

12 MAG 2553

Approved:

SEAN S. BUCKLEY / SHANE T. STANSBURY
Assistant United States Attorneys

Before: THE HONORABLE MICHAEL H. DOLINGER
United States Magistrate Judge
Southern District of New York

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UNITED STATES OF AMERICA : AMENDED SEALED COMPLAINT

- v. - : Violations of

REZA OLANGIAN, : 18 U.S.C. § 2332g, 3238, 2;
a/k/a "Raymond Avancian," : 50 U.S.C. § 1705
a/k/a "Ray," :

Defendant. : COUNTY OF OFFENSE:
NEW YORK

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SOUTHERN DISTRICT OF NEW YORK, ss.:

DEREK S. ODNEY, being duly sworn, deposes and says that he is a Special Agent with the Drug Enforcement Administration ("DEA"), and charges as follows:

COUNT ONE: CONSPIRACY TO ACQUIRE AND TRANSFER ANTI-AIRCRAFT MISSILES

1. From at least in or about May 2012, up to and including in or about September 2012, in an offense begun and committed outside of the jurisdiction of any particular State or district of the United States, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, who will be first brought to and arrested in the Southern District of New York, and others known and unknown, unlawfully and knowingly did combine, conspire, confederate and agree together and with each other to violate Section 2332g of Title 18, United States Code.

2. It was a part and an object of the conspiracy that REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, a United States national, and others known and unknown, produced, constructed, otherwise acquired, transferred directly and indirectly, received, possessed, imported, and used (1) an explosive and incendiary rocket and missile that is guided by any system designed to enable the rocket or missile to seek and proceed toward energy radiated and reflected from an aircraft and toward an image locating an aircraft, and otherwise direct

and guide the rocket and missile to an aircraft; (2) a device designed and intended to launch and guide said rocket and missile; and (3) a part and combination of parts designed and redesigned for use in assembling and fabricating said rocket, missile, and device; to wit, OLANGIAN agreed to acquire and transfer surface-to-air missile systems for the purpose of conveying them to Iran, in violation of Title 18, United States Code, Section 2332g.

OVERT ACTS

3. In furtherance of the conspiracy and to effect the illegal object thereof, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, and others known and unknown, committed the following overt acts, among others:

a. On or about August 17, 2012, OLANGIAN, who was then in Iran, participated in a live videoconference with a confidential source acting at the direction of the DEA and purporting to be a weapons and aircraft broker (the "CS"), during which conference OLANGIAN and the CS discussed, among other things, the sale to OLANGIAN of IGLA-S missile systems,¹ and the CS showed OLANGIAN an IGLA-S missile system, which OLANGIAN inspected.

b. On or about August 25, 2012, OLANGIAN and the CS spoke by telephone and discussed, among other things, details regarding the inspection of the IGLA-S missile systems requested by OLANGIAN and the prices and method of payment for those items.

c. On or about September 6, 2012, OLANGIAN sent an email to the CS, asking the CS, among other things, to ~~send OLANGIAN a photograph of the IGLA-S missile that the CS had displayed during the August 17, 2012 teleconference, as described in subparagraph (a) above.~~

(Title 18, United States Code, Sections 2332g(a)(1), (b)(2) & 3238.)

¹ The IGLA-S is a handheld, portable infrared-homing missile system; it can be carried and fired by a single person. The IGLA-S is designed for use against visible targets, such as aircraft and helicopters.

**COUNT TWO: ATTEMPT TO ACQUIRE AND TRANSFER
ANTI-AIRCRAFT MISSILES**

4. From at least in or about May 2012, up to and including in or about September 2012, in an offense begun and committed outside of the jurisdiction of any particular State or district of the United States, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, a United States national, who will be first brought to and arrested in the Southern District of New York, knowingly and willfully did attempt to acquire, transfer directly and indirectly, receive, possess, import, and use (1) an explosive and incendiary rocket and missile that is guided by any system designed to enable the rocket or missile to seek and proceed toward energy radiated and reflected from an aircraft and toward an image locating an aircraft, and otherwise direct and guide the rocket and missile to an aircraft; (2) a device designed and intended to launch and guide said rocket and missile; and (3) a part and combination of parts designed and redesigned for use in assembling and fabricating said rocket, missile, and device; to wit, OLANGIAN attempted to acquire and transfer surface-to-air missile systems for the purpose of conveying them to Iran, in violation of Title 18, United States Code, Section 2332g.

(Title 18, United States Code, Sections 2332g(a)(1), (b)(2),
3238, & 2.)

**COUNT THREE: CONSPIRACY TO VIOLATE THE INTERNATIONAL
EMERGENCY ECONOMIC POWERS ACT ("IEEPA")**

5. From at least in or about May 2012, up to and including in or about September 2012, in an offense begun and committed outside of the jurisdiction of any particular State or district of the United States, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, who will be first brought to and arrested in the Southern District of New York, and others known and unknown, unlawfully, willfully, and knowingly 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, and Part 560 of Title 31, Code of Federal Regulations.

6. It was a part and an object of the conspiracy that REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, 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, by a United States person, to wit, OLANGIAN, goods, technology, and services, to wit, weapons, aircraft, and aircraft parts to Iran, without obtaining the required approval from the Office of Foreign Asset Control ("OFAC"), in violation of Title 50, United States Code, Sections 1701 to 1707, and Title 31, Code of Federal Regulations, Sections 560.203 and 560.204.

