

SEALED

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

**Holding a Criminal Term
Grand Jury Sworn in on July 9, 2018**

UNITED STATES OF AMERICA	:	CRIMINAL NO.
	:	
v.	:	Grand Jury Original
	:	
	:	VIOLATIONS:
	:	
JALAL ROHOLLAHNEJAD,	:	18 U.S.C. § 371
Also Known As Jalal Nejad,	:	(Conspiracy)
Also Known as Jia Yuntao,	:	
	:	18 U.S.C. § 554
Defendant.	:	(Smuggling goods from the United States)
	:	
	:	18 U.S.C. § 1343
	:	(Wire Fraud)
	:	
	:	18 U.S.C. § 1956
	:	(Money Laundering)
	:	
	:	13 U.S.C. § 305
	:	(Unlawful Export Information Activities)
	:	
	:	18 U.S.C. § 2
	:	(Aiding and Abetting)
	:	
	:	FORFEITURE:
	:	18 U.S.C. § 981(a)(1)(C)
	:	28 U.S.C. § 2461(c)
	:	18 U.S.C. § 982(a)(1)
	:	21 U.S.C. § 853(p)

INDICTMENT

The Grand Jury charges that:

Case: 1:19-cr-00073
Assigned To : Judge Friedrich, Dabney L.
Assign. Date : 2/22/2019
Description: INDICTMENT (B)
Related Case: 18-cr-134 (DLF)

COUNT ONE

GENERAL ALLEGATIONS

At all times material to this Indictment:

1. **Defendant JALAL ROHOLLAHNEJAD (“ROHOLLAHNEJAD”)** was a citizen of the Islamic Republic of Iran and held himself out as a representative of Rayan Roshd Afzar.
2. **Rayan Roshd Afzar (“Rayan Roshd”)** was a technology company headquartered in Tehran, Islamic Republic of Iran. Rayan Roshd produced technical components for Iran’s unmanned aerial vehicle program; sought to repair Iranian military equipment; and worked to produce software for the Iranian aerospace program. Rayan Roshd has been linked to proliferation activities related to the Islamic Revolutionary Guard Corps (“IRGC”).¹
3. **IPAXIOM SOLUTIONS, INC., also known as IPAXIOM NETWORKS, (“IPAXIOM”)** was a privately owned technology company headquartered in Canada, with offices in the United Kingdom and the People’s Republic of China.
4. **CO-CONSPIRATOR A** was a citizen of India and a resident of Canada. He was also Director of **IPAXIOM**.
5. **CO-CONSPIRATOR B** was a dual citizen of the United Kingdom and India and a resident of the United Kingdom. He was also the Chief Executive Officer of **IPAXIOM**.
6. **CO-CONSPIRATOR C** was a citizen of India and a resident of the United Arab

¹ The IRGC was considered the military vanguard of Iran, and it contained five military branches, in addition to a counterintelligence directorate and representatives of the Supreme Leader of Iran.

Emirates.

7. **CO-CONSPIRATOR D** was a citizen of the Islamic Republic of Iran and held himself out as a representative of Rayan Roshd Afzar.

8. **CO-CONSPIRATOR E** was a citizen of India and a resident of the United Arab Emirates. He was the general manager of a logistics company located in the United Arab Emirates.

9. **U.S Company A** was a broker for the sale of the U.S. manufactured Industrial Microwave System that has both civilian and military applications. The Industrial Microwave System can be used, with minor modifications, for military uses, including as a high-power microwave based directed-energy weapons system capable of targeting personnel, missiles, vehicles, and optical devices with highly focused energy.

10. **U.S. Company B** manufactured a Counter-Drone System, that has both commercial and military uses. The Counter-Drone System can be used to identify, stop, redirect, land, or take total control of a target unmanned aerial vehicle.

11. The Industrial Microwave System and Counter-Drone System required a license, issued by the Department of the Treasury, Office of Foreign Assets Control, located in Washington, D.C., to be exported from the United States to Iran or to Rayan Roshd Afzar.

