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## Iran's Procurement of U.S. Military Aircraft Parts: Two case studies in illicit trade<sup>1</sup>

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Iran illicitly targets U.S. military technology for procurement both because of its high quality and Iran's need for specialized replacement components for existing aircraft programs dating to the Shah's reign in the 1970s. Two recent cases of Iranian procurement of controlled U.S. aircraft parts illustrate the difficulty of detecting and preventing such activities. In addition, the absence of international legal mechanisms to enable the prosecution of illicit trade at its source makes it extremely difficult to stop or deter Iran from continuing to circumvent export control laws of foreign countries. Even when mid-level procurement agents are caught and arrested, Iran's state-sponsored smuggling efforts are able to continue with impunity.

Iran faces tough sanctions by supplier countries like the United States which aim to deny its access to sensitive military equipment. In order to obtain needed military aircraft items, Iranian smuggling networks seek out sympathetic or unscrupulous trading companies in the United States or abroad that are willing to illegally supply military programs for profit. These procurement agents often operate legitimate businesses and agree to purchase controlled defense articles as a side business. Purchasing agents buy equipment using their own company names as the end user. Once they have secured items, they simply lie about the end use on export-related shipping documents.

Two recent cases of Iran's illicit military procurement activities show that efforts by the United States and other exporters of military goods to prevent trade in dual use or sensitive technology continue to be thwarted by determined proliferators.

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<sup>1</sup> An ISIS update to Case 2 of this case study, from October 23, 2009, is available at: [http://isis-online.org/uploads/isis-reports/documents/Iran\\_Aircraft\\_Procurement\\_Update.pdf](http://isis-online.org/uploads/isis-reports/documents/Iran_Aircraft_Procurement_Update.pdf)

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## Case 1: Working from Inside the Supplier State

From 2006 until mid-2007, Hassan Saied Keshari and Traian Bujduveanu, both naturalized U.S. citizens and residing in the United States, engaged in six acts of illicit trade to provide Iran with controlled U.S. military aircraft parts.<sup>2</sup> In this scheme, two unidentified individuals located in Iran placed orders for U.S. attack aircraft equipment through the California company operated by Keshari, called Kesh Air International Corporation. Keshari, originally from Iran, procured equipment from U.S. manufacturers through Bujduveanu's Florida-based company, Orion Aviation Corporation (Bujduveanu is Romanian by birth). Together, Keshari and Bujduveanu arranged shipment of the equipment to the United Arab Emirate of Dubai via a freight forwarder, where it was then diverted to Iran.

The Iranians directing procurement orders to Keshari were likely either officials at an Iranian military aircraft program or worked for a company responsible for procurement on behalf of the aircraft program. They would send Requests for Quotes (RFQs) for desired equipment to Keshari, who in turn would ask Orion Aviation to obtain price quotes directly from U.S. manufacturers. After communicating with the two Iranians, Keshari and Kesh Air transferred funds to Orion Aviation to pay for the purchases.

The military aircraft equipment sought by Iran, spare parts for its AH-1 Cobra attack helicopters, F-14 fighter jets, and CH-53A military helicopters, was controlled by the Treasury Department's Office of Foreign Assets Control (OFAC) and the State Department's Directorate of Defense Trade Control (DDTC) which licenses exports of items on the Munitions List, effectively restricting the transfer of defense articles abroad and preventing them entirely to countries under sanctions or embargo, as in the case of Iran. Keshari and Bujduveanu did not seek export licenses for the equipment they sent to Iran. In June 2008, Keshari and Bujduveanu were arrested by U.S. authorities and both pled guilty to illicit trading activities in 2009; Keshari was sentenced to seventeen months in prison and Bujduveanu awaits sentencing.

In total, U.S. authorities identified four purchase orders fulfilled by the procurement agents Keshari and Bujduveanu, comprising six separate shipments to Iran.<sup>3</sup>

### First Procurement

In October 2006, Keshari sought and delivered a price quote and delivery time estimate to one of the two Iranian individuals for a fitting assembly for the Bell AH-1 Cobra attack helicopter. In November, Kesh Air purchased two fitting assemblies for this helicopter from Orion Aviation (see figure 1 below). The fitting assemblies were exported to Dubai by Bujduveanu on

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<sup>2</sup> See District Court of the Southern District of Florida, *Indictment, United States of America vs. Hassan Saied Keshari, Traian Bujduveanu, Kesh Air International Corp., and Orion Aviation Corp.*, Case No. 08-20612-CR-SEITZ/O'SULLIVAN, July 3, 2008, released January 26, 2009.

<sup>3</sup> See for more information: District Court of the Southern District of Florida, *United States of America vs. Hassan Saied Keshari, Traian Bujduveanu, Kesh Air International Corp., and Orion Aviation Corp., Keshari and Kesh Air International Change of Plea Proffer*, Case No. 08-20612-CR-SEITZ, released January 27, 2009; District Court of the Southern District of Florida, *Plea Agreement, United States of America vs. Hassan Saied Keshari, Traian Bujduveanu, Kesh Air International Corp., and Orion Aviation Corp.*, Case No. 08-20612-CR-SEITZ, released January 27, 2009.