OVERT ACTS

7. In furtherance of the conspiracy and to effect the illegal object thereof, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, and others known and unknown, committed the following overt acts, among others:

a. On or about May 2, 2012, OLANGIAN traveled to Kiev, Ukraine, and met with the CS and other individuals.

b. On or about May 2, 2012, OLANGIAN discussed with the CS specifications for aircraft parts that OLANGIAN wanted to acquire.

c. On or about August 21, 2012, OLANGIAN sent an e-mail to the CS, emphasizing the urgent need to consummate the transaction, and stating, among other things, that OLANGIAN had "a signed contract to provide the goods."

(Title 50, United States Code, Section 1705; Title 18, United States Code, Section 3238.)

COUNT FOUR: ATTEMPT TO VIOLATE IEEPA

~~8. From at least in or about May 2012, up to and~~
including in or about September 2012, in an offense begun and committed outside of the jurisdiction of any particular State or district of the United States, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, who will be first brought to and arrested in the Southern District of New York, unlawfully, willfully, and knowingly did attempt to violate, and did attempt 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, and Part 560 of Title 31, Code of Federal Regulations, to wit, OLANGIAN attempted to export, reexport, sell, and supply, and attempted to cause to be exported, reexported, sold, and supplied, directly and indirectly, by a United States person, to wit, OLANGIAN, goods, technology, and services, to wit, weapons,

aircraft, and aircraft parts to Iran, without obtaining the required approval from OFAC, in violation of Title 50, United States Code, Sections 1701 to 1707, and Title 31, Code of Federal Regulations, Sections 560.203 and 560.204.

(Title 50, United States Code, Section 1705; Title 18, United States Code, Sections 3238 & 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

9. I am a Special Agent with the DEA, currently assigned to the DEA's Special Operations Division. I have been employed as a Special Agent by the DEA since June 1996. Since approximately January 2007, I have principally been involved in investigations involving international narcotics trafficking, arms trafficking, and narco-terrorism. In particular, I have investigated illicit-trafficking networks operating in South-East Asia, South Asia, and the Middle East. During my work with DEA, I have used, or participated in investigations employing a variety of investigative techniques, including but not limited to the introduction of confidential sources, the making of consensual recordings, the execution of search warrants, debriefings of informants, and the seizure of evidence of criminal violations.

10. I have been personally involved in the investigation of this matter. I am familiar with the information contained in this Affidavit based on, among other things, personal participation in the investigation, my review of documents and recordings, communications that I have had with law enforcement officers and others about this matter, and my training and experience. Because this Affidavit is being ~~submitted for the limited purpose of establishing probable cause,~~ it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

I. LEGAL BACKGROUND

11. By virtue of the IEEPA, Title 50, United States Code, Sections 1701-05, the President was granted authority to deal with unusual and extraordinary threats to the national security and foreign policy of the United States. See 50 U.S.C. §§ 1701, 1702. On March 15, 1995, the President issued Executive Order 12957, finding that the actions and policies of the

Government of Iran constituted an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and on that date declared a national emergency to deal with that threat. See Exec. Order No. 12957, 60 Fed. Reg. 14615 (March 15, 1995). On May 6, 1995, the President issued Executive Order 12959 to take steps with respect to Iran in addition to those set forth in Executive Order 12957. See Exec. Order No. 12959, 60 Fed. Reg. 24757 (May 6, 1995). On August 19, 1997, the President issued Executive Order 13059 in order to clarify the steps taken in Executive Orders 12959 and 12957. See Exec. Order No. 13059, 62 Fed. Reg. 44531 (August 19, 1997) ("E.O. 13059").²

12. To implement Executive Order 13059, which itself was issued pursuant to the powers granted to the Executive under IEEPA, OFAC issued the Iranian Transactions Regulations ("ITR"). See 31 C.F.R. Part 560. Absent permission from OFAC, the ITR prohibits, among other things: (1) the exportation, reexportation, sale, or supply, directly or indirectly, or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran, including the exportation, reexportation, sale, or supply of any goods, technology, or services to a person in a third country undertaken with knowledge or reason to know that such goods, technology, or services are intended specifically for supply, transshipment, or reexportation, directly or indirectly, to Iran or the Government of Iran (31 C.F.R. Section 560.204); and (2) any transaction by any United States person that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions contained in the ITR (31 C.F.R. Section 560.203).

13. Under IEEPA, it is a crime to willfully violate ~~any regulation promulgated under IEEPA. See 50 U.S.C. § 1705(c).~~ As noted above, the ITR was promulgated under IEEPA.

II. THE DEFENDANT

14. Based on, among other things, my review of documents obtained from the Department of Homeland Security's

² At all times relevant to this Complaint, the President has continued the national emergency with respect to Iran, as reflected in Executive Orders 13059, 12959, and 12957. The most recent continuation of this national emergency was reflected in an Executive Order dated March 8, 2011. See 76 Fed. Reg. 13283 (March 11, 2011).

Immigration and Customs Enforcement Division, I understand that REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, became naturalized as a citizen of the United States on or about January 20, 1999 and that OLANGIAN resides in Northern California when he is in the United States.

15. Based on my review of information obtained from various databases, I understand that REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, has a residence located at a specific address in Los Gatos, California; OLANGIAN has a U.S. passport; and OLANGIAN last traveled outside of the United States in or about January 2012 and, to date, has not returned to the United States.

