

stage of the transaction. Respondent's Motion for Denial at 15 ("Mr. Mahdi informed his suppliers of the fact that the requested goods were destined for Iran right from the inquiry stage" and disclosed "to John Strome of Brevard in the United States (supplier/manufacturer) that the equipment was destined for Iran.").

Ruling: Accepted and Incorporated.

19. On or about July 22, 1997, Mr. Mahdi submitted to BITS and Mr. Strome, on behalf of OTS, an irrevocable purchase order for oil field equipment valued at approximately \$41,695. The OTS reference number on this irrevocable purchase order was 701-1320-TSI. The "T" in this reference number indicates that Mr. Mahdi and OTS were seeking to obtain this equipment for Kala Naft in Tehran, Iran. Govt. Ex. 8; May 13 Tr. at 147, line 6 to 148, line 25. [Charge 2, 6]

Ruling: Accepted and Incorporated.

20. Kala Naft in Tehran, Iran, is a subsidiary of the National Iranian Oil Company. Govt. Ex. 9; May 13 Tr. at 149, line 9 to 150, line 6. [Charge 2, 6]

Ruling: Accepted and Incorporated.

21. On or about July 23, 1997, BITS issued a commercial invoice for the sale of oil field equipment for approximately \$42,356 in response to the purchase order with OTS reference number 701-1320-TSI. According to this invoice, the equipment was sold to OTS and to be shipped on October 29, 1997, to Danzas Canada, Ltd., a freight forwarder in Ontario, Canada. Govt. Ex. 10; May 13 Tr. at 150, line 12, to 150, line 25. [Charge 2, 6]

Ruling: Accepted and Incorporated.

22. On or about October 30, 1997, Forward Logistics Group, Inc., a freight forwarder acting on behalf of BITS, issued an air waybill for the shipment of the oil field equipment purchased by OTS under by OTS reference number 701-1320-TSI. According to this air waybill, BITS shipped the oil field equipment from Melbourne, Florida, to OTS, care of Danzas Canada Ltd., in Ontario, Canada, via Air Canada. Govt. Ex. 11; May 13 Tr. at 155, line 23, to 157, line 6. [Charge 2, 6]

Ruling: Accepted and Incorporated.

23. On or about October 30, 1997, Forward Logistics Group, Inc., acting on behalf of BITS, prepared and submitted to the United States Customs Service a Shipper's Export Declaration (SED) for the shipment of oil field equipment purchased by OTS under OTS reference number 701-1320-TSI. This SED identified BITS as the exporter, OTS care of Danzas Canada Ltd. as the ultimate consignee, Air Canada as the exporting carrier, and October 30, 1997, as the date of exportation. This SED also

identified "Toronto" as the country of ultimate destination. BITS instructed Forward Logistics Group, Inc. to put this information on the SED, including the statement that Toronto was the ultimate destination for the exported equipment. Govt. Ex. 12; May 13 Tr. at 165, line 17 to 169, line 16. [Charges 2, 5]

Ruling: Accepted and Incorporated.

24. Mr. Mahdi has admitted that Mr. Strome of BITS caused the submission of this SED, which contained the false statement that Toronto was the ultimate destination for the exported equipment. Respondent's Motion for Denial at 12 ("Mr. Mahdi did not complete the Shippers export Declaration (sic), Mr. Strome of 'Brevard' in Melbourne, Florida completed the form. It was Mr. Strome, not Mr. Mahdi, how (sic) indicated that the final destination of the equipment was Canada knowing that the final destination was indeed Iran.".) [Charge 5]

Ruling: Accepted and Incorporated.

25. As shown in records of Danzas Canada Ltd. that were reviewed by the Royal Canadian Mounted Police, Danzas Canada, Ltd., received the equipment obtained from BITS in the above-described transaction, consolidated it with other equipment obtained by OTS, and shipped the equipment from Canada to Iran via Cyprus in or about early November of 1997 on the instruction of Mr. Mahdi. May 13 Tr. at 153, line 12, to 155, line 18; *id.* at 169, line 17 to 170, line 15; *id.* at 176, line 12 to 178, line 18. [Charge 2, 5, 6]

Ruling: Accepted and Incorporated.

26. Mr. Mahdi has admitted that he shipped the oil field equipment obtained from BITS under OTS reference number 701-1320-TSI to Iran. Govt. Ex. 2 at 13, paragraph 9, at 20-21, paragraph 28 (in plea agreement, Mr. Mahdi certified that the following was true: "In or about November, 1997 ABDULAMIR MAHDI, a/k/a Amir Mahdi transshipped from Canada to Iran United States origin oil field equipment purchased from BITS \* \* \* under OTS 701-1320-TSI.") [Charges 2, 5, 6]

Ruling: Accepted and Incorporated.

27. Mr. Mahdi has repeatedly admitted that he knew Mr. Strome violated United States law by exporting from the United States items destined for Iran, and that he helped Mr. Strome to make these exports to Iran:

a. At his change of plea proceedings, Mr. Mahdi testified under oath as follows:

"The Defendant: \* \* \* [Mr. Strome] knew there's embargo on Iran. And he asked me if some other orders or shipments can be made through Canada to Iran, which we were intending to do.

"The Court: And you knew that he couldn't lawfully do it without your help?

"The Defendant: That's correct, ma'am.

"The Court: And knowing that he couldn't lawfully do it, you agreed to help him?

"The Defendant: That's correct, ma'am."

Govt. Ex. 3 at 27, lines 17-25.

b. At this sentencing proceeding, Mr. Mahdi testified similarly: "I knew [Strome] was not able to sell, to Iran. And he was using me to sell to Iran." Govt. Ex. 4 at 61, lines 2-3.

c. In this proceeding, Mr. Mahdi has stated that he "knew that it was a violation of U.S. law for Mr. Strome, on behalf of a U.S. company and acting in the United States, to export the equipment to Iran from the United States" (although Mr. Mahdi contends that he did not know "that it was a violation of U.S. law for [Mr. Mahdi] as a Canadian citizen and a Canadian company to export the equipment to Iran"). Respondent's Motion for Denial at 18. [Charge 6]

Ruling: Accepted and Incorporated.

28. On or about October 23, 1997, Mr. Mahdi submitted to BITS and Mr. Strome, on behalf of OTS, an irrevocable purchase order for oil field equipment valued at approximately \$69,478. The OTS reference number on this irrevocable purchase order was 702-1360-TSI. The "T" in this reference number indicates that Mr. Mahdi and OTS were seeking to obtain this equipment for Kala Naft in Tehran, Iran. Govt. Ex. 13; May 13 Tr. at 178, line 19 to 181, line 4. [Charge 3]

Ruling: Accepted and Incorporated.

29. Mr. Mahdi arranged for Pars Maritime Cargo Inc. (Pars) of Montreal, Canada, to transport the oil field equipment purchased by OTS under OTS reference number 702-1360-TSI in Melbourne, Florida, to Montreal, Canada. On or about February 9, 1998, Pars picked up the equipment at the BITS facility in Melbourne, Florida. The truck driver for Pars gave to Mr. Strome a copy of an invoice, printed on Pars letterhead, for this shipment. This invoice, which is dated February 2, 1998, identifies OTS as both the "customer" and the "shipper." Documentation provided to BITS by OTS indicated that the equipment would be exported from Canada. Govt. Ex. 14; Govt. Ex. 6 at 4; May 13 Tr. at 181, line 9 to 185, line 1. [Charge 3]

Ruling: Accepted and Incorporated.

30. On or about January 19, 1999, Par's Web site identified Pars as the general sales agent for Iran Air. The