

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

In the Matter of:

Helmut Oertmann
1935 Wynonah Drive
Auburn, PA 17922-9303

and

Hetran, Inc.
70 Pinedale Industrial Road
Orwigsburg, PA 17961

Respondents

ORDER RELATING TO
HELMUT OERTMANN AND HETRAN, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Helmut Oertmann, of Auburn, Pennsylvania (“Oertmann”), and Hetran, Inc., of Orwigsburg, Pennsylvania (“Hetran”), of its intention to initiate administrative proceedings against Oertmann and Hetran pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the “Act”),² through the issuance of Proposed

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. parts 730-774 (2014). The charged violations occurred in 2009-2012. The Regulations governing the violations at issue are found in the 2009-2012 versions of the Code of Federal Regulations (15 C.F.R. parts 730-774). The 2014 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2014 (79 Fed. Reg. 46,959 (Aug. 11, 2014)), has

Charging Letters to Oertmann and Hetran that allege that Oertmann and Hetran each committed one violation of the Regulations. Specifically, the charges are:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning at least in June 2009, and continuing through about July 2012, Oertmann conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export of a bar peeling machine and related parts from the United States through the United Arab Emirates (“UAE”) to Iran without the required U.S. Government authorization. The items were to be manufactured and exported by Hetran, Inc., a company over which Oertmann exercised ownership control through his sole ownership of Hetran’s parent corporation and management control as Hetran’s President at all times pertinent hereto. The items, used in high-grade metal processing and finishing, were designated as EAR99³ under the Regulations and valued at approximately \$895,544. The items were also subject to the Iranian Transactions Regulations (“ITR”) administered by the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”).⁴ Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the exportation, reexportation, sale or supply from the United States to a third country, such as the UAE, undertaken with knowledge that the items were intended for supply, transshipment or reexportation, directly or indirectly, to Iran. No OFAC authorization was sought or obtained for the transaction described herein.

The conspiracy was formed during meetings held in or about June 2009, including a June 22, 2009 meeting in which Oertmann participated in person. The conspiracy focused on a scheme to sell and export the items to co-conspirator, FIMCO FZE (“FIMCO”),⁵ an

continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2009-12).

⁴ 31 C.F.R. part 560 (2009-12). Subsequent to the violation charged herein, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the Iranian Transactions and Sanctions Regulations (“ITSR”), amended the renamed ITSR in part, and reissued them in their entirety. See 77 Fed. Reg. 64,664 (Oct. 22, 2012). 31 C.F.R. part 560 remains the same in pertinent part.

⁵ FIMCO FZE and related persons Khosrow Kasraei and Mujhid Ali (a.k.a. Mujahid Ali Mahmood Ali) were added to the Entity List set forth in Supplement No. 4 to part 744 of

Iranian company, while circumventing the long-standing and widely-known U.S. embargo against Iran. Under the scheme, Hetran would manufacture the machine and ship it from the United States for transshipment to Iran via Dubai, UAE, falsely identifying a company located in the UAE as the ultimate consignee on the shipping and export documentation. As part of the conspiracy, Oertmann was to determine whether Hetran India or Hetran GmbH (Germany) would be used as part of the circumvention.

Oertmann directed his company, Hetran, to manufacture the machine, which would weigh more than 50,000 pounds, and related parts and to accept partial payment from FIMCO in the amount of \$337,500. While the machine was being built, Oertmann and his co-conspirators continued to develop plans concerning the design and delivery of the machine and related parts, as well as additional payments to be made by co-conspirator FIMCO. In or around June 2011, FIMCO began focusing on detailed plans concerning how it could receive the machine in Dubai, UAE, and move it to Iran. During approximately the same time period, FIMCO began using, also in furtherance of conspirators' efforts to circumvent the U.S. embargo against Iran, the company name "Crescent International Trade and Services FZE" and a Dubai, UAE address.⁶ A purchase order for the machine dated July 31, 2011 issued under the name of Crescent International Trade and Services FZE in Dubai, UAE. In connection with this purchase order, on September 19, 2011, Oertmann informed a co-conspirator in India that Hetran could not accept the order directly and that the contract should be executed by Hetran India as the conspirators had previously agreed. Oertmann and his co-conspirators subsequently continued their efforts to circumvent the Iran embargo via transshipment through Dubai, UAE, including with regard to logistics relating to the shipment to Dubai and additional payments to be made to Hetran.

Finally, on or about June 17, 2012, Hetran attempted, at Oertmann's direction and consistent with the scheme, to export the bar peeling machine from the United States to Iran through the UAE without the required U.S. Government authorization, which was never sought or obtained. Rather, the Shipper's Export Declaration filed by Hetran in connection with this attempted export to Iran falsely identified the UAE as the ultimate destination, listing Crescent International Trade and Services FZE with a Dubai, UAE address as the ultimate consignee. On June 22, 2012, when BIS Office of Export Enforcement special agents visited Hetran's offices to investigate this shipment, which was occurring by sea, they were falsely told that the machine was destined for installation in the UAE. At approximately the same time, Oertmann directed that a letter be obtained from FIMCO stating, falsely, that the bar peeling machine would remain in Dubai.

the Regulations on August 1, 2014. *Addition of Certain Persons to the Entity List*, 79 Fed. Reg. 44,687 (Aug. 1, 2014).