16. Based in part on my review of consensually recorded conversations between the CS and REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, I understand that OLANGIAN has represented himself to be a citizen of the United States who has a business office located in Tehran, Iran.

17. Based in part on my conversations with other law enforcement officers, whom I understand have checked the relevant databases, I know that REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, has never sought any license from OFAC.

III. THE INVESTIGATION

A. MAY 2-3, 2012 MEETINGS IN KIEV, UKRAINE RELATING TO AIRCRAFT PARTS AND IGLA-S MISSILE SYSTEMS

18. On or about May 2 and 3, 2012, the CS engaged in a series of meetings (the "May 2-3 Meetings") with REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, and two other individuals.³ The meetings took place in Kiev, Ukraine. During the May 2-3 Meetings, the CS posed as a broker from Russia, who could supply weaponry and other items. Prior to the

³ The CS is a paid confidential source who has provided reliable information in the past regarding the illegal activities of others. In the course of this investigation, the CS's information has been corroborated by, among other methods, consensual recordings of conversations with OLANGIAN and others, as well as e-mail correspondence obtained both through consensual monitoring of the CS's e-mail account and, as described in more detail herein, through e-mail obtained through a judicially authorized search warrant on an e-mail account used by OLANGIAN.

meetings, which occurred primarily in a hotel restaurant and in a hotel room, the CS was equipped with personal recording devices provided by the DEA, and the meetings were recorded.

19. Based on my participation in this investigation, including debriefings of the CS and my review of recordings of the aforementioned meetings, I know that, during the course of the May 2-3 Meetings, the following transpired, in substance and in part:⁴

a. REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, stated that he had arrived in the Ukraine using a United States passport, and that he has a house in the United States. OLANGIAN also indicated that he has an Iranian passport in addition to his United States passport, and that he has an office in Tehran, Iran.

b. OLANGIAN inquired about the purchase of certain aircraft parts, which OLANGIAN described as "cylinders," and indicated that they were for MiG-29 and Sukhoi military aircraft. OLANGIAN said that the parts would be sold to the Iranian government. At one point during the May 2-3 Meetings, the CS informed OLANGIAN that he/she could have 10 of each cylinder-type part available in three weeks; OLANGIAN replied, "Okay."

c. OLANGIAN also expressed interest in purchasing various other types of aircraft, aircraft equipment, and weaponry. For example, the CS informed OLANGIAN that he had access to IGLA-S missile systems, and OLANGIAN and the CS discussed, among other things, the pricing of such missile systems, the logistics of their delivery to Iran, and a potential deal involving a combination of IGLA-S missile systems and aircraft parts.

d. OLANGIAN described his participation in a prior, unsuccessful attempt to obtain IGLA-S missile systems in

⁴ Some of the conversations during the May 2-3 Meetings were in Russian and/or Farsi. The conversations described herein were in English. Unless otherwise noted, the conversations described herein are described in substance and in part. To the extent that I have included quotations of specific language used in the course of those conversations, those quotations are based upon my review of the audio recordings themselves and/or draft transcript summaries of those conversations. Final transcriptions have not yet been prepared.

coordination with an Iranian government official. OLANGIAN stated that he needed to determine whether his contacts in Iran were still interested in purchasing the missiles. OLANGIAN stated: "IGLA is something I wanted to do but failed in the past."

e. OLANGIAN discussed with the CS the possibility of obtaining S-300 long-range surface-to-air missile systems.⁵ OLANGIAN stated, in the context of the S-300 system, "That would make us both very rich."

f. OLANGIAN provided the CS with approximately nine pages of written specifications for aircraft parts OLANGIAN wanted to acquire.

g. OLANGIAN provided the CS an e-mail address (the "OLANGIAN E-Mail Account") for future communication.

B. MAY THROUGH JULY 2012: OLANGIAN NEGOTIATES THE PURCHASE AND DELIVERY OF AIRPLANE PARTS AND IGLA-S MISSILE SYSTEMS

20. Beginning on or about May 6, 2012, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, using the OLANGIAN E-Mail Account, began to communicate with the CS via e-mail.⁶ Based upon my review of Internet protocol address information relating to the OLANGIAN E-Mail Account, which information was obtained pursuant to a judicially authorized search warrant, I know that during the e-mail exchanges described herein, the OLANGIAN E-Mail Account repeatedly was accessed from an Internet protocol address that resolves to a physical location in Iran. As described in part below, those communications pertained principally to negotiations regarding the type, quantities, and prices of the airplane parts and IGLA-S missiles that OLANGIAN was attempting to procure from the CS, and to convey to Iran. For example:

⁵ Based on my training and experience, I know that the S-300 is a series of Russian-built, long-range surface-to-air missile systems. The S-300 system was developed to fire missiles against aircraft and cruise missiles, and subsequent variations were developed to intercept ballistic missiles.

