

JUSTICE NEWS

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Export Company Executive Pleads Guilty to Violating U.S. Sanctions against Iran

Mahin Mojtahedzadeh (Mahin), age 74, a citizen of Iran, pleaded guilty today to conspiring to unlawfully export gas turbine parts from the United States to Iran.

The announcement was made by Assistant Attorney General for National Security John C. Demers, U.S. Attorney Grant C. Jaquith for the Northern District of New York; Special Agent in Charge James N. Hendricks of the FBI's Albany Field Office, Special Agent in Charge Kevin Kelly of the Buffalo Field Office of Homeland Security Investigations (HSI) and Special Agent in Charge Jonathan Carson of the New York Field Office of the Office of Export Enforcement, Bureau of Industry and Security (BIS), U.S. Department of Commerce.

Mahin pleaded guilty to one count of conspiring to violate the International Emergency Economic Powers Act (IEEPA) and the Iranian Transactions and Sanctions Regulations. She admitted that she was the President and Managing Director of ETCO-FZC (ETCO), an export company with an office in Dubai in the United Arab Emirates. ETCO is a supplier of spare and replacement turbine parts for power generation companies in the Middle East, including Iran.

Mahin admitted that from 2013 through 2017, she worked with companies in Canada and Germany to violate and evade U.S. sanctions against Iran, by having these companies first acquire more than \$3 million dollars' worth of turbine parts from two distributors in Saratoga County, New York.

When the U.S. parts arrived in Canada and Germany, respectively, these companies and Mahin then arranged for the parts to be re-shipped to ETCO's customers in Iran. At all times, U.S. law prohibited the export and re-export of U.S.-origin turbine parts to Iran without a license from the U.S. Office of Foreign Assets Control (OFAC), which neither Mahin nor her co-conspirators possessed.

"By supplying Iran with millions of dollars' worth of illegally exported turbine machinery, the defendant provided equipment that is critically important for Iran's infrastructure," said Assistant Attorney General Demers. "This sort of sanctions violation allows the Iranian government to withstand the pressure of U.S. sanctions – pressure that is intended to end Iran's malign behavior. We will continue to hold to account those who aid Iran in evading the United States' comprehensive embargo."

"Mahin Mojtahedzadeh worked for years to illegally acquire gas turbine parts for power plants in Iran," said U.S. Attorney Jaquith. "She will now be punished for undermining the efficacy of economic sanctions that are intended to protect the national security of the United States."

"The proliferation of sensitive U.S. technologies to Iran remains a clear threat to our national security," said Special Agent in Charge Hendricks. "The FBI, along with our interagency partners, will continue to identify, investigate, and eliminate proliferation efforts aimed at circumventing our export control laws and economic sanctions to illegally obtain sensitive technologies"

"HSI's export enforcement initiatives safeguard national security and protect our interests across the world," said

HSI Special Agent in Charge Kevin Kelly. “The defendant’s admission of willful attempts to thwart these efforts is inexcusable and her guilty plea is an example of the significant repercussions for such actions.”

“We will fully and aggressively enforce our nation’s restrictions on exports to Iran. Controls on exports to Iran help apply maximum pressure on Iran to end its promotion of instability and terrorism worldwide,” said Special Agent in Charge Jonathan Carson, of U.S. Department of Commerce, Office of Export Enforcement. “The Office of Export Enforcement will continue to leverage our unique authorities to pursue violators wherever they are, worldwide. We will continue to work with our law enforcement partners to achieve this goal.”

Mahin faces up to 20 years in prison, as well as a fine of up to \$1 million, when she is sentenced on Nov. 12, 2019 by United States District Judge Mae A. D’Agostino. A defendant’s sentence is imposed by a judge based on the particular statute the defendant is charged with violating, the U.S. Sentencing Guidelines and other factors.

Two of Mahin’s co-conspirators have previously pleaded guilty.

Olaf Tepper, age 52, and a citizen of Germany, pleaded guilty to conspiring to violate IEEPA. On Aug. 3, 2018, Judge D’Agostino sentenced him to 24 months in prison, and to pay a \$5,000 fine. Tepper was the founder and Managing Director of Energy Republic GmbH (Energy Republic), based in Cologne, Germany, which re-exported U.S.-origin turbine parts to Iran, as part of a conspiracy with Mahin.

Mojtaba Biria, age 68, and a citizen of Germany, also pleaded guilty to conspiring to violate IEEPA, and is scheduled to be sentenced on Aug. 14, 2019. Biria was Energy Republic’s Technical Managing Director.

These cases are the result of a joint investigation by FBI, HSI and BIS, and are being prosecuted by Assistant U.S. Attorneys Rick Bellis and Michael Barnett, with assistance from Trial Attorney Scott A. Claffee of the National Security Division’s Counterintelligence & Export Control Section.

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