⁶ Crescent International Trade and Services FZE also was added to the Entity List on August 1, 2014. *Addition of Certain Persons to the Entity List*, 79 Fed. Reg. 44,687 (Aug. 1, 2014).

Despite knowing of BIS's investigation into this transaction, and that the machine could not be shipped to Iran directly or indirectly through a third country, Oertmann nonetheless continued along with his co-conspirators to act in furtherance of the conspiracy. At Oertmann's direction, Hetran met with FIMCO in Dubai, UAE on or about July 1, 2012, including to arrange for finalizing full payment for the machine, which remained en route to the UAE, and, if necessary, shipping the machine to Hetran India for transshipment from India to Iran. However, on or about July 3, 2012, the BIS Office of Export Enforcement thwarted the attempted unlawful export by issuing a re-delivery order for the machine.

In so doing, Oertmann committed one violation of Section 764.2(d) of the Regulations.

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning at least in June 2009 and continuing through in or about July 2012, Hetran conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export of a bar peeling machine and related parts that would be manufactured by Hetran from the United States through the United Arab Emirates ("UAE") to Iran without the required U.S. Government authorization. The items, used in high-grade metal processing and finishing, were designated as EAR99⁷ under the Regulations and valued at approximately \$895,544. The items were also subject to the Iranian Transactions Regulations ("ITR") administered by the Department of the Treasury's Office of Foreign Assets Control ("OFAC").⁸ Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the exportation, reexportation, sale or supply from the United States to a third country, such as the UAE, undertaken with knowledge that the items were intended for supply, transshipment or reexportation, directly or indirectly, to Iran. No OFAC authorization was sought or obtained for the transaction described herein.

⁷ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2009-12).

⁸ 31 C.F.R. part 560 (2009-12). On October 22, 2012, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the Iranian Transactions and Sanctions Regulations ("ITSR"), amended the renamed ITSR, and reissued them in their entirety. *See* 77 Fed. Reg. 64,664 (Oct. 22, 2012). 31 C.F.R. part 560 remains the same in pertinent part.

The conspiracy was formed during meetings involving Hetran held in or about June 2009, including a June 22, 2009 meeting in which Helmut Oertmann (“Oertmann”) participated in person. At all times pertinent hereto, Oertmann exercised management control of Hetran as its President and ownership control of Hetran through his sole ownership of Hetran’s parent corporation. The conspiracy focused on a scheme to sell and export the items to co-conspirator FIMCO FZE (“FIMCO”),⁹ an Iranian company, while circumventing the long-standing and widely-known U.S. embargo against Iran. Under the scheme, Hetran would manufacture the machine and ship it from the United States for transshipment to Iran via Dubai, UAE, falsely identifying a company located in the UAE as the ultimate consignee on the shipping and export documentation. As part of the conspiracy, Hetran, through Oertmann, was to determine whether Hetran India or Hetran GmbH (Germany) would be used as part of the circumvention.

Hetran manufactured the machine, which weighed over 50,000 pounds, and related parts and accepted partial payment for it from FIMCO in the amount of \$337,500. While the machine was being built, Hetran and its co-conspirators continued to develop plans concerning the design and delivery of the machine and related parts, as well as additional payments to be made by co-conspirator FIMCO. In or around June 2011, FIMCO began focusing on detailed plans concerning how it could receive the machine in Dubai, UAE, and move it to Iran. During approximately the same time period, FIMCO began using, also in furtherance of the conspirators’ efforts to circumvent the U.S. embargo against Iran, the company name “Crescent International Trade and Services FZE” and a Dubai, UAE address.¹⁰ A purchase order for the machine dated July 31, 2011 issued under the name of Crescent International Trade and Services FZE in Dubai, UAE. In connection with this purchase order, on September 19, 2011, Hetran, through Oertmann, informed a co-conspirator in India that Hetran could not accept the order directly and that the contract should be executed by Hetran India as the conspirators had previously agreed. The efforts of Hetran, including through Oertmann, and its co-conspirators to circumvent the Iran embargo via transshipment through Dubai, UAE subsequently continued, including with regard to logistics relating to the shipment to Dubai and additional payments to be made to Hetran.

Finally, on or about June 17, 2012, Hetran attempted, at Oertmann’s direction and consistent with the scheme, to export the bar peeling machine from the United States to Iran through the UAE without the required U.S. Government authorization, which was never sought or obtained. Rather, the Shipper’s Export Declaration filed by Hetran in connection with this attempted export to Iran falsely identified the UAE as the ultimate destination, listing Crescent International Trade and Services FZE with a Dubai, UAE address as the ultimate consignee. On June 22, 2012, when BIS Office of Export Enforcement special agents visited Hetran’s offices to investigate this shipment, which

⁹ See Footnote 5, above.

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was occurring by sea, they were falsely told that the machine was destined for installation in the UAE. At approximately the same time, Hetran, acting at Oertmann's direction, sought to obtain a letter from FIMCO stating, falsely, that the bar peeling machine would remain in Dubai.