⁶ The e-mail account used by the CS to communicate with OLANGIAN was, and continues to be, monitored by the DEA with the CS's consent.

a. On or about May 6, 2012, OLANGIAN sent an e-mail to the CS, in which OLANGIAN stated that he had "talked to people here and this is what I could do for the first stage." OLANGIAN stated, among other things, that he could "purchase a set of 10," presumably referring to the aircraft parts that OLANGIAN previously discussed with the CS, see supra ¶ 19(b), that would be "delivered to Tehran." OLANGIAN also requested "NO 'End User' certificate fee."⁷ OLANGIAN told the CS not to forget to "send me the price of items we talked about."

b. On or about May 14, 2012, OLANGIAN, responding to an e-mail by the CS, thanked the CS for his "effort to remove the Certificate fee." In the e-mail, OLANGIAN also asked the CS for prices of items "like Ball Bearing and the list that [I] have given you." See supra at ¶ 19(f). OLANGIAN also stated that he had a buyer looking for "Bell 412 helicopters" and asked if the CS would be able to provide them.

c. On or about May 19, 2012, the CS informed OLANGIAN by e-mail that he was still working on prices for the items OLANGIAN had requested. On or about May 21, 2012, OLANGIAN responded that he was "under pressure to give the buyer some sort of timeline for the bottles,"⁸ that his "contract with the buyer is not open ended," and that he had a "deadline to deliver." OLANGIAN stated that he needed to provide a "date of delivery" to his buyer in a few days; otherwise, OLANGIAN's contract would be nullified and he would have to pay penalties. OLANGIAN informed the CS that such a result would be "really bad," given that he had "a lot of order[s]" that fell within the

⁷ I believe, based on my training and experience, participation in this investigation, including my review of other communications between OLANGIAN and the CS, that "'End User' certificate fee" referred to a fee charged for an end-use certificate, a document used to certify the final recipient of goods in an international transfer. Moreover, based on my participation in this investigation, I know that in the ordinary course an "End User" certificate is provided by the seller of the goods, but the buyer typically is responsible for bearing the cost of the "'End User' certificate fee."

⁸ Based on my participation in this investigation, and my review of other e-mail correspondence not cited herein, I believe that OLANGIAN's reference to "bottles," was a reference to the cylinder-type aircraft parts described previously, which had been the subject of negotiations between OLANGIAN and the CS.

CS's area of expertise, including an order for "4 MIL 171 Russian helicopters and more."⁹

21. On or about May 23, 2012, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, and the CS spoke by telephone.¹⁰ Based in part on my review of an audio recording of that conversation I understand the following, among other things:

a. During the call, the CS informed OLANGIAN that he had been working on OLANGIAN's list. The CS provided OLANGIAN with an update, stating that he had "10 of each" ready from the manufacturer. The CS clarified that he had "10 of each of the cylinders and 10 IGLAs." See supra at ¶ 20(a). OLANGIAN replied, "Okay, good." The CS then provided details regarding transportation and other logistics of the shipment.

22. On or about May 28, 2012, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, contacted the CS by e-mail regarding "our venture," requesting "definite dates" and informing the CS that OLANGIAN had to be prepared on "many fronts." OLANGIAN asked the CS to contact him so that they could talk further.

23. On or about May 31, 2012, the CS sent an e-mail to REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, informing him of the progress the CS had made in obtaining the items that OLANGIAN had requested. Based in part on my review of that e-mail correspondence, I understand the following, among other things:

a. The CS confirmed that he had acquired ~~the "the first group" of items OLANGIAN had requested and had~~ prepared them for shipment.

b. The CS informed OLANGIAN that, as OLANGIAN had requested, the CS had "prepared a set of 10 IGLA-S,

⁹ Based on my training and experience, I believe that OLANGIAN's reference to the "MIL 171 Russian helicopter" is a reference to the Mil Mi-171, also referred to as the Mi-8M series of Russian helicopters, which are helicopters used by the Russian military for transportation purposes and as gunships.

¹⁰ All telephone conversations described in this Affidavit between the CS and OLANGIAN were recorded with the CS's consent.

10 cylinder (3-210), 10 cylinder (6-210), 10 cylinder (5-210), 10 cylinder (8-150), 10 cylinder (16-150) and 10 cylinder (20-150)." Based on my participation in this investigation, I know that the numbers in the parentheses refer to specific types of "cylinders."

c. The CS provided, among other things, details to OLANGIAN about the transport and delivery of the items, including the fact that the items would be delivered to Herat, Afghanistan -- a city near the Afghanistan-Iran border -- where an expert sent by OLANGIAN could inspect the items before taking them into Iran.

d. The CS proposed to OLANGIAN that, when they next spoke, the two could discuss "delivery of the money." The CS also stated that "[w]e may want to meet one more time to finalise the details."

e. Later that same day (May 31, 2012), OLANGIAN replied to the CS that he had received the CS's e-mail and would try to call the CS to "talk in detail."

24. On or about June 14, 2012, the CS and REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, spoke again by telephone. Based in part on my review of an audio recording of that call, I understand the following, among other things:

a. OLANGIAN confirmed to the CS that he had seen the CS's last e-mail. OLANGIAN also stated during the call that he wanted to "see everything first," including "one of those that we talked about." I believe, based on my training, experience and participation in this investigation, that "one of those that we talked about" referred to an IGLA-S missile system.

b. OLANGIAN discussed with the CS the details of transporting into Iran the items OLANGIAN had requested, with OLANGIAN expressing his desire to obtain the items "inside the border" rather than in Herat. The CS confirmed with OLANGIAN again during the call that the shipment the CS had put together had "10 IGLA-S, 10 of each cylinder."

c. The CS told OLANGIAN that he had placed specifications in an e-mail, and that he did not want to discuss them over the phone. OLANGIAN agreed that this was a better approach.

