM13940; and one Seagate 146Gb 15K FC disk drive, bearing serial number 3KN2LCMA, from Atlanta, Georgia, to BUSINESS SYSTEM INTERNATIONAL PVT. LTD. in Pakistan, through New York, New York. In connection with this July 2008 shipment, defendant SYED caused to be completed a Shippers Export Declaration falsely identifying BUSINESS SYSTEM INTERNATIONAL PVT. LTD. as the Ultimate Consignee of the items inside this Computer Company B shipment.

June 2009 Shipment

h. On or about September 30, 2008, Co-Conspirator B sent SYED, Co-Conspirator A, Co-Conspirator C, and Co-Conspirator D an email attaching an order from the Pakistan Institute of Engineering and Applied Sciences to purchase an Altix 450 High Performance Server.

i. On or about December 6, 2008, SYED, in his capacity as “Chief Executive” of BSI-Pakistan, submitted a purchase order to Computer Company A, ordering an “Altix 450 System” and associated equipment, identifying “PIEAS” as the “Customer,” and directing Computer Company A to ship the computer system to BUSINESS SYSTEM INTERNATIONAL PVT. LTD. in Pakistan.

j. On or about January 12, 2009, SYED forwarded to Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, and Co-Conspirator D, an email that SYED had received earlier that day from an employee of Computer Company A, in which the Computer Company A employee stated that the employee's research showed a close relationship between PIEAS and the Pakistan Atomic Energy Commission. The employee, among other information about PIEAS and the Pakistan Atomic Energy Commission, further stated:

Pakistan Atomic Energy Commission (PAEC) is currently a prohibited end-user. This means that [Computer Company A] may not export to, or for the benefit of, PAEC. Exports to PIEAS which would benefit PAEC are prohibited without an export license issued by the United States Government. As a matter of policy, [Computer Company A] will not pursue an export license for any prohibited entity. Hence, in order for us to process the order, we need written certification from PIEAS, as provided in the attached certification document.

k. On or about February 7, 2009, SYED, in his capacity as "Chief Executive" of BSI-Pakistan, submitted another purchase order to Computer Company A, ordering an Altix 450 System and associated equipment, identifying "Taxila Engineering University" as the "Customer," and directing Computer Company A to ship the computer system to BUSINESS SYSTEM INTERNATIONAL PVT. LTD. in Pakistan.

l. On or about February 17, 2009, SYED sent an email to Co-Conspirator A, Conspirator B, and Co-Conspirator C, forwarding a blank "Corporate Export Compliance" form that SYED had received from Computer Company A earlier that day, and directing Co-Conspirator B as follows: "Complete this export compliance

form and send it to me ASAP. This export compliance for Texila [sic] University, complete exactly including all the data what provided previously also mention [Computer Company A] ONYX 3400.”

m. On or about February 17, 2009, Co-Conspirator B sent SYED, Co-Conspirator A, and Co-Conspirator C a completed Computer Company A “Corporate Export Compliance” form, in which Co-Conspirator A (i) identified an “Altix 450 System” as the “New System” to be exported by Computer Company A and the “Existing System” as an “Onyx 3400 Graphics System” with the same serial number as the Onyx 3400 system that BUSINESS SYSTEM INTERNATIONAL PVT. LTD. had obtained for the Pakistan Atomic Energy Commission in May 2002; (ii) falsely identified “Taxila Engineering University” as the “CUSTOMER/END-USER”; and (iii) falsely verified that the customer/end-user was not engaged in any nuclear-related activities and that the intended end-use of the Altix 450 System was not nuclear-related.

n. On or about June 22, 2009, SYED, Co-Conspirator A, Co-Conspirator B, and Co-Conspirator C caused Computer Company A to ship an Altix 450 System and associated equipment from Chippewa Falls, Wisconsin to BUSINESS SYSTEM INTERNATIONAL PVT. LTD. in Pakistan as “consignee” for “Taxila Engineering University.” In connection with this June 2009 shipment, defendant SYED, Co-Conspirator A, Co-Conspirator B, and Co-Conspirator C caused to be completed a Shippers Export Declaration falsely identifying “Taxila Engineering

University” as the Ultimate Consignee of the items inside this Computer Company A shipment.

o. On or about June 24, 2009, Business System International Pvt. Ltd. cancelled its order to purchase the Altix 450 High Performance Server on behalf of the Pakistan Institute of Engineering and Applied Sciences.

p. On or about July 10, 2009, BUSINESS SYSTEM INTERNATIONAL PVT. LTD. issued an invoice to the Pakistan Institute of Engineering and Applied Sciences, documenting the sale of an “Altix 450 High Performance Server” under the same purchase order number that the Pakistan Institute of Engineering and Applied Sciences had submitted when it first requested the computer system on or about September 30, 2008.

September 2015 Shipment

q. On or about April 25, 2015, Co-Conspirator C sent an email to SYED and Co-Conspirator A, attaching an order from the Pakistan Atomic Energy Commission to purchase Computer Company C SuperServers and associated equipment, including two SuperServer 4048B-TR4FT units, two SuperServer 1028U-TR4+ units, and four Super Workstation 7038A-I units.

r. On or about May 6, 2015, Co-Conspirator C sent an email to SYED and Co-Conspirator D, attaching an “Advance Payment Guarantee,” dated May 6, 2015, issued to “Pakistan Atomic Energy Commission, Islamabad,” and providing that BUSINESS SYSTEM INTERNATIONAL PVT. LTD.’s bank guaranteed to refund to the Pakistan Atomic Energy Commission (the “buyer”) its

advanced payment on the contract for its purchase of Computer Company C SuperServers in the event that BUSINESS SYSTEM INTERNATIONAL PVT. LTD. (the “seller”) “[s]hould . . . fail to deliver wholly or partially the goods under this Contract.”

s. On or about May 15, 2015, Co-Conspirator D sent an email to SYED, Co-Conspirator A, Co-Conspirator B, and Co-Conspirator C, stating, that he received a check from the Pakistan Atomic Energy Commission in the amount of the advanced payment due for the Computer Company C SuperServer contract.

t. On or about June 2, 2015, Co-Conspirator B, sent an email to a Computer Company C employee, copying SYED and attaching four orders to purchase various SuperServers from Computer Company C, including two SuperServer 4048B-TR4FT units and associated equipment for approximately \$87,100.64; two SuperServer 1028U-TR4+ units and associated equipment for approximately \$27,485.06; and four Super Workstation 7038A-I units and associated equipment for approximately \$51,453.36. These purchase orders identified “Business Systems International” as the “Customer.”

u. On or about June 26, 2015, SYED, Co-Conspirator B, Co-Conspirator C, Co-Conspirator D, and Co-Conspirator E caused Computer Company A to ship two SuperServer 4048B-TR4FT units, two SuperServer 1028U-TR4+ units, and four Super Workstation 7038A-I units and associated equipment from Computer Company C’s Taiwan office to BUSINESS SYSTEM INTERNATIONAL PVT. LTD.

v. On or about July 16, 2015, in response to an email from a PAEC employee identifying eight transceivers missing from the Computer Company C SuperServers, Co-Conspirator E sent an email to Computer Company C, copying SYED, Co-Conspirator C, and Co-Conspirator D, stating, “Although transceivers are inclusive and supplied with SFP+ 10GbE cards but since you have excluded this item with this supply, hence we are placing order for 8 numbers of transceivers.”

w. On or about July 16, 2015, Co-Conspirator B, on behalf of BUSINESS SYSTEM INTERNATIONAL PVT. LTD., submitted a purchase order to Computer Company C, ordering eight “AOC-TSR-FS” transceivers.