November 21. Bujduveanu declared the contents of the shipment to be “commercial aircraft parts” worth \$900 (see figure 2). These aircraft parts were actually worth more than \$4,000 and should have been declared military in application, according to the U.S. indictment against Keshari, Bujduveanu, and their companies. Keshari sent an e-mail to the two Iranian individuals located in Iran with shipping information for the equipment en route to Dubai.

## **Second Procurement**

In March 2007, Bujduveanu shipped three switching assemblies for the AH-1 Cobra attack helicopter to Dubai, declared on shipping documents to be aircraft parts worth \$225 (figure 2). Keshari e-mailed his two Iranian contacts that the three assemblies were in transit, and provided shipping information. Keshari likely placed the order for the three switching assemblies with Orion Aviation much like the first order for the fitting assemblies and arranged payment from Iran, though the legal documents do not specify exactly how the equipment was ordered (figure 1). Keshari stated in an e-mail to the Iranians that Orion Aviation “still owes us three (3) more from the last order.” Keshari later sent an invoice to Iran for six switching assemblies.

## **Third and Fourth Procurements**

In January 2007, Keshari forwarded an RFQ from Iran to Bujduveanu for F-14 Fighter Jet harness assemblies, accumulators and related items. Bujduveanu responded with a price quote. In March, Keshari invoiced Iran for the purchase and shipment costs (figure 1). Bujduveanu shipped to Dubai all of the items, except the ten accumulators and the additional, unidentified items, which he ostensibly had not yet obtained (figure 2). On May 7, Bujduveanu exported the accumulators and other items for the F-14 Fighter Jet to Dubai to complete the January order (figure 2). The following day, Keshari emailed his Iranian contacts with the shipping information.

## **Fifth and Sixth Procurements**

In May 2007, Keshari e-mailed Bujduveanu an RFQ from Iran requesting a price quote for diaphragm seals and additional items for the CH-53A military helicopter. Bujduveanu returned a price quote to Keshari for twenty-seven diaphragm seals and additional items (figure 1). In June, Bujduveanu exported ten of the diaphragm seals to Dubai (figure 2). Two days later, Bujduveanu shipped the remaining seventeen diaphragm seals to Dubai (figure 2). Keshari subsequently emailed shipping information for both shipments to Iran.

## **Penalties for Illicit Trading May Fall Short**

The smugglers in this case were arrested and found guilty of illicit trading, but penalties for Keshari, who was sentenced in May 2009, may fall short of serving their purpose of punishing and deterring other would-be smugglers. In January 2009, Keshari received seventeen months after pleading guilty to one of eleven total counts, the charge of conspiracy to circumvent export controls.<sup>4</sup> Keshari signed a plea agreement dismissing the remaining ten counts, including

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<sup>4</sup> “Iranian-American Sentenced in Iran Smuggling Plot,” Reuters. May 14, 2009.

violations of the Iran Embargo and Arms Export Control Act.<sup>5</sup> The maximum statutory prison term for the conspiracy charge is five years and the maximum fine is \$250,000, but Keshari received a comparatively mitigated prison sentence. The other ten counts, had they not been dropped, could have warranted twenty years in prison. Kesh Air International could face a fine of up to \$500,000.<sup>6</sup> Bujduveanu, acting as his own lawyer, pled guilty to his charges in April 2009.<sup>7</sup> Bujduveanu could face up to five years in prison.

Keshari, Bujduveanu, Kesh Air International Corporation, and Orion Aviation Corporation stand to forfeit any parts and equipment seized by the U.S. government from their homes and companies in June 2008 at the time of their arrest. Aircraft assemblies and parts were seized from the residence of Bujduveanu. They also stand to forfeit proceeds of the equipment sold to Iran. Over fifty thousand dollars was seized from the home and bank account of Bujduveanu, while \$59,766.10 was seized from the bank account of Keshari.

## **Case 2: Use of Domestic and Foreign Companies as Procurement Agents<sup>8</sup>**

Between August 2005 and July 2008, Iran's military aircraft programs allegedly used two Iranian trading companies, Ariasa AG and Onakish Company, to place orders with Mac Aviation Group of Ireland in order to procure controlled military aircraft parts from the United States.<sup>9</sup> Iran's Aircraft Manufacturing Industrial Company (known by the Persian acronym "HESA") and Iran Aircraft Industries (IACI) allegedly paid Ariasa of Tehran and Onakish of Kish Island to place orders with Mac Aviation Group of Drumcliffe, County Sligo, which would buy the equipment from the United States and ship it through trading companies in Dubai or freight forwarders in Malaysia in order to hide the fact that the end user was Iran. Mac Aviation also procured items directly for Iran Aircraft Industries on one occasion. Mac Aviation allegedly facilitated payment for the procurements using funds transferred by Iran through complex transaction routes designed to hide their origin.