d. OLANGIAN and the CS discussed a future meeting prior to the shipment. OLANGIAN informed the CS that, after that meeting, he would have to make preparations with "the right people," and he (OLANGIAN) noted the distance from Tehran to the border.¹¹

C. THE AUGUST 17 VIDEOCONFERENCE AND THE VIEWING OF THE IGLA-S MISSILE SYSTEM BY OLANGIAN

25. On August 17, 2012, the CS and REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, communicated via a real-time videoconference (the "August 17 Videoconference"). Other agents and I were present for the August 17 Videoconference, and the videoconference was recorded with the consent of the CS. Based in part on my review of the recording of the August 17 Videoconference, I understand the following, among other things:

a. When the CS initially contacted OLANGIAN, a solid color appeared on the screen of the computer used by the CS. The CS told OLANGIAN that he could not see him on the screen. OLANGIAN replied, "Do you need to see me?"

b. While OLANGIAN purported to try to remedy the video feed, the CS continued to speak to OLANGIAN via the audio feed. The CS told OLANGIAN that he was going to show him (OLANGIAN) "IGLAs" and that he (OLANGIAN) should make sure that his camera worked. OLANGIAN replied "okay" and asked if he would also see "the cylinders." The CS told OLANGIAN that he would tell OLANGIAN about the cylinders on the teleconference.¹²

¹¹ During this same time period, OLANGIAN also told the CS that OLANGIAN was interested in purchasing actual airplanes for delivery to Iran. In the course of those discussions, OLANGIAN proposed setting up a so-called "special purpose corporation" without "any connection to Iran," because as OLANGIAN acknowledged, it would otherwise be difficult for an Iran-based customer to purchase aircraft.

¹² The CS made several more calls to OLANGIAN to remedy the video feed. During these calls, a solid color continued to appear on the CS's screen. At one point, the CS informed OLANGIAN that he could see something move on the screen, like "air flowing," but he could not see an image of OLANGIAN. OLANGIAN verbally informed the CS that he could see the CS on his own screen. Later, during a portion of the August 17 Videoconference, OLANGIAN became visible on the computer screen.

c. The CS told OLANGIAN that OLANGIAN's shipment had gone out, see supra at ¶ 23(a), but that the CS had been able to pull "something" from the shipment, specifically, one of the IGLA-S missile systems, and that the CS would show it to OLANGIAN via the videoconference. Moreover, in describing the shipment, the CS confirmed to OLANGIAN that he (OLANGIAN) will receive "10 IGLAs and 60 cylinders," and OLANGIAN responded, "Okay."

d. The CS proceeded to show OLANGIAN an IGLA-S surface-to-air missile system (the "Sample IGLA-S") that the CS lifted out of a box.¹³ The CS told OLANGIAN that it was an "IGLA-S 2011" and, at OLANGIAN's request, held the Sample IGLA-S up while OLANGIAN visually inspected it. OLANGIAN also asked the CS to hold the Sample IGLA-S so that OLANGIAN could view the missile inside the launching component. At one point, the CS told OLANGIAN that there was a second missile located in the box from which the CS had removed the Sample IGLA-S.

e. OLANGIAN asked the CS a number of detailed questions about the Sample IGLA-S, such as whether it had a particular type of night vision detector and whether the Sample IGLA-S had one or two missiles. OLANGIAN inquired about the specific test equipment used to calibrate the Sample IGLA-S, and ultimately told the CS that he would want "at least 200 . . . minimum 200." Based on my training and experience, and my participation in this investigation, I understood OLANGIAN's reference to a minimum of "200" to refer to a minimum order of 200 IGLA-S missile systems.

f. The CS agreed to send OLANGIAN the specifications for the IGLA-S missile systems involved in their transaction.

g. After the CS showed OLANGIAN the Sample IGLA-S, the discussion turned to pricing, payment, and the logistics of delivering OLANGIAN's requested items. The CS proposed another meeting with OLANGIAN at which OLANGIAN would

After a relatively short period of time, however, OLANGIAN's image once again was obscured.

¹³ The Sample IGLA-S shown to OLANGIAN was a bona fide IGLA-S surface-to-air missile system that contained a non-working missile inside the launching component. In addition, the internal weapons components had been removed.

provide the CS with a "prepayment" prior to the delivery of OLANGIAN's order. OLANGIAN asked if he would be able to see "the stuff," including "this thing," at that meeting. The CS told OLANGIAN that the items had already been shipped to Afghanistan. The CS and OLANGIAN discussed the logistics of getting OLANGIAN's items to Iran. The CS and OLANGIAN discussed the fact that OLANGIAN's associates would be able to inspect the items inside Iran.

h. OLANGIAN told the CS during the videoconference that he (OLANGIAN) was hesitant to exchange money before the transfer of goods.

i. Before the videoconference ended OLANGIAN reviewed with the CS some of the major points that they had just discussed. OLANGIAN confirmed, for example, that the "cylinders are ok," and that the IGLA-S missile systems were "mostly going to be ok," but that the CS would need to provide the "test equipment." OLANGIAN stated that, "without the test equipment, they don't know what to do."