Despite knowing of BIS's investigation into this transaction, and that the machine could not be shipped to Iran directly or indirectly through a third country, Hetran nonetheless continued along with its co-conspirators to act in furtherance of the conspiracy. At Oertmann's direction, Hetran met with FIMCO in Dubai, UAE on or about July 1, 2012, including to arrange for finalizing full payment for the machine, which remained en route to the UAE, and, if necessary, shipping the machine to Hetran India for transshipment from India to Iran. However, on or about July 3, 2012, the BIS Office of Export Enforcement thwarted the attempted unlawful export by issuing a re-delivery order for the machine.

In so doing, Hetran committed one violation of Section 764.2(d) of the Regulations.

WHEREAS, BIS, Oertmann, and Hetran have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations, whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein; and

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty in the amount of \$837,500 shall be assessed, for which Oertmann and Hetran shall be jointly and severally liable. Oertmann and Hetran shall pay \$337,500 of this penalty to the U.S. Department of Commerce in four installments. A first installment payment of \$100,000 shall be made not later than March 2, 2015. Three additional installment payments shall be made as follows: \$80,000 not later than September 2, 2015; \$80,000 not later than March 1, 2016; and \$77,500 not later than September 2, 2016. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$500,000 shall be suspended for a period of two

years from the date of the Order, and thereafter shall be waived, provided that during this two-year payment probationary period under the Order, Oertmann and Hetran have made full and timely payment of \$337,500 as set forth above and have complied with the terms of the plea agreements and any sentence imposed upon or following their pleas and convictions, and provided that neither Oertmann nor Hetran has committed a violation of the Act, or any regulation, order, license or authorization issued thereunder. If any of the four installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty may become due and owing immediately.

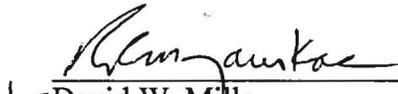
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and if payment is not made by the due dates specified herein, Oertmann and Hetran will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the full and timely payment of the civil penalty in accordance with the payment schedule set forth above and compliance with the plea agreements and any sentence imposed upon or following their pleas and convictions are hereby made conditions to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Oertmann and/or Hetran. Accordingly, if Oertmann and/or Hetran should fail to pay the civil penalty in a full and timely manner or fail to comply with the the plea agreements and any sentence imposed upon or following their pleas and convictions, the undersigned may issue an

order denying all of Oertmann's and/or Hetran's export privileges under the Regulations for a period of five years from the date of failure to make such payment or failure to comply with the plea agreements and any sentence imposed upon or following their pleas and convictions.

FOURTH, that the Proposed Charging Letters, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.


for David W. Mills
Assistant Secretary of Commerce
for Export Enforcement

Issued this 3^d day of December, 2014.

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

In the Matter of:

Helmut Oertmann
1935 Wynonah Drive
Auburn, PA 17922-9303

and

Hetran, Inc.
70 Pinedale Industrial Road
Orwigsburg, PA 17961

Respondents

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Helmut Oertmann, of Auburn, Pennsylvania (“Oertmann”), and Hetran, Inc., of Orwigsburg, Pennsylvania (“Hetran”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (the “Regulations”),¹ issued pursuant to the Export Administration Act of 1979, as amended (the “Act”).²

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. parts 730-774 (2014). The charged violations occurred in 2009-2012. The Regulations governing the violations at issue are found in the 2009-2012 versions of the Code of Federal Regulations (15 C.F.R. parts 730-774). The 2014 Regulations set forth the procedures that apply to this matter.

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Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 2 of 11

WHEREAS, BIS has notified Oertmann and Hetran of its intentions to initiate administrative proceedings against Oertmann and Hetran pursuant to the Act and the Regulations;

WHEREAS, BIS has issued Proposed Charging Letters to Oertmann and Hetran that allege that Oertmann and Hetran each committed one violation of the Regulations, specifically:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning at least in June 2009, and continuing through about July 2012, Oertmann conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export of a bar peeling machine and related parts from the United States through the United Arab Emirates (“UAE”) to Iran without the required U.S. Government authorization. The items were to be manufactured and exported by Hetran, Inc., a company over which Oertmann exercised ownership control through his sole ownership of Hetran’s parent corporation and management control as Hetran’s President at all times pertinent hereto. The items, used in high-grade metal processing and finishing, were designated as EAR99³ under the Regulations and valued at approximately \$895,544. The items were also subject to the Iranian Transactions Regulations (“ITR”) administered by the Department of the Treasury’s Office of Foreign Assets Control (“OFAC”).⁴ Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or

continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.*) (2006 & Supp. IV 2010).

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Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 3 of 11

indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the exportation, reexportation, sale or supply from the United States to a third country, such as the UAE, undertaken with knowledge that the items were intended for supply, transshipment or reexportation, directly or indirectly, to Iran. No OFAC authorization was sought or obtained for the transaction described herein.

The conspiracy was formed during meetings held in or about June 2009, including a June 22, 2009 meeting in which Oertmann participated in person. The conspiracy focused on a scheme to sell and export the items to co-conspirator, FIMCO FZE ("FIMCO"),⁵ an Iranian company, while circumventing the long-standing and widely-known U.S. embargo against Iran. Under the scheme, Hetran would manufacture the machine and ship it from the United States for transshipment to Iran via Dubai, UAE, falsely identifying a company located in the UAE as the ultimate consignee on the shipping and export documentation. As part of the conspiracy, Oertmann was to determine whether Hetran India or Hetran GmbH (Germany) would be used as part of the circumvention.