In September 2008, the U.S. Treasury Department designated HESA a sanctioned entity because of its affiliation with the Iranian Revolutionary Guard Corps and divisions of the Iranian military establishment involved in illicit procurement for Iran's nuclear or ballistic missile programs. HESA, which is located in Esfahan, is under the umbrella of Iran Aviation Industries

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<sup>5</sup> District Court of the Southern District of Florida, *United States of America vs. Hassan Saied Keshari, Traian Bujduveanu, Kesh Air International Corp., and Orion Aviation Corp., Keshari and Kesh Air International Change of Plea Proffer*, Case No. 08-20612-CR-SEITZ, released January 27, 2009; United States District Court of the Southern District of Florida, *Plea Agreement, United States of America vs. Hassan Saied Keshari, Traian Bujduveanu, Kesh Air International Corp., and Orion Aviation Corp.*, Case No. 08-20612-CR-SEITZ, released January 27, 2009.

<sup>6</sup> Department of Justice Press Release, "Defendant Pleads Guilty to Conspiring to Export Military Aircraft Parts to Iran," January 26, 2009.

<sup>7</sup> "2<sup>nd</sup> Man Guilty in Iran Aircraft Parts Scheme," Associated Press. April 2, 2009.

<sup>8</sup> See ISIS update to this case study from October 23, 2009: [http://isis-online.org/uploads/isis-reports/documents/Iran\\_Aircraft\\_Procurement\\_Update.pdf](http://isis-online.org/uploads/isis-reports/documents/Iran_Aircraft_Procurement_Update.pdf).

<sup>9</sup> The accused have not yet been convicted of any of the allegations. See: *U.S. Government Affidavit in Support of Criminal Complaint and Arrest Warrant*, August 1, 2008; District Court for the District of Columbia, *Indictment, United States of America v. Mac Aviation Group et al.*, July 22, 2008.

Organization (IAIO), which controls Iran's military aviation projects. The equipment sought by Iran in this case was helicopter aircraft engines, aircraft vanes and bolts, and military cameras; their export to Iran is a violation of long-standing U.S. trade embargos.

Unlike many cases involving buyers working to purchase items illicitly from inside a procuring state, the manager of Ariasa, an Iranian national, was arrested in March 2009 by authorities while on a layover at a U.S. airport.<sup>10</sup> In July 2008, Mac Aviation, its owner, and two employees were also indicted on U.S. charges of facilitating illicit purchases of controlled military aircraft equipment for Iran.<sup>11</sup>

## **Helicopter Aircraft Engine Procurements**

Between November 2006 and December 2007, Ariasa and Mac Aviation Group allegedly procured from the Rolls Royce Corporation in Indiana seventeen helicopter aircraft engines worth \$4.7 million, whose end user was ultimately HESA (see figure 3). HESA or Mac Aviation established an account at the Export Development Bank of Iran in the name of the owner of Mac Aviation, into which money was allegedly deposited as payment for the aircraft parts. Mac Aviation's owner is believed to have transferred funds from this account to an Irish bank and from there to Rolls Royce's New York bank account for the purchases. The engines were shipped in four separate procurements (see figure 4).

### ***First Procurement***

On November 20, 2006, Mac Aviation's commercial manager allegedly sent a price quote to Ariasa for Rolls Royce aircraft engines and claimed that Mac Aviation could deliver the engines to Iran via Malaysia or Dubai. The commercial manager reportedly confirmed that a ten percent commission for Mac Aviation would be deposited with the Export Development Bank of Iran. Mac Aviation reportedly told the manager of Ariasa that engine purchases needed to be paid in Euros, because "all/most Iran-business is now non-USD (U.S. dollars)..." and that "delivery to Tehran (Iran) very possible but price – our extra risk, etc. must be fully considered." On December 6, Mac Aviation allegedly confirmed with Ariasa an order for the three Rolls Royce helicopter aircraft engines, totaling \$917,400, with Mac Aviation's ten percent commission making up \$83,400 of the total. Ariasa allegedly wanted three engines, but Mac Aviation procured six total engines in order to offer an extra sale (figure 3). Mac Aviation allegedly urged the manager of Ariasa to "push [the] immed[iate] extra sale." Mac Aviation allegedly sent two separate wire transfers to Rolls Royce's New York bank account for the equipment.

Mac Aviation did not provide Rolls Royce with clear end user information for the six engines, allegedly stating that the engines would not be sold right away and were intended for "MacGroup usage." Mac Aviation said it would provide more information in subsequent months. On December 22, Rolls Royce shipped to its New York freight forwarder the six

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<sup>10</sup> Department of Justice Press Release, "Iranian Man and his Company Charged in International Scheme to Supply Iran with Sensitive U.S. Technology," March 16, 2009; Joby Warrick, "Iranian Suspected of Smuggling Weapons for Tehran Jailed in U.S.," *Washington Post*, March 17, 2009, p. A04.

<sup>11</sup> Department of Justice Press Release, "Irish Trading Firm and its Officers Charged in Scheme to Supply Iran with Sensitive U.S. Technology," March 24, 2009.

aircraft engines. The owner of Mac Aviation reportedly told Ariasa on January 15, 2007 that the three ordered aircraft engines would be shipped to Kuala Lumpur, Malaysia. New York Express freight forwarding shipped the six engines to “Mac Aviation Group, KS Global Logistics, Selangor Darul Ehsan, Malaysia.” An internet search reveals that KS Global Logistics is a “freight, transportation, and logistics” service. Also on January 15, the manager of Ariasa allegedly told Mac Aviation that the additional three engines sounded like “a good opportunity.”

