

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

BILAL AHMED

No. 14 CR 134

Judge Rebecca R. Pallmeyer

PLEA AGREEMENT

1. This Plea Agreement between the United States Attorney for the Northern District of Illinois, ZACHARY T. FARDON, and defendant BILAL AHMED, and his attorney, PAUL FLYNN, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure and is governed in part by Rule 11(c)(1)(A), as more fully set forth below. The parties to this Agreement have agreed upon the following:

Charges in This Case

2. The superseding indictment in this case charges defendant with willfully violating export control regulations, in violation of Title 50, United States Code, Sections 1705(a) and (c), and Title 15, Code of Federal Regulations, Sections 736.2 and 764.2 (Counts One, Three and Four) and attempted smuggling and smuggling of goods out of the United States, in violation of Title 18, United States Code, Section 554(a) (Counts Two and Five).

3. Defendant has read the charges against him contained in the superseding indictment, and those charges have been fully explained to him by his attorney.

4. Defendant fully understands the nature and elements of the crimes with which he has been charged.

Charge to Which Defendant Is Pleading Guilty

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the following count of the superseding indictment: Count One, which charges defendant with willfully violating export control regulations, in violation of Title 50, United States Code, Sections 1705(a) and (c), and Title 15, Code of Federal Regulations, Sections 736.2 and 764.2.

Factual Basis

6. Defendant will plead guilty because he is in fact guilty of the charge contained in Count One of the superseding indictment. In pleading guilty, defendant admits the following facts and that those facts establish his guilt beyond a reasonable doubt and constitute relevant conduct pursuant to Guideline § 1B1.3:

On or about July 7, 2009, at Schaumburg, in the Northern District of Illinois, and elsewhere, defendant did knowingly and willfully export, from the United States to Pakistan, goods, namely, Tenax-E HTS40 F13 12K 800 tex (carbon fiber), without first having obtained the required license from the U.S. Department of Commerce, Bureau of Industry and Security, in violation of Title 50, United States Code, Sections 1705(a) and (c), and Title 15, Code of Federal Regulations, Sections 736.2 and 764.2.

More specifically, at all times material, defendant was a United States citizen who lived in Bolingbrook, Illinois. Defendant was the owner, president and

registered agent of Trexim Corporation, an Illinois corporation, which was in the business of purchasing items for export from the United States.

As part of his duties as owner and president of Trexim Corporation, defendant was regularly involved in the negotiation, purchase, and export of materials from United States manufacturers to overseas locations, including Pakistan. Defendant received orders for goods from Pakistani entities, including Pakistan's Space and Upper Atmosphere Research Commission (SUPARCO), and then purchased and exported those items to the Pakistani entities, including to SUPARCO.

Defendant knew that the export of goods, particularly the export of goods designated as "dual use" items, was controlled in some instances by the Department of State and the Department of Commerce. Defendant was aware that certain items required a license issued from either the Department of State or the Department of Commerce in order to be exported from the United States. In addition, defendant knew that no good could be shipped to certain entities, such as SUPARCO, without first having received a license from the United States government.

In around June 2009, defendant entered into an agreement with SUPARCO to purchase and then export to SUPARCO materials to make what defendant believed to be "bullet-proof vests." Specifically, defendant agreed to purchase carbon fiber in the United States and then export that carbon fiber to SUPARCO in Pakistan.

On June 25, 2009, defendant submitted a purchase order to Company A for Tenax-E HTS40 F13 12K 800 tex (carbon fiber). Defendant ordered 687.83 pounds of the carbon fiber. On July 1, 2009, the Tenax-E HTS40 F13 12K 800 tex (carbon fiber) was shipped from Company A to defendant at an address in Schaumburg, Illinois, that was provided by defendant. A shipping notice was included with the package that contained the following statements: “Products for U.S. Domestic Use Only,” and “These commodities, technology or software are controlled by U.S. Export Administration Regulations. Diversion contrary to U.S. law is prohibited.”

On July 7, 2009, defendant shipped the carbon fiber from a UPS location in Schaumburg to Pakistan. The package arrived in Pakistan on July 20, 2009.

Defendant knew and had reason to know that the Tenax-E HTS40 F13 12K 800 tex that he exported from Illinois to Pakistan was subject to export regulation. Specifically, the Tenax-E HTS40 F13 12K was controlled under ECCN 1C210.a for nuclear proliferation and anti-terrorism reasons and therefore required a license from the United States Department of Commerce, Bureau of Industry and Security, to be exported to Pakistan. Despite knowing that the Tenax-E HTS40 F13 12K 800 tex carbon fiber was subject to export regulation and required a license for export, neither defendant nor Trexim Corporation ever applied for or obtained a license to ship the product to Pakistan.

On July 2, 2013, defendant sent a purchase order to Company B, a company in the business of manufacturing, among other things, microwave laminate. In the purchase order, defendant requested three different types of microwave laminate.

In response to his purchase order, on July 5, 2013, Company B shipped RT/duroid 5870 High Frequency Laminates (microwave laminate) to an address in Downers Grove, Illinois, that was provided by defendant.

Prior to purchasing the RT/duroid 5870 High Frequency Laminates, defendant had purchased other microwave laminates from Company B. When he purchased the other microwave laminates from Company B, defendant was expressly warned that the product was considered “dual-use” and was subject to control and regulation.

Sometime after July 15, 2013, but before August 13, 2013, defendant exported the RT/duroid 5870 High Frequency Laminates to SUPARCO in Pakistan.

Defendant knew and had reason to know that the RT/duroid 5870 High Frequency Laminates were subject to export controls. Specifically, the RT/duroid 5870 High Frequency Laminates were subject to the Export Administration Regulations and a license issued by United States Department of Commerce, Bureau of Industry and Security was thus required to export the RT/duroid 5870 High Frequency Laminates to SUPARCO in Pakistan. At no time did defendant or Trexim Corporation ever seek or obtain a license from the U.S. Department of Commerce to export the 5870 High Frequency Laminates to SUPARCO.

7. Defendant, for purposes of computing his sentence under Guideline § 1B1.2, stipulates to having committed the following additional offense:

On or about March 7, 2014, at Elk Grove Village, in the Northern District of Illinois, and elsewhere, defendant did knowingly and willfully export and attempt to

export, from the United States to Pakistan, goods, namely, a FLIR HRC-U thermal imaging camera, without first having obtained the required license from the U.S. Department of Commerce, Bureau of Industry and Security, in violation of Title 50, United States Code, Sections 1705(a) and (c), and Title 15, Code of Federal Regulations, Sections 736.2 and 764.2.

More specifically, in February 2014, defendant purchased a FLIR HRC-U thermal imaging camera from Company C. On February 25, 2014, Company C shipped the FLIR camera to defendant at an address in Schaumburg that was provided by defendant.

On March 5, 2014, defendant was informed by a Company C employee that “the Ranger HRC-U is export restricted” and that “a license from the U.S. Department of State is required.”

On March 7, 2014, with the intention of sending the FLIR camera to Pakistan, defendant took the camera to a UPS store located in Schaumburg, Illinois, and submitted paperwork and payment to arrange for the item to be shipped to Karachi, Pakistan. Defendant then tendered the FLIR camera to a UPS store employee with the intention that the camera would be sent, via UPS, to Pakistan. Subsequently, the camera was seized by law enforcement before it could be exported to Pakistan.

Defendant knew and had reason to know that the FLIR HRC-U thermal imaging camera was subject to export controls. Specifically, the FLIR HRC-U was controlled under ECCN 6A003.b.4.a for reasons of regional stability and national

security, and required a license from the United States Department of Commerce, Bureau of Industry and Security to be exported to Pakistan. At no time did defendant or Trexim Corporation request or obtain any such license.

Maximum Statutory Penalties

8. Defendant understands that the charge to which he is pleading guilty carries the following statutory penalties:

a. A maximum sentence of 20 years' imprisonment. This offense also carries a maximum fine of \$1,000,000. Defendant further understands that the judge also may impose a term of supervised release of not more than three years.

b. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on the charge to which he has pled guilty, in addition to any other penalty imposed.

Sentencing Guidelines Calculations

9. Defendant understands that in imposing sentence the Court will be guided by the United States Sentencing Guidelines. Defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in determining a reasonable sentence.

10. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points:

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the

Guidelines Manual currently in effect, namely the November 2013 Guidelines Manual.

b. Offense Level Calculations.

i. The base offense level for the offense of conviction is 26, pursuant to Guideline § 2M5.1(a)(1)(A), because such offense involved the evasion of national security controls or controls relating to the proliferation of nuclear, biological, or chemical weapons or materials.

ii. The base offense level for the stipulated offense is 26, pursuant to Guideline § 2M5.1(a)(1)(A), because such offense involved the evasion of national security controls or controls relating to the proliferation of nuclear, biological, or chemical weapons or materials.

iii. Pursuant to Guideline § 3D1.4, because the offense levels for the offense of conviction and the stipulated offense are not group, there are two Units and the offense level is increased by 2 levels.

iv. Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for his actions within the meaning of Guideline § 3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested financial information relevant to his ability to satisfy any fine that may be imposed in this case, a two-level reduction in the offense level is appropriate.

v. In accord with Guideline § 3E1.1(b), defendant has timely notified the government of his intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently. Therefore, as provided by Guideline § 3E1.1(b), if the Court determines the offense level to be 16 or greater prior to determining that defendant is entitled to a two-level reduction for acceptance of responsibility, the government will move for an additional one-level reduction in the offense level.

