

name "Pars" refers to Persia, *i.e.*, Iran. Govt. Ex. 15; May 13 Tr. at 185, line 20 to 187, line 14. [Charge 3]

Ruling: Accepted and Incorporated.

31. On or about April 19, 1998, Kala Naft sent a purchase order to OTS (referencing OTS employee Tito DiMarco) for specified parts for the "Overshot Series 70, Short Catch * * * for overshot 4 1/8 in.," manufactured by Bowen Tools, Inc. On the first page of this purchase order, Kala Naft stated that this purchase order was "placed in accordance with * * * your [OTS's] quotation reference no. 013-077-TBT" and specified "delivery FOB Antwerp packed suitably for export shipment." On the second page of this purchase order, Kala Naft specified "shipment from Antwerp to B.Emam (Iran) by our nominated transport agent." On the third page of this purchase order, Kala Naft specified: "our nominated inspection agency for this order is I.E.I." Govt. Ex. 18A; May 13 Tr. at 200, line 3 to 201, line 13; 206, line 6 to 208, line 13. [Charge 4]

Ruling: Accepted and Incorporated.

32. On or about April 21, 1998, OTS submitted to BITS and Mr. Strome an irrevocable purchase order for "parts for 'Bowen' Overshot Series 70, Short Catch * * * for Overshot 4 1/8 in." The purchase order was signed by OTS employee Tito DiMarco. The specific parts ordered by OTS from BITS corresponded with the parts ordered from OTS by Kala Naft on or about April 19, 1998. The equipment was ordered for approximately \$121,082. In its irrevocable purchase order to BITS, OTS stated payment terms of "10% Deposit, Balance net 30 days" and specified packing "suitable for ocean freight." The OTS reference number on this irrevocable purchase order was "013-077-TBT;" however, since other documents related to this transaction bore OTS reference number 013-077-TBT, the suffix "-BTB" on this document appears to be a typographical error for "-TBT." The suffix "-TBT" indicates that OTS and Mr. Mahdi were seeking to obtain this equipment, originally manufactured by Bowen Tools, Inc., for Kala Naft in Tehran, Iran. Govt. Ex. 16; May 13 Tr. at 187, line 19 to 188, line 23; *id.* at 194, line 2 to 198, line 1. [Charge 4]

Ruling: Accepted and Incorporated.

33. Mr. Strome described the equipment ordered under OTS reference number 013-077-TBT as extracting equipment used to remove broken drill heads from oil wells. Govt. Ex. 6; May 13 Tr. at 194, line 2 to 195, line 2. [Charge 4]

Ruling: Accepted and Incorporated.

34. On or about May 26, 1998, Mr. Mahdi, acting on behalf of OTS, caused the Royal Bank of Canada to make a funds transfer in the amount of approximately \$16,062 to be made to a bank account held by BITS. The document memorializing this funds transfer identifies OTS as the "ordering customer" and BITS as the "beneficiary customer." These funds were a partial payment of the purchase order described in paragraph 32 above, as reflected in the notation: "PLS CREDIT BREVARD INTERNATIONAL TECHNICAL SERVICES, INC. FOR ORDER #013-077-TBT." Govt. Ex. 17; May 13 Tr. at 189, line 13 to 190, line 10. [Charge 4]

Ruling: Accepted and Incorporated.

35. On or about March 4, 1999, Mr. Mahdi telephoned Mr. Strome. In this conversation, Mr. Mahdi advised Mr. Strome that the customer purchasing the equipment ordered under OTS reference number 013-077-TBT desired to have the equipment inspected by a firm known as "I.E.I." As noted above, Kala Naft's purchase order to OTS dated April 19, 1998, and referencing OTS number 013-077-TBT designated "I.E.I." as Kala Naft's inspection agent for this order. Govt. Exs. 18, 18A; May Tr. at 209, line 6 to 211, line 5. [Charge 4]

Ruling: Accepted and Incorporated.