On January 25, the owner of Mac Aviation allegedly requested payment from Ariasa for the three engines, and included an invoice for the additional three engines. On February 3 and 11, the owner of Mac Aviation allegedly sent e-mails to Ariasa notifying them that six engines would be delivered from Mac Aviation’s warehouse from the Selangor, Malaysia location pending final payment (figure 4). The e-mails also allegedly warned “Note—Aviation/equipt embargo very very strong right now on Iran extreme vigilance worldwide in place.” On February 20, in response to an inquiry from the sales manager at Rolls Royce about the end users of the six engines, Mac Aviation’s commercial sales manager allegedly claimed that no final destination of the engines had yet been determined, but they would be renting or leasing the engines and the company “expect[ed] to make a decision soon.” A wire transfer of \$665,612 was made from Mac Aviation to Rolls Royce in April 2007 as payment for the three additional engines.

### ***Second Procurement***

The manager of Ariasa allegedly told Mac Aviation in April that his “Iranian client” needed to place a new order of engines. A representative of Mac Aviation was invited to travel to Kish Island, Iran to discuss the deal and “new projects.” In June 2007, Mac Aviation’s owner allegedly contacted Rolls Royce requesting six additional aircraft engines. The cost for the six engines would be \$1,483,020, and Mac Aviation allegedly specified the end user of the equipment as “Penerbit Kemas Sdn. Bhd,” either a company or freight forwarding location in Malaysia. Several days later, the owner of Mac Aviation allegedly contacted Ariasa with the delivery schedule for the engines. Later that month, the owner and the sales and procurement director of Mac Aviation allegedly met with a Rolls Royce representative at an air show in Paris. The representative informed Mac Aviation that Rolls Royce would not be able to sell the six engines until appropriate end user information was given for the last six engines. The representative also inquired as to why Mac Aviation had provided a “Malaysian publishing company” as the end user for the new sale. The address of this company was also that of a freight forwarding location. An internet search of Penerbit Kemas Sdn. Bhd indicates that this could be a publishing company, possibly with a side business in “auto accessories.” Its address is the same as that of a freight forwarder. Mac Aviation’s representatives allegedly responded to Rolls Royce that the Malaysian Ministry of Defense was the true end user for the engines and a Malaysian broker had been acting on its behalf.

In July 2007, the owner of Mac Aviation allegedly notified Ariasa that there were problems with the end user declaration for Rolls Royce for the engines. He indicated, “somebody... has advised...engines shipped to Iran...” But soon after, 3,577,272 euros were requested by Mac Aviation from Ariasa to be transferred to the owner of Mac Aviation’s bank account at an Iranian bank in Tehran. In response to Rolls Royce’s end user inquiry for the sale of an additional six

engines, Mac Aviation allegedly notified the company that it would eventually be selling or renting these engines to “operations” in Malaysia, Indonesia, Bangladesh, Romania, Nigeria, Ghana, Mauritania, and perhaps Singapore and Libya. It also allegedly assured the company that it would not sell to any governments or military organizations. In August 2007, Mac Aviation allegedly sent to Ariasa an invoice for six aircraft engines that was addressed directly to HESA. Mac Aviation allegedly placed an order for a total of seven aircraft engines with Rolls Royce, instead of the six indicated on the invoice to HESA (figure 3). It ordered five of one type and two of another, which were shipped by Rolls Royce at the end of August 2007. Mac Aviation allegedly informed HESA that it would release five of the engines once payment was secured.

In September 2007, Rolls Royce shipped in two different shipments from its New York freight forwarding company the seven engines, the packages addressed to Penerbit Kemas Sdn. Bhd., the “publishing company” identified by Rolls Royce (figure 4). On October 11, Mac Aviation allegedly transferred to Rolls Royce a payment of \$1,904,564 for the engine sale after it received funds from HESA. In October, Rolls Royce inquired about the engines’ end user. Mac Aviation informed the company that contracts for leasing the engines had not yet been finalized.

### ***Third and Fourth Procurements***

In October 2007, Mac Aviation allegedly placed a third order with Rolls Royce for two aircraft engines, and in November, it allegedly placed a fourth order for another two engines (figure 3). These orders were placed by Ariasa on behalf of HESA. Mac Aviation’s owner allegedly arranged payment for the engines, worth \$1,068,000, through his Irish bank account after allegedly receiving payments to his Iranian bank account. These engines were sent through Rolls Royce’s New York freight forwarder and then to Penerbit Kemas Sdn Bhd in Malaysia, where they eventually went to Iran (figure 4).

In all, Ariasa allegedly procured for the Iran Aircraft Manufacturing Industrial Company (HESA) a total of seventeen aircraft engines with the alleged assistance of Mac Aviation.

