

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

In the Matter of:

Pouran Aazad
a.k.a. Pouran Azad
a.k.a. Pourandokt Aazad
a.k.a. Pourandokt Azad
27333 Ursula Lane
Los Altos Hills, CA 94022

Sadr Emad-Vaez
a.k.a. Seid Sadredin Emad Vaez
27333 Ursula Lane
Los Altos Hills, CA 94022

Ghareh Sabz Co.
a.k.a. Ghare Sabz Co.
a.k.a. GHS Technology
No. 446 Farjam St.
Resalat Square
Tehran
Iran

and

No. 25, East Farjam Ave.
Resalat Square
Tehran
Iran

Respondents

Docket Number: 18-BIS-0001

**ORDER RELATING TO POURAN AAZAD, SADR EMAD-VAEZ
AND GHAREH SABZ CO.**

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Pouran Aazad, a.k.a. Pouran Azad, a.k.a. Pourandokt Aazad, a.k.a. Pourandokt Azad (“Aazad”), Sadr Emad-Vaez, a.k.a. Seid Sadredin Emad Vaez (“Emad-Vaez”), and Ghareh Sabz Co., a.k.a. Ghare Sabz Co., a.k.a. GHS Technology (“Ghareh Sabz Co.”) (collectively “Respondents”) that it has initiated an administrative proceeding against

them pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),¹ through the issuance of a Charging Letter to Respondents that alleges that Respondents have violated the Regulations.² Aazad and Emad-Vaez are Iranian nationals and naturalized citizens of the United States, with last known addresses in Los Altos Hills, California; Ghareh Sabz Co. is an Iranian company, with last known addresses in Tehran, Iran. Specifically, the charge is:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export an Item from the United States to Iran without the Required U.S. Government Authorization

1. Beginning as early as in or around November 2012, and continuing at least until on or about April 26, 2013, Aazad, Emad-Vaez, and Ghareh Sabz Co. conspired and acted in concert with others, known and unknown, to violate the Regulations and to bring about an act or acts that constitute a violation of the Regulations. The purpose of the conspiracy was to evade the long-standing and well-known U.S. embargo against Iran by purchasing a U.S.-origin micro-drill press for export to Iran and causing the export of this item to

¹ The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 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 8, 2018 (83 Fed. Reg. 39,871 (Aug. 13, 2018)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, Title XVII, Subtitle B of Pub. L. 115-232, 132 Stat. 2208 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules, regulations, orders, and other forms of administrative action that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2019). The charged violation occurred in 2012 through 2013. The Regulations governing the violation at issue are found in the 2012 through 2013 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2012-2013)). The 2019 Regulations set forth the procedures that apply to this matter.

Iran, via transshipment through the United Arab Emirates (“UAE”), without the required U.S. Government authorization.

2. Based upon information and belief, Aazad and Emad-Vaez were at all times pertinent hereto Iranian nationals and naturalized citizens of the United States who lived variously in both Tehran, Iran and Northern California. Aazad held herself out as the Chief Financial Officer of Ghareh Sabz Co., while Emad-Vaez described himself as the company's founder and Chief Executive Officer.
3. The conspiracy led to the unauthorized attempted export of a highly-accurate micro drill press with a video edge finder, process inspection camera, and spray mister system from the United States to Iran, via transshipment through the UAE. The micro drill press is subject to the Regulations, designated as EAR99,³ and valued at \$15,199. This item also is subject to the Iranian Transactions and Sanctions Regulations (“ITSR”), administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (“OFAC”).⁴
4. Section 746.7 of the Regulations has long provided, including at all times pertinent hereto, that no person may engage in the export or reexport of any item subject to both the Regulations and the ITSR without authorization from OFAC. 15 C.F.R. § 746.7 (2012-2013, 2018). Section 560.204 of the ITR in turn has long prohibited, including at all times pertinent hereto, the unauthorized export, reexport, sale or supply, directly or indirectly, of any item from the United States to Iran. This broad prohibition includes the export, reexport, sale, or supply of any item from the United States to a third country, such as the UAE, undertaken with knowledge or reason to know that the item was intended for supply, transshipment, or reexportation, directly or indirectly, to Iran. 31 C.F.R. § 560.204 (2012-2013).⁵
5. As further detailed below, Respondents sought out a U.S.-origin drill press for purchase and export to Iran. On or about November 12, 2012, in response to a request from Ghareh Sabz Co., the U.S. manufacturer of the micro drill press sent Ghareh Sabz Co. a price quote for the micro drill press and its parts and

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) (2012-2013).