36. The "I.E.I." in this transaction refers to the Industrial Engineering and Inspection Company of Iran, which inspects cargo bound for Iran for conformance with documents such as letters of credit and invoices. Govt. Ex. 19; May 13 Tr. at 211, line 11 to 214, line 25. [Charge 4]

Ruling: Accepted and Incorporated.

37. In March of 1999, Mr. Mahdi traveled to Florida to arrange for the shipment of the equipment purchased under OTS reference number 013-077-TBT. Investigating agents observed Mr. Mahdi inspect this equipment, and then arrested him. May 13 Tr. at 107, line 2 to 109, line 14; *id.* at 201, line 20 to 202, line 15. [Charge 4]

Ruling: Accepted and Incorporated.

38. Mr. Mahdi has admitted that he obtained the oil field equipment purchased from BITS under OTS reference number 013-077-TBT "for the National Iranian Oil Company, Tehran, Iran." Govt. Ex. 2 at 13, paragraph 9, at 21, paragraph 30.¹³ [Charges 2, 5, 6]

Ruling: Accepted and Incorporated.

39. None of the following parties applied for or received an export license or other export authorization from the U.S. Department of Commerce or the

Office of Foreign Assets Control (OFAC) of the U.S. Department of Treasury: OTS; Mr. Mahdi (including under the names "Amir Mahdi" and "Jasin Khafaf"); BITS; and Tech-Link. Govt. Ex. 20; May 13 Tr. at 215, line 1 to 217, line 11. [Charges 1-4]

Ruling: Accepted and Incorporated.

40. From 1997 to March of 1999, OTS and Mr. Mahdi (sometimes doing business as Tech-Link) submitted approximately 117 requests for quotations to BITS. The reference numbers on these requests for quotations indicate that approximately 42 of these requests were made on behalf of customers in Iran, as follows:

- 33 on behalf of Kala Naft, Tehran, Iran (indicated by the initial letter "T")
- 5 on behalf of Razi Petrochemical, Iran (indicated by the initial letter "R")
- 2 on behalf of Arak Petrochemical, Arak, Iran (indicated by the initial letter "A")
- 2 on behalf of the National Iranian Gas Company, Iran (indicated by the initial letter "N")

Govt. Exs. 7, 21, 21A; May 13 Tr. at 220, line 14 to 225, line 13. [Charge 1, Penalty]

Ruling: Accepted and Incorporated.

41. In addition, approximately 36 of these requests for quotation were submitted to BITS on behalf of Zawana, the firm operated by Mahdik Mahdi in Jordan, which transshipped to Iraq. Govt. Exs. 7, 21, 21A; May 13 Tr. at 225, line 14 to 22, [Penalty]

Ruling: Accepted and Incorporated.

42. The requests for quotation submitted to BITS by OTS on behalf of customers in Iran included:

a. A request for quotation dated December 8, 1997, and signed by OTS employee Tito DiMarco, with OTS reference number 223-127-RSA for specified parts for an agitator shaft and turbine. The initial letter "R" indicates that this request for quotation was submitted on behalf of Razi Petrochemical in Iran. Govt. Ex. 22, May 13 Tr. at 227, line 11 to 228, line 12. [Charge 1, Penalty]

b. A request for quotation dated July 14, 1998, and signed by OTS employee Tito DiMarco, with OTS reference number 463-078-ACT for parts for a steam turbine. The initial letter "A" indicates that this request for quotation was submitted on behalf of Arak Petrochemical in Iran. Govt. Ex. 23, May 13 Tr. at 228, line 18 to 230, line 3. [Charge 1, Penalty]

c. A request for quotation dated August 31, 1998, with OTS reference number 529-088-ACO for parts for a steam turbine. Handwritten notations on this document indicates that OTS

¹³ As noted in paragraph 20 above, Kala Naft is a subsidiary of the National Iranian Oil Company.