

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - -X

UNITED STATES OF AMERICA : **SEALED**
: **SUPERSEDING INDICTMENT**

- v. - : S1 15 Cr. 833

BORA DENIZ, :
NESTEREN ZAREI DENIZ, :
HABIBOLLAH ZAREI, :
a/k/a "Emre Polatkan," :
a/k/a "Adasi Habik," and :
ABDULLAH EVREN ERDEM, :
Defendants. :

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BACKGROUND

The International Emergency Economic Powers Act

1. The International Emergency Economic Powers Act ("IEEPA"), codified at Title 50, United States Code, Sections 1701-1706, confers upon the President authority to deal with unusual and extraordinary threats to the national security and foreign policy of the United States. Section 1705 provides, in part, that "[i]t shall be unlawful for a person to violate, attempt to violate, conspire to violate, or cause a violation of any license, order, regulation, or prohibition issued under this title." 50 U.S.C. § 1705(a).

2. Beginning with Executive Order No. 12170, issued on November 14, 1979, the President found that "the situation in Iran constitutes an unusual and extraordinary threat to the

national security, foreign policy and economy of the United States and declare[d] a national emergency to deal with that threat."

3. On May 6, 1995, the President issued Executive Order No. 12959, adopting and continuing Executive Order No. 12170 (collectively, the "Executive Orders"), and prohibiting, among other things, the exportation, reexportation, sale, or supply, directly or indirectly, to Iran of any goods, technology, or services from the United States or by a United States person. The Executive Orders authorized the United States Secretary of the Treasury to promulgate rules and regulations necessary to carry out the Executive Orders. Pursuant to this authority, the Secretary of the Treasury promulgated the Iranian Transactions Regulations (renamed in 2013, the Iranian Transactions and Sanctions Regulations, the "ITSR") implementing the sanctions imposed by the Executive Orders.

4. The ITSR, Title 31, Code of Federal Regulations, Section 560.204, prohibits, among other things, the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States Person, of goods, technology, or services to Iran or the Government of Iran (with certain limited exceptions), including the exportation,

reexportation, sale or supply of goods, technology or services to a third country knowing that such goods, technology or services are intended for Iran or the Government of Iran, without a license from the United States Department of the Treasury, Office of Foreign Assets Control ("OFAC").

5. The ITSR further prohibit transactions that evade or avoid, have the purpose of evading or avoiding, cause a violation of, or attempt to violate the ITSR. 31 C.F.R. § 560.203.

The Defendants

6. At all times relevant to this Indictment, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, owned and operated a network of companies located in Turkey, including Taha Kiyetli Madenler Ticareti A.S. ("Taha") and Z ve Z Teknoloji Muhenduslik Ve Insaat Taah A.S. ("Z ve Z").

7. At all times relevant to this Indictment, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others sought to evade U.S. sanctions by assisting Iranian individuals and companies, including three Iranian companies involved in metals trade ("Iranian Company-1," "Iranian Company-2", and "Iranian Company-3") to import ton-

quantities of metals from, and export ton-quantities of metals to, Iran using international financial transactions processed by U.S. banks, by concealing from the U.S. banks and others that the transactions were for the benefit of Iranian entities.

COUNT ONE

(Conspiracy to Defraud the United States)

The Grand Jury charges:

8. From at least in or about 2014, up to and including at least January 2016, in the Southern District of New York, Turkey, Iran, Russia, and elsewhere, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, knowingly and willfully did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, and to defraud the United States and an agency thereof, to wit, the U.S. Department of the Treasury, Office of Foreign Assets Control, in any manner and for any purpose, in violation of Title 18, United States Code, Section 371.

9. It was a part and an object of the conspiracy that BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, would and did

defraud the United States by impairing, impeding, and obstructing the lawful governmental functions and operations of OFAC in the enforcement of economic sanctions laws and regulations administered by that agency.

