



Department of Justice

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Dutch Firm and Two Officers Plead Guilty to Conspiracy to Export Aircraft Components and Other Goods to Iran

A Dutch aviation services company, its director and sales manager pleaded guilty today in the District of Columbia to federal charges related to a conspiracy to illegally export aircraft components and other items from the United States to entities in Iran via the Netherlands, the United Arab Emirates and Cyprus.

The announcement was made by David Kris, Assistant Attorney General for National Security; Channing D. Phillips, Acting U.S. Attorney for the District of Columbia; and Kevin Delli-Colli, Acting Assistant Secretary of Commerce for Export Enforcement, and Sharon E. Woods, Director of the Defense Criminal Investigative Service. The investigation was conducted by agents from the Department of Commerce's Office of Export Enforcement, with assistance from the Defense Criminal Investigative Service (DCIS), the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE), and the Federal Bureau of Investigation (FBI).

Aviation Services International, B.V. ("ASI"), an aircraft parts supply company in the Netherlands; Robert Kraaijpoel, 66, a citizen of the Netherlands and the director of ASI; and Robert Neils Kraaijpoel ("Neils Kraaijpoel"), 40, a citizen of the Netherlands, the sales manager of ASI and son of Robert Kraaijpoel, each entered a plea of guilty to a one-count criminal information in federal court in the District of Columbia.

The information charged each with conspiracy to violate the International Emergency Economic Powers Act (IEEPA) and the Iranian Transactions Regulations by exporting aircraft components and other goods to Iran without obtaining licenses from the Treasury Department's Office of Foreign Assets Control (OFAC). The two individual defendants each face a potential sentence of five years in prison and a maximum fine of \$250,000 or twice the pecuniary gain or loss. ASI has agreed to pay a \$100,000 fine and corporate probation for five years.

According to the criminal information, from about October 2005 to about October 2007, the defendants received orders from customers in Iran for U.S.-origin goods that were restricted from being transshipped into Iran. The defendants then contacted companies in the United States and negotiated purchases of materials on behalf of Iranian customers. The defendants provided false end-user certificates to certain U.S. companies to conceal that customers in Iran would be the true recipients of the goods.

In order to conceal these activities from the U.S. government, the defendants caused certain companies in the United States to ship the materials to ASI in the Netherlands or to addresses in other countries, including the United Arab Emirates and Cyprus. Upon arrival in the Netherlands or these other countries, the ordered materials were repackaged and transshipped to Iran.

For example, according to the criminal information, the defendants used these methods to purchase various U.S. electronic communications equipment from a U.S. company between 2005 and 2007. The defendants falsely certified to the company that the equipment, which had potential applications in Unmanned Aerial Vehicles, was being sent to the Polish Border Control Agency, when, in reality, the equipment was being sent to Iran. The defendants arranged for the equipment to be exported from the United States to the Netherlands. Shortly thereafter, the equipment was sent to a customer in Iran.

In another instance, a shipment of aircraft parts from several U.S. companies that was destined for ASI in the Netherlands was detained by officers of U.S. Customs and Border Protection in January 2007. Niels Kraaiipoel then called the U.S. Commerce Department and stated that the detained aircraft parts were to be resold in Europe. When asked if any were destined for Iran, he said they were not, that ASI did not have any business dealings with Iran and that he was aware of the U.S. trade restrictions on Iran.

Later in 2007, according to the criminal information, Robert Kraaiipoel purchased aluminum sheets and rods from a Florida company for approximately \$9,600. Kraaiipoel instructed the U.S. company and a freight forwarder to list the Netherlands as the ultimate destination in the shipping documents. ASI attempted to have these goods shipped from the Netherlands to Iran, but Dutch Customs officials detained them on April 20, 2007.

In March 2007, a shipment of polyimide film that ASI had purchased from a Kansas company was detained by U.S. officials. According to the criminal information, Robert Kraaiipoel later contacted the U.S. freight forwarder and unsuccessfully attempted to have the items shipped to company in the U.A.E. The defendants knew that this particular company in the U.A.E. purchased items for customers in Iran.

Finally, the criminal information states that throughout much of August, September and October 2007 the defendants conducted purchases on behalf of a company in the U.A.E. that they knew supplied Iranian customers. For example, in September 2007, Niels Kraaiipoel provided the U.A.E. company with a quotation for more than \$200,000 worth of U.S.-origin aircraft parts and supplies.

Under the IEEPA and the Iranian Transaction Regulations, all exports to Iran of U.S.-origin commodities are prohibited absent authorization in the form of an export license from OFAC of the Department of the Treasury. It is also unlawful to ship U.S. origin products to a third country with the aim of then diverting them or re-exporting them to Iran without the necessary authorization from OFAC. These prohibitions have been in place since 1995.

"This investigation demonstrates in clear terms the threat we face from the illegal foreign acquisition of U.S. technology. Keeping America's critical technology from falling into the hands of state sponsors of terror has never been more important," said David Kris, Assistant Attorney General for National Security.

"A business or individual who illegally ships U.S.-origin goods to embargoed countries, such as Iran, undermines our national security," said Acting U.S. Attorney Phillips, Acting U.S. Attorney for the District of Columbia. "This prosecution reflects our commitment to enforcing our export control laws vigorously."

"Combating illegal transshipment of U.S.-origin items to Iran is a significant challenge and one of our top priorities," said Kevin Delli-Colli, Acting Assistant Secretary of Commerce for Export Enforcement. "Willful violations will be pursued regardless of where the perpetrators may reside."

"Today's pleas represent the culmination of a long-term collaboration effort amongst the investigators and prosecutors in bringing international arms dealers to justice," said Sharon E. Woods, Director of the Defense Criminal Investigative Service.

"As long as there are those who seek to illegally acquire U.S. Military equipment and technology, DCIS will remain committed to thwarting their efforts and to protecting America's Warfighters."

Assistant Attorney General Kris, Acting U.S. Attorney Phillips, and Acting Assistant Secretary Delli-Colli, and Director Woods praised Senior Special Agents David Poole and Special Agents Michael Imbrogna and James Brigham from the Department of Commerce Office of Export Enforcement; Special Agent Michael Campion from DCIS, Special Agents Michael McGonigle and Brett Gentrup from ICE, and Special Agent Amanda McDaniel from the FBI.

The prosecution is being handled by Assistant U.S. Attorneys Ann H. Petalas and Denise Cheung from the U.S. Attorney's Office for the District of Columbia, and Trial Attorneys Ryan Fayhee and Jonathan Poling from the Counterespionage Section of the Justice Department's National Security Division.

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