### **Aircraft Vane Procurements**

In August 2005, Mac Aviation allegedly purchased forty vanes, which are aircraft parts, from the American company Pratt & Whitney, located in Connecticut, on behalf of Iran Aircraft Industries (IACI) (figure 3). Mac Aviation allegedly told the company that the final destination for the vanes was Belgium. Later that month, Mac Aviation allegedly ordered another ten vanes with the end destination listed as Belgium (figure 3). Both shipments, sent to their Drumcliffe, County Sligo location and together worth \$141,750, came with an affixed warning from the company that diversion of the equipment to another country was prohibited under U.S. law. Mac Aviation allegedly shipped the items to the international airport of Kuala Lumpur, Malaysia, where they were transferred to Iran via a flight bound for Tehran/Mehrabad International Airport. IACI paid Mac Aviation for the items via a transfer to Mac Aviation’s Irish bank account after receiving them in Tehran on December 13, 2006 (figure 4).

## **Aircraft Bolt Procurements**

In August 2006, Onakish Co., an Iranian company purchasing on behalf of the state's military aircraft programs, procured through Mac Aviation thirty-two aircraft bolts worth \$2,261 from a U.S. company called Uniflight LLC of Texas (figure 3). Onakish received the items at its Kish Island location after they were shipped by Mac Aviation through an unidentified Dubai trading company. It is not clear whether Mac Aviation's alleged April 2007 meeting on Kish Island involved Onakish or officials working for Iran's military aircraft programs. Mac Aviation allegedly told the Dubai trading company, which was also paying for the items, that it would only accept payment from a Dubai bank, and allegedly reminded them that "any payment from Iran will not be accepted by European banks." The commercial manager of Mac Aviation allegedly told Onakish "we are shipping your goods under extreme difficulties and therefore need your full assistance/best cooperation." An invoice from January 2007 for the bolt order from Mac Aviation to the UAE trading company indicated the bolts would be sent onward to Kish Island, Iran. Delivery details sent in February allegedly noted the need to omit the name of the Dubai trading company from shipping documents, due to the extra scrutiny applied to U.S. exports going to the UAE (figure 4).

## **Military Camera Procurements**

Ariasa allegedly procured military aircraft cameras from the United States using a Dutch company as an intermediary. In 2006, the manager of Ariasa allegedly contacted a company in the Netherlands that supplied aviation equipment and asked it to procure from a Pennsylvania firm ten aerial panorama cameras and one military camera that could be used on the F-4-E Phantom fighter bomber, currently in use by Iran's air force (figure 3). Ariasa allegedly told the Dutch company to use the Netherlands as an end destination on customs documents, and to specify the cameras would be used by a "geographical university to learn them (sic) how to film from the air." According to legal documents, the camera order was allegedly shipped in August 2006 from the Netherlands to Tehran aboard an Iran Air flight (figure 4).

## **Possible Stiff Penalties**

The manager of Ariasa was indicted in March 2009 on four counts of conspiracy and illegal exports of items to Iran in violation of the U.S. embargo. He was caught after U.S. authorities identified him upon arrival at San Francisco International Airport. If found guilty, he could face twenty years in prison on three of these counts, and an additional five years is possible for the fourth count. A recent ISIS internet search indicates that Ariasa may now be in liquidation. The employees of Mac Aviation Group were indicted in July 2008. The Irish traders have each been charged with twenty-five U.S. counts of conspiracy and export control violations, and stand to face substantial jail sentences and forfeit to the United States any proceeds gained from illicit activities. They could face ten to twenty years in prison per count for nineteen violations of the U.S. International Emergency Economic Powers Act (IEEPA) and additional sentences for conspiracy. Given that the United States and Ireland have an extradition treaty, these individuals would be expected to stand trial in the United States.



## Observations and Lessons

Iran maintains extensive state-sponsored smuggling networks that use Iranian domestic companies as fronts to purchase controlled goods overseas under false pretences. Often, Iran arranges for the shipment of controlled goods through countries where export controls are poorly enforced. Iran has increasingly turned to Malaysia, where export controls are non-existent, as a transshipment point for illicit procurements. It also often uses the UAE as a transshipment point.

Suppliers must be more vigilant about reporting information to authorities when they notice something suspicious about the end user information. In the second case, a suspicious end user, namely a publishing company, was allegedly given to the U.S. supplier by the Irish trading company for equipment used in military aircraft. This red flag was apparently ignored. The supplier should have gone to the authorities and halted any further sales. One possible explanation is that the supplier did go to the authorities and participated in a sting operation, but the available legal documents do not indicate this, as would be expected.