Overt Acts

10. In furtherance of the conspiracy and to effect the illegal object thereof, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others committed the following overt acts, among others:

Iranian Copper Exports Facilitated by U.S. Bank Transactions

a. Beginning in at least November 2014 through at least December 2015, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, and ERDEM worked with each other and others to export thousands of tons of Iranian electrolytic copper cathodes from Iran for Iranian Company-1, and caused U.S. banks to process millions of dollars in financial transactions in connection with these exports.

i. On or about November 10, 2014, ERDEM sent an email to a co-conspirator not named as a defendant herein ("CC-1"), a representative of a Iranian Company-1, "on behalf of Mr. Zarei" and referring to a discussion between HABIBOLLAH ZAREI and another co-conspirator not named as a

defendant herein ("CC-2"), the head of Iranian Company-1, requesting Iranian Company-1's expenses for warehousing cargo in Turkey.

ii. On or about December 30, 2014, HABIBOLLAH ZAREI forwarded BORA DENIZ, NESTEREN ZAREI DENIZ, and ERDEM an email HABIBOLLAH ZAREI had received from CC-1, in which CC-1 described CC-1's discussions with "NICICO" -- the National Iranian Copper Industries Company -- concerning the costs of warehousing and storing copper cathode in Turkey.

iii. On or about January 5, 2015, HABIBOLLAH ZAREI forwarded BORA DENIZ and NESTEREN ZAREI DENIZ an email HABIBOLLAH ZAREI had received from CC-1 attaching a blank letter with letterhead in the name of "Molinari Holding S.A." ("Molinari"), purportedly located in Belize.

iv. On or about January 5, 2015, HABIBOLLAH ZAREI emailed BORA DENIZ, NESTEREN ZAREI DENIZ, and ERDEM a blank letter with another version of letterhead in the name of Molinari.

v. On or about January 14, 2015, BORA DENIZ emailed NESTEREN ZAREI DENIZ an invoice on Molinari letterhead, issued to Taha, concerning approximately 10,065.15 metric tons, gross weight, of electrolytic copper cathodes, with a total price of approximately \$65,280,663.06, for delivery in

Turkey.

vi. On or about January 14, 2015, BORA DENIZ forwarded NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, and ERDEM an email chain among, among others, BORA DENIZ, representatives of a port in Turkey, and representatives of a shipping agency, concerning a commercial shipping vessel traveling to Turkey with gross weight 10,065.15 metric tons of electrolytic copper cathodes.

vii. On or about January 20, 2015, BORA DENIZ forwarded NESTEREN ZAREI DENIZ and HABIBOLLAH ZAREI an email BORA DENIZ had received from a co-conspirator not named as a defendant herein ("CC-3"), a representative of Iranian Company-1, concerning a power of attorney from "Molinary co." to Evcan Medikal Urunleri Ticareti Ltd. ("Evcan Medikal"), a Turkish company controlled by the defendants, with respect to the receipt, customs, and sale of copper cathode.

viii. On or about January 20, HABIBOLLAH ZAREI forwarded an email to CC-2 and CC-3, copied to BORA DENIZ, NESTEREN ZAREI DENIZ, and ERDEM. The email identified Evcan Medikal and the name of a vessel, and attached a "Quality Certificate" on Molinari letterhead concerning the chemical composition of electrolytic copper cathodes.

ix. On or about January 28, 2015, ERDEM

sent an email to CC-3, copied to BORA DENIZ, NESTEREN ZAREI DENIZ, and HABIBOLLAH ZAREI, containing a list of expenses that Taha had incurred on Iranian Company-1's behalf in connection with the copper cathode transaction.

x. On or about January 31, 2015, CC-3 emailed BORA DENIZ and NESTEREN ZAREI DENIZ, among others, a draft agency contract between Molinari and Taha with respect to the receipt, customs, and sale of copper cathodes by Taha in Turkey on behalf of Molinari.

xi. On or about January 31, 2015, NESTEREN ZAREI DENIZ forwarded a revised draft agency contract between Molinari and Taha to BORA DENIZ, HABIBOLLAH ZAREI, and ERDEM.

xii. On or about February 3, 2015, ERDEM emailed BORA DENIZ and NESTEREN DENIZ approximately 32 cargo manifests for several thousand tons of electrolytic copper cathode, each of which identified Molinari as both the shipper and the consignee and identified Evcan Medikal as the party to be notified.