⁴ See 31 CFR § 560 (2012-2013). The ITSR were known as the Iranian Transactions Regulations (“ITR”) until October 22, 2012. By final rule published and effective on that date, OFAC changed the heading of 31 C.F.R. part 560 from the “Iranian Transactions Regulations” to the “Iranian Transactions and Sanctions Regulations,” 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 remained (and remains) the same in pertinent part.

⁵ See note 4, *supra*.

components. That same day, the Ghareh Sabz Co. employee forwarded the quote and specifications to another Ghareh Sabz Co. employee and to Aazad and Emad-Vaez, with the message that “The forwarded documents include a quotation for Micro-Drill Machine!”

6. On or about November 17, 2012, a purchasing agent at Ghareh Sabz Co. sent the U.S. manufacturer instructions for the order along with requests for a price discount and promises to send a purchase order. The same purchasing agent later sent the U.S. manufacturer a purchase order, dated February 12, 2013, on Ghareh Sabz Co. letterhead. The purchase order listed the drill press and related parts and components being acquired, listed the U.S. manufacturer as the supplier, and listed Ghareh Sabz Co. as the consignee. The purchase order was approved and signed by Aazad.
7. In furtherance of the conspiracy and in an effort to avoid detection by law enforcement, a Ghareh Sabz Co. purchasing agent sent an email to the U.S. manufacturer, on or about March 2, 2013, stating: “Since we are not able to receive the cargo directly, please arrange to send it to Dubai.” The purchasing agent also provided the U.S. manufacturer the address and contact information for a shipping and forwarding company in Dubai, UAE, and added that this UAE shipping and forwarding company should be listed as the buyer “in all the documents (invoice, packing list, certificate of origin, Bill of lading)[.]” (Parenthetical in original). On or about March 18, 2013, the Ghareh Sabz Co. purchasing agent sent the U.S. manufacturer a similar email, stating: “Since we can not receive the cargo in Iran please send it to Dubai . . . [p]lease note that [the UAE] shipping and forwarding Co. is the buyer in all the documents (invoice, packing list, certificate of origin & billing of lading) & you should send complete documents to them so they will be able to import the machine in Dubai. Then they will export it to Iran.” (Parenthetical in original). On or about that same date, Aazad and Emad-Vaez received an email confirming a wire transfer on behalf of Ghareh Sabz Co. to the U.S. manufacturer in the amount of \$15,199.
8. On or about April 22, 2013, in furtherance of the scheme to unlawfully export the item to Iran through the UAE, Ghareh Sabz Co. directed the U.S. manufacturer to change shipping documentation in order to list a UAE general trading company as the consignee so that the export could proceed.
9. On or about April 26, 2013, BIS, upon learning of the planned export, ordered the item detained at a warehouse outside San Francisco International Airport. No authorization to export the item had been sought or obtained from OFAC.
10. In so doing, Respondents violated Section 764.2(d) of the Regulations, for which

they are jointly and severally liable.

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

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

WHEREAS, in doing so, I have taken into consideration the plea agreements that Respondents have entered into with the United States Attorney's Office for the Northern District of California (the "plea agreements").

IT IS THEREFORE ORDERED:

FIRST, Respondents shall be assessed a civil penalty in the amount of \$300,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of this Order. Respondents are jointly and severally liable for the payment of this civil penalty. Respondents' compliance in full with all of the provisions of the Settlement Agreement and this Order, including full and timely payment of this civil penalty, and their compliance in full with their plea agreements and any sentences imposed against them following or upon their guilty pleas and convictions, are hereby made conditions to any license, license exception, permission, or privilege that may otherwise be granted or be available to Respondents under the Regulations following expiration of the denial of export privileges set forth below.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2012)), 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 date specified herein, Respondents 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, for a period of ten (10) years from the date of this Order, Pouran Aazad, a.k.a. Pouran Azad, a.k.a. Pourandokt Aazad, a.k.a. Pourandokt Azad, with a last known address of 27333 Ursula Lane, Los Altos Hills, CA 94022; Sadr Emad-Vaez, a.k.a. Seid Sadredin Emad Vaez, with a last known address of 27333 Ursula Lane, Los Altos Hills, CA 94022; and Ghareh Sabz Co., a.k.a. Ghare Sabz Co., a.k.a. GHS Technology, with last known addresses of No. 446 Farjam St., Resalat Square, Tehran, Iran and No. 25 Farjam Ave., Resalat Square, Tehran, Iran, and when acting for or on their behalf, their successors, assigns, directors, officers, employees, representatives, and agents (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 Regulations, or in any other activity subject to the Regulations, 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 Regulations, or engaging in any other activity subject to the Regulations; or

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

FOURTH, 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 Regulations;
- 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 Regulations 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 Regulations that has been exported from the United States;
- D. Obtain from a Denied Person in the United States any item subject to the Regulations 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 Regulations 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 Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

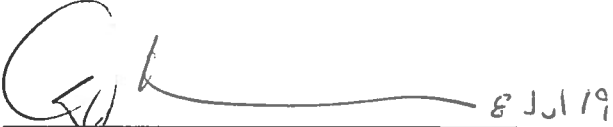
FIFTH, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to a Denied Person by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business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

SIXTH, Respondents shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Charging Letter or this Order.

SEVENTH, the Charging Letter, the Settlement Agreement, and this Order shall be made available to the public.

EIGHTH, this Order shall be served on Respondents, and shall be published in the *Federal Register*.

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



Douglas R. Hassebrock
Director, Office of Export Enforcement, 8 JUL 19

Pouran Aazad
Sadr Emad-Vaez
Ghareh Sabz Co.
Order
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performing the non-exclusive functions
and duties of the Assistant Secretary of
Commerce for Export Enforcement

Issued this 8th day of July 2019.

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
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In the Matter of:

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Ghareh Sabz Co.
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No. 446 Farjam St.
Resalat Square
Tehran
Iran

and

No. 25, East Farjam Ave.
Resalat Square
Tehran
Iran

Respondents

Docket Number: 18-BIS-0001

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Pouran Aazad, a.k.a. Pouran Azad, a.k.a. Pourandokt Aazad, a.k.a. Pourandokt Azad (“Aazad”), Sadr Emad-Vaez, a.k.a. Seid Sadredin Emad Vaez (“Emad-Vaez”), and Ghareh Sabz Co., a.k.a. Ghare Sabz Co., a.k.a. GHS Technology (“Ghareh Sabz Co.”) (collectively, “Respondents”), and the Bureau of Industry and Security, U.S. Department of Commerce

(“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(b) of the Export Administration Regulations (the “Regulations”).¹ Aazad and Emad-Vaez are Iranian nationals and naturalized citizens of the United States, with last known addresses in Los Altos Hills, California; Ghareh Sabz Co. is an Iranian company, with last known addresses in Tehran, Iran.

WHEREAS, BIS has initiated an administrative proceeding against Respondents, pursuant to the Regulations;²

WHEREAS, BIS has issued a Charging Letter to Respondents that alleges that Respondents have violated the Regulations, specifically:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export an Item from the United States to Iran without the Required U.S. Government Authorization

1. Beginning as early as in or around November 2012, and continuing at least until on or about April 26, 2013, Aazad, Emad-Vaez, and Ghareh Sabz Co. conspired and acted in concert with others, known and unknown, to violate the Regulations and to bring about an act or acts that constitute a violation

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of the Regulations. The purpose of the conspiracy was to evade the long-standing and well-known U.S. embargo against Iran by purchasing a U.S.-origin micro-drill press for export to Iran and causing the export of this item to Iran, via transshipment through the United Arab Emirates (“UAE”), without the required U.S. Government authorization.

2. Based upon information and belief, Aazad and Emad-Vaez were at all times pertinent hereto Iranian nationals and naturalized citizens of the United States who lived variously in both Tehran, Iran and Northern California. Aazad held herself out as the Chief Financial Officer of Ghareh Sabz Co., while Emad-Vaez described himself as the company's founder and Chief Executive Officer.
3. The conspiracy led to the unauthorized attempted export of a highly-accurate micro drill press with a video edge finder, process inspection camera, and spray mister system from the United States to Iran, via transshipment through the UAE. The micro drill press is subject to the Regulations, designated as EAR99,³ and valued at \$15,199. This item also is subject to the Iranian Transactions and Sanctions Regulations (“ITSR”), administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (“OFAC”).⁴
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⁵ See note 4, *supra*.

5. As further detailed below, Respondents sought out a U.S.-origin drill press for purchase and export to Iran. On or about November 12, 2012, in response to a request from Ghareh Sabz Co., the U.S. manufacturer of the micro drill press sent Ghareh Sabz Co. a price quote for the micro drill press and its parts and components. That same day, the Ghareh Sabz Co. employee forwarded the quote and specifications to another Ghareh Sabz Co. employee and to Aazad and Emad-Vaez, with the message that “The forwarded documents include a quotation for Micro-Drill Machine!”
 6. On or about November 17, 2012, a purchasing agent at Ghareh Sabz Co. sent the U.S. manufacturer instructions for the order along with requests for a price discount and promises to send a purchase order. The same purchasing agent later sent the U.S. manufacturer a purchase order, dated February 12, 2013, on Ghareh Sabz Co. letterhead. The purchase order listed the drill press and related parts and components being acquired, listed the U.S. manufacturer as the supplier, and listed Ghareh Sabz. Co. as the consignee. The purchase order was approved and signed by Aazad.
 7. In furtherance of the conspiracy and in an effort to avoid detection by law enforcement, a Ghareh Sabz Co. purchasing agent sent an email to the U.S. manufacturer, on or about March 2, 2013, stating: “Since we are not able to receive the cargo directly, please arrange to send it to Dubai.” The purchasing agent also provided the U.S. manufacturer the address and contact information for a shipping and forwarding company in Dubai, UAE, and added that this UAE shipping and forwarding company should be listed as the buyer “in all the documents (invoice, packing list, certificate of origin, Bill of lading)[.]” (Parenthetical in original). On or about March 18, 2013, the Ghareh Sabz Co. purchasing agent sent the U.S. manufacturer a similar email, stating: “Since we can not receive the cargo in Iran please send it to Dubai . . . [p]lease note that [the UAE] shipping and forwarding Co. is the buyer in all the documents (invoice, packing list, certificate of origin & billing of lading) & you should send complete documents to them so they will be able to import the machine in Dubai. Then they will export it to Iran.” (Parenthetical in original). On or about that same date, Aazad and Emad-Vaez received an email confirming a wire transfer on behalf of Ghareh Sabz Co. to the U.S. manufacturer in the amount of \$15,199.
 8. On or about April 22, 2013, in furtherance of the scheme to unlawfully export
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the item to Iran through the UAE, Ghareh Sabz Co. directed the U.S. manufacturer to change shipping documentation in order to list a UAE general trading company as the consignee so that the export could proceed.

9. On or about April 26, 2013, BIS, upon learning of the planned export, ordered the item detained at a warehouse outside San Francisco International Airport. No authorization to export the item had been sought or obtained from OFAC.
10. In so doing, Respondents violated Section 764.2(d) of the Regulations, for which they are jointly and severally liable.

WHEREAS, Respondents have reviewed the Charging Letter 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, Respondents 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 this matter;

WHEREAS, Respondents 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 in consideration the plea agreements between the Respondents and the United States Attorney's Office for the Northern District of California related to this matter (the "plea agreements");

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

WHEREAS, Respondents 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 Respondents, under the Regulations, in connection with the matters alleged in the Charging Letter.

2. Respondents admit each of the allegations contained and the violations alleged in the Charging Letter.

3. The following sanctions shall be imposed against Respondents:

a. Respondents shall be assessed a civil penalty in the amount of \$300,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Respondents are jointly and severally liable for the payments of this civil penalty. Payment shall be made in the manner specified in the attached instructions. Respondents' compliance in full with all of the provisions of this Agreement and the Order, if issued, including full and timely payment of the civil penalty agreed to in this Paragraph, and their compliance in full with their plea agreements and any sentences imposed against them following or upon their guilty pleas and convictions, are hereby made conditions to any license, license exception, permission, or privilege that may otherwise be granted or be available to Respondents under the Regulations following expiration of the denial of export privileges agreed to in Paragraph 3.b. below.

b. For a period of ten (10) years from the date of the Order, Pouran Aazad, a.k.a. Pouran Azad, a.k.a. Pourandokt Aazad, a.k.a. Pourandokt Azad, with a last known address of 27333 Ursula Lane, Los Altos Hills, CA 94022; Sadr Emad-Vaez, a.k.a. Seid Sadredin Emad Vaez, with a last known address of

27333 Ursula Lane, Los Altos Hills, CA 94022; and Ghareh Sabz Co., a.k.a. Ghare Sabz Co., a.k.a. GHS Technology, with last known addresses of No. 446 Farjam St., Resalat Square, Tehran, Iran and No. 25 Farjam Ave., Resalat Square, Tehran, Iran, and when acting for or on their behalf, their successors, assigns, directors, officers, employees, representatives, and agents (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 Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- i. Applying for, obtaining, or using any license, license exception, or export control document;
- ii. 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 Regulations, or engaging in any other activity subject to the Regulations; or
- iii. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or from any other activity subject to the Regulations.

4. Subject to the approval of this Agreement pursuant to Paragraph 9 hereof, Respondents hereby waive all rights to further procedural steps in this matter (except the procedural steps set forth in Sections 766.17(c) and 766.18(c) of the Regulations with respect to the possible activation of suspended sanctions, if any, due to an alleged violation or violations of this Agreement or the Order), including, without limitation, any right to: (a) receive 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. Respondents also waive and will not assert any Statute of Limitations defense, and the Statute of Limitations will be tolled, in connection with any violation of the Regulations arising out of the transactions identified in the Charging Letter 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 later of the date Respondents have complied in full with all of the provisions of this Agreement, or have complied in full with all of the terms of their plea agreements and any sentences imposed against them.

5. Respondents shall not take any action or make or permit to be made any public statement, directly or indirectly, denying the allegations in the Charging Letter or the Order.

6. BIS agrees that upon Respondents' compliance in full with all of the provisions of this Agreement, including full and timely payment of the civil penalty as set forth in Paragraph 3.a above, and compliance in full with their plea agreements and any

sentences imposed against them following or upon their guilty pleas and convictions, BIS will not initiate any further administrative proceeding against Respondents in connection with any violation of the Regulations arising out of the transaction specifically detailed in the Charging Letter.

7. 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(b) 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.

8. 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.

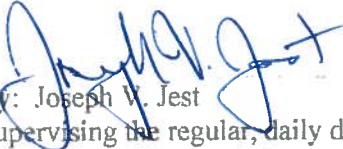
9. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

10. If the Order issues, BIS will make the Charging Letter, this Agreement, and the Order available to the public.

11. Each signatory affirms that she/he 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


By: Joseph W. Jest
Supervising the regular, daily duties of the
Office of Chief Counsel for Industry and
Security

Date: June 14, 2019

POURAN AAZAD



Pouran Aazad

Date: June 13, 2019

SADR EMAD-VAEZ



Sadr Emad-Vaez

Date: June 13, 2019

Reviewed and approved by:



Teresa Taylor, Esq.
Farhad R. Alavi, Esq.
Akrivis Law Group, PLLC
Counsel for Pouran Aazad and
Sadr Emad-Vaez

Date: June 14, 2019

GHAREH SABZ CO.



Sadr Emad-Vaez, Chief Executive Officer

Date: June 13, 2019



UNITED STATES DEPARTMENT OF COMMERCE
Office of the General Counsel
OFFICE OF CHIEF COUNSEL FOR INDUSTRY AND SECURITY
Washington, D.C. 20230

CHARGING LETTER

June 29, 2018

By UPS

Pouran Aazad
a.k.a. Pouran Azad
a.k.a. Pourandokt Aazad
a.k.a. Pourandokt Azad
27333 Ursula Lane
Los Altos Hills, CA 94022

Sadr Emad-Vaez
a.k.a. Seid Sadredin Emad Vaez
27333 Ursula Lane
Los Altos Hills, CA 94022

By Federal Express Return Receipt Requested

Ghareh Sabz Co.
a.k.a Ghare Sabz Co.
a.k.a. GHS Technology
No. 446 Farjam St.
Resalat Square
Tehran
Iran

Attn: *Pouran Aazad and Sadr Emad-Vaez*

Dear Ms. Aazad and Mr. Emad-Vaez:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that you, Pouran Aazad (a.k.a. Pouran Azad, a.k.a. Pourandokt Aazad, and a.k.a. Pourandokt Azad) (“Aazad”) and Sadr Emad-Vaez a.k.a. Seid Sadredin Emad Vaez (“Emad-Vaez”), and Ghareh Sabz Co. (a.k.a Ghare Sabz Co. and a.k.a. GHS Technology) (“Ghareh Sabz Co.”), of Tehran, Iran (hereinafter, collectively, “Respondents”), violated the Export Administration Regulations (the “EAR” or “Regulations”),¹ which issued under the

