

# Fact Sheet: Major U.S. Export Enforcement Actions in the Past Year

Below is a snapshot of some of the major export-related criminal cases and prosecutions handled by the Justice Department in the past year. These cases resulted from investigations by the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI), the Department of Commerce's Bureau of Industry and Security (BIS), the Department of Defense's Defense Criminal Investigative Service (DCIS), and other federal law enforcement agencies. This list of cases is not exhaustive.

- **Illegal Exports of F-4 and F-14 Fighter Jet Components** – On Oct. 5, 2007, Abraham Trujillo and David Wayne of Ogden, Utah, were charged in the District of Utah with attempting to illegally export components for F-4 and F-14 fighter jets using the Internet. According to the charges, the defendants attempted to illegally export military cable assemblies, wiring harnesses and other restricted components to Canada in 2006 and 2007. Such exports are of particular concern because F-14 components are widely sought by Iran, which is currently the only nation in the world that still flies the F-14 fighter jet. The investigation was conducted by ICE and DCIS.
- **Products with Nuclear & Missile Applications to Pakistan** – On Oct. 4, 2007, SparesGlobal, Inc., a Pittsburgh company, was sentenced in the Western District of Pennsylvania for conspiring to falsify documents and make false statements about a 2003 illegal export to the United Arab Emirates (UAE) that ultimately ended up in Pakistan. According to court documents, SparesGlobal exported to a trading company in the UAE restricted graphite products that can be used in nuclear reactors and in the nose cones of ballistic missiles. The graphite products were routed to Pakistan. After the shipment, the company attempted to mislead federal investigators when questioned about the shipment and related documents. The investigation was conducted by BIS.
- **Military Night Vision Goggles and Aviation Helmets to Overseas Locations** – On Sept. 28, 2007, Jerri Stringer pleaded guilty in the Northern District of Florida to several violations in connection with a conspiracy with her son, former U.S. Air Force Staff Sgt. Leonard Allen Schenk, to steal restricted military night vision goggles, aviation helmets, and other equipment from the Air Force and sell them to overseas buyers. Schenk pleaded guilty on Sept. 20 to a 21-count indictment alleging the sale of stolen military equipment overseas and attempting to hire an undercover agent to kill a potential government witness.
- **Economic Espionage and Theft of Trade Secrets** – On Sept. 26, 2007, Lan Lee and Yuefei Ge were charged in a superseding indictment the Northern District of California on charges of economic espionage and theft of trade secrets. The indictment alleges that the pair conspired to steal trade secrets from two companies and created a new firm to create and sell products derived from the stolen trade secrets. The charges also allege that Lee and Ge attempted to obtain funds for their new company from the government of China, in particular China's General Armaments

Division and China's 863 Program, otherwise known as the National High Technology Research and Development Program of China. The case was investigated by the FBI.

- Sensitive Aircraft Components to Iran – On Sept. 18, 2007, Aviation Services International, a Netherlands-based aviation services company, its owner, Robert Kraaijpoel, and two other Dutch companies were charged in the District of Columbia with illegally exporting aerospace grade aluminum, aircraft components, and other equipment to Iran and the government of Iran. The complaint alleges that, in 2006 alone, Aviation Services obtained some 290 aircraft-related components from the U.S. and caused them to be shipped to Iran. Many of these U.S.-origin goods were sent to Iranian government agencies, Iranian procurement agencies or companies doing business in Iran, according to the complaint. The investigation was conducted by BIS, ICE, DCIS and FBI.
- 100,000 Uzi Submachine Guns to Iran – On Aug. 27, 2007, Seyed Maghloubi pleaded guilty in the Central District of California to attempting to illegally export goods to Iran. As part of his plea agreement, Maghloubi admitted that he had plotted to illegally export as many as 100,000 Uzi submachine guns as well as night vision goggles to officials in Iran's government. According to the facts of the plea agreement, the defendant sought to have the weapons shipped from the U.S. to Dubai and later transported over the border to Iran. The investigation was conducted by the FBI and the Los Angeles Police Department.
- U.S. Military Source Code to China – On Aug. 1, 2007, Xiaodong Sheldon Meng pleaded guilty in the Northern District of California to violating the Economic Espionage Act to benefit China's Navy Research Center and violating the Arms Export Control Act for illegally exporting military source code. Meng was the first defendant in the country to be convicted of exporting military source code pursuant to the Arms Export Control Act. The code in question was designed for precision training of fighter pilots. The investigation was conducted by FBI and ICE.
- Restricted Technology to China – On Aug. 1, 2007, Yang Fung, the president of Excellence Engineering Electronics, Inc., pleaded guilty in the Northern District of California to a charge of illegally exporting controlled microwave integrated circuits to China without the required authorization from the Department of Commerce. The investigation was conducted by the FBI.
- Sensitive Technology to Prohibited Facility in India – July 30, 2007, Samuel Shangteh Peng was charged in the Central District of California with illegally exporting sensitive technology to an entity in India prohibited from receiving such technology due to proliferation concerns. Peng, an international sales manager at a California company, was charged with illegally exporting vibration amplifiers, cable assemblies and vibration processor units in 1999 and 2000 from the U.S. to Hindustan Aeronautics Limited, Engine Division, in India. In 1998, the U.S. government designated this facility in India as an end-user of concern for proliferation reasons. The investigation was conducted by BIS, ICE, and the Naval Criminal Investigative Service (NCIS).
- Illegal Exports of F-5 and F-14 Fighter Jet Components – On July 19, 2007, Jilani Humayun was arrested in the Southern District of New York on charges of illegally exporting F-5 and F-14 fighter jet components. Such exports are of particular concern because F-14 components are widely sought by Iran, which is currently the only nation in the world that still flies the F-14

fighter jet. According to the complaint, Humayun formed his own company, Vash International, Inc., in 2004 to engage in the business of export management for defense and logistic support, including tanks, guided missiles and rocket launchers. Then, on eleven separate occasions between January 2004 and May 2006, Humayun, via Vash International, exported to Malaysia F-5 and F-14 parts, as well as Chinook Helicopter parts. This investigation was conducted by ICE, BIS, FBI and DCIS.

- Telecommunications Equipment to Iraq – On July 19, 2007, Dawn and Darrin Hanna were indicted in the Eastern District of Michigan on charges of conspiracy, violating the International Emergency Economic Powers Act, money laundering conspiracy, and false statements. From 2002 to 2003, the defendants allegedly received \$9.5 million in proceeds to supply telecommunications and other equipment to Iraq in violation of the U.S. embargo that existed prior to the invasion by coalition forces in March 2003. This investigation was conducted by ICE, the Internal Revenue Service (IRS) and the FBI.

- Missiles, Arms to Terrorists in Colombia and Armed Factions Around the Globe – On June 7, 2007, reputed international arms dealer, Monzer Al Kassar, was arrested in Spain and two of his alleged associates were arrested in Romania pursuant to a terrorism-related indictment returned in the Southern District of New York. According to the indictment, Kassar agreed to sell millions of dollars worth of surface-to-air missiles, rocket-propelled grenade launchers, ammunition, and machine guns to the U.S.-designated terrorist organization, Fuerzas Armadas Revolucionarias de Colombia (FARC), between February 2006 and May 2007. Since the early 1970s, court documents allege, Kassar has been a ready source of weapons and military equipment for armed factions engaged in violent conflicts around the world, including Nicaragua, Brazil, Cyprus, Bosnia, Croatia, Somalia, Iran, and Iraq, among other countries. The investigation was conducted by the Drug Enforcement Administration (DEA) and the FBI.

- U.S. Naval Warship Data to China -- On June 5, 2007, Rebecca Laiwah Chiu, the fifth and final member of a family charged in connection with a scheme to obtain and illegally export U.S. military technology to China, pleaded guilty in the Central District of California to acting as an unregistered agent of the Chinese government. The investigation found that Chi Mak, a former engineer with a U.S. Navy contractor and Chiu's husband, was at the center of the plot. Mak had been given lists from co-conspirators in China that requested U.S. Naval research related to nuclear submarines and other information. Mak gathered technical data about the Navy's current and future warship technology and conspired to export this data to China. He was found guilty at trial in May 2007. His four co-defendants pleaded guilty. The investigation was conducted by FBI, NCIS, and ICE.

- F-14 Fighter Jet Components to Iran – On May 8, 2007, Reza Tabib was sentenced in the Central District of California to violating the International Emergency Economic Powers Act in connection with his efforts to illegally export military aircraft parts to Iran via associates in Germany and the United Arab Emirates. In 2006, federal agents intercepted maintenance kits for the F-14 fighter jet that Tabib and his wife had sent to Iran. A search of their California home led to the seizure of more than 13,000 aircraft parts as well as various aircraft part “shopping lists” that provided to the couple by an Iranian military officer. The investigation was conducted by ICE and DCIS.

