

**AFFIDAVIT IN SUPPORT OF A  
CRIMINAL COMPLAINT AND ARREST WARRANT**

**HOSSEIN ALI KHOSHNEVISRAD,**  
a/k/a HASSAN ALI KHOSHNEVISRAD,  
a/k/a HOSSEIN ALI KHOSHNEVIS  
DOB: 08/11/1953  
IRANIAN PASSPORT NUMBER: S2675991, EXP. 11/26/2010

This affidavit is being submitted by the affiant, Special Agent David Poole, in support of criminal complaints and an application for an arrest warrant relating to:

a. **HOSSEIN ALI KHOSHNEVISRAD**, DOB: 08/11/1953, Iranian passport number: S2675991, an Iranian national who resides at No. 65 Eshraghi Alley, Ghaderi Niavaran, Tehran, Iran; and

b. **ARIASA, AG.**, P.O. BOX 15875-6663, NORTH SOHREVARDI ST., IR 15686 TEHRAN, IRAN: An Iranian business located in Tehran, Iran with the above mailing address, and of which HOSSEIN ALI KHOSHNEVISRAD is the general manager.

I respectfully submit that there is probable cause to believe that the above-identified individual and entity have committed the following criminal offenses in violation of United States law: Unlawfully and willfully exporting and causing the export of goods from the United States to Iran without the required U.S. Department of Treasury licenses, as well as attempting and conspiring to do the same, in violation of the International Emergency Economic Powers Act, 50 U.S.C. §1705, and the Iranian Transactions Regulations, 31 C.F.R. Part 560, and Title 18, United States Code, Section 2.

**AFFIANT'S BACKGROUND**

I am a Senior Special Agent with the U.S. Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement. I have been employed by the Department of Commerce as a Special Agent for twenty years. In the course of my duties, I am responsible for investigating violations of U.S. laws relating to the illegal export of commodities and technology from the United States.

Prior to my position as a Senior Special Agent with the Department of Commerce, Office of Export Enforcement, I was employed as a Special Agent with the U.S. Department of the Treasury, U.S. Customs Service, for approximately eighteen months. As a Special Agent with the U.S. Customs Service, I was responsible for investigating violations of law relating to the illegal importation of drugs and the illegal export of military commodities and technology. Prior to my position as a Special Agent with the U.S. Customs Service, I was employed as a Special Agent with the U.S. Department of Justice, Drug Enforcement Administration, for approximately four years.

I have personally participated in this investigation and have witnessed many of the facts and circumstances described herein. I have also received information from other federal law enforcement officials relating to this investigation. I have reviewed documents and interviewed witnesses during the course of this investigation. The statements contained in this affidavit are based on my own observations, witness interviews, document reviews and reliable information provided to me by other law enforcement officials. Because this affidavit is submitted for the purpose of seeking issuance of a criminal complaint and arrest warrant, it does not include every fact known to me concerning the investigation.

## **EXPORT LAWS AND REGULATIONS**

### **International Emergency Economic Powers Act and the Iranian Transaction Regulations**

1. Pursuant to the authority under the International Emergency Economic Powers Act (“IEEPA”), the President of the United States and the executive branch have issued orders and regulations governing and prohibiting certain transactions with Iran by U.S. persons or involving U.S. goods. From March 9, 2006, until October 15, 2007, IEEPA, Title 50, United States Code, Section 1705(b), provided as follows:

Whoever willfully violates, or willfully attempts to violate, any license, order, or regulation issued under this chapter shall, upon conviction, be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than twenty years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

On October 15, 2007, IEEPA was amended to include a conspiracy provision and an increased fine. Subsections (a) and (c) of the amended statute provide as follows:

A person who willfully violates, willfully attempts, or willfully conspires to violate, or causes a violation of any license, order, or regulation issued under this chapter shall, upon conviction, be fined more than \$1,000,000..., or, if a natural person, may be imprisoned for not more than twenty years, or both.

2. Pursuant to the Executive Order by President William Jefferson Clinton in 1995, the Secretary of the U.S. Department of Treasury, in consultation with the Secretary of State, promulgated the Iranian Transactions Regulations, Title 31, United States Code of Federal Regulations, Part 560. The Iranian Transactions Regulations generally prohibit any person from exporting or causing to be exported from the United States without a license any good or technology without having first obtained a validated export license from the U.S. Department of Treasury, Office of Foreign Assets Control (“OFAC”).