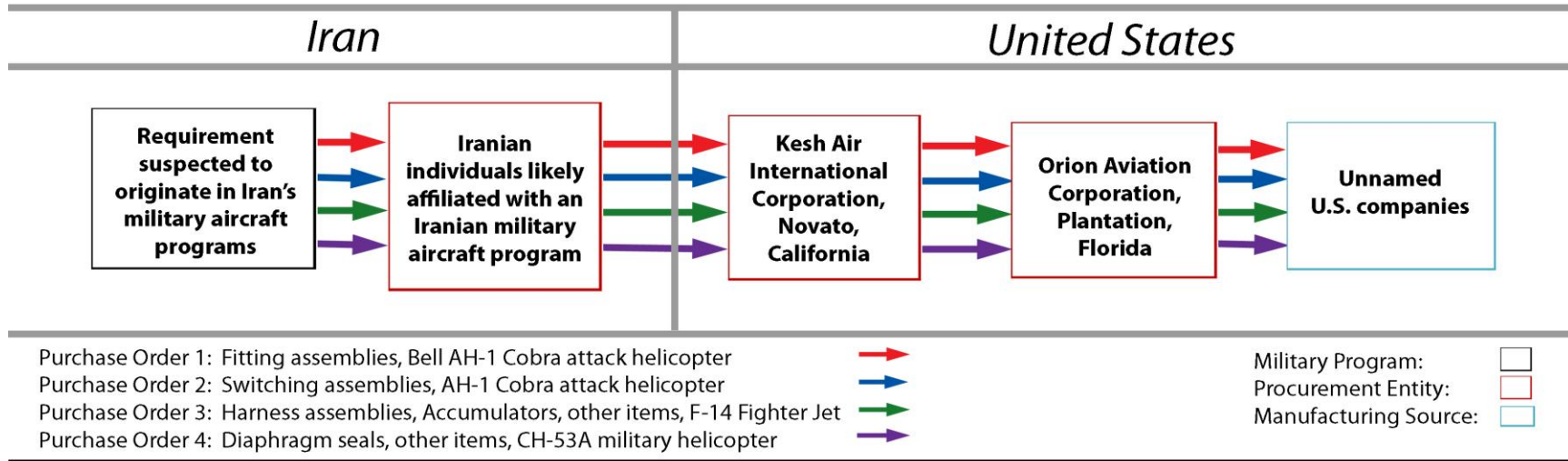
Companies need to be wary about allowing purchasers, particularly trading companies, to take possession of controlled equipment without obtaining upfront the final end user information. An export control official at a large European company reports that trading companies have a higher “diversion potential,” and therefore companies should be more careful when selling to them.

Both case studies demonstrate that when detected, illicit trade can be prosecuted successfully and that individuals facilitating such trade put themselves in significant jeopardy. Procurement agents acting from within the United States take a potentially major risk by helping Iran or other states illicitly obtain controlled items. If the activities of insider procurement agents are detected, they could face substantial time in prison or owe substantial fines, if sentenced according to maximum statutory penalties.

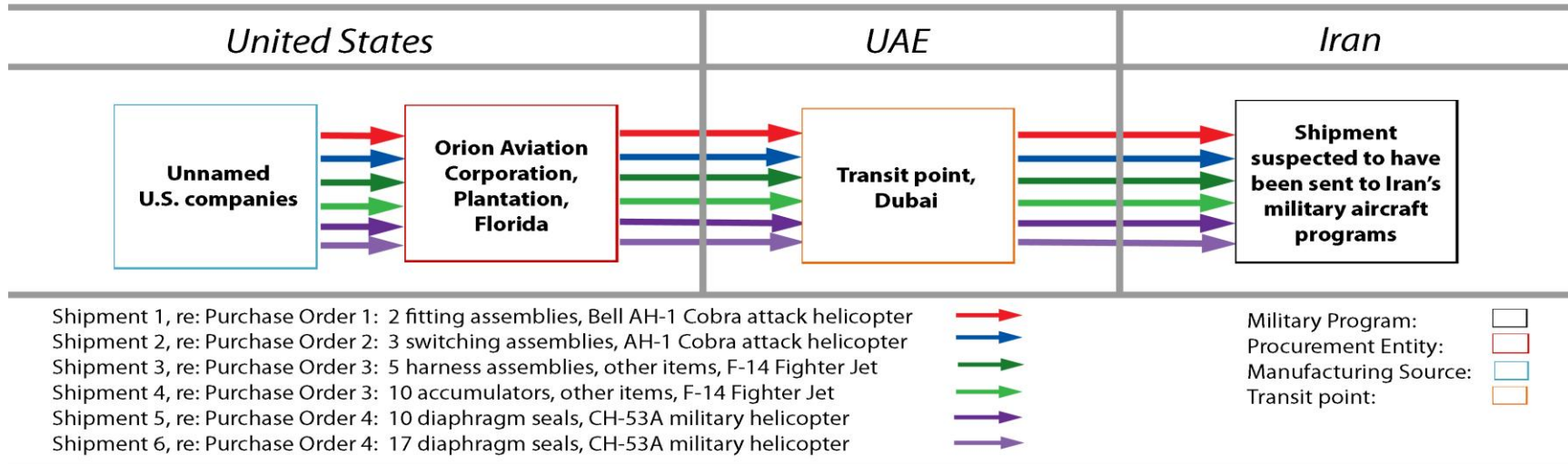
Despite the risks taken on by its overseas procurement agents, Iran treats them as highly expendable. In addition, Iran faces minimal risk from this cooperation. If the activities of procurement agents are detected and prosecuted, Iran can simply seek out new individuals and companies that are willing to bend or break the law. Domestic employees or agents of its smuggling network typically face little risk.

These cases illustrate the difficulty of stopping illicit trade at its source. Foreign perpetrators of illicit trade acting from within Iran cannot be easily prosecuted in U.S. courts. There is no legal mechanism between the United States and Iran that would allow for extradition. The arrest of the Iranian manager of Ariasa was a result of his flight layover in the United States, something he could have easily avoided. Going forward, Iran would be expected to limit the travels of its key domestic purchasing agents. There is a need for an international legal mechanism to facilitate prosecution of states or their domestic agents that engage in illicit trade. For states unwilling to extradite smugglers, the United Nations Security Council should further develop and expand existing procedures for imposing sanctions on individuals and entities that are binding on member states. The international community has not taken enough steps to hold Iran responsible for organizing conspiracies to violate other countries’ laws.