Oertmann directed his company, Hetran, to manufacture the machine, which would weigh more than 50,000 pounds, and related parts and to accept partial payment from FIMCO in the amount of \$337,500. While the machine was being built, Oertmann and his co-conspirators continued to develop plans concerning the design and delivery of the machine and related parts, as well as additional payments to be made by co-conspirator FIMCO. In or around June 2011, FIMCO began focusing on detailed plans concerning how it could receive the machine in Dubai, UAE, and move it to Iran. During approximately the same time period, FIMCO began using, also in furtherance of conspirators' efforts to circumvent the U.S. embargo against Iran, the company name "Crescent International Trade and Services FZE" and a Dubai, UAE address.⁶ A purchase order for the machine dated July 31, 2011 issued under the name of Crescent International Trade and Services FZE in Dubai, UAE. In connection with this purchase order, on September 19, 2011, Oertmann informed a co-conspirator in India that Hetran could not accept the order directly and that the contract should be executed by Hetran India as the conspirators had previously agreed. Oertmann and his co-conspirators subsequently continued their efforts to circumvent the Iran embargo via transshipment through Dubai, UAE, including with regard to logistics relating to the shipment to Dubai and additional payments to be made to Hetran.

⁵ FIMCO FZE and related persons Khosrow Kasraei and Mujhid Ali (a.k.a. Mujahid Ali Mahmood Ali) were added to the Entity List set forth in Supplement No. 4 to part 744 of the Regulations on August 1, 2014. *Addition of Certain Persons to the Entity List*, 79 Fed. Reg. 44,687 (Aug. 1, 2014).

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Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 4 of 11

Finally, on or about June 17, 2012, Hetran attempted, at Oertmann's direction and consistent with the scheme, to export the bar peeling machine from the United States to Iran through the UAE without the required U.S. Government authorization, which was never sought or obtained. Rather, the Shipper's Export Declaration filed by Hetran in connection with this attempted export to Iran falsely identified the UAE as the ultimate destination, listing Crescent International Trade and Services FZE with a Dubai, UAE address as the ultimate consignee. On June 22, 2012, when BIS Office of Export Enforcement special agents visited Hetran's offices to investigate this shipment, which was occurring by sea, they were falsely told that the machine was destined for installation in the UAE. At approximately the same time, Oertmann directed that a letter be obtained from FIMCO stating, falsely, that the bar peeling machine would remain in Dubai.

Despite knowing of BIS's investigation into this transaction, and that the machine could not be shipped to Iran directly or indirectly through a third country, Oertmann nonetheless continued along with his co-conspirators to act in furtherance of the conspiracy. At Oertmann's direction, Hetran met with FIMCO in Dubai, UAE on or about July 1, 2012, including to arrange for finalizing full payment for the machine, which remained en route to the UAE, and, if necessary, shipping the machine to Hetran India for transshipment from India to Iran. However, on or about July 3, 2012, the BIS Office of Export Enforcement thwarted the attempted unlawful export by issuing a re-delivery order for the machine.

In so doing, Oertmann committed one violation of Section 764.2(d) of the Regulations.

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

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Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 5 of 11

the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the exportation, reexportation, sale or supply from the United States to a third country, such as the UAE, undertaken with knowledge that the items were intended for supply, transshipment or reexportation, directly or indirectly, to Iran. No OFAC authorization was sought or obtained for the transaction described herein.

The conspiracy was formed during meetings involving Hetran held in or about June 2009, including a June 22, 2009 meeting in which Helmut Oertmann ("Oertmann") participated in person. At all times pertinent hereto, Oertmann exercised management control of Hetran as its President and ownership control of Hetran through his sole ownership of Hetran's parent corporation. The conspiracy focused on a scheme to sell and export the items to co-conspirator FIMCO FZE ("FIMCO"),⁹ an Iranian company, while circumventing the long-standing and widely-known U.S. embargo against Iran. Under the scheme, Hetran would manufacture the machine and ship it from the United States for transshipment to Iran via Dubai, UAE, falsely identifying a company located in the UAE as the ultimate consignee on the shipping and export documentation. As part of the conspiracy, Hetran, through Oertmann, was to determine whether Hetran India or Hetran GmbH (Germany) would be used as part of the circumvention.

Hetran manufactured the machine, which weighed over 50,000 pounds, and related parts and accepted partial payment for it from FIMCO in the amount of \$337,500. While the machine was being built, Hetran and its co-conspirators continued to develop plans concerning the design and delivery of the machine and related parts, as well as additional payments to be made by co-conspirator FIMCO. In or around June 2011, FIMCO began focusing on detailed plans concerning how it could receive the machine in Dubai, UAE, and move it to Iran. During approximately the same time period, FIMCO began using, also in furtherance of the conspirators' efforts to circumvent the U.S. embargo against Iran, the company name "Crescent International Trade and Services FZE" and a Dubai, UAE address.¹⁰ A purchase order for the machine dated July 31, 2011 issued under the name of Crescent International Trade and Services FZE in Dubai, UAE. In connection with this purchase order, on September 19, 2011, Hetran, through Oertmann, informed a co-conspirator in India that Hetran could not accept the order directly and that the contract should be executed by Hetran India as the conspirators had previously agreed. The efforts of Hetran, including through Oertmann, and its co-conspirators to circumvent the Iran embargo via transshipment through Dubai, UAE subsequently continued,

entirety. *See* 77 Fed. Reg. 64,664 (Oct. 22, 2012). 31 C.F.R. part 560 remains the same in pertinent part.