**D. OLANGIAN'S COMMUNICATIONS IN AUGUST AND SEPTEMBER 2012
FINALIZING PRICING AND DELIVERY OF THE AIRPLANE PARTS
AND IGLA-S MISSILE SYSTEMS**

26. In the days after the August 17 Videoconference, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, continued to communicate with the CS. For example:

a. On August 19, 2012, OLANGIAN and the CS spoke by telephone. Based in part on my review of a recording of that conversation, I understand the following, among other things:

i. OLANGIAN told the CS that he wanted to be "100% sure things are in place" before he traveled to meet the CS with a payment. OLANGIAN stated that he had "talked to these people here" and that "we just don't want to do the same mistake."¹⁴

¹⁴ I believe, based on my training, experience, and participation in this investigation, that the "mistake" to which OLANGIAN referred was his prior, failed attempt to obtain IGLA-S missile systems with an Iranian government official and that, as a result, OLANGIAN wanted to view the products he had ordered prior to making any payment.

ii. OLANGIAN further told the CS that the prices for the "other stuff, the second one" were "a little bit high," and that he wanted to talk about that at a later time.¹³

iii. OLANGIAN also noted that when the CS showed him the "box," there was "one inside and one in the box."¹⁴

b. OLANGIAN subsequently sent an e-mail to the CS on or about August 21, 2012. Based in part on my review of that e-mail, I know that OLANGIAN proposed two alternatives:

i. One alternative involved a "2 phase[]" exchange, to take place in Azerbaijan or Armenia in "one of the boarder cities near Iran." The first phase would consist of the transfer of the cylinders and the money for the cylinders. The second phase would involve "the other." OLANGIAN proposed that the "exchange of the money for the second phase . . . be in form of wire to a bank account of your choice after the product [has] been tested fully." I believe, based on my training, experience and participation in this investigation, that the second phase proposed by OLANGIAN involved the transfer of IGLA-S missile systems, and that OLANGIAN would pay for the missiles once they had been fully tested by OLANGIAN's experts.

ii. The other alternative OLANGIAN proposed involved receiving the "package" in Afghanistan "at the boarder," i.e., the border between Iran and Afghanistan. OLANGIAN proposed a payment arrangement, and then stated, among other things, that if the CS had a problem with the proposed payment arrangement, OLANGIAN could "bring cash to your location of choice after the testing of the second product is successfully accomplished." ~~OLANGIAN stated that he could also "exchange the prepayment with you or your rep at the border at the time of receiving the package," with "the full amount [to] be wired or~~

¹³ Based on my involvement in this investigation and the context of that reference, when OLANGIAN referred to the "second one," I believe that OLANGIAN was referring to the prices of the IGLA-S missile system.

¹⁴ As described supra in paragraph 25, the CS showed OLANGIAN the IGLA-S missile system during the August 17 Videoconference. That system included two missiles, one of which was actually contained inside the launch system and a second one that was contained in the box.

cash delivered to Moscow or TBD." I believe, based on my training, experience, and participation in this investigation, that, in discussing the "testing" of the "second product," OLANGIAN was referring to the testing of IGLA-S missile systems.

c. On or about August 25, 2012, OLANGIAN and the CS spoke by telephone. Based in part on my review of a recording of that telephone conversation, I understand the following, among other things:

i. The CS told OLANGIAN that the goods would be in the vicinity of Herat, Afghanistan, and suggested that OLANGIAN make sure that his "guy" doing the inspection "knows the technical stuff."

ii. OLANGIAN agreed to do that and also said, in sum and substance, that he would send an e-mail to the CS confirm the procedure. OLANGIAN reminded the CS that, once they agreed to "the whole thing," he (OLANGIAN) would need four weeks to prepare for the cargo to be received by certain people.

d. On or about August 28, 2012, the CS received an e-mail from OLANGIAN. Based in part on my review of that e-mail, I understand the following, among other things:

Dear [the CS],
per our phone conversation couple of nights ago, here is my understanding of the procedure to exchange cylinders and eagles(!):

1. in about 3 to 4 weeks i and/or an expert will be able to check the package inside Afghanistan. (details to be agreed upon)

2. within 1 to 2 weeks after the (1) the package will be at the boarder outside Afghanistan ready to be delivered to my contacts and my contacts will take control of delivery.

3. at the same time as (2) and after being informed by my contacts the successful reception of the package at the boarder, i will:

a. deliver the prepayment in cash at an agreed upon location. or

b. wire transfer the prepayment to the provided bank account by you. (i prefer this since i want to be at the exchange location for no MISHAPS)

4. the package upon reception will go through a rigorous test and within a week upon successful testing of the goods, the remaining of the payment will be wire transferred to you.

5. if all is well, we will live happily ever after.

please let me know and change if something is not to your liking and we will discuss that item in more detail.

However i still need the following:

1. a detail line item price of the goods in the package
2. the goods must be manufactured 2010 or later (2011 or 2012) and the test equipment for eagles must be included.

3. provide the following pictures :

i. parts that i have asked in our phone conversation asap. i don't want stock picture i want a picture that is of the box with the second (extra) good laying in the box (a genuine picture).

ii. Cylinders

4. meet me in Dubai around September 9 to 11.

call me asap,
ray.