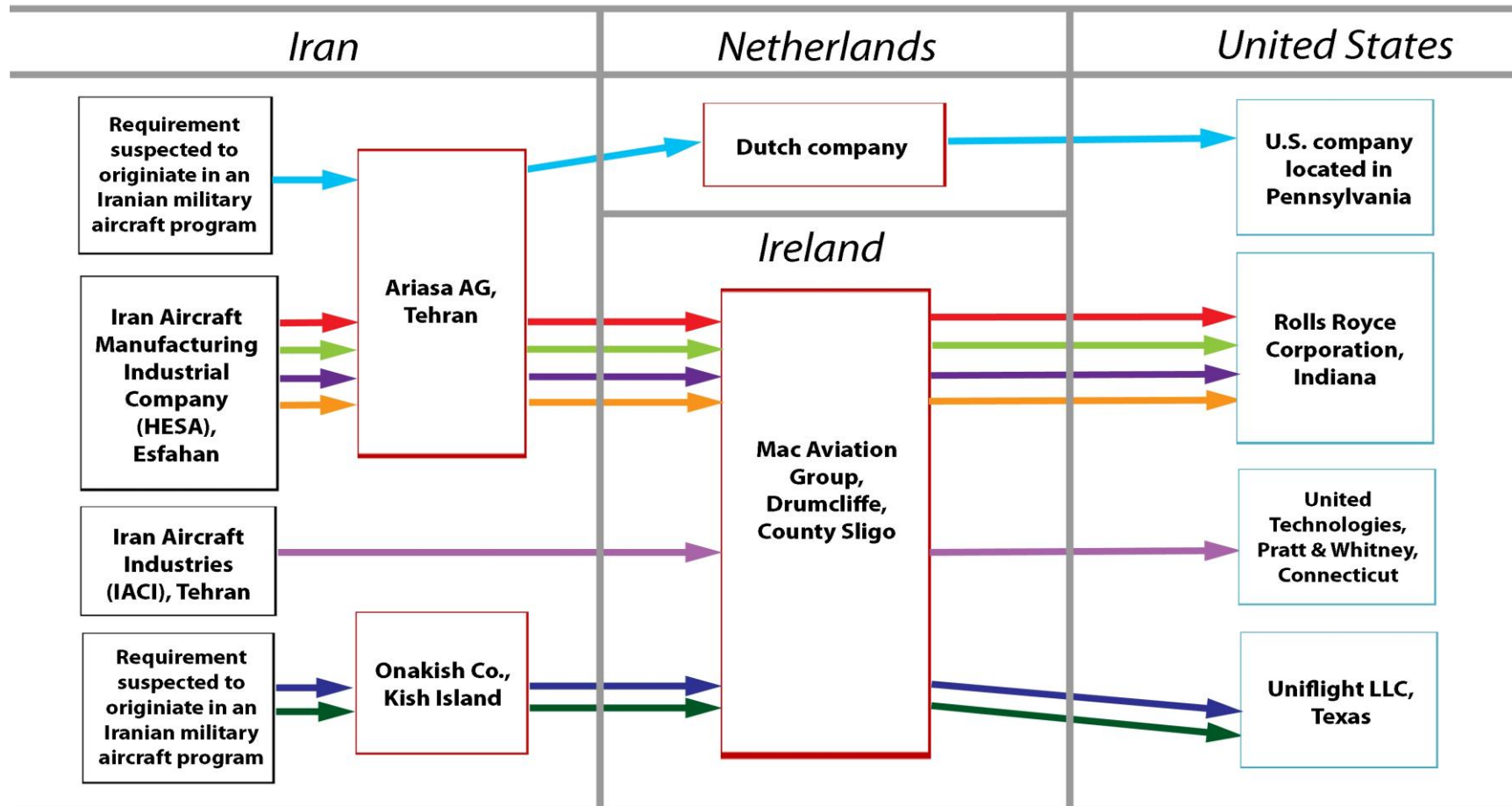
**Figure 1: Iran's Procurement of Controlled Military Aircraft Equipment - Order Routes**



**Figure 2: Iran's Procurement of Controlled Military Aircraft Equipment - Shipment Routes**



**Figure 3: Iran's Procurement of Controlled Military Aircraft Equipment - Order Routes**



**Aerial panorama cameras:**

Purchase Order 1: Ten (10) Aerial panorama cameras, one (1) military camera →

**Rolls Royce aircraft engines:**

Purchase Order 1: Six (6) Rolls Royce aircraft engines →  
 Purchase Order 2: Seven (7) Rolls Royce aircraft engines →  
 Purchase Order 3: Two (2) Rolls Royce aircraft engines →  
 Purchase Order 4: Two (2) Rolls Royce aircraft engines →