- Telecommunications Equipment from China to Iraq – On April 10, 2007, Andrew Huang, the owner of McAndrew’s, Inc, an international export company, pleaded guilty in the District of Connecticut to one count of making false statements to the FBI. Huang was charged in 2006 with operating as a representative for the Chinese Electronic System Engineering Corporation, the technology procurement arm of the government of China. According to court documents, Huang allegedly helped broker the illegal sale and transfer of millions of dollars worth of telecommunications equipment from China to Iraq between 1999 and 2001. The investigation was conducted by the FBI, ICE, NCIS, IRS and BIS.
  
- Software to Iran – On April 8, 2007, Mohammad Reza Alavi, was arrested on the charge of illegally exporting 3 KeyMaster software to Iran without the required authorization from the Treasury Department. Alavi, a former nuclear plant engineer in Arizona, was charged in a complaint filed in the District of Arizona. The investigation was conducted by the FBI.
  
- Surface-to-Air Missiles, Arms to Terrorists in Sri Lanka and to Indonesian Military -- On April 5, 2007, Haniffa Bin Osman pleaded guilty in the District of Maryland to conspiracy to provide material support to a designated foreign terrorist organization and money laundering. Bin Osman conspired to provide U.S. surface-to-air missiles, machine guns, night vision devices, and other weapons to the Liberation Tigers of Tamil Eelam (LTTE) or “Tamil Tigers” in Sri Lanka. Two others have pleaded guilty to terrorism-related violations in connection with this scheme to arm the LTTE and two additional defendants have pleaded guilty to arms export violations as part of a plot to provide arms to the Indonesian military. The investigation was conducted by ICE, DCIS, and the FBI.
  
- Ballistic Missile Technology to Government Facilities in India -- On April 3, 2007, Parasarathy Sudarshan was arraigned in the District of Columbia on charges of illegally exporting restricted U.S. components for space launch vehicle and ballistic missile programs to the Vikram Sarabhai Space Centre and Bharat Dynamics, Ltd., two Indian entities involved in rocket and missile production. Surdarshan was also charged with acting as an illegal agent of India and illegally exporting U.S. military technology to India for a new fighter jet under development there. Sudarshan was one of four defendants indicted in the case. Sudarshan and another defendant, Mythili Gopal, were arrested in South Carolina on March 23, 2007. The investigation was conducted by the FBI, BIS, and ICE.
  
- Ballistic Helmets to Suriname – On March 28, 2007, Alpine Armoring, Inc., a Virginia company, pleaded guilty in the Eastern District of Virginia to the unlicensed export of controlled ballistic helmets to Suriname. Fred Khoroushi, the president and director of Alpine Armoring, also pleaded guilty to making false statements on an export declaration. The investigation was conducted by BIS, ICE, and DCIS.
  
- \$100 Million Penalty for Illegal Exports of Military Night Vision Technology to China, Singapore, U.K. -- On March 27, 2007, ITT Corporation, the leading manufacturer of military night vision equipment for the U.S. Armed Forces, agreed to pay a \$100 million penalty and admitted to illegally exporting restricted night vision data to China, Singapore, and the United Kingdom in the Western District of Virginia. The company also pleaded guilty to charges that it omitted statements of material fact in required arms exports reports. The \$100 million penalty is

believed to be one the largest ever in a criminal export control case. As part of the plea agreement, ITT Corporation must invest \$50 million of the penalty toward the development of the most advanced night vision systems in the world for the U.S. Armed Forces. The investigation was conducted by DCIS and ICE.

- Machine Guns, Arms to Indonesia – On Jan. 18, 2007, Hadianto Djuliarso pleaded guilty in the Eastern District of Michigan to conspiracy to violate the Arms Export Control Act and money laundering in a scheme to purchase and illegally export more than \$1 million worth of machine guns, sniper rifles and other weapons to Indonesia. According to court documents, Djuliarso also made inquiries about purchasing Sidewinder missiles and strafing ammunition for illegal export to Indonesia. Three other defendants have pleaded guilty in this case. The investigation was conducted by ICE and DCIS.