x. On or about August 26, 2015, in response to an email from Computer Company C requesting end-use and end-user information, Co-Conspirator B sent an email to Computer Company C, copying SYED, Co-Conspirator C, and Co-Conspirator D, regarding the purchase order for the eight transceivers, stating, “[p]lease find attached Statement by Ultimate Consignee for your ready reference.” Co-Conspirator B attached to this email a complete BIS-711 form and an “End-Use/User Certifications,” both dated August 27, 2015, falsely identifying the “National University of Science & Technology” in Islamabad as the “Ultimate Consignee” of the eight transceivers. In the BIS-711 form, Co-Conspirator B falsely certified that BUSINESS SYSTEM INTERNATIONAL PVT. LTD. “will not reexport, resell, or otherwise dispose of any items approved on a license supported by this statement . . . to any person if we know that it will result directly or indirectly, in disposition of the items contrary to the representations made in this statement or

contrary to Export Administration Regulations.” In the “End-Use/User Certifications” form, a purported end user signing on behalf of the “National University of Science & Technology” certified that neither it nor any of its customers or consignees would “provide, export or re-export [Computer Company C] goods or technical data to . . . to any person, entity, organization or other party identified on the U.S. Department of Commerce’s Denied Persons or Entity List.”

y. On or about August 27, 2015, in response to an email from Computer Company C requesting end-use and end-user forms for the SuperServers sold to Business Systems International Pvt. Ltd. in or about June 2015, Co-Conspirator E sent an email to Computer Company C and Co-Conspirator B, copying SYED, Co-Conspirator C, and Co-Conspirator D, attaching four complete BIS-711 forms and “End-Use/User Certifications,” all signed by Co-Conspirator B, all falsely identifying the National University of Science & Technology in Islamabad as the “Ultimate Consignee” of the Computer Company C SuperServers and eight transceivers, and all falsely certifying that BUSINESS SYSTEM INTERNATIONAL PVT. LTD. would not reexport, resell, or otherwise dispose of the Computer Company C goods “contrary to Export Administration Regulations,” or provide those goods “to any person, entity, organization or other party identified on the U.S. Department of Commerce’s Denied Persons or Entity List.”

z. On or about August 27, 2015, Co-Conspirator B signed a letter addressed to Computer Company C, which letter was attached to Co-Conspirator E’s email of the same date. In this letter, Co-Conspirator B falsely certified that the

Computer Company C SuperServers that BUSINESS SYSTEM INTERNATIONAL PVT. LTD. purchased in June 2015, and the eight transceivers that that BUSINESS SYSTEM INTERNATIONAL PVT. LTD. ordered on July 16, 2015, “were all for the same customer specified in the” BIS-711 forms and “End-Use/User Certifications” attached to Co-Conspirator E’s August 27, 2015 email, namely, the National University of Science and Technology.

aa. On or about August 27, 2015, SYED sent an email to Computer Company C, stating:

The orders what we placed in June 2015 for one customer NUST (National University of Science & Technology) and this 5th order is also for the same customer. We sent you all the documents including 711 and Enduser certification. I called you on your cell and left voice mail. Please release the credit hold ASAP.

bb. On or about August 31, 2015, SYED sent an email to Computer Company C regarding the purchase order for the eight transceivers, asking, “What is the status of credit hold and the shipment Status?”

cc. On or about September 3, 2015, SYED sent another email to Computer Company C regarding the purchase order for the eight transceivers, asking, “What is the status any update?” In response, Computer Company C stated, “Still on hold due to audit process is not complete yet. Our people can’t provide me with any information regarding how soon this audit can be complete. Please try any online resellers in the US for this parts for fulfilling university’s needs.”

dd. On or about September 17, 2015, SYED made an online purchase of six Finisar TXRX OPT 1G/10G 850nm transceivers from Computer Company D, identifying himself as the buyer and directing Computer Company D to mail the

transceivers to "BSI" at his residence on the 3500 block of Bryn Mawr Avenue in Chicago.

ee. On or about September 17, 2015, SYED sent an email to Co-Conspirator A, stating, "I have placed the order for transceivers qty Six, One of my fried [sic] is going to Karachi on Sunday shall arrive on Tuesday, will carry the product."

ff. On or about September 17, 2015, SYED caused Computer Company D to ship six Finisar TXRX OPT 1G/10G 850nm transceivers from Thief River Falls, Minnesota, to SYED at BSI USA, Incorporated in Chicago, with an invoice documenting the sale and stating:

NOTE: ONE OR MORE ITEMS ON THIS ORDER ARE CONTROLLED FOR EXPORT. These commodities, technology, or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited."