⁹ *See* Footnote 5, above.

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Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 6 of 11

including with regard to logistics relating to the shipment to Dubai and additional payments to be made to Hetran.

Finally, on or about June 17, 2012, Hetran attempted, at Oertmann's direction and consistent with the scheme, to export the bar peeling machine from the United States to Iran through the UAE without the required U.S. Government authorization, which was never sought or obtained. Rather, the Shipper's Export Declaration filed by Hetran in connection with this attempted export to Iran falsely identified the UAE as the ultimate destination, listing Crescent International Trade and Services FZE with a Dubai, UAE address as the ultimate consignee. On June 22, 2012, when BIS Office of Export Enforcement special agents visited Hetran's offices to investigate this shipment, which was occurring by sea, they were falsely told that the machine was destined for installation in the UAE. At approximately the same time, Hetran, acting at Oertmann's direction, sought to obtain a letter from FIMCO stating, falsely, that the bar peeling machine would remain in Dubai.

Despite knowing of BIS's investigation into this transaction, and that the machine could not be shipped to Iran directly or indirectly through a third country, Hetran nonetheless continued along with its co-conspirators to act in furtherance of the conspiracy. At Oertmann's direction, Hetran met with FIMCO in Dubai, UAE on or about July 1, 2012, including to arrange for finalizing full payment for the machine, which remained en route to the UAE, and, if necessary, shipping the machine to Hetran India for transshipment from India to Iran. However, on or about July 3, 2012, the BIS Office of Export Enforcement thwarted the attempted unlawful export by issuing a re-delivery order for the machine.

In so doing, Hetran committed one violation of Section 764.2(d) of the Regulations.

WHEREAS, Oertmann and Hetran have reviewed the Proposed Charging Letters and are aware of the allegations made against them and the administrative sanctions that could be imposed against them if the allegations are found to be true;

WHEREAS, Oertmann and Hetran fully understand the terms of this Agreement and the Order ("Order") that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of these matters;

Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 7 of 11

WHEREAS, Oertmann and Hetran enter into this Agreement voluntarily and with full knowledge of their rights, after having consulted with counsel;

WHEREAS, the Parties enter into this Agreement having taken into consideration the plea agreements that Oertmann and Hetran have entered into with the U.S. Attorney's Office for the Middle District of Pennsylvania ("plea agreements");

WHEREAS, Oertmann and Hetran state that no promises or representations have been made to them other than the agreements and considerations herein expressed;

WHEREAS, Oertmann and Hetran agree to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over Oertmann and Hetran, under the Regulations, in connection with the matters alleged in the Proposed Charging Letters.
2. Oertmann and Hetran each admit to the allegations contained in the Proposed Charging Letters.
3. The following sanctions shall be imposed against Oertmann and Hetran in complete settlement of the alleged violations of the Regulations relating to the transactions specifically detailed in the Proposed Charging Letters:
 - a. A civil penalty in the amount of \$837,500 shall be assessed, for which Oertmann and Hetran shall be jointly and severally liable. Oertmann and Hetran shall pay \$337,500 of this penalty to the U.S. Department of Commerce in four installments. A first installment payment of \$100,000 shall be made not later than March 2, 2015. Three additional installment payments shall be made as

Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 8 of 11

follows: \$80,000 not later than September 2, 2015; \$80,000 not later than March 1, 2016; and \$77,500 not later than September 2, 2016. Payment shall be made in the manner specified in the attached instructions. Payment of the remaining \$500,000 shall be suspended for a period of two years from the date of the Order, and thereafter shall be waived, provided that during this two-year payment probationary period under the Order, Oertmann and Hetran comply with the terms of the plea agreements and any sentence imposed upon or following their pleas and convictions, and neither Oertmann nor Hetran has committed a violation of the Act, or any regulation, order, license or authorization issued thereunder and has made full and timely payment of \$337,500 as set forth above. If any of the four installment payments is not fully and timely made, any remaining scheduled installment payments and any suspended penalty may become due and owing immediately.

b. The full and timely payment of the civil penalty agreed to in Paragraph 3.a, and compliance with the plea agreements and any sentence imposed upon or following their pleas and convictions, are hereby made conditions to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Oertmann and/or Hetran. Failure by Oertmann and/or Hetran to make full and timely payment of the civil penalty or comply with the plea agreements and any sentence imposed upon or following their pleas and convictions may result in the denial of all of Oertmann's or Hetran's export privileges under the Regulations

Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 9 of 11

for five years from the date of the failure to make such payment or comply with the plea agreements and any sentence imposed upon or following their pleas and convictions.

4. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, Oertmann and Hetran hereby waive all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if issued), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued. Oertmann and Hetran each also waives and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Act or the Regulations arising out of the transactions identified in the Proposed Charging Letters or in connection with collection of the civil penalty or enforcement of this Agreement and the Order, if issued, from the date of the Order until the date Oertmann and/or Hetran pays in full the civil penalty agreed to in Paragraph 3.a of this Agreement.

5. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 3.a. and compliance with the plea agreements and any sentence imposed on or following their pleas and convictions, BIS will not initiate any further administrative proceeding against Oertmann and Hetran in connection with any violation of the Act or the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letters.

Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 10 of 11

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

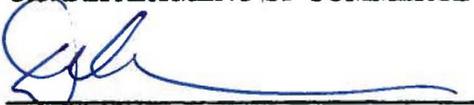
9. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

Helmut Oertmann
Hetran, Inc.

Settlement Agreement
Page 11 of 11

10. Each signatory affirms that he/she has authority to enter into this Settlement Agreement and to bind his/her respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND
SECURITY
U.S. DEPARTMENT OF COMMERCE



Douglas R. Hassebrock
Director of Export Enforcement

Date: 2 Dec 2014

HELMUT OERTMANN


Helmut Oertmann

Date: 12/02/14

HETRAN, INC.


Helmut Oertmann
President

Date: 12/02/14

Reviewed and approved by:


Farhad R. Alavi
Akrivis Law Group PLLC
Counsel for Helmut Oertmann and
Hetran, Inc.

Date: 12/2/14

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Hetran, Inc.
70 Pinedale Industrial Road
Orwigsburg, PA 17961

Attention: Helmut Oertmann, President

Dear Mr. Oertmann:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Hetran, Inc. of Orwigsburg, Pennsylvania (“Hetran”), has violated the Export Administration Regulations (the “Regulations”),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS alleges that Hetran committed the following violation:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning at least in June 2009 and continuing through in or about July 2012, Hetran conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export of a bar peeling machine and related parts that would be manufactured by Hetran from the United States through the United Arab Emirates (“UAE”) to Iran without the required U.S. Government authorization. The items, used in high-grade metal processing and finishing, were designated as EAR99³ under the Regulations and valued at approximately \$895,544. The items were also subject to the Iranian Transactions Regulations (“ITR”) administered by the Department of the

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. parts 730-774 (2014). The violation alleged occurred in 2009-12. The Regulations governing the violation at issue are found in the 2009-2012 versions of the Code of Federal Regulations, 15 C.F.R. parts 730-774 (2009-12). The 2014 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2014 (79 Fed. Reg. 46959 (Aug. 11, 2014)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2006 & Supp. IV 2010)).

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2009-12).

Treasury's Office of Foreign Assets Control ("OFAC").⁴ Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the exportation, reexportation, sale or supply from the United States to a third country, such as the UAE, undertaken with knowledge that the items were intended for supply, transshipment or reexportation, directly or indirectly, to Iran. No OFAC authorization was sought or obtained for the transaction described herein.

The conspiracy was formed during meetings involving Hetran held in or about June 2009, including a June 22, 2009 meeting in which Helmut Oertmann ("Oertmann") participated in person. At all times pertinent hereto, Oertmann exercised management control of Hetran as its President and ownership control of Hetran through his sole ownership of Hetran's parent corporation. The conspiracy focused on a scheme to sell and export the items to co-conspirator FIMCO FZE ("FIMCO"),⁵ an Iranian company, while circumventing the long-standing and widely-known U.S. embargo against Iran. Under the scheme, Hetran would manufacture the machine and ship it from the United States for transshipment to Iran via Dubai, UAE, falsely identifying a company located in the UAE as the ultimate consignee on the shipping and export documentation. As part of the conspiracy, Hetran, through Oertmann, was to determine whether Hetran India or Hetran GmbH (Germany) would be used as part of the circumvention.

Hetran manufactured the machine, which weighed over 50,000 pounds, and related parts and accepted partial payment for it from FIMCO in the amount of \$337,500. While the machine was being built, Hetran and its co-conspirators continued to develop plans concerning the design and delivery of the machine and related parts, as well as additional payments to be made by co-conspirator FIMCO. In or around June 2011, FIMCO began focusing on detailed plans concerning how it could receive the machine in Dubai, UAE, and move it to Iran. During approximately the same time period, FIMCO began using, also in furtherance of the conspirators' efforts to circumvent the U.S. embargo against Iran, the company name "Crescent International Trade and Services FZE" and a Dubai,

⁴ 31 C.F.R. part 560 (2009-12). On October 22, 2012, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the Iranian Transactions and Sanctions Regulations ("ITSR"), amended the renamed ITSR, and reissued them in their entirety. *See* 77 Fed. Reg. 64,664 (Oct. 22, 2012). 31 C.F.R. part 560 remains the same in pertinent part.

⁵ FIMCO FZE and related persons Khosrow Kasraei and Mujhid Ali (a.k.a. Mujahid Ali Mahmood Ali) were added to the Entity List set forth in Supplement No. 4 to part 744 of the Regulations on August 1, 2014. *Addition of Certain Persons to the Entity List*, 79 Fed. Reg. 44,687 (Aug. 1, 2014).

UAE address.⁶ A purchase order for the machine dated July 31, 2011 issued under the name of Crescent International Trade and Services FZE in Dubai, UAE. In connection with this purchase order, on September 19, 2011, Hetran, through Oertmann, informed a co-conspirator in India that Hetran could not accept the order directly and that the contract should be executed by Hetran India as the conspirators had previously agreed. The efforts of Hetran, including through Oertmann, and its co-conspirators to circumvent the Iran embargo via transshipment through Dubai, UAE subsequently continued, including with regard to logistics relating to the shipment to Dubai and additional payments to be made to Hetran.