- Stolen Trade Secrets to Chinese nationals – On Dec. 14, 2006, Fei Ye and Ming Zhong pleaded guilty in the Northern District of California to charges of economic espionage for possessing trade secrets stolen from two Silicon Valley technology companies. The pair admitted that their company was to have provided a share of any profits made on sales of the stolen chips to Chinese entities. The case marked the first convictions in the nation for economic espionage. The investigation was conducted by ICE, FBI and CBP.

- Sensitive Technology to Iranian National – On Dec. 5, 2006, Seyed Eftekhari pleaded guilty in the Western District of Texas to attempting to purchase a “guided wave” scanning device with the intent of providing the unit to a third party from Iran without the required U.S. government license. The investigation was conducted by ICE and the FBI.

- Technology with Nuclear Applications to Iran – On Nov. 30, 2006, Juan Sevilla, sales director of United Calibration Corporation in California, was sentenced in the Northern District of Illinois for attempting to illegally export to Iran machinery and software to measure the tensile strength of steel in violation of the U.S. embargo. The technology is on the Nuclear Supplier’s Group “Watch List” as a commodity that can make a contribution to nuclear activities of concern. The investigation was conducted by BIS and ICE.

- Rifle Scopes, Weapons to Iran – On Nov. 22, 2006, Fereidoon Kariman was arrested in the Eastern District of Michigan after authorities found rifle scopes, stun guns and other prohibited items in luggage for his trip to Iran. The investigation was conducted by ICE.

- U.S. Stealth Missile Data & Military Secrets to China – On Nov. 8, 2006, Noshir Gowadia was charged in a superseding indictment in the District of Hawaii with performing substantial defense related services for China by agreeing to design, and later designing, a cruise missile exhaust system nozzle that renders the missile less susceptible to detection and interception. Among other violations, Gowadia was charged with willfully communicating classified national defense information to China with the intent that it be used to the advantage of China or to the injury of the U.S, as well as unlawfully possessing classified information, and laundering funds paid to him by the Chinese government for his illegal defense work. The investigation was conducted by the FBI, Air Force Office of Special Investigations, IRS, CBP, and ICE.

- Military Weapons Scopes to China – On Oct. 26, 2006, Wai Lim William Lam was charged in the District of Connecticut with attempting to smuggle weapons scopes, including submersible night-vision monocular devices, to Hong Kong. The investigation was conducted by DCIS, BIS, and ICE.
- U.S. Military Vehicles to the Middle East – On Oct. 24, 2006, Ronald Wiseman, a former Defense Reutilization and Marketing Service (DRMS) official, was sentenced in the District of Columbia for illegally selling militarized vehicles to individuals in Middle East nations. A second former DRMS official has also pleaded guilty in connection with the scheme. The case was investigated by ICE, DCIS and the Defense Logistics Agency.
- Terrorist Transactions, Computer Exports to Libya and Syria – On Oct. 13, 2006, sentences were handed down in the Northern District of Texas against Infocom Corporation and Bayan Elashi, Ghassan Elashi and Basman Elashi in connection with prior convictions at trial for dealing in the funds of a Specially Designated Terrorist, a high-ranking official of the terrorist organization, Hamas, and conspiracy to export computers and computer equipment to Libya and Syria. The investigation was conducted by FBI, BIS, ICE, IRS and members of the North Texas Joint Terrorism Task Force.
- Machinery to Iran – On Oct. 13, 2006, Babak Maleki and Shahram Setudeh Nejad were arrested on charges in the District of Columbia of violating the U.S. embargo against Iran in connection with a scheme to export textile machinery and other commodities to Iran. The investigation was conducted by ICE and BIS.
- Aircraft Parts to Iran – On Oct. 13, 2006, Ernest Koh, doing business as Chong Tek, was sentenced in the Eastern District of New York to jail after his conviction at trial for obtaining components that can be used in C-130 military transport planes and P-3 Naval aircraft, and diverting those parts to Malaysia for ultimate transshipment to Iran. In total, the government found that Koh illegally exported roughly \$2.6 million in aircraft parts to Iran. The investigation was conducted by BIS and ICE.
- Industrial Furnace to Missile Institute in China – On Oct. 4, 2006, William Kovacs, the owner and president of Elatec Technology Corporation in Massachusetts, was sentenced in the District of Columbia to prison for illegally exporting a hot press industrial furnace to a research institute in China affiliated with that nation's aerospace and missile programs. The investigation was conducted by BIS and ICE.

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