gg. On or about September 18, 2015, SYED took possession of the six Finisar TXRX OPT 1G/10G 850nm transceivers from Computer Company D at his residence and the registered address of BSI USA, Incorporated, on the 3500 block of Bryn Mawr Avenue in Chicago.

hh. On or about September 19, 2015, SYED arranged for Individual A to hand carry the six Finisar TXRX OPT 1G/10G 850nm transceivers from Chicago to Co-Conspirator A and Co-Conspirator B in Karachi, Pakistan by sending an email to Individual A, attaching the Computer Company D invoice for the transceivers and providing Individual A with the names and phone numbers of Co-Conspirator A and

Co-Conspirator B, and the address for BUSINESS SYSTEM INTERNATIONAL PVT. LTD. in Karachi, Pakistan.

ii. On or about September 20, 2015, at the direction of SYED, Individual A (i) hand carried the six Finisar TXRX OPT 1G/10G 850nm transceivers on a flight from Chicago to Karachi, Pakistan, via Doha; and (ii) upon his arrival in Karachi on or about September 21, 2015, caused the transceivers to be delivered to Co-Conspirator A or Co-Conspirator B.

jj. Between on or about September 21, 2015, and in or about October 12, 2015, SYED caused to be delivered the six Finisar TXRX OPT 1G/10G 850nm transceivers that SYED purchased from Computer Company D to the Pakistan Atomic Energy Commission.

kk. On or about October 12, 2015, after the transceivers were successfully delivered to the Pakistan Atomic Energy Commission, Co-Conspirator E sent an email to Computer Company C, copying SYED, Co-Conspirator A, Co-Conspirator B, and Co-Conspirator C, stating, "We wish to cancel the last order of transceivers . . . as the customer has arranged to get these parts from a third party. Please make the arrangement for the order cancellation and refund of amounts paid."

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

The SPECIAL MAY 2019 GRAND JURY further charges:

14. Paragraphs 1(a)-(h), 1(k)-(m), 1(o)-(v) and 2 of Count One are incorporated here.

15. On or about September 21, 2015, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

OBAIDULLAH SYED and
BUSINESS SYSTEM INTERNATIONAL PVT. LTD.,

defendants herein, willfully and knowingly violated licenses, orders, regulations, and prohibitions issued under the International Emergency Economic Powers Act, Title 50, United States Code, Sections 1701 to 1707, namely, the defendant exported, sold, and supplied, directly and indirectly, from the United States, goods, namely, six Finisar TXRX OPT 1G/10G 850nm transceivers, to an entity on the U.S. Department of Commerce's Entity List, namely, the Pakistan Atomic Energy Commission, without first obtaining the required authorization from the U.S. Department of Commerce, Bureau of Industry and Security;

In violation of Title 50 United States Code, Section 1705(a), and Title 15, Code of Federal Regulations, Parts 730.7, 734.3, 734.13, 736.2, 744, Supplement No. 4, and 764.2.

FORFEITURE ALLEGATION

The SPECIAL MAY 2019 GRAND JURY further alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 371, and Title 50 United States Code, Section 1705(a), as set forth in this Indictment, defendants shall forfeit to the United States of America any property which constitutes and is derived from proceeds traceable to the offense, as provided in Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

2. The property to be forfeited includes, but is not limited to:

- a. approximately \$16,000 for the July 2008 sale of Computer Company A 3000 C-Brick with L1 Controller and Fans, bearing serial number MHT802; two Computer Company A PCA 2 x 500 MHz IP35 PIMMs (R14K 8MB), bearing serial numbers MFS551 and MHJ941; a Computer Company A AC/DC 3100WDC Power Supply for Onyx2 Rack, bearing serial number NM13940; and a Seagate 146Gb 15K FC disk drive, bearing serial number 3KN2LCMA, to the Pakistan Atomic Energy Commission; and
- b. approximately \$231,000 for the June 2009 sale of the Altix 450 System to the Pakistan Institute of Engineering and Applied Sciences.

3. If any of the property described above, as a result of any act or omission by a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the

United States of America shall be entitled to forfeiture of substitute property, as provided in Title 21, United States Code Section 853(p).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY