

BUREAU OF IMMIGRATION AND CUSTOMS ENFORCEMENT

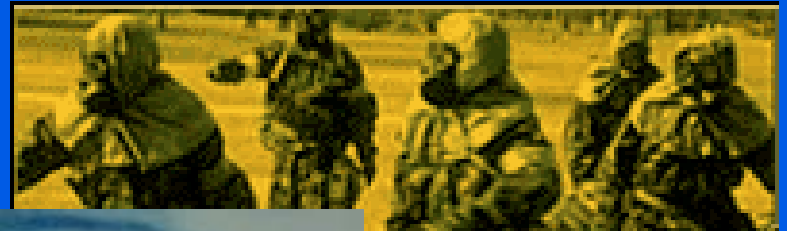
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Export Control

*“Actionable
Intelligence”*

Investigative
Case Study



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U.S. Government Strategic Priorities

- Protect the American public from the introduction of WMD and other instruments of terror into the U.S.
- Prevent proliferant countries, terrorists, transnational criminals from obtaining arms, weapons systems and controlled technology

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Primary U.S. Export Control Laws

- **ARMS EXPORT CONTROL ACT
AECA (Military Items and Services)**
- **EXPORT ADMINISTRATION
REGULATIONS EAR (Dual Use
Technology)**
- **INTERNATIONAL EMERGENCY
ECONOMIC POWERS ACT
IEEPA (Economic and Trade Sanctions
- Goods and Services)**

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U.S. Strategic Investigation Priorities

- Trafficking of Weapons of Mass Destruction (WMD) Materials
- Dual-use Commodities and Technologies
- Smuggling (Import/Export) of Nuclear, Chemical, and Biological Materials
- Illegal Export of Military Equipment and Spare Parts
 - MANPADS, Weapons Systems, Small Arms, Aircraft Parts
- Significant Financial and Business Transactions with Proscribed Countries and Groups.
- Exports of Stolen Goods, Vehicles
 - Support of other criminal activity (Narcotics, Insurrection Groups)

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Unique Approach to Export Enforcement

- Reactive Investigations
 - Interdictions/Seizures
- Proactive Investigations
 - Source Development (Shield America)
 - Informant Information
 - Cooperative Defendants
 - Undercover Investigations
 - Historical Investigations

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Unique Approach to Export Enforcement

- Intelligence
 - Develop actionable intelligence
 - Intelligence Community
 - Agency Intelligence Units
 - Special Operations - (Iraqi Freedom)
 - Undercover Operations
 - Industry Outreach
 - Liaison with other agencies (FBI, ATF, DOD)
 - Liaison and referrals from other countries - (Customs Attaches)

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Unique Approach to Export Enforcement

- Utilization of Intelligence
 - Disseminate that intelligence to appropriate ICE Field Office or Foreign Attache
 - Protect the Source of Information
 - Parallel Construction (Wall Off)
 - Border Search Authority
 - Export Documents
 - Evidence Obtained from Border Search
 - Industry Outreach

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Enforcement Goals



Disrupt/dismantle illicit trafficking/transactions through:

- Interdiction
- Investigation
- Arrest
- Prosecution
- Conviction
- Administrative Sanctions

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Strategic Undercover Operations

- Effectively Obtains Evidence of Knowledge, Intent
- Identify Violators, Associations
- Control/Prevent Exports of Dangerous/Sensitive Commodities
- Gain Insight into Other Criminal Activities of Violators
- Gain Intelligence (“Shopping Lists”)

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International Cooperation

- Multi-National Investigations
 - Multicore LTD
- Joint Investigations with Other Nations
 - Recent MANPADS Investigation (US/UK/Russia)
- Training & Technical Assistance
 - Port Assessments, Transshipment Conferences, Briefings and International Training



The Port of Salalah, Oman

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International Cooperation **Operation Iraqi Freedom**

- Deployed to Assist in the Identification of US Persons or Entities Providing Assistance to Iraq's WMD Program
- Located 75 Missiles
- Approximately 20 Criminal Leads
- Recovery of 1,000 Historical Artifacts, 39,400 Manuscripts and Scrolls
- Recovery of \$32 Million in Cash

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International Cooperation Operation Iraqi Freedom

Operation Iraqi Heritage

"Treasures from the Cradle of Civilization"

Immigration and Customs Enforcement
To Report Possible Smuggling of Stolen Iraqi Artifacts/Literature
Call 1(800) BE ALERT or
Email C3@customs.treas.gov

A green poster titled "Operation Iraqi Heritage" featuring a collage of various ancient Iraqi artifacts. The artifacts include a lion, a statue, a face, and a grid of smaller images. The text "Treasures from the Cradle of Civilization" is prominently displayed. At the bottom, it provides contact information for the Immigration and Customs Enforcement, including the phone number 1(800) BE ALERT and the email address C3@customs.treas.gov.

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Industry Outreach



Established in an Effort to...

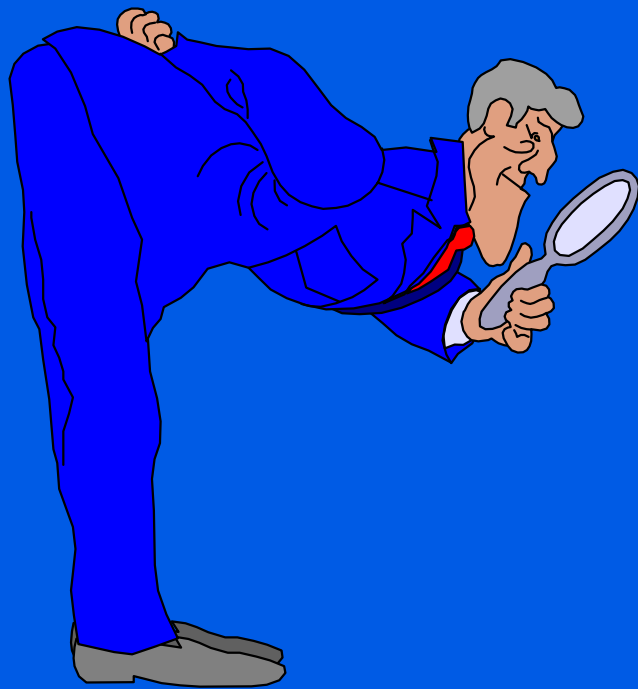
- Increase public awareness of the importance of export laws and controls
- Provide opportunity for Private sector input.
- Seek cooperation of the high technology and WMD manufacturing community.

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Strategic Investigations



**Typical Customs
Case:
Actionable
Intelligence**

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MULTICORE LTD.



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- Intelligence received:
 - Prior to the criminal investigation, information had been received from Intelligence Sources describing California/UK company's attempt to acquire munitions and controlled technology for Iran.
- Following a U.S. Customs outreach presentation;
 - Special Agents in San Diego, California receive info that a Bakersfield, California based company, identified as MULTICORE LTD was involved in procuring licensable defense articles.
- Opened Formal Criminal Investigation

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- Background Check Reveals:
 - Company HQs in London, UK.
 - Branch Office in Bakersfield, CA, USA
 - US Office operating out of an apartment
 - Company Officers/Associates are Iranian.
 - Soroosh HOMAYOUNI president of MULTICORE London.
 - Soroosh HOMAYOUNI previously arrested in 1988 AECA investigation. Convicted and Deported to London.
 - Saeed HOMAYOUNI now acting on behalf of his brother in the United States
 - Yew Leng FUNG, received packages in California and shipped them to their final destination

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- Investigation Reveals:
 - MULTICORE submits “Requests for Quotes” to 100’s of military aircraft parts manufacturers and surplus brokers.
 - The majority of parts determined to be licensable per International Traffic in Arms Regulations (ITAR)/U.S. Munitions List (USML).
 - License history with Department of State, Office of Defense Trade Controls (ODTC) negative for MULTICORE.

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- Surveillance Observations:
 - 3-5 packages per week delivered to MULTICORE, Bakersfield, CA, USA
 - One shipment was valued in excess of \$100,000.
 - Parts were shipped to Freight Forwarder in Singapore using a fictitious business as the Exporter of Record.
 - Parts Described as ‘Windshield Panel’ (F-14 Canopy), ‘Electricals’ (Electron Tube), ‘Lamps’ (check valves, actuators)
 - Freight Forwarder “transhipped” parts to Iran.

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- Results of Two Year Investigation:
 - Two arrests in U.S. (Saeed and Yew FUNG).
 - Multiple search warrants served.
 - 16 pallets and one crate of aircraft and missile parts were seized.
 - \$430,000 in U.S. Currency seized from MULTICORE bank accounts.

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- End Use Applications:
 - Parts seized have end use applications for a variety of military aircraft to include:

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C-130 Hercules



F-4 Phantom



F-14 Tomcat



H-3 Sea King



F-5 Tiger

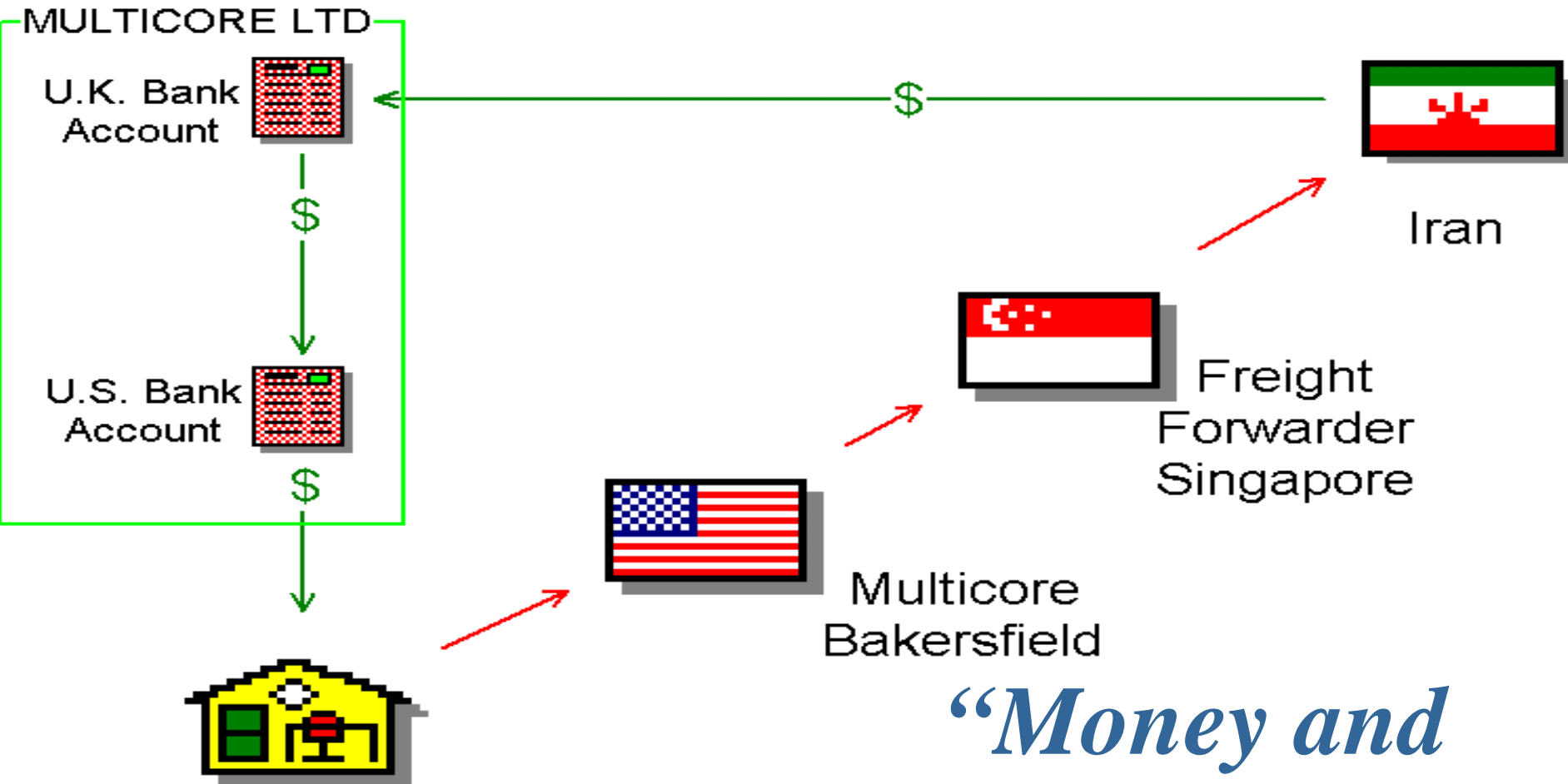


Hawk Missile Launch



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U.S. Military Surplus Brokers & Aerospace Contractors

“Money and Parts Flow”

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- PROSECUTION (U.S.)
 - December 7, 2000 Saeed HOMAYOUNI and Yew Leng FUNG arrested by ICE San Diego special agents.
 - December 19, 2000 Soroosh HOMAYOUNI, Saeed HOMAYOUNI, Yew Leng FUNG, and MULTICORE LTD. Indicted.

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- PROSECUTION (U.S.)
 - Indictment charged violations of U.S. Export Laws as well as Money Laundering
 - June 11, 2001 Saeed HOMAYOUNI and Yew Keng FUNG plead guilty.
 - Sept. 4, 2001 Saeed HOMAYOUNI and Yew Keng FUNG sentenced.
 - Saeed = 24 months
 - FUNG = 8 months
 - Soroosh HOMAYOUNI remains a U.S. fugitive. “Extradition pending”.

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- PROSECUTION (U.K.)
 - April 2002, Intercepted parcel with U.S. manufactured aircraft parts from U.K. front company to Singapore.
 - May 2002, HMCE executed arrest and search warrants.
 - Seize thousands of aircraft and missile components and documents
 - Soroosh HOMAYOUNI and Mahboubeh ESHRAGHI, Iranian citizens, were arrested and charged with violating UK export regulations.

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- Investigation Continues
 - August 2002, U.S. authorities review U.K. evidence
 - parts, correspondence, shipping documents, invoices
 - July 9, 2003, Search Warrants on 18 Businesses in U.S.
 - Illegally exporting items on U.S. Munitions Lists without obtaining an export license.
 - Items shipped from U.S. to MULTICORE (UK)
 - Investigation ongoing

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International and Domestic Cooperation

- Department of Defense, Defense Criminal Investigative Service (DCIS)
- ICE Attache, London
- U.K. Authorities
- ICE Attache, Singapore
- The Trade Authorities of Singapore
- U.S. Department of Commerce

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Questions and Discussion

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