Based on my training, experience, and participation in this investigation, I believe that in the above e-mail, OLANGIAN was describing his understanding of the procedure for his receipt of both the cylinder-type aircraft parts and IGLA-S missile systems, with "eagles" referring to the IGLA-S missile systems. I also believe that OLANGIAN was again requesting a photograph of the ~~missile that the CS had said was located in the box during the~~ August 17 Videoconference. See supra at ¶ 25(d).

e. On or about August 30, 2012, the CS responded to OLANGIAN via e-mail. Based in part on my review of that e-mail, I understand the following, among other things:

i. The CS provided a detailed list of each of the items OLANGIAN had requested, including the "IGLA-S missiles (with calibration equipment and accessories)" and six specific types of "[u]nified cylindrical cylinder[s]."

ii. The CS also responded to OLANGIAN's other requests, providing confirmation that all of the requested material was manufactured in or after 2010, and that "the

calibrating and testing equipment for the IGLA will be included with the shipment." The CS informed OLANGIAN that he would work on providing the photographs that OLANGIAN requested.¹⁵

f. On or about September 1, 2012, OLANGIAN sent an e-mail to the CS. That e-mail stated the following:

Hello [the CS],
Thanks for the email. It is good that we are in general agreement. There are few items that i am going to go over them one by one.

1. price: while i was meeting you in Kiev we have %10 reduction over the price of Cylinders. Which is not taken into account in your email. The price of the second item, after discussion with interested party, is a bit too high. What I have been quoted is that the item cost is below \$50,000. So, we need to resolve this right away.

2. picture: well i think it should not be a big deal to give me more pictures of the second item , and pictures of the cylinders, with today's tech and availability of mobile with camera. specially after the failure of not been able to see them in person in our planned visit to Ukraine.¹⁵ Another [videoconference] with all the goods will be fine.

3. insurance: If we agree on everything and set some dates for inspection and the rest, I need to have some insurance that they will happen. I have to sign contract for the second item and promise and guarantee for delivery and more. What if we set a date for ~~inspection in Afghanistan and a day before inspection,~~ you cancel?? I hope you will understand my worry. Well it happen once before. For me to set up all I need for

¹⁵ The CS also proposed a time-frame and other logistics with respect to OLANGIAN's expert's inspection of the shipment, and suggested that OLANGIAN make a 20% deposit of \$165,000, via wire transfer, after OLANGIAN's "contacts at the border confirm they have the shipment."

¹⁵ Based on my participation in this investigation, I know that the CS and OLANGIAN originally had agreed to meet in the Ukraine to permit OLANGIAN to review the products, but that meeting was cancelled by the CS.

inspection takes a lot of work in dealing with the appropriate department. and dealing with them is not easy. Last time around I had hard time a year maybe more and I was in trouble!! So I need some thing at the point after our agreement that i can count on and not to be worry about not being able to deliver.

4. I need to have a land line phone access to you and a mobile.. I will also provide a land line phone access to you too. after the agreement on prices i will be in contact more often and i need to have a direct line of access to just like you have to me.

Please reply quickly so we can come to agreement soon and move to next stage.
ray.

I believe, based on my training, experience, and participation in this investigation, that the "second item" referred to by OLANGIAN in the above e-mail was a reference to the IGLA-S missile systems he had ordered from the CS. I also believe that OLANGIAN represented in the e-mail that he had spoken to a potential buyer of the IGLA-S missile systems who believed the missile systems were worth \$50,000 each, and that, accordingly, OLANGIAN was asking the CS for a reduced price. Finally, I believe that OLANGIAN was asking for photos of the IGLA-S systems so that he could show them to a potential purchaser or purchasers.

g. On or about September 5, 2012, REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, had another telephone conversation with the CS. Based in part on my review of a recording of that conversation, I understand the following, among other things:

i. OLANGIAN, after confirming that the CS had received his last e-mail, stated that he (OLANGIAN) wanted to make sure everything was "OK" because he had a meeting scheduled for the following Saturday (i.e., September 8, 2012). OLANGIAN told the CS that, following that meeting, he would be "obligated to deliver the second product," which I believe, based on my training and experience and participation in this investigation, referred to the IGLA-s missile systems. OLANGIAN told the CS, in sum and substance, that, first, he wanted to agree with the CS on a price and, second, he wanted to agree on some form of insurance for OLANGIAN should the deal fall through. OLANGIAN also inquired about other items, such as the pictures he had requested from the CS.

ii. The CS confirmed with OLANGIAN that they were talking about "IGLAS." OLANGIAN confirmed that they were, but requested that they not "name things on the phone." The CS told OLANGIAN that he could provide a 10% reduction on the cylinders and that he would confirm the prices for the "IGLAS." During the call, OLANGIAN stressed to the CS that he had to make certain preparations for the transfer, such as bringing an expert and putting field tests in place. OLANGIAN said he would not be able to "change anything." OLANGIAN expressed a desire to "wrap things up" the next day, and at one point suggested coming to a binding contract in the next two days such that nothing could change unless there were a "natural disaster" or something similar.

h. The next day, on or about September 6, 2012, OLANGIAN and the CS spoke by telephone. Based in part on my review of a recording of that telephone call, I understand, among other things:

i. The CS agreed to lower the price of the IGLA-S missile systems to "fifty-seven-and-a-half" (*i.e.*, \$57,500 each) and discussed with OLANGIAN possible "insurance" options.

ii. OLANGIAN again requested pictures of "that package," reminding the CS that OLANGIAN had a "crucial" meeting on the following Saturday. Based on my training and experience and participation in this investigation, I believe OLANGIAN was requesting photographs of IGLA-S missile components so that OLANGIAN could show the photographs to the ultimate purchasers in Iran.