xiii. On or about February 17, 2015, CC-3 forwarded NESTEREN ZAREI DENIZ an email from a co-conspirator not named as a defendant herein ("CC-4"), a representative of Iranian Company-1, to BORA DENIZ and HABIBOLLAH ZAREI requesting a pro forma invoice to an entity in

Turkey ("Turkish Company-1") for the sale of 100 metric tons with a price of "LME" [London Metal Exchange] plus \$93 in U.S. currency, and providing payment instructions to an entity in the United Arab Emirate ("UAE Company-1") through a correspondent account at a bank located in the United States ("U.S. Bank-1").

xiv. On or about February 18, 2015, NESTEREN ZAREI DENIZ emailed Iranian Company-1, BORA DENIZ, HABIBOLLAH ZAREI, and others an invoice on Molinari letterhead to Turkish Company-1 for approximately 105 metric tons, gross weight, of electrolytic copper cathodes with an aggregate price of approximately \$604,060.89 for delivery in Turkey.

xv. On or about February 20, 2015, NESTEREN DENIZ sent an email to CC-3, CC-4, BORA DENIZ, HABIBOLLAH ZAREI, and ERDEM attaching a Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message concerning a transfer of approximately \$604,060.89 from a Turkish company ("Turkish Company-2") to UAE Company-1 and identifying the correspondent bank for the transaction as a bank located in the United States ("U.S. Bank-2").

xvi. On or about March 19, 2015, BORA DENIZ sent an email to CC-3, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, and others attaching a SWIFT message concerning a transfer of approximately \$1,448,250 from Turkish Company-2 to Molinari at

an account in Turkmenistan and identifying the correspondent bank for the transaction as U.S. Bank-2.

xvii. On or about March 20, 2015, BORA DENIZ sent an email to CC-3, CC-4, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, and ERDEM attaching a SWIFT message concerning a transfer of approximately \$1,442,613.41 from Turkish Company-2 to Molinari at an account in Turkmenistan and identifying the correspondent bank for the transaction as U.S. Bank-2.

xviii. On or about June 22, 2015, NESTEREN ZAREI DENIZ sent an email to representatives of a Turkish bank ("Turkish Bank-1") in response to an inquiry from Turkish Bank-1 about Molinari. In that email, NESTEREN ZAREI DENIZ described Molinari, inter alia, as a company that deals in wholesale iron, steel, and other metals and had stocks available in Turkey; the email did not disclose that payments were made to Molinari were at the instruction of Iranian Company-1 or that the electrolytic copper cathodes were exported from Iran.

xix. Between at least on or about February 19, 2015, and November 2, 2015, NESTEREN ZAREI DENIZ, BORA DENIZ, HABIBOLLAH ZAREI, and ERDEM caused at least approximately 79 U.S.-dollar wire transfers from Turkish Company-2 to UAE Company-1 and Molinari totaling at least approximately \$102.69 million, which were processed by U.S. Bank-2 and other banks

located in the United States ("U.S. Bank-3" and "U.S. Bank-4").

Iranian Steel Imports Facilitated by U.S. Bank Transactions

b. Beginning in at least December 2014 through at least January 2016, BORA DENIZ, NESTEREN ZAREI DENIZ, and HABIBOLLAH ZAREI worked with each other and others to import hundreds of tons of steel to Iran for Iranian Company-2 and Iranian Company-3, and caused U.S. banks to process at least hundreds of thousands of dollars in financial transactions in connection with these imports.

i. On or about February 24, 2015, NESTEREN ZAREI DENIZ sent an email to a representative of a Swiss Company ("Swiss Company-1"), copied to BORA DENIZ, requesting a discount on a price quote from Swiss Company-1 for approximately 500 metric tons of hot rolled coil [steel] for delivery at a location in Russia.

ii. On or about February 26, 2015, BORA DENIZ sent an email to a representative of Swiss Company-1, copied to NESTEREN ZAREI DENIZ, confirming acceptance of Swiss Company-1's price.

iii. On or about March 3, 2015, BORA DENIZ and NESTEREN ZAREI DENIZ received an email from Swiss Company-1 attaching (1) a proposed contract of sale between Swiss Company-1 and Z ve Z for the purchase by Z ve Z of steel products; and

(2) a pro forma invoice from Swiss Company-1 to Z ve Z for the sale of approximately 480 metric tons of hot rolled coils [steel] priced at approximately \$213,600 in U.S. currency for delivery at a location in Russia, and including payment instructions noting that the correspondent bank for payments was a bank located in the United States ("U.S. Bank-5").

iv. On or about March 10, 2015, NESTEREN ZAREI DENIZ sent an email to Swiss Company-1 stating, in part, that "I . . . read the contract and eventually managed to sign it today," attaching pages from the contract between Swiss Company-1 and Z ve Z signed on behalf of Z ve Z.

v. On or about March 10, 2015, NESTEREN ZAREI DENIZ sent an email to representatives of a Turkish Bank ("Turkish Bank-2") attaching instructions for an international wire transfer to Swiss Company-1 in the amount of approximately \$64,080, as well as the pro forma invoice from Swiss Company-1 indicating payment instructions and identifying U.S. Bank-5 as the correspondent bank.

vi. On or about March 11, 2015, BORA DENIZ and NESTEREN ZAREI DENIZ caused U.S. Bank-5 to process an international wire transfer in the amount of approximately \$64,080.00 from a Z ve Z in Turkey to a Swiss Company-1 account in Russia.

vii. On or about April 17, 2015, after being informed by Swiss Company-1 that deliveries of the steel had started to be made to the delivery location in Russia, NESTEREN ZAREI DENIZ sent an email to Swiss Company-1, copied to BORA DENIZ, stating in part: "I kindly ask you to hold this matter until Monday so that I will nominate you the importer in Iran and the shipping documents must be in the importer[']s name."

viii. On or about April 27, 2015, NESTEREN ZAREI DENIZ sent an email to Swiss Company-1, copied to BORA DENIZ, advising that a payment for the balance due on the contract would be made that day and requesting another quote for 500 metric tons of steel.

ix. On or about April 27, 2015, NESTEREN ZAREI DENIZ sent an email to a representative of a shipping company (the "Shipping Company") concerning 476 metric tons of steel in Russia and identifying a port in Iran as the destination.

x. On or about April 27, 2015, NESTEREN ZAREI DENIZ sent an email to Swiss Company-1, copied to BORA DENIZ, attaching a SWIFT message concerning a wire transfer of approximately \$147,740 from Z ve Z to Swiss Company-1 through U.S. Bank-5.

xi. On or about April 27, 2015, BORA DENIZ

and NESTEREN ZAREI DENIZ caused U.S. Bank-5 to process an international wire transfer in the amount of approximately \$147,740.00 from a Z ve Z in Turkey to a Swiss Company-1 account in Russia.

xii. On or about May 12, 2015, BORA DENIZ sent an email to NESTEREN ZAREI DENIZ attaching a pro forma invoice from Z ve Z to Iranian Company-2 for the sale of approximately 476 metric tons of hot rolled steel coils to for a total price of approximately \$202,330.00 in United States currency.

xiii. On or about May 14, 2015, NESTEREN ZAREI DENIZ sent an email to Swiss Company-1 attaching a new specification to the contract between Swiss Company-1 and Z ve Z, signed on behalf of Z ve Z, for the additional purchase of 1,000 metric tons of hot rolled coils [steel].

xiv. On or about May 15, 2015, NESTEREN ZAREI DENIZ and BORA DENIZ received an email from Swiss Company-1 attaching a draft bill of lading concerning the shipment of approximately 476 metric tons of steel to a port in Iran, with Iranian Company-2 as the consignee.

xv. On or about May 20, 2015, NESTEREN ZAREI DENIZ sent an email to Swiss Company-1, copied to BORA DENIZ, requesting a pro forma invoice for the sale of

approximately 1,000 metric tons of steel, which was required by Z ve Z's bank in order to perform a money transfer.

xvi. On or about May 21, 2015, NESTEREN ZAREI DENIZ received an email from Swiss Company-1 attaching a pro forma invoice from Swiss Company-1 to Z ve Z for the sale of approximately 1,000 metric tons of hot rolled coils [steel] priced at approximately \$375,000 in U.S. currency for delivery at a location in Russia, and including payment instructions noting that the correspondent bank for payments was U.S. Bank-5.

xvii. On or about May 22, 2015, BORA DENIZ and NESTEREN ZAREI DENIZ caused U.S. Bank-5 to process an international wire transfer in the amount of approximately \$112,485.00 from a Z ve Z in Turkey to a Swiss Company-1 account in Russia.

xviii. On or about May 22, 2015, NESTEREN ZAREI DENIZ and BORA DENIZ received an email from the Shipping Company attaching, among other things, an invoice for shipping services for the delivery of approximately 476 metric tons of steel and including payment instructions noting that the correspondent bank for payments was U.S. Bank-3.

xix. On or about July 8, 2015, BORA DENIZ sent an email to Swiss Company-1 attaching a SWIFT confirmation of payment of approximately \$264,806.25 in U.S. currency to

Swiss Company-1.

xx. On or about July 16, 2015, NESTEREN ZAREI DENIZ sent an email to Swiss Company-1 attaching an image of a letter on Z ve Z letterhead concerning the 1,000 metric tons of steel and instructing that upon delivery of steel to Iran, 500 metric tons would be consigned to Iranian Company-2 and 500 metric tons would be consigned to Iranian Company-3.

xxi. On or about July 22, 2015, NESTEREN ZAREI DENIZ received an email from Swiss Company-1 attaching a pro forma invoice to Z ve Z Technology for the purchase of an additional 480 metric tons of hot rolled coils [steel] priced at approximately \$172,800 in U.S. currency for delivery at a location in Russia, and including payment instructions noting that the correspondent bank for payments was U.S. Bank-5.

(Title 18, United States Code, Section 371).

COUNT TWO

(Conspiracy to Violate the
International Emergency Economic Powers Act)

The Grand Jury further charges:

11. From at least in or about 2014, up to and including at least January 2016, in the Southern District of New York, Turkey, Iran, Russia, and elsewhere, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and

others known and unknown, knowingly and willfully did combine, conspire, confederate, and agree together and with each other to violate, and to cause a violation of, licenses, orders, regulations, and prohibitions issued under the International Emergency Economic Powers Act, Title 50, United States Code, Sections 1701 to 1707, Part 560 of Title 31, Code of Federal Regulations, and Part 561 of Title 31, Code of Federal Regulations.

12. It was a part and an object of the conspiracy that BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, would and did export, reexport, sell, and supply, and cause to be exported, reexported, sold, and supplied, directly and indirectly, from the United States, services, to wit, international financial transactions, to Iran and to the Government of Iran, without first obtaining the required approval of the Office of Foreign Assets Control, within the United States Department of Treasury, in violation of Title 50, United States Code, Sections 1701 to 1707, and Title 31, Code of Federal Regulations, Section 560.204.

13. It was further a part and an object of the conspiracy that BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH

ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, would and did engage in a transaction that evaded and avoided, had the purpose of evading and avoiding, caused a violation of, and attempted to violate one or more of the prohibitions set forth in Title 31, Code of Federal Regulations, Part 560, in violation of Title 50, United States Code, Sections 1701 to 1707, and Title 31, Code of Federal Regulations, Section 560.203.

Overt Acts

14. In furtherance of the conspiracy and to effect the illegal objects thereof, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, committed the overt acts set forth in paragraph 10 of this Indictment, among others, which are fully incorporated by reference herein.

(Title 50, United States Code, Section 1705;
Title 31, Code of Federal Regulations, Sections 560.203 and
560.204.)

COUNT THREE

(Conspiracy to Commit Bank Fraud)

The Grand Jury further charges:

15. From at least in or about 2014, up to and including at least January 2016, in the Southern District of New

York, Turkey, Iran, Russia, and elsewhere, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, knowingly and willfully did combine, conspire, confederate, and agree together and with each other to commit bank fraud.

16. It was a part and an object of the conspiracy that BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, would and did knowingly execute and attempt to execute a scheme or artifice to defraud a financial institution; and to obtain moneys, funds, credits, assets, securities, and other property owned by and under the custody and control of a financial institution, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

Overt Acts

17. In furtherance of the conspiracy and to effect the illegal object thereof, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, committed the overt acts set forth in paragraph 10 of

this Indictment, among others, which are fully incorporated by reference herein.

(Title 18, United States Code, Section 1349.)

COUNT FOUR

(Conspiracy to Commit Money Laundering)

The Grand Jury further charges:

18. From at least in or about 2014, up to and including at least January 2016, in the Southern District of New York, Turkey, Iran, Russia, and elsewhere, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, together with others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to violate Title 18, United States Code, Sections 1956(a)(2)(A) and 1956(a)(2)(B)(i).

19. It was a part and an object of the conspiracy that BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, in an offense involving and affecting interstate and foreign commerce, would and did transport, transmit, and transfer, and attempt to transport, transmit, and transfer, monetary instruments and funds to places in the United States from and through places

outside the United States, in amounts exceeding \$10,000, with the intent to promote the carrying on of specified unlawful activity, to wit, the illegal export of services to Iran as charged in Count One of this Indictment and bank fraud as charged in Count Two of this Indictment, in violation of Section 1956(a)(2)(A) of Title 18, United States Code.

20. It was further a part and an object of the conspiracy that BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, in an offense involving and affecting interstate and foreign commerce, would and did transport, transmit, and transfer, and attempt to transport, transmit, and transfer, monetary instruments and funds to places in the United States from and through places outside the United States, in amounts exceeding \$10,000, knowing that the monetary instrument and funds involved in the transportation, transmission, and transfer represented the proceeds of some form of unlawful activity and knowing that such transportation, transmission, and transfer was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, to wit, (i) the illegal export of services to Iran as charged in Count Two of this Indictment,

(ii) bank fraud as charged in Count Three of this Indictment, and (iii) an offense against a foreign nation involving fraud and a scheme and attempt to defraud by and against a foreign bank, in violation of Section 1956(a)(2)(B)(i) of Title 18, United States Code.

Overt Acts

21. In furtherance of the conspiracy and to effect the illegal objects thereof, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, and others known and unknown, committed the overt acts set forth in paragraph 10 of this Indictment, among others, which are fully incorporated by reference herein.

(Title 18, United States Code, Section 1956(h).)

FORFEITURE ALLEGATION

(Counts Two and Three)

22. As a result of committing the offenses alleged in Counts Two and Three of this Indictment, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that

constitutes or is derived from proceeds traceable to the commission of the offenses alleged in Counts Two and Three of this Indictment, including but not limited to a sum of money representing the amount of proceeds obtained as a result of the offenses.

Substitute Assets Provision

23. If any of the above-described forfeitable property, 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 person;
- 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 which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

FORFEITURE ALLEGATION

(Count Four)

24. As a result of committing the money laundering

offense alleged in Count Three of this Indictment, BORA DENIZ, NESTEREN ZAREI DENIZ, HABIBOLLAH ZAREI, a/k/a "Emre Polatkan," a/k/a "Adasi Habik," and ABDULLAH EVREN ERDEM, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982, all property, real and personal, involved in the money laundering offense and all property traceable to such property, including but not limited to, a sum of money representing the amount of property that was involved in the money laundering offense or is traceable to such property.

Substitute Assets Provision


25. If any of the above-described forfeitable property, 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 person;
- 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 which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any

other property of said defendants up to the value of the above
forfeitable property.

(Title 18, United States Code, Sections 981, 982;
Title 21, United States Code, Section 853;
Title 28, United States Code, Section 2461.)


Foreperson


PREET BHARARA
United States Attorney

CERTIFIED AS A TRUE COPY ON
THIS DATE 8/8/16
BY Mary Salcedo
() Clerk
(X) Deputy

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

BORA DENIZ,
NESTEREN ZAREI DENIZ,
HABIBOLLAH ZAREI, a/k/a "Emre
Polatkan," a/k/a "Adasi Habik," and
ABDULLAH EVREN ERDEM,

Defendants.

SUPERSEDING INDICTMENT

S1 15 Cr. 833

(18 U.S.C. §§ 371, 1349, & 1956; 50
U.S.C. § 1705; 31 C.F.R. §§ 560.203 &
560.204.)

PREET BHARARA

United States Attorney.

A TRUE BILL


Foreperson.

4/13/16 Files INDICTMENT. Warrant issued
COTJ/USM