**Aircraft bolts:**

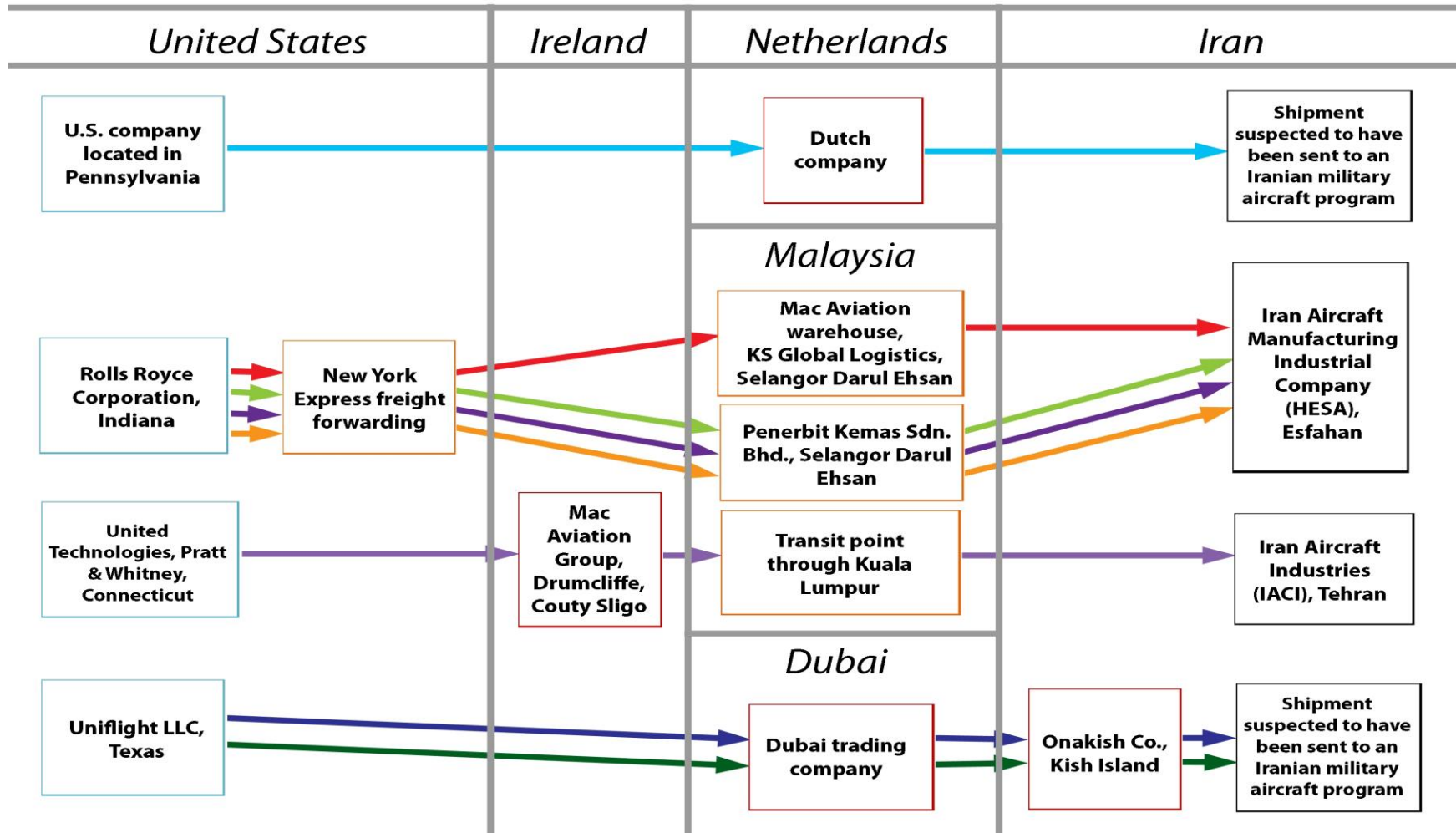
Purchase Order 1: Thirty-two (32) aircraft bolts →

**Aircraft vanes:**

Purchase Order 1: Forty (40) aircraft vanes →  
 Purchase Order 2: Ten (10) aircraft vanes →

**Military Program:** ☐  
**Procurement Entity:** ☐  
**Manufacturing Source:** ☐

**Figure 4: Iran's Procurement of Controlled Military Aircraft Equipment - Shipment Routes**



**Aerial panorama cameras:**

Shipment 1, re: Purchase Order 1: Ten (10) Aerial panorama cameras, one (1) military camera

**Rolls Royce aircraft engines:**

Shipment 1, re: Purchase Order 1: Six (6) Rolls Royce aircraft engines  
 Shipment 2, re: Purchase Order 2: Seven (7) Rolls Royce aircraft engines  
 Shipment 3, re: Purchase Order 3: Two (2) Rolls Royce aircraft engines  
 Shipment 4, re: Purchase Order 4: Two (2) Rolls Royce aircraft engines

**Aircraft bolts:**

Shipment 1, re: Purchase Order 1: Thirty-two (32) aircraft bolts

**Aircraft vanes:**

Shipment 1, re: Purchase Order 1: Forty (40) aircraft vanes  
 Shipment 2, re: Purchase Order 2: Ten (10) aircraft vanes

**Military Program:**

**Procurement Entity:**

**Manufacturing Source:**

**Transit Point:**