~~i. On or about the same day (September 6, 2012), OLANGIAN sent the CS an e-mail. Based in part on my review of that e-mail, I understand the following, among other things:~~

HI [the CS],
well these are what I need:

i. i want a picture that is of the box that you showed me in the skype teleconference. there is a second (an extra) good laying in that box (a genuine picture) not a stock picture.

ii. with the new pricing and the discount on the cylinder, would you give a new line item and a total.

iii. and would it be possible to have another [videoconfernce] with the goods at a future agreed time?

I will think about your proposal and will let you know soon. I have a meeting on Saturday and I am flying on Sunday morning to China. I will return on Thursday. But i will contact you before flying out.

ray.

j. The next day, on or about September 7, 2012, the CS sent OLANGIAN an e-mail. Based in part on my review of that e-mail, I understand the following, among other things:

i. The CS informed OLANGIAN that he would work on getting the pictures requested and would look into a possible [videoconference] call. The CS also provided a revised, detailed list of the agreed upon pricing for the IGLA-S missile systems and the cylinders.

ii. At the direction of agents, the CS also provided contact information for an "assistant," an individual who is actually an undercover law enforcement agent.

k. The next day, on or about September 8, 2012, OLANGIAN sent an e-mail to the CS. Based in part on my review of that e-mail, I understand, among other things, that OLANGIAN stated that "prices are okay," and "I had my meeting this afternoon, things are going as plan[n]ed." Based on my involvement in this investigation, and my review of other e-mail correspondence, including but not limited to OLANGIAN's September 6 e-mail to the CS, see supra ¶ 26(i), I understand OLANGIAN to be referring to the meeting he had with ultimate purchasers of the IGLA-S missile systems located in Iran.

27. On or about October 10, 2012, REZA OLANGIAN, a/k/a "Ray Avancian," the defendant, was arrested upon his arrival at a commercial airport in Tallinn, Estonia. OLANGIAN was arrested by Estonian authorities pursuant to a Provisional Arrest Warrant ("PAW"); the PAW had been issued based upon Complaint 12 Mag. 2533, which was signed by the Honorable James L. Cott, United States Magistrate Judge, Southern District of New York, on September 28, 2012. Following his arrest in Estonia, OLANGIAN agreed to speak with myself and another special agent of the DEA. Based on my participation in interviews with OLANGIAN in Estonia on October 10 and 11, 2012, I understand the following, in substance and in part:

a. OLANGIAN was advised of his constitutional rights, and agreed in writing to waive those rights and to speak with United States law-enforcement agents.

b. OLANGIAN stated that, approximately 5 years ago, he had attempted to purchase approximately 100 IGLA-S missiles on behalf of the Iranian Ministry of Defense, which OLANGIAN stated was the intended end-user of the missiles. In connection with that missile deal, OLANGIAN traveled internationally and engaged in extensive negotiations with an individual working on behalf of the Iranian Ministry of Defense. Ultimately, however, that missile deal was unsuccessful.

c. With respect to events taking place in 2012, OLANGIAN stated that he was trying to acquire the aircraft "cylinders" (described in more detail above, see, e.g., supra ¶¶ 18-24, 26) on behalf of an Iran-based company. OLANGIAN stated that he understood that the Iran-based company was going to provide those aircraft "cylinders" to the Iranian Ministry of Defense, for use in MIG aircraft.

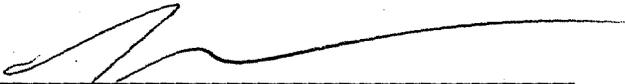
d. With respect to events taking place in 2012, OLANGIAN further stated that he was introduced through a contact to two individuals who represented themselves to be employees of the Iranian Ministry of Defense (the "Iranian Officials"). OLANGIAN stated that he engaged in multiple meetings with the Iranian Officials in Tehran, Iran, in or about early October 2012, to discuss the acquisition of IGLA-S missiles. (As described in more detail above, see, e.g., supra ¶¶ 23-26, those are missiles about which OLANGIAN had been negotiating with the CS.) OLANGIAN stated that, in the course of his meetings in Tehran with the Iranian Officials, the Iranian Officials requested assurances from OLANGIAN that the IGLA-S missiles transaction was likely to go forward - in response to which OLANGIAN provided the Iranian Officials with, among other things, a formal letter of intent from OLANGIAN's company regarding the missile transaction. OLANGIAN further stated that he told the Iranian Officials that he (OLANGIAN) had observed one of the IGLA-S missiles during a videoconference, see supra ¶ 25, and he (OLANGIAN) represented to the Iranian Officials that he (OLANGIAN) was traveling to Estonia in part in connection with his efforts to obtain the IGLA-S missiles. OLANGIAN further stated that the Iranian Officials discussed making arrangements for an expert to inspect the IGLA-S missiles - after OLANGIAN had returned from Estonia, and reported back to the Iranian Officials regarding the IGLA-S missiles.

WHEREFORE, deponent respectfully requests that a warrant be issued for the arrest of REZA OLANGIAN, a/k/a "Raymond Avancian," a/k/a "Ray," the defendant, and that he be arrested and imprisoned or bailed, as the case may be.



DEREK S. ODNEY
Special Agent
Drug Enforcement Administration

Sworn to before me this
18th day of October, 2012



THE HONORABLE MICHAEL H. DOLINGER
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK