



U.S. Department of Justice

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## PRESS RELEASE

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### **Three Individuals and Two Companies Indicted For Conspiring to Export Millions of Dollars Worth of Computer-Related Equipment to Iran**

WASHINGTON – One individual and his company in New York and two others and their company in California were indicted today in the District of Columbia on charges of illegally exporting millions of dollars worth of computer-related equipment from the United States to Iran via the United Arab Emirates (UAE).

The two indictments were announced by U.S. Attorney Ronald C. Machen Jr.; Todd Hinnen, Acting Assistant Attorney General for National Security; John Morton, Director of U.S. Immigration and Customs Enforcement (ICE); and David W. Mills, Assistant Secretary of Export Enforcement, U.S. Department of Commerce.

Jeng “Jay” Shih, 53, a U.S. citizen, and his Queens, N.Y. company, Sunrise Technologies and Trading Company, were indicted in the District of Columbia on 27 counts relating to the illegal export of computer-related equipment to Iran without first having obtained the required license from the Department of Treasury. The indictment charges Shih and his company with one count of conspiracy; 13 counts of violating the International Emergency Economic Powers Act (IEEPA); 13 counts of making or causing to be made false statements to the United States; and one allegation for criminal forfeiture of property and proceeds derived from these offenses. Shih was arrested on a criminal complaint in New York on April 6, 2011, and had his initial appearance in court in New York on April 7, 2011. If convicted, he faces a maximum sentence of 20 years in prison and a \$1 million fine for each of the IEEPA counts and five years for each false statement count.

Massoud Habibion, 48, aka “Matt Habibion” and “Matt Habi,” and Mohsen Motamedian, 43, aka “Max Motamedian” and “Max Ehsan,” both U.S. citizens, and their Costa Mesa, Calif.,

company, Online Micro LLC, were indicted in the District of Columbia on 32 counts relating to the illegal export of computer-related equipment to Iran without the required license from the Department of Treasury. Habibion was charged with one count of conspiracy, 14 counts of violating IEEPA, 14 counts of making or causing false statements to the United States and four counts of obstruction of justice. Motamedian was charged with one count of conspiracy, 14 counts of violating IEEPA, 14 counts of making or causing false statements to the United States and one count of obstruction of justice. Habibion and Motamedian were arrested on a criminal complaint in California on April 7, 2011, and had their initial appearance in court in the Central District of California on April 7, 2011. If convicted, both defendants face a maximum sentence of 20 years in prison and \$1 million fine for each of the IEEPA counts, and five years for each false statement and 20 years for each obstruction of justice count.

According to the affidavit filed in support of the Shih criminal complaint, in 2006, Commerce Department agents conducted an outreach visit to Shih's business in New York where they met Shih and informed him about U.S. laws governing the export of goods from the United States to other countries, particularly embargoed countries like Iran. In April 2010, ICE-Homeland Security Investigations (HSI) agents seized hundreds of laptop computers that originated from Sunrise and were destined for Dubai, UAE. Communications related to these shipments indicated that the purchasers were located in Iran, according to the affidavit.

The affidavit alleges that agents subsequently identified a company in Dubai that was purchasing millions of dollars of computers from U.S. companies for export to Iran, through Dubai. ICE-HSI agents arrested one of the company's agents, who pleaded guilty in December 2010 and began cooperating with the government. In interviews with agents, this individual indicated that he and his company in Dubai had purchased millions of dollars worth of laptops from Shih in recent years for shipment to Iran, averaging \$700,000 worth of computers each month. The affidavit alleges that agents also obtained documents indicating that more than 1,000 computers had been shipped by Shih's company to Dubai and later to Iran, between April 9, 2010, and May 28, 2010, alone.

In February 2011, the cooperating individual met with Shih in New York. In recorded conversations, Shih allegedly told the individual he was aware of the U.S. embargo against Iran and U.S. export control laws. According to the affidavit, Shih also told the cooperating individual how to avoid detection when shipping goods to Iran by using fake invoices and indicated that he treated the seizure of some of his shipments as a "loss" when reporting business income and losses on his U.S. taxes.

The affidavit filed in support of the complaint against Habibion and Motamedian alleges that a company in Dubai, referenced above, purchased millions of dollars worth of laptop computers from Online Micro and that these computers were subsequently shipped to Iran. According to the affidavit, the agent for the Dubai company, who was arrested, pleaded guilty and began cooperating with the government, told federal agents that Habibion and Motamedian

sold roughly \$300,000 worth of computers to the Dubai company each month and that Habibion and Motamedian fully understood that the computers were destined for Iran.

In December 2010, the cooperating individual met with Habibion and Motamedian, wherein these defendants allegedly instructed the cooperating individual to make fake invoices to conceal that Iran was the destination of the shipments and to indicate that the end-users were in Dubai. In addition, the affidavit alleges that in a Jan. 5, 2011, meeting, Habibion told the cooperating individual to lie to federal agents about conducting business in Iran, stating, "If they ask you, for instance, 'Do you do business in Tehran?' 'No, I don't have any business in Tehran. I go there to visit my family, but I have no business there.' They will ask such questions, it is part of their routine."

This investigation is being conducted by the ICE-HSI field offices in San Diego and New York and the Department of Commerce Office of Export Enforcement field offices in New York and Los Angeles, with assistance from ICE-HSI offices in Chicago, Newark, N.J., Los Angeles and Orange County, Calif. The Department of Homeland Security's U.S. Customs and Border Protection also assisted in the investigation.

The prosecution is being handled by Assistant U.S. Attorneys Anthony Asuncion and T. Patrick Martin, from the U.S. Attorney's Office for the District of Columbia, and Trial Attorney Jonathan C. Poling from the Counterespionage Section of the Justice Department's National Security Division. The U.S. Attorney's Offices for the Central District of California and Eastern District of New York also provided assistance.

The public is reminded that an indictment and criminal complaint contain mere allegations and that defendants are presumed innocent unless and until proven guilty.

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