Finally, on or about June 17, 2012, Hetran attempted, at Oertmann's direction and consistent with the scheme, to export the bar peeling machine from the United States to Iran through the UAE without the required U.S. Government authorization, which was never sought or obtained. Rather, the Shipper's Export Declaration filed by Hetran in connection with this attempted export to Iran falsely identified the UAE as the ultimate destination, listing Crescent International Trade and Services FZE with a Dubai, UAE address as the ultimate consignee. On June 22, 2012, when BIS Office of Export Enforcement special agents visited Hetran's offices to investigate this shipment, which was occurring by sea, they were falsely told that the machine was destined for installation in the UAE. At approximately the same time, Hetran, acting at Oertmann's direction, sought to obtain a letter from FIMCO stating, falsely, that the bar peeling machine would remain in Dubai.

Despite knowing of BIS's investigation into this transaction, and that the machine could not be shipped to Iran directly or indirectly through a third country, Hetran nonetheless continued along with its co-conspirators to act in furtherance of the conspiracy. At Oertmann's direction, Hetran met with FIMCO in Dubai, UAE on or about July 1, 2012, including to arrange for finalizing full payment for the machine, which remained en route to the UAE, and, if necessary, shipping the machine to Hetran India for transshipment from India to Iran. However, on or about July 3, 2012, the BIS Office of Export Enforcement thwarted the attempted unlawful export by issuing a re-delivery order for the machine.

In so doing, Hetran committed one violation of Section 764.2(d) of the Regulations.

* * * * *

⁶ Crescent International Trade and Services FZE also was added to the Entity List on August 1, 2014. *Addition of Certain Persons to the Entity List*, 79 Fed. Reg. 44,687 (Aug. 1, 2014).

Accordingly, Hetran is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including, but not limited to any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$250,000 per violation, or twice the value of the transaction that is the basis of the violation;⁷
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

If Hetran fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. *See* 15 C.F.R. §§ 766.6 and 766.7. If Hetran defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Hetran. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Hetran is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. *See* 15 C.F.R. § 766.6. Hetran is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Hetran have a proposal to settle this case, Hetran should transmit it to the attorney representing BIS named below.

Hetran is further notified that under the Small Business Regulatory Enforcement Flexibility ACT, Hetran may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Hetran's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center

⁷ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Hetran, Inc.
Proposed Charging Letter
Page 5 of 5

40 S. Gay Street
Baltimore, Maryland 21202-4022

In addition, a copy of Hetran's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: Parvin R. Huda
Room H-3839
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Parvin R. Huda is the attorney representing BIS in this case; any communications that Hetran may wish to have concerning this matter should occur through her. Ms. Huda may be contacted by telephone at (202) 482-8050.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Helmut Oertmann
1935 Wynonah Drive
Auburn, PA 17922-9303

Dear Mr. Oertmann:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Helmut Oertmann, of Auburn, Pennsylvania (“Oertmann”), have violated the Export Administration Regulations (the “Regulations”),¹ which issued under the authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS alleges that Oertmann committed the following violation:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy

Beginning at least in June 2009, and continuing through about July 2012, Oertmann conspired and acted in concert with others, known and unknown, to bring about an act that constitutes a violation of the Regulations. The purpose of the conspiracy was to bring about the export of a bar peeling machine and related parts from the United States through the United Arab Emirates (“UAE”) to Iran without the required U.S. Government authorization. The items were to be manufactured and exported by Hetran, Inc., a company over which Oertmann exercised ownership control through his sole ownership of Hetran’s parent corporation and management control as Hetran’s President at all times pertinent hereto. The items, used in high-grade metal processing and finishing, were designated as EAR99³ under the Regulations and valued at approximately \$895,544. The items were also subject to the Iranian Transactions Regulations (“ITR”) administered by

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. parts 730-774 (2014). The violation alleged occurred in 2009-12. The Regulations governing the violation at issue are found in the 2009-2012 versions of the Code of Federal Regulations, 15 C.F.R. parts 730-774 (2009-12). The 2014 Regulations govern the procedural aspects of this case.

² 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2014 (79 Fed. Reg. 46,959 (Aug. 11, 2014)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, *et seq.* (2006 & Supp. IV 2010)).

³ EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List. 15 C.F.R. § 734.3(c) (2009-12).

the Department of the Treasury's Office of Foreign Assets Control ("OFAC").⁴ Pursuant to Section 746.7 of the Regulations, no person may engage in the exportation of an item subject to both the Regulations and the ITR without authorization from OFAC. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran was prohibited at all times pertinent hereto, including the exportation, reexportation, sale or supply from the United States to a third country, such as the UAE, undertaken with knowledge that the items were intended for supply, transshipment or reexportation, directly or indirectly, to Iran. No OFAC authorization was sought or obtained for the transaction described herein.

The conspiracy was formed during meetings held in or about June 2009, including a June 22, 2009 meeting in which Oertmann participated in person. The conspiracy focused on a scheme to sell and export the items to co-conspirator, FIMCO FZE ("FIMCO"),⁵ an Iranian company, while circumventing the long-standing and widely-known U.S. embargo against Iran. Under the scheme, Hetran would manufacture the machine and ship it from the United States for transshipment to Iran via Dubai, UAE, falsely identifying a company located in the UAE as the ultimate consignee on the shipping and export documentation. As part of the conspiracy, Oertmann was to determine whether Hetran India or Hetran GmbH (Germany) would be used as part of the circumvention.

Oertmann directed his company, Hetran, to manufacture the machine, which would weigh more than 50,000 pounds, and related parts and to accept partial payment from FIMCO in the amount of \$337,500. While the machine was being built, Oertmann and his co-conspirators continued to develop plans concerning the design and delivery of the machine and related parts, as well as additional payments to be made by co-conspirator FIMCO. In or around June 2011, FIMCO began focusing on detailed plans concerning how it could receive the machine in Dubai, UAE, and move it to Iran. During approximately the same time period, FIMCO began using, also in furtherance of conspirators' efforts to circumvent the U.S. embargo against Iran, the company name "Crescent International Trade and Services FZE" and a Dubai, UAE address.⁶ A

⁴ 31 C.F.R. part 560 (2009-12). Subsequent to the violation charged herein, OFAC changed the heading of 31 C.F.R. part 560 from the Iranian Transactions Regulations to the Iranian Transactions and Sanctions Regulations ("ITSR"), amended the renamed ITSR in part, and reissued them in their entirety. See 77 Fed. Reg. 64,664 (Oct. 22, 2012). 31 C.F.R. part 560 remains the same in pertinent part.

⁵ FIMCO FZE and related persons Khosrow Kasraei and Mujhid Ali (a.k.a. Mujahid Ali Mahmood Ali) were added to the Entity List set forth in Supplement No. 4 to part 744 of the Regulations on August 1, 2014. *Addition of Certain Persons to the Entity List*, 79 Fed. Reg. 44,687 (Aug. 1, 2014).

⁶ Crescent International Trade and Services FZE also was added to the Entity List on August 1, 2014. *Addition of Certain Persons to the Entity List*, 79 Fed. Reg. 44,687 (Aug. 1, 2014).

purchase order for the machine dated July 31, 2011 issued under the name of Crescent International Trade and Services FZE in Dubai, UAE. In connection with this purchase order, on September 19, 2011, Oertmann informed a co-conspirator in India that Hetran could not accept the order directly and that the contract should be executed by Hetran India as the conspirators had previously agreed. Oertmann and his co-conspirators subsequently continued their efforts to circumvent the Iran embargo via transshipment through Dubai, UAE, including with regard to logistics relating to the shipment to Dubai and additional payments to be made to Hetran.

Finally, on or about June 17, 2012, Hetran attempted, at Oertmann's direction and consistent with the scheme, to export the bar peeling machine from the United States to Iran through the UAE without the required U.S. Government authorization, which was never sought or obtained. Rather, the Shipper's Export Declaration filed by Hetran in connection with this attempted export to Iran falsely identified the UAE as the ultimate destination, listing Crescent International Trade and Services FZE with a Dubai, UAE address as the ultimate consignee. On June 22, 2012, when BIS Office of Export Enforcement special agents visited Hetran's offices to investigate this shipment, which was occurring by sea, they were falsely told that the machine was destined for installation in the UAE. At approximately the same time, Oertmann directed that a letter be obtained from FIMCO stating, falsely, that the bar peeling machine would remain in Dubai.

Despite knowing of BIS's investigation into this transaction, and that the machine could not be shipped to Iran directly or indirectly through a third country, Oertmann nonetheless continued along with his co-conspirators to act in furtherance of the conspiracy. At Oertmann's direction, Hetran met with FIMCO in Dubai, UAE on or about July 1, 2012, including to arrange for finalizing full payment for the machine, which remained en route to the UAE, and, if necessary, shipping the machine to Hetran India for transshipment from India to Iran. However, on or about July 3, 2012, the BIS Office of Export Enforcement thwarted the attempted unlawful export by issuing a re-delivery order for the machine.

In so doing, Oertmann committed one violation of Section 764.2(d) of the Regulations.

* * * * *

Accordingly, Oertmann is hereby notified that an administrative proceeding is instituted against him pursuant to Section 13(c) of the Act and part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including, but not limited to, any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$250,000 per violation, or twice the value of the transaction that is the basis of the violation;⁷
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

If Oertmann fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. *See* 15 C.F.R. §§ 766.6 and 766.7. If Oertmann defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Oertmann. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Oertmann is further notified that he is entitled to an agency hearing on the record if he files a written demand for one with his answer. *See* 15 C.F.R. § 766.6. Oertmann is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should Oertmann have a proposal to settle this case, Oertmann should transmit it to the attorney representing BIS named below.

Oertmann is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Oertmann may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

⁷ *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 110-96, 121 Stat. 1011 (2007).

Helmut Oertmann
Proposed Charging Letter
Page 5 of 5

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Oertmann's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

In addition, a copy of Oertmann's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
Attention: Parvin R. Huda
Room H-3839
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Parvin R. Huda is the attorney representing BIS in this case; any communications that Oertmann may wish to have concerning this matter should occur through her. Ms. Huda may be contacted by telephone at (202) 482-5301.

Sincerely,

Douglas R. Hassebrock
Director
Office of Export Enforcement