13. The conduct alleged in this Indictment began outside of the jurisdiction of any particular State or district and is therefore within the venue of the United States District Court for the District of Columbia, as provided by Title 18, United States Code, Section 3238.

A. The Conspiracy

14. Beginning in or around May 2017 through in or about April 2018, within the District of Columbia and elsewhere, defendant **ROHOLLAHNEJAD** and his co-conspirators, named and unnamed, most notably **IPAXIOM, CO-CONSPIRATOR A, CO-CONSPIRATOR**

B, CO-CONSPIRATOR C, and CO-CONSPIRATOR D, did knowingly combine, conspire, confederate and agree with others known and unknown to the Grand Jury, to commit offenses against the United States, and to defraud the United States, more particularly:

- A. to fraudulently or knowingly export, attempt to export, and cause the export of an Industrial Microwave System and a Counter-Drone System contrary to law, that is, to export the items from the United States to Iran by providing false and fraudulent export information and concealing the true ultimate destination of the goods in order to avoid obtaining the required licenses or authorizations, in violation of Title 18, United States Code, Section 554; and
- B. to defraud the United States by interfering with and obstructing a lawful government function, that is, the enforcement of laws and regulations prohibiting the export or supply of goods from the United States to Iran without the required licenses or authorizations, in violation of Title 18, United States Code, Section 371.

Objects of the Conspiracy

- 22. The objects of the conspiracy were:
 - A. to acquire U.S.-origin goods to supply to end users within the Islamic Republic of Iran;
 - B. to conceal from United States companies and the United States government that the U.S.-origin goods were destined for Iran;
 - C. to make financial profit for the defendant and other conspirators; and
 - D. to evade U.S. export controls including, but not limited to, requirements to

accurately and honestly complete and file all export forms and obtain required authorizations and licenses.

Manner and Means of the Conspiracy

23. The conspirators would and did use the following manner and means, among others, to accomplish the objects of the conspiracy:

- A. Defendant **ROHOLLAHNEJAD** and **CO-CONSPIRATOR D** acting on behalf of an Iranian company; **CO-CONSPIRATOR A**, **CO-CONSPIRATOR B**, and **CO-CONSPIRATOR C**, acting as agents of **IPAXIOM**; and **CO-CONSPIRATOR E**, acting on behalf of a United Arab Emirates company, and other conspirators used e-mail accounts and other forms of communication to communicate amongst themselves.
- B. **ROHOLLAHNEJAD** and co-conspirators, conspired to wire U.S. dollars from accounts outside of the United States to accounts of companies in the United States as payment for the purchased U.S.-origin goods.
- C. **ROHOLLAHNEJAD** and co-conspirators, conspired to intentionally conceal from companies, shippers, and freight forwarders located in the United States, the ultimate end-user of the U.S.-origin goods they sought.
- D. **ROHOLLAHNEJAD** and co-conspirators conspired to cause the shipment of the Industrial Microwave System from the United States, with the express purpose of then re-exporting the Industrial Microwave System from the United Arab Emirates to Iran.
- E. **ROHOLLAHNEJAD** and other co-conspirators conspired to cause and attempted to cause the Industrial Microwave System to be exported from

the United States, with a final destination of an entity in Iran, without obtaining a license or other authorization from the United States Department of the Treasury, Office of Foreign Assets Control.

Overt Acts

24. In furtherance of this conspiracy, and to accomplish its purposes and objects, at least one of the co-conspirators committed or caused to be committed, in the District of Columbia, and elsewhere, at least one of the following overt acts, among others:

- a. On or about May 25, 2017, **CO-CONSPIRATOR B** contacted U.S. Company A for purposes of procuring the Industrial Microwave System on behalf of **ROHOLLAHNEJAD** and others for use in Iran.
- b. On or about June 5, 2017, **CO-CONSPIRATOR B** forwarded an email to **CO-CONSPIRATOR D** that contained a bid placed by **CO-CONSPIRATOR B** for the Industrial Microwave System. The terms of the bid included a promise by **IPAXIOM** to comply with all U.S. export control laws.
- c. On or about June 24, 2017, **CO-CONSPIRATOR B** sent an email to **CO-CONSPIRATOR D**, and attached an invoice directed to **ROHOLLAHNEJAD** for “Inspection of Equipment in Boston, MA, USA,” in the amount of \$1,200 United States dollars (“USD”).
- d. On or about June 25, 2017, **CO-CONSPIRATOR D** forwarded the invoice to **ROHOLLAHNEJAD**.
- e. In or about June 2017, **CO-CONSPIRATOR A** and **CO-CONSPIRATOR B** contacted an additional company, U.S. Company B, on behalf of **IPAXIOM**, to discuss purchasing a U.S.-manufactured Counter-Drone System.

- f. On or about June 29, 2017, **CO-CONSPIRATOR A**, on behalf of **IPAXIOM**, signed a Mutual Nondisclosure Agreement with U.S. Company B, which included a section that described U.S. Export Restrictions. U.S. Company B responded with a copy of the fully executed Mutual Nondisclosure Agreement on or about July 5, 2017.
- g. On or about June 30, 2017, **CO-CONSPIRATOR D** forwarded to **ROHOLLAHNEJAD** a copy of the aforementioned Mutual Nondisclosure Agreement signed by **CO-CONSPIRATOR A**.
- h. On or about July 23, 2017, **CO-CONSPIRATOR D** sent an email to **CO-CONSPIRATOR B** that included an attached "Purchase and Sale Agreement" for the Industrial Microwave System. The Purchase and Sale Agreement was signed by **ROHOLLAHNEJAD**, and was in the amount of \$450,000 USD. The Agreement included a "Force Majeure" clause, which expressly provided that neither party would be in breach of the contract in the event of, among other things, an embargo.
- i. On or about August 3, 2017, **CO-CONSPIRATOR B** emailed **CO-CONSPIRATOR D**, copying **CO-CONSPIRATOR A**, and attached a pro-forma invoice for U.S. Company B's Counter-Drone System. **CO-CONSPIRATOR B** requested an "agent fee" of \$20,000 USD because "the company in Canada is taking a huge risk with" the Counter-Drone System.
- j. On or about August 3, 2017, **CO-CONSPIRATOR D** forwarded the email referenced in Overt Act i, with the attachment, to **ROHOLLAHNEJAD**.
- k. On or about August 28, 2017, **ROHOLLAHNEJAD** transferred approximately

1,652,400 Arab Emirates Dirham from Iran to **CO-CONSPIRATOR C** to be used as payment for the Industrial Microwave System.

- l. Between on or about September 5, 2017, and on or about September 7, 2017, **CO-CONSPIRATOR C** made three wire transfers in amounts of \$69,965 USD, \$240,000 USD and \$85,965 USD from two banks in the United Arab Emirates, through banks in the United States, to an account controlled by **CO-CONSPIRATOR A** in Canada.
- m. On or about September 8, 2017, **CO-CONSPIRATOR A** sent a wire transfer of \$395,454 USD from a Canadian-based bank account controlled by him, to a U.S.-based bank account held by Company A as payment for the Industrial Microwave System. The Originator to Beneficiary Information section of the wire falsely stated "INV 79852 Purchasing Equipment to Start a Business."
- n. On or about September 12, 2017, **CO-CONSPIRATOR D** sent **ROHOLLAHNEJAD** a copy of a commercial quote for the Counter Drone System produced by Company B.
- o. On or about October 5, 2017, **CO-CONSPIRATOR D** sent photographs of a receipt of the wire transfer described in overt act m to **ROHOLLAHNEJAD**.
- p. On or about October 16, 2017, **CO-CONSPIRATOR E** sent an email to **CO-CONSPIRATOR B**, and other co-conspirators, that included the name and contact information for a company in the United Arab Emirates to put on the bill of lading for the Industrial Microwave System, when in fact the Industrial Microwave System was destined for Iran.
- q. On or about October 26 and November 7, 2017, **CO-CONSPIRATOR D** sent

ROHOLLAHNEJAD a copy of a Shippers Letter of Instruction that falsely listed a company in the United Arab Emirates as the “Ultimate Consignee” for the Industrial Microwave System.

- r. On or about October 30, 2017, **CO-CONSPIRATOR B** emailed **CO-CONSPIRATOR E**, copying **CO-CONSPIRATOR D**. Attached to the email were multiple documents, including: (1) a shipper’s letter of instructions falsely listing the “ultimate consignee” as located in the United Arab Emirates; and, (2) a certificate of manufacture, certifying that the Industrial Microwave System was manufactured by a company in the United States.
- s. On or about November 15, 2017, **CO-CONSPIRATOR B** caused a logistics company within the United States to file a false export document known as an Electronic Export Information document with the United States Customs and Border Protection that falsely listed a company in the United Arab Emirates, as the “Ultimate Consignee” for the Industrial Microwave System.
- t. On or about December 16, 2017, **CO-CONSPIRATOR E** emailed **CO-CONSPIRATOR D** and others, to ask for the name of the ultimate end user “Iran consignee details,” so that **CO-CONSPIRATOR E** in the United Arab Emirates could re-export the Industrial Microwave System to Iran.
- u. On or about December 20, 2017, **CO-CONSPIRATOR D** stated that the Industrial Microwave System should be shipped to “Tose’e Soroush saman co. Ltd.,” which holds itself out as a technology company with ties to the Iranian military, at an address in Tehran, Iran.
- v. From on or about December 24, 2017 to on or about August 26, 2018,

ROHOLLAHNEJAD directed **CO-CONSPIRATOR B** to continuously contact U.S. Company A and the freight forwarder advising the “end customer” wanted more details about why the Industrial Microwave System was being “held by the U.S. Customs.”

- w. On or about January 29, 2018, **CO-CONSPIRATOR D**, emailed a report to **ROHOLLAHNEJAD**, addressed to **ROHOLLAHNEJAD** and authored by **CO-CONSPIRATOR B**, which stated, among other things, “Secondly, the shipping agent have always asked for end buyer to whom the cargo is being shipped to, which has been kept hidden as the information of the cargo actually being destined for Iran was and still has been kept hidden.”
- x. On or about April 10, 2018, **ROHOLLAHNEJAD** sent an email to **CO-CONSPIRATOR B** which stated, “I have some relations in the Iran government can support us, also if you can buy [Counter Drone System] I have customer for it too.”

(Conspiracy to Defraud the United States and Conspiracy to Smuggle Goods from the United States, in violation of Title 18, United States Code, Section 371; Title 18, United States Code, Section 554(a)).

COUNT TWO

(Smuggling Goods From the United States)

25. The allegations in paragraphs 1 through 14 of this Indictment are incorporated and realleged by reference herein.

26. Between in or about May 2017, through in or about November 2017, **JALAL ROHOLLAHNEJAD**, and co-conspirators including **CO-CONSPIRATORS A, B, C, and D**, did fraudulently and knowingly attempt to export from the United States, an Industrial Microwave System brokered for sale by U.S. Company A, contrary to law, , to wit having filed a false

Electronic Export Information and having failed to obtain a license permitting the export.

(Smuggling Goods From the United States, in violation of Title 18, United States Code, Section 554; Title 18, United States Code, Section 2)

COUNT THREE

(Providing False Electronic Export Information)

27. The allegations in Paragraphs 1 through 14 of this Indictment are incorporated and realleged by reference herein.

28. On or about November 15, 2017, in the District of Columbia, and elsewhere, defendant **ROHOLLAHNEJAD**, and co-conspirators including **CO-CONSPIRATORS A, B, C, and D**, and others, did knowingly and willfully cause false and misleading export information to be submitted as an Electronic Export Information submission, which is a successor document to the Shippers Export Declaration and did so through the Automated Export System in order to further illegal activity, including the smuggling of the Industrial Microwave System from the United States to Iran.