3. The Iranian Transactions Regulations impose, among others, the following prohibitions:

Section 560.204 - Prohibition of any Sale or Supply of any Goods, Technology, Services to Iran or the Iranian Government:

Except as otherwise authorized [by a license issued by the Office of Foreign Asset Control of the U.S. Department of Treasury (OFAC)], the exportation, ...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 is prohibited....

## **FACTS SUPPORTING PROBABLE CAUSE**

### **Background of Defendants**

4. HOSSEIN ALI KHOSHNEVISRAD, also known as HASSAN ALI KHOSHNEVISRAD, also known as HOSSEIN ALI KHOSHNEVIS (hereinafter "KHOSHNEVISRAD"), is an Iranian national and the general manager of ARIASA AG. As general manager, KHOSHNEVISRAD is responsible for the day-to-day operations of ARIASA AG.

5. ARIASA AG (hereinafter "ARIASA") is a company located at No. 93 Shahid Goodarzi (Andishe 6th), North Sohrevardi St., Tehran, 15686, which is operated, at least in part, for the purpose of procuring U.S.-origin aircraft parts for shipment to Iran.

### **Summary of Investigation**

#### **A. Export and Transshipment of U.S.-Origin Aircraft Engines to Iran**

6. Between January 2007 and December 2007, a trading company in Ireland (hereinafter "Irish trading company") purchased seventeen (17) Model 250 turbo-shaft helicopter engines from Rolls-Royce Corporation ("Rolls-Royce"), located in Indianapolis, Indiana, for a total price of \$4,274,016.00.

7. The Rolls-Royce Model 250 engine was originally designed for a U.S. Army Light Observation Helicopter in 1957, with a first completed test flight in 1965. Rolls-Royce has produced over 30,000 Model 250 engines installed in over 125 different civil and military turbo-shaft and turbo-prop applications.

8. An invoice from the Irish trading company dated November 20, 2006, and issued to KHOSHNEVISRAD and ARIASA, identified by the invoice number MA/ARIASA/10072/06, stated that the Irish trading company was "pleased to issue" the request for the "R.R. 250-C20B Engine Project" involving the purchase of eight (8) aircraft engines at a total price of 2,524,600.00 euro. The Irish trading company gave KHOSHNEVISRAD the option of delivery to either Kuala Lumpur, Malaysia, or Dubai, United Arab Emirates.

9. On November 21, 2006, a representative of the Irish trading company sent a letter on company letterhead addressed to ARIASA in Tehran, Iran, which stated that, with regard to pro forma invoice MA/ARIASA/10072/06, the company had included KHOSHNEVISRAD'S commission of 10% in the figure and would pay the commission to KHOSHNEVISRAD at his account with Export Development Bank of Iran.

10. On November 25, 2006, a representative of the Irish trading company sent an e-mail with the subject line of "R.R.250-C20B (Engines)" to KHOSHNEVISRAD that stated, in part:

Prices offered "Euro" due to fact..Iran-banks have problem with USD payments (worldwide) all/most Iran-business is now non-USD it make no different to "Mac-Group" price-offered..\$385,000.00 each....Finally...delivery-to..Tehran (Iran) very - possible but price – our -extra-risk..etc..must be fully considered.

11. On December 5, 2006, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD with the subject line of "Re: PFI MA/ARIASA/10072/06 dd 21112006.....Attn: Mr. Hossein Khoshnevisrad (ARIASA)." In the e-mail, the representative wrote:

Many thanks your tel-call of today with cfm. Order for "three-engines will I have issued immed. Tomorrow-early. Two revised. Proforma invoice2s..USD..and euro and include...starter..and cfm..gorvonor..prices.

