

PRESS RELEASE

CEO of an Iranian Engineering Company Arrested for Allegedly Shipping Sophisticated Electronics from the U.S. to Iran in Violation of U.S. Sanctions

Friday, July 11, 2025

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Office of Public Affairs

An Iranian national and U.S. lawful permanent resident has been arrested on a four-count federal indictment charging him with unlawfully exporting electronics used in railway signaling and telecommunications systems from the United States to Iran, in violation of the International Emergency Economic Powers Act (IEEPA) and the Iranian Transactions and Sanctions Regulations (ITSR).

Bahram Mohammad Ostovari, 66, a resident of Santa Monica and Tehran, Iran, was arrested Thursday afternoon upon his arrival at Los Angeles International Airport.

Ostovari is charged with one count of conspiracy to violate the International Emergency Economic Powers Act and three counts of violating the IEEPA.

According to the indictment unsealed today, Ostovari is the founder and CEO of a Tehran-based engineering company – identified in the indictment as “Company A” – that supplied signaling and communications systems to Iran and its government, including on projects for the Islamic Republic of Iran Railways. From at least May 2018 to July 2025, Ostovari and his co-conspirators obtained and shipped sophisticated computer processors, railway signaling equipment, and other electronics and electronic components to Company A in Iran. Many of these items were controlled under federal regulations, and their export to Iran without a license was prohibited.

To perpetrate his illegal export scheme, Ostovari used two front companies he controlled in the UAE – MH-SYS FZCO and Match Systechn FZE – as conduits. Ostovari directed co-conspirators at these front companies to acquire the electronics and electronic components for Company A. Ostovari and his co-conspirators intentionally concealed from electronics suppliers in the United States and elsewhere that the goods

were destined for Iran, falsely stating that MH-SYS and Match Systech in the UAE were the end users when in fact the true end user was Company A in Iran. Ostovari then directed his co-conspirators to arrange to ship the goods from the UAE to Company A in Iran.

After he became a lawful permanent resident of the United States in May 2020, Ostovari continued to export, sell, and supply electronics and electrical components to Company A in Iran.

As alleged, Ostovari knew of the U.S. sanctions against Iran, mentioning them in emails to co-conspirators and directing one co-conspirator to provide false information to a federal export control officer regarding the end use of U.S.-origin goods they had shipped to Company A in Iran.

The IEEPA and the ITSR impose controls and restrictions on transactions involving Iran based on the threats posed by Iran to the national security of the United States including, among others, its pursuit of nuclear weapons and sponsorship of terrorism. The IEEPA and ITSR, among other things, prohibit the export, re-export, sale, or supply, directly or indirectly, from the United States or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran without first obtaining authorization from the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).

At no time did Ostovari, his companies, or his co-conspirators apply for or obtain authorization from OFAC to export, sell or supply goods and technologies from the United States to Iran.

If convicted, Ostovari faces a maximum penalty of 20 years in prison for each count.

Homeland Security Investigations and the Department of Commerce's Bureau of Industry and Security are investigating this case.

Assistant U.S. Attorneys David C. Lachman and Colin S. Scott for the Central District of California are prosecuting the case, with valuable assistance from Trial Attorney Kathryn DeMarco of the National Security Division's Counterintelligence and Export Control Section.

An indictment is merely an allegation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Updated July 11, 2025