c. **Criminal History Category.** With regard to determining defendant's criminal history points and criminal history category, based on the facts now known to the government, defendant's criminal history points equal zero and defendant's criminal history category is I.

d. **Anticipated Advisory Sentencing Guidelines Range.** Therefore, based on the facts now known to the government, the anticipated offense level is 25, which, when combined with the anticipated criminal history category of I, results in an anticipated advisory sentencing guidelines range of 57 to 71 months' imprisonment, in addition to any supervised release and fine the Court may impose.

e. Defendant and his attorney and the government acknowledge that the above guidelines calculations are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands that further review of the facts or applicable legal principles may lead the government to conclude that different or additional guidelines provisions apply in this case. Defendant understands that the Probation Office will conduct its own

investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the probation officer's or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw his plea on the basis of the Court's rejection of these calculations.

11. Both parties expressly acknowledge that this Agreement is not governed by Fed. R. Crim. P. 11(c)(1)(B), and that errors in applying or interpreting any of the sentencing guidelines may be corrected by either party prior to sentencing. The parties may correct these errors either by stipulation or by a statement to the Probation Office or the Court, setting forth the disagreement regarding the applicable provisions of the guidelines. The validity of this Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw his plea, nor the government the right to vacate this Agreement, on the basis of such corrections.

Agreements Relating to Sentencing

12. Each party is free to recommend whatever sentence it deems appropriate.

13. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Agreement and may impose a sentence up to the maximum penalties as set forth above. Defendant further acknowledges that if the

Court does not accept the sentencing recommendation of the parties, defendant will have no right to withdraw his guilty plea.

14. Defendant agrees to pay the special assessment of \$100 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

15. After sentence has been imposed on the count to which defendant pleads guilty as agreed herein, the government will move to dismiss the remaining counts of the superseding indictment, as well as the indictment as to defendant.

Acknowledgments and Waivers Regarding Plea of Guilty

Nature of Agreement

16. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 14 CR 134.

17. This Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver, or release by the United States or any of its agencies of any administrative or judicial civil claim, demand, or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, except as expressly set forth in this Agreement.

Waiver of Rights

18. Defendant understands that by pleading guilty he surrenders certain rights, including the following:

a. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charges against him, and if he does, he would have the right to a public and speedy trial.

i. The trial could be either a jury trial or a trial by the judge sitting without a jury. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and his attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not convict him unless, after hearing all the evidence, it was persuaded of his guilt beyond a reasonable doubt and that it was to consider each count of the superseding indictment separately. The jury would have to agree unanimously as to each count before it could return a verdict of guilty or not guilty as to that count.

iv. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, and considering each count separately, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

v. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and his attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in his own behalf. If the witnesses for defendant would not appear voluntarily, he could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

vii. At a trial, defendant would have a privilege against self-incrimination so that he could decline to testify, and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify in his own behalf.

b. **Appellate rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial, and may only appeal the validity of this plea of guilty and the sentence imposed. Defendant understands that any appeal must be filed within 14 calendar days of the entry of the judgment of conviction.

19. Defendant understands that by pleading guilty he is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights specifically preserved above. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights

Presentence Investigation Report/Post-Sentence Supervision

20. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall fully apprise the District Court and the Probation Office of the nature, scope, and extent of defendant's conduct regarding the charges against him, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

21. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of his financial circumstances, including his recent income tax returns as specified by the probation officer. Defendant understands that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline § 3E1.1 and enhancement of his sentence for obstruction of justice under Guideline § 3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

22. For the purpose of monitoring defendant's compliance with his obligations to pay a fine during any term of supervised release or probation to which defendant is sentenced, defendant further consents to the disclosure by the IRS to the Probation Office and the United States Attorney's Office of defendant's individual income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release or probation to which defendant is sentenced. Defendant also agrees that a certified copy of this Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

Other Terms

23. Defendant agrees to cooperate with the United States Attorney's Office in collecting any unpaid fine for which defendant is liable, including providing financial statements and supporting records as requested by the United States Attorney's Office.

25. Defendant understands that, if convicted, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

Conclusion

26. Defendant understands that this Agreement will be filed with the Court, will become a matter of public record, and may be disclosed to any person.

27. Defendant understands that his compliance with each part of this Agreement extends throughout the period of his sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the event he violates this Agreement, the government, at its option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to resentence defendant or require defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecutions.

28. Should the judge refuse to accept defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound to it.

29. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement, to cause defendant to plead guilty.

30. Defendant acknowledges that he has read this Agreement and carefully reviewed each provision with his attorney. Defendant further

acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: _____

ZACHARY T. FARDON
United States Attorney

BILAL AHMED
Defendant

BETHANY K. BIESENTHAL
Assistant U.S. Attorney

PAUL FLYNN
Attorney for Defendant