(Unlawful export information activities, in violation of 13 U.S. Code Section 305; Title 18, United States Code, Section 2)

COUNT FOUR

(Fraud by Wire, Radio, or Television)

29. The allegations in Paragraphs 1 through 14 of this Indictment are incorporated and realleged by reference herein.

30. In or about between May 2017 and November 2017, in the District of Columbia, and elsewhere, defendant **ROHOLLAHNEJAD**, and co-conspirators including **CO-CONSPIRATORS A, B, C, and D**, and others did knowingly and willfully devise a scheme to defraud U.S. Company A by providing U.S. Company A with false information about the identity

and location of the end-user of the Industrial Microwave System, and transmitted or caused to transmit by means of wire, email and other means of communication in interstate or foreign commerce for the purpose of executing their scheme to defraud.

(**Fraud by wire, radio, or television**, in violation of Title 18, United States Code, Section 1343; Title 18, United States Code, Section 2)

COUNT FIVE

(Conspiracy to Commit Money Laundering)

31. The allegations in Paragraphs 1 through 14 of this Indictment are incorporated and re-alleged by reference herein.

32. Beginning as early as in or around May, 2017, the exact date being unknown to the Grand Jury, and continuing through at least April 2018, within the District of Columbia and elsewhere, the defendant **ROHOLLAHNEJAD**, and co-conspirators including **CO-CONSPIRATORS A, B, C, and D**, did knowingly combine, conspire, confederate and agree together and with other persons both known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1956(h).

The Object of the Conspiracy

33. It was the object of the conspiracy for defendant **ROHOLLAHNEJAD**, and co-conspirators including **CO-CONSPIRATORS A, B, C, and D**, together and with other persons both known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1956(a)(2)(A), that is, by transporting, transmitting, or transferring, or attempting to transport, transmit, or transfer a monetary instrument or funds to a place in the United States from and through a place outside the United States, that is Canada and the United Arab Emirates, with the intent to promote the carrying on of specified unlawful activity, to wit, an offense relating to smuggling.

(Conspiracy to Commit Money Laundering, in violation of Title 18, United States Code, Section 1956)

FORFEITURE ALLEGATION

34. Upon conviction of any of the offenses alleged in Counts One through Three of this Indictment, defendants shall forfeit to the United States any property, real or personal, which constitutes, or is derived from proceeds traceable to these offenses, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c). The United States will also seek a forfeiture money judgment for a sum of money equal to the value of any property, real or personal, which constitutes, or is derived from proceeds traceable to these offenses.

35. Upon conviction of the offense alleged in Count Four of this Indictment, the defendants shall forfeit to the United States any property, real or personal, involved in this offense, or any property traceable to such property pursuant to Title 18, United States Code, Section 982(a)(1). The United States will also seek a forfeiture money judgment for a sum of money equal to the value of any property, real or personal, involved in this offense, and any property traceable to such property.

36. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- A. cannot be located upon the exercise of due diligence;
- B. has been transferred or sold to, or deposited with, a third party;
- C. has been placed beyond the jurisdiction of the Court;
- D. has been substantially diminished in value; or


E. has been commingled with other property that cannot be divided without difficulty;

the defendants shall forfeit to the United States any other property of the defendants, up to the value of the property described above, pursuant to Title 21, United States Code, Section 853(p).

(Criminal Forfeiture, pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 28, United States Code, Section 2461(c), Title 18, United States Code, Section 982(a)(1), and Title 21, United States Code, Section 853(p)).

A TRUE BILL

FOREPERSON


Attorney of the United States in
and for the District of Columbia