12. On December 6, 2006, a representative of the Irish trading company issued another pro forma invoice to KHOSHNEVISRAD at ARIASA's Tehran, Iran, mailing address dated December 6, 2006, for the "R.R. 250-C20B" project, with the following invoice number: "MA/ARIASA/10072/06." The invoice listed three (3) "R.R. 250-C20B" engines at \$278,000.00 each, plus 10% commission, for a total of \$917,400.00. The invoice also stated that the engines would be delivered to Kuala Lumpur, Malaysia, or Dubai, United Arab Emirates, but that the Irish trading company would consider delivery to Tehran "subject to special banking terms."

13. On December 12, 2006, a representative of the Irish trading company sent an e-mail to a Rolls-Royce employee and stated that he wanted to confirm the Irish trading company's purchase order for six (6) model 250-C20B engines. In his e-mail, the representative stated, "these engines for our 'Mac-Group' useage and unable to give ops. details for few mths."

14. The Irish trading company ordered from Rolls-Royce six (6) model 250-C20B engines. On or about December 22, 2006, Rolls-Royce shipped to the Irish trading company's designated freight forwarder from New York ("New York freight forwarder") six (6) model 250-C20B engines bearing the following serial numbers: CAE 837076 (hereinafter "Engine No. 1"); CAE 837078 (hereinafter "Engine No. 2"); CAE 837079 (hereinafter "Engine No. 3"); CAE 837080 (hereinafter "Engine No. 4"); CAE 837082 (hereinafter "Engine No. 5"); and CAE 837083 (hereinafter "Engine No. 6").

15. On January 15, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD at ARIASA, stating in part:

We have your “three-engines” ready to ship-deliver in Kuala-Lumpur..right-away

(A)..Payment.....cash transfer....by..MSSB(KUL) on receipt of goods L/C [letter of credit]...takes–much time...(must be issued direct to our “bank-Ireland)  
No..Iranian-Bank outside -- Iran

(B) Please make immed/final “arrangements”. for prompt payment we are giving you – mavt..top-quality–service..under extreme differcult-conditions (embargo”s..export-control”s) worldwide right-now.

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Note–we canb sell “you”..also.. “three-” extra 250-C20B (FN0 engines also.....please push–immed extra-sale your end.

16. On January 15, 2007, KHOSHNEVISRAD sent an e-mail to the representative of the Irish trading company in response to the message set forth in ¶ 15 above. KHOSHNEVISRAD wrote that the “first reaction” from one of his Iranian clients was that six (6) engines seemed like a good opportunity and that KHOSHNEVISRAD would need additional time to get the order placed.

17. On or about January 17, 2007, the New York freight forwarder sent a shipment in the name of the Irish trading company from New York to Malaysia. The accompanying invoice stated that the shipment contained six (6) Rolls-Royce model 250-C20B engines at \$300,000.00 each, for a total of \$1,800,000.00. The serial numbers of the engines were those associated with Engines Nos. 1, 2, 3, 4, 5 and 6.

18. On January 25, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD requesting, among other things, payment for the first three (3) engines and attaching an invoice marked “10072/06” addressed to a representative of a company in Tehran, Iran, for engines identified by the serial numbers associated with Engines Nos. 1, 2, 3, 4, 5, and 6.

19. On February 3, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD in Iran concerning the shipment of engines. In one part of this e-mail, the representative advised KHOSHNEVISRAD:

NOTE- Aviation/Equipt..Embargo..very very “strong” right now on “Iran” extreme-vigilance “worldwide” in place.

20. On or about February 3, 2007, KHOSHNEVISRAD sent an e-mail to the representative

of the Irish trading company in response to the e-mail set forth in ¶ 19 above. KHOSHNEVISRAD stated, "Be patient and stand by until good news comes very soon. It may some small discount require 4-5% but the quantity may also increase (MAY BE MORE THAN 6 UNITS!)."

21. On February 11, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD to confirm that the Irish trading company had six (6) engines in its warehouse pursuant to invoice "10072/06" and was ready to hand over the engines upon confirmation of payment.

22. On February 12, 2007, KHOSHNEVISRAD sent an e-mail to the representative of the Irish trading company to reply that the order for six (6) engines was "up to 100% secured" and that they would most likely be looking to purchase additional engines, for a total of twenty (20) engines.

