

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

Mahan Airways)
Mahan Tower)
No. 21, Azadegan St.)
M.A. Jenah Exp. Way)
Tehran, Iran;)
)
Zarand Aviation)
a/k/a GIE Zarand Aviation)
42 Avenue Montaigne)
75008 Paris)
France)
)
and)
)
112 Avenue Kleber)
75116 Paris)
France)
)
Gatewick LLC)
a/k/a Gatewick Freight & Cargo Services)
a/k/a/ Gatewick Aviation Services)
G#22 Dubai Airport Free Zone)
P.O. Box 393754)
Dubai, United Arab Emirates)
)
and)
)
P.O. Box 52404)
Dubai, United Arab Emirates)
)
and)
)
Mohamed Abdulla Alqaz Building)
Al Maktoum Street)
Al Rigga)
Dubai, United Arab Emirates;)
)
Pejman Mahmood Kosarayanifard)
a/k/a Kosarian Fard)
P.O. Box 52404)
Dubai, United Arab Emirates;)

Mahmoud Amini)
G#22 Dubai Airport Free Zone)
P.O. Box 393754)
Dubai, United Arab Emirates)
and)
P.O. Box 52404)
Dubai, United Arab Emirates)
and)
Mohamed Abdulla Alqaz Building)
Al Maktoum Street)
Al Rigga)
Dubai, United Arab Emirates;)
_____)

**MODIFICATION OF TEMPORARY DENIAL ORDER
TO ADD ZARAND AVIATION AS A DENIED PERSON**

Pursuant to Section 766.24 of the Export Administration Regulations, 15 C.F.R. Parts 730-774 (2011) (“EAR” or the “Regulations”), I hereby grant the request of the Office of Export Enforcement (“OEE”) to modify the February 25, 2011 Renewal Order Temporarily Denying the Export Privileges of Mahan Airways, Gatewick LLC, Pejman Mahmood Kosarayanifard, and Mahmoud Amini, as I find that modification of the Temporary Denial Order (“TDO”) is necessary in the public interest to prevent an imminent violation of the EAR.¹ Specifically I find it necessary to add the following person as an additional Respondent in order to prevent an imminent violation of the TDO:

Zarand Aviation
a/k/a GIE Zarand Aviation
42 Avenue Montaigne
75008 Paris
France

¹ The February 25, 2011 Order was published in the Federal Register on March 7, 2011. See 76 Fed Reg 112318.

and

12 rue Avenue Kleber
75116 Paris
France

I. Procedural History

On March 17, 2008, Darryl W. Jackson, the then-Assistant Secretary of Commerce for Export Enforcement (“Assistant Secretary”), signed a TDO denying Mahan Airways’ export privileges for a period of 180 days on the grounds that its issuance was necessary in the public interest to prevent an imminent violation of the Regulations. The TDO also named as denied persons Blue Airways, of Yerevan, Armenia (“Blue Airways of Armenia”), as well as the “Balli Group Respondents,” namely, Balli Group PLC, Balli Aviation, Balli Holdings, Vahid Alaghband, Hassan Alaghband, Blue Sky One Ltd., Blue Sky Two Ltd., Blue Sky Three Ltd., Blue Sky Four Ltd., Blue Sky Five Ltd., and Blue Sky Six Ltd., all of the United Kingdom. The TDO was issued *ex parte* pursuant to Section 766.24(a), and went into effect on March 21, 2008, the date it was published in the Federal Register.²

II. Temporarily Denying Zarand Aviation’s Export Privileges

A. Legal Standard

Pursuant to Section 766.24(b) of the Regulations, BIS may issue an order temporarily denying a Respondent’s export privileges upon a showing that the order is necessary in the public interest to prevent an “imminent violation” of the Regulations. 15 C.F.R. § 766.24(b)(1).

² The TDO was subsequently renewed in accordance with Section 766.24(d) of the Regulations on September 17, 2008, March 16, 2009, September 11, 2009, March 9, 2010, September 3, 2010, and most recently on February 24, 2011. Prior to each renewal, each Respondent was given the opportunity to oppose renewal in accordance with Section 766.24(d)(3) of the Regulations. Each renewal order was published in the *Federal Register*. As of March 9, 2010, the Balli Group Respondents and Blue Airways were no longer subject to the TDO.

“A violation may be ‘imminent’ either in time or degree of likelihood.” 15 C.F.R.

§ 766.24(b)(3). BIS may show “either that a violation is about to occur, or that the general circumstances of the matter under investigation or case under criminal or administrative charges demonstrate a likelihood of future violations.” *Id.* As to the likelihood of future violations, BIS may show that “the violation under investigation or charges is significant, deliberate, covert and/or likely to occur again, rather than technical or negligent [.]” *Id.* A “lack of information establishing the precise time a violation may occur does not preclude a finding that a violation is imminent, so long as there is sufficient reason to believe the likelihood of a violation.” *Id.*

B. BIS’s Request To Add Zarand Aviation to the TDO

OEE has presented evidence that a French registered Airbus A310 aircraft (tail number F-OJHH) currently owned by Zarand Aviation has been temporarily grounded at Birmingham airport in the United Kingdom (“U.K”). The aircraft is powered with U.S.-origin engines, items subject to the EAR and classified as Export Control Classification (“ECCN”) 9A991.d. Because the aircraft contains U.S.-origin items valued at more than 10 percent of the total value of the aircraft, it is also subject to the EAR if re-exported to Iran and classified as ECCN 9A991.b.

Prior to its grounding by U.K. officials, this aircraft was scheduled to depart from the U.K. to Tehran, Iran. Publically available evidence submitted by OEE shows the aircraft bearing the livery, colors and logo of Mahan Airways, a denied person under the TDO and, as discussed in the TDO, an Iranian airline that operates out of Tehran, Iran, a country group E:1 destination.³ Moreover, French Civil Aviation records show the aircraft is being leased to Mahan Airways. Additionally, Zarand Aviation’s corporate registration documents list as a board member a related Mahan Airways entity, specifically Mahan Air General Trading.

³ See Supplement No. 1 to 15 C.F.R. Part 740.

The re-export of the aircraft to or for the use or benefit of Mahan Airways would violate the TDO and the Regulations. The TDO prohibits Mahan Airways from, inter alia, receiving, using, or transporting any item that is subject to the Regulations and has been exported from the United States. It also prohibits Mahan Airways from benefitting in any way from any transaction involving any item exported from the United States that is subject to the Regulations, or any other activity that is subject to the Regulations.

Moreover, under the TDO, no person may, directly or indirectly, export or reexport to or on behalf of Mahan Airways any item subject to the Regulations, or take any action that facilitates the acquisition or attempted acquisition by Mahan Airways of the ownership, possession, or control of any item that is subject to the Regulations and has been exported from the United States.

Furthermore, the reexport of the aircraft at issue, as described *supra*, without the U.S. Government authorization required by Section 746.7 of the Regulations would violate the Regulations.

C. Findings

Under the applicable standard set forth in Section 766.24 of the Regulations and my review of the record here, I find that the evidence presented by OEE convincingly demonstrates that a violation of the TDO and Regulations is imminent in both time and degree of likelihood. Adding Zarand Aviation to the February 25, 2011 Order is needed to give notice to persons and companies in the United States and abroad that they should cease dealing with Zarand Aviation in export and re-export transactions involving items subject to the EAR.

Accordingly, I find pursuant to Section 766.24 that the addition of Zarand Aviation as an additional Respondent to the TDO is necessary in the public interest to prevent an imminent violation of the EAR. Zarand Aviation's export privileges are being temporarily denied on an *ex parte* basis without a hearing based upon BIS's showing of an imminent violation.

IV. ORDER

IT IS THEREFORE ORDERED:

FIRST, that MAHAN AIRWAYS, Mahan Tower, No. 21, Azadegan St., M.A. Jenah Exp. Way, Tehran, Iran; ZARAND AVIATION, A/K/A GIE ZARAND AVIATION, 42 Avenue Montaigne, 75008 Paris, France, and 112 Avenue Kleber, 75116 Paris, France; GATEWICK LLC, A/K/A GATEWICK FREIGHT & CARGO SERVICES, A/K/A GATEWICK AVIATION SERVICE, G#22 Dubai Airport Free Zone, P.O. Box 393754, Dubai, United Arab Emirates, and P.O. Box 52404, Dubai, United Arab Emirates, and Mohamed Abdulla Alqaz Building, Al Maktoum Street, Al Rigga, Dubai, United Arab Emirates; PEJMAN MAHMOOD KOSARAYANIFARD A/K/A KOSARIAN FARD, P.O. Box 52404, Dubai, United Arab Emirates; and MAHMOUD AMINI, G#22 Dubai Airport Free Zone, P.O. Box 393754, Dubai, United Arab Emirates, and P.O. Box 52404, Dubai, United Arab Emirates, and Mohamed Abdulla Alqaz Building, Al Maktoum Street, Al Rigga, Dubai, United Arab Emirates; and when acting for or on their behalf, any successors or assigns, agents, or employees (each a "Denied Person" and collectively the "Denied Persons") may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is

subject to the Export Administration Regulations ("EAR"), or in any other activity subject to the EAR including, but not limited to:

A. Applying for, obtaining, or using any license, License Exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR; or

C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR.

SECOND, that no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of a Denied Person any item subject to the EAR;

B. Take any action that facilitates the acquisition or attempted acquisition by a Denied Person of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby a Denied Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from a Denied Person of any item subject to the EAR that has been exported from the United States;

D. Obtain from a Denied Person in the United States any item subject to the EAR with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the EAR that has been or will be exported from the United States and which is owned, possessed or controlled by a Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by a Denied Person if such service involves the use of any item subject to the EAR that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

THIRD, that, after notice and opportunity for comment as provided in section 766.23 of the EAR, any other person, firm, corporation, or business organization related to a Denied Person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

FOURTH, that this Order does not prohibit any export, reexport, or other transaction subject to the EAR where the only items involved that are subject to the EAR are the foreign-produced direct product of U.S.-origin technology.

In accordance with the provisions of Sections 766.24(e) of the EAR, Zarand Aviation, at any time, may appeal this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022.⁴

A copy of this Order shall be sent to Zarand Aviation and shall be published in the Federal Register. This Order is effective immediately and shall remain in effect until August 24, 2011, unless renewed in accordance with Section 766.24(d) of the Regulations.

A handwritten signature in blue ink, appearing to read 'D. W. Mills', is written over a horizontal line. The signature is stylized and includes a date '7/1/11' written vertically to the right of the main signature.

DAVID W. MILLS
Assistant Secretary of Commerce
for Export Enforcement

Dated: July 1, 2011.