23. On April 5, 2007, KHOSHNEVISRAD sent an e-mail to a representative of the Irish trading company in response to a request for confirmation of receipt of payment of KHOSHNEVISRAD's commission and for an offer for seven (7) additional Rolls-Royce model 250-C20B engines. KHOSHNEVISRAD thanked the representative for the 157,037.40 euro payment and stated, "Concerning new 7 Engines. **IT IS AGAIN A VERY SERIOUS BUSINESS. TERMS OF PAYMENT THE SAME AS FOR THE 6 ENGINES.**" KHOSHNEVISRAD also included a message from his Iranian client that the representative should travel to Kish, Iran, to discuss details of the transaction, as well as new projects.

24. On May 2, 2007, KHOSHNEVISRAD sent an e-mail to a representative of the Irish trading company to request a quote, including KHOSHNEVISRAD's 10% commission, for model 250-C20R/2 engines. According to KHOSHNEVISRAD, the request was for his Iranian client who needed "more than 10 or 15 of this type of Engine."

25. On May 7, 2007, KHOSHNEVISRAD sent an e-mail to a representative of the Irish trading company that referenced the six (6) sold engines bearing the serial numbers for Engines Nos. 1, 2, 3, 4, 5, and 6, and requested information about the guarantees on the engines.

26. On May 11, 2007, KHOSHNEVISRAD sent an e-mail to a representative of the Irish trading company with a subject line that referenced invoice "21077/07." KHOSHNEVISRAD requested the representatives final price for placing the order for the six (6) Rolls-Royce model 250-C20R/2 engines and the best price for six (6) new Rolls-Royce model 250-C20B engines manufactured in 2007.

27. On June 12, 2007, a representative of the Irish trading company sent an e-mail to a Rolls-Royce employee and stated that he wanted to issue a purchase order for six (6) model 250-C20B engines. The total cost of the six engines was listed as \$1,483,020.00. The representative stated the engines were destined for "Pennerbit Kemas Sdn. Bhd, No.-60 Jalan SS20/10, Damansara

Utama, 47400 Petaling Jaya” in Selangor, Malaysia.

28. On April 7, 2008, an investigating agent reviewed the commercially available website [www.babylon.com/definition/malaysia/english](http://www.babylon.com/definition/malaysia/english). According to the site, the English word for Penerbit is “book publisher” or “editor.” A google internet search for “Penerbit Kemas” revealed several hits for a book publisher in Malaysia located at the following address: 30 Jalan SS2/103, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

29. On June 18, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD relaying the delivery schedule for a total of six (6) engines and confirming his order of six (6) additional engines. In the e-mail, the representative of the Irish trading company requested immediate clarification as to whether KHOSHNEVISRAD required five (5) or six (6) engines, adding the following:

U.S.A Auth (exp/copntrol) very villigant and double checking the “end-use” of these/all 250-C20B eng (military-civil use) this is most important to understand at this-time....don’t heed “silly” talk..no-problem etc...(yes–there are problems–high risk) we are ready to..supply-perform as above....

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Again we have to be “careful” from U.S.A-customs/exp-auth require full “end-use (proof)....

30. On July 9, 2007, KHOSHNEVISRAD sent an e-mail to a representative of the Irish trading company and stated, “Ther very goods news is that [his Iranian customer] has getting all approvals for both P/I’s as mentioned above [21077 and 21078]. One for six R.R. 250-C-20R/2 euro 2,242,272.00 and one for six engines R.R. 250-C20B euro 1,602,000.00.”

31. On July 24, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD to update him about when the model 250-C20B engines would be ready for shipment and to notify him about a “problem with our ‘friends-R.R (U.S.A) the last ‘six’ C20B we shipped..they require..end-operator before they ‘release’ our order (12 engines)..somebody ‘Iran’ has advised..engines shipped to Iran-?..not nice...wee now have ‘extra’ costs-work to resolve ASAP....”

32. On July 30, 2007, a representative of the Irish trading company sent an e-mail with the subject line “bank details” to KHOSHNEVISRAD, stating “Dear Hossein, Please find attached details as requested yesterday evening.” Attached to the e-mail was a letter to an individual at an Iranian company from a representative of the Irish trading company requesting payment of 3,577,272.00 euro on invoice numbers “21077/07” and “21078/07/1” to the Irish trading company’s representative’s account at an Iranian bank in Tehran.

33. On August 9, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD and attached a draft banking guarantee document from an employee of an

Irish bank. On or about August 14, 2007, KHOSHNEVISRAD sent an e-mail to the representative of the Irish trading company stating that the amount stated in the guarantee (3,575,272.00 euro) was incorrect and directing the representative to resent a document for the correct amount of 3,844,272.00 euro.

34. On August 13, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD and attached a new draft banking guarantee document from an employee of an Irish bank. The attached document was directed to an Iranian company in Tehran, Iran, and stated:

We are informed by [Irish trading company]('The Seller') that they have entered into PFI Numbers [21077/07] and [21078/07/1] with you for the supply of 12 Rolls-Royce engines. The engines will be sourced by the Seller from Rolls-Royce Corp...Indianapolis, United States of America ('The Supplier').

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In accordance with the terms of the contract, the Seller is to receive an amount of EUR3,844,272.00...by way of an advance payment representing one hundred per cent of the amount of the contract....

35. On August 17, 2007, KHOSHNEVISRAD sent an e-mail to a representative of the Irish trading company, stating that the full amount of 2,242,272.00 euro would be in the representative's account the next week in payment for the six (6) Rolls-Royce model 250-C20R/2 engines and that the money for the six (6) Rolls-Royce model 250-C20B engines still required some signatures. KHOSHNEVISRAD also wrote, "You can pay and ship the 5 R/2's + 2 C20B. This would accelerate the payment of Euro 1,602,000.00 with no APG engagement."

36. On August 21, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD attaching an invoice dated August 21, 2007, which was addressed to a representative of the Iran Aircraft Manufacturing Industrial Company (known by the Iranian acronym "HESA") located in Esfahan, Iran. The invoice contained a quote for six (6) engines for the "R.R. 250C20B Engine Project."

37. The Irish trading company placed an order with Rolls-Royce for five (5) Rolls-Royce model 250-C20R/2S engines and two (2) Rolls-Royce model 250-C20B engines. On or about August 31, 2007, Rolls-Royce shipped to the New York freight forwarder five (5) Rolls-Royce model 250-C20R/2S engines bearing the following serial numbers: CAE 295902 (hereinafter "Engine No. 7"); CAE 295903 (hereinafter "Engine No. 8"); CAE 295906 (hereinafter "Engine No. 9"); CAE 295907 ((hereinafter "Engine No. 10"); and CAE 295908 (hereinafter "Engine No. 11"); and two (2) Rolls-Royce model 250-C20B engines bearing the serial numbers: CAE 837087 (hereinafter "Engine No. 12") and CAE 837089 (hereinafter "Engine No. 13").

38. On September 10, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD, notifying KHOSHNEVISRAD that freight and agent charges had to be paid in Kuala Lumpur, Malaysia, and Tehran, Iran. The representative also forwarded an e-mail he had sent the same day to a representative of HESA about six (6) Rolls-Royce engines with the subject line “payment 6 x c200r/2 engines (\$2,242,272.00.” In the e-mail to the HESA representative, the representative of the Irish trading company stated that the Irish trading company was prepared to ship the engines to its agent in Iran and release the engines to HESA after confirmation from its bank that funds had been received. In the text of the e-mail, the Irish trading company representative identified five Rolls-Royce model 250-C20R/2S engines to HESA by the serial numbers associated with Engines Nos. 7, 8, 9, 10 and 11.

39. On or about September 13, 2007, the New York freight forwarder shipped some engines from New York directly to “Penerbit Kemas Sdn Bhd,” Bandar Puteri Puchong, Puchong, Malaysia. The invoice stated that the shipment contained two (2) Rolls-Royce model 250-C20B engines at \$335,200.00 each, for a total of \$670,400.00. The serial numbers on the engines were those associated with Engines Nos. 12 and 13.

40. On or about September 14, 2007, the New York freight forwarder shipped some engines from New York to “Penerbit Kemas Sdn Bhd” in Malaysia, c/o Hamburg Express GMBH in Hamburg, Germany. The shipping invoice listed five (5) Rolls-Royce model 250-C20R/2S engines priced at \$379,850.00 each, for a combined cost of \$1,899,250.00. The serial numbers listed in the invoice for the five (5) Rolls-Royce model 250-C20R/2S engines were associated with Engines Nos. 7, 8, 9, 10 and 11.

41. On October 4, 2007, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD at ARIASA, attaching some air waybills and shipping documents for Rolls-Royce engines in order to ensure “clear and smooth shipping in advance.” Attached to this October 4, 2007, e-mail were invoices from the Irish trading company dated October 1, 2007, addressed to a representative of HESA in Esfahan, Iran for the sale of two (2) model 250-C20B and five (5) model 250-C20R/2S engines, respectively, identified by the serial numbers associated with Engines Nos. 7, 8, 9, 10, 11, 12 and 13. The representative of the Irish trading company also attached to this e-mail an air waybill that listed the consignee of the shipment as “Iran Aircraft Manufacturing Industries Co. (H.E.S.A.)” A note on the air waybill stated, “ensure no release of goods (engines) to HESA until confirmation by [Irish trading company] that funds with our bank.”

42. The Irish trading company ordered from Rolls-Royce two (2) Rolls-Royce model 250- C20B aircraft engines. On or about October 26, 2007, Rolls-Royce shipped to the New York freight forwarder two (2) model 250-C20B engines bearing the serial numbers: CAE 837094 (hereinafter “Engine No. 14”) and CAE 837095 (hereinafter “Engine No. 15”).

43. The Irish trading company ordered from Rolls-Royce two (2) Rolls-Royce model 250- C20B engines. On or about November 30, 2007, Rolls-Royce shipped to the New York freight forwarder two (2) model 250-C20B engines bearing the serial numbers: CAE 837099 (hereinafter "Engine No. 16") and CAE 837103 (hereinafter "Engine No. 17").
44. On or about December 6, 2007, the New York freight forwarder shipped some engines from New York directly to Penerbit Kemas Sdn Bhd in Malaysia. The accompanying invoice stated that the shipment contained two (2) Rolls-Royce model 250-C20B engines at \$267,000.00 each, for a total of \$534,000.00, and identified the serial numbers as those associated with Engines Nos. 14 and 15.
45. On January 14, 2008, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD, informing him that four (4) engines were ready for immediate release and listing the serial numbers associated with Engines Nos. 14, 15, 16 and 17.
46. On January 22, 2008, a representative of the Irish trading company sent an e-mail to KHOSHNEVISRAD attaching invoices for overdue payments for some of the Rolls-Royce engines and requesting that payment be expedited. Attached were two invoices dated December 22, 2007, that identified the customers for four (4) Rolls-Royce model 250-C20B engines as an Iranian company located in Tehran, Iran, and as HESA. The total amount for the transaction was listed on the invoices to the Iranian company and HESA as 1,068,000 euro and the country of origin was listed on the invoices as "USA."
47. In an e-mail dated March 11, 2008, from the representative of the Irish trading company to KHOSHNEVISRAD, the representative stated: "Further last - telcom standby your CFM of payment our "four" C20B (FN) engines value eu. 1,068,000.00...to our account bank..Tehran..witout any further delay or discusion. Note..most surprised. You not meet on last visit to "Tehran (Feb" 08). and no corr. to date."
48. Three of the four Rolls-Royce Model 250 engine shipments made by the New York freight forwarder on behalf of the Irish trading company were sent to Penerbit Kemas Sdn Bhd or KS Global Logistics in Malaysia. For all four of the shipments, either Penerbit Kemas Sdn Bhd or KS Global Logistics in Malaysia was listed as the ultimate consignee for the engines.
49. On or about March 31, 2008, investigating agents learned that the Irish trading company had requested the New York freight forwarder to forward a shipment to Malaysia. The shipment consisted of two Rolls-Royce engines that had been stored at the freight forwarder's facility since December 2007. The shipping paperwork listed the shipment as two (2) Rolls-Royce Model 250 C20B engines. The shipping paperwork also indicated that the engines were to be shipped to Penerbit Kemas Sdn Bhd in Malaysia.

50. Neither KHOSHNEVISRAD nor any representative of ARIASA has ever sought, obtained, or possessed any authorization or license from the Office of Foreign Assets Control, U.S. Department of Treasury, to export any goods or technology to Iran.

### **B. Shipment of Aerial Panorama Cameras via the Netherlands**

51. On June 12, 2006, KHOSHNEVISRAD sent an e-mail to a representative of a Dutch aviation parts supply company (hereinafter "Dutch company"), asking the company to provide a quotation for one (1) "KB18A" and ten (10) "KB-18B" aerial cameras, which were being distributed by a U.S. company located in Pennsylvania.

KHOSHNEVISRAD attached the U.S. company's catalog to the e-mail, and stated, "We need your PFI and the Cameras **as soon as possible.**"

52. The KB18A and KB18B aerial panorama cameras were designed for the U.S. Air Force for use on bombers, fighter bombers, and surveillance aircraft. The equipment was also originally designed for the F-4 -E Phantom fighter bomber, which is currently in use by the Iranian military.

53. On June 14, 2006, KHOSHNEVISRAD sent an e-mail to the same representative of the Dutch company, asking the representative to order the cameras from the U.S. company that same day, and to ship the cameras to an address in Tehran, Iran. KHOSHNEVISRAD further stated, "While sending the goods please put **only** packing list. **No invoice with the goods.** This because of Customs."

54. On June 19, 2006, KHOSHNEVISRAD sent an e-mail to the same representative of the Dutch company, advising the representative that ARIASA transferred \$3,271.59 to the Dutch company's account on June 17, 2006, for "10 pcs KB18A" and "1 pce KB18B."

55. On July 10, 2006, the Dutch company placed an order with the U.S. company for ten (10) KB18A Panoramic Aerial Cameras and one (1) KB-18B Military Camera. The Dutch company identified the end destination as the Netherlands.

56. On July 17, 2006, a different representative of the Dutch company sent an e-mail to KHOSHNEVISRAD advising him that the U.S. freight forwarder had informed the representative that an export license was required for the cameras. The representative asked KHOSHNEVISRAD who the end user was for the cameras and whether the cameras would be used for a military purpose.

57. On July 18, 2006, KHOSHNEVISRAD responded to the representative from the Dutch company, stating:

Regarding the end user as you know USA will not deliver to Iran in any case. You

should give an end user by yourself.

The cameras are needed for the students at Geographical university to learn them how to film from the air.

Trust you can manage to get the cameras free.

Best regards,  
HOSSEIN.

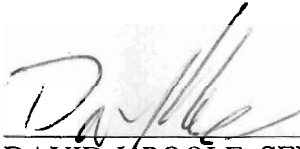
58. On August 9, 2006, the Dutch company representative sent an e-mail to KHOSHNEVISRAD stating that he had received the cameras and that they would be shipped out that week.

59. On August 18, 2006, the Dutch company representative sent another e-mail to KHOSHNEVISRAD informing him that the cameras would leave the Netherlands for Tehran, Iran on August 20, 2006, aboard Iran Air "flight IR 764," with Air Waybill Number 096-97988973.

### CONCLUSION

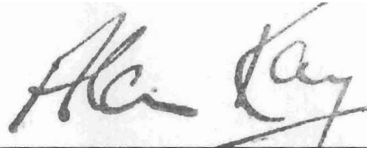
Based on the facts set forth herein, and on my experience and training in investigating cases involving violations of federal law and other experienced agents with whom I have consulted, I submit there is probable cause to believe that **HOSSEIN ALI KHOSHNEVISRAD** and **ARIASA AG** have committed the following offenses: exporting, attempting to export and causing the export, of goods to Iran without a license, and conspiring to do the same, in violation of 50 United States Code, Section 1705 and Title 31, United States Code of Federal Regulations, Part 560.204 and Title 18, United States Code, Section 2.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.



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DAVID J. POOLE, SENIOR SPECIAL AGENT  
OFFICE OF EXPORT ENFORCEMENT  
BUREAU OF INDUSTRY AND SECURITY  
U.S. DEPARTMENT OF COMMERCE

Subscribed to and sworn before me on this   1   day of August, 2008.



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UNITED STATES MAGISTRATE JUDGE

**ALAN KAY**  
U.S. MAGISTRATE JUDGE