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2018). The charged violations occurred in 2012 through 2013. The Regulations governing the violations at issue are found in the 2012 through 2013 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2012-2013)). The 2018 Regulations currently set forth the procedures that apply to this matter.

authority of the Export Administration Act of 1979, as amended (the “Act”).² Specifically, BIS charges that Respondents committed the following violation:

Charge 1 15 C.F.R. § 764.2(d) – Conspiracy to Export an Item from the United States to Iran without the Required U.S. Government Authorization

1. Beginning as early as in or around November 2012, and continuing at least until on or about April 26, 2013, Aazad, Emad-Vaez, and Ghareh Sabz Co. conspired and acted in concert with others, known and unknown, to violate the Regulations and to bring about an act or acts that constitute a violation of the Regulations. The purpose of the conspiracy was to evade the long-standing and well-known U.S. embargo against Iran by purchasing a U.S.-origin micro-drill press for export to Iran and causing the export of this item to Iran, via transshipment through the United Arab Emirates (“UAE”), without the required U.S. Government authorization.
2. Based upon information and belief, Aazad and Emad-Vaez were at all times pertinent hereto Iranian nationals and naturalized citizens of the United States who lived variously in both Tehran, Iran and Northern California. Aazad held herself out as the Chief Financial Officer of Ghareh Sabz Co., while Emad-Vaez described himself as the company’s founder and Chief Executive Officer.
3. The conspiracy led to the unauthorized attempted export of a highly-accurate micro drill press with a video edge finder, process inspection camera, and spray mister system from the United States to Iran, via transshipment through the UAE. The micro drill press is subject to the Regulations, designated as EAR99,³ and valued at \$15,199. This item also is subject to the Iranian Transactions and Sanctions Regulations (“ITSR”), administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”).⁴

² 50 U.S.C. app. §§ 4601-4623 (Supp. III 2015). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended most recently by the Notice of August 15, 2017 (82 Fed. Reg. 39,005) (August 16, 2017)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701, *et seq.*) (2012).

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) (2012-2013).

⁴ See 31 CFR § 560 (2012-2013). The ITSR were known as the Iranian Transactions Regulations (“ITR”) until October 22, 2012. By final rule published and effective on that date, OFAC changed the heading of 31 C.F.R. part 560 from the “Iranian Transactions Regulations” to the “Iranian Transactions and Sanctions Regulations,” 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 remained (and remains) the same in pertinent part.

4. Section 746.7 of the Regulations has long provided, including at all times pertinent hereto, that no person may engage in the export or reexport of any item subject to both the Regulations and the ITR without authorization from OFAC. 15 C.F.R. § 746.7 (2012-2013, 2018). Section 560.204 of the ITR in turn has long prohibited, including at all times pertinent hereto, the unauthorized export, reexport, sale or supply, directly or indirectly, of any item from the United States to Iran. This broad prohibition includes the export, reexport, sale, or supply of any item from the United States to a third country, such as the UAE, undertaken with knowledge or reason to know that the item was intended for supply, transshipment, or reexportation, directly or indirectly, to Iran. 31 C.F.R. § 560.204 (2012-2013).⁵
5. As further detailed below, Respondents sought out a U.S.-origin drill press for purchase and export to Iran. On or about November 12, 2012, in response to a request from Ghareh Sabz Co., the U.S. manufacturer of the micro drill press sent Ghareh Sabz Co. a price quote for the micro drill press and its parts and components. That same day, the Ghareh Sabz Co. employee forwarded the quote and specifications to another Ghareh Sabz Co. employee and to Aazad and Emad-Vaez, with the message that “The forwarded documents include a quotation for Micro-Drill Machine!”
6. On or about November 17, 2012, a purchasing agent at Ghareh Sabz Co. sent the U.S. manufacturer instructions for the order along with requests for a price discount and promises to send a purchase order. The same purchasing agent later sent the U.S. manufacturer a purchase order, dated February 12, 2013, on Ghareh Sabz Co. letterhead. The purchase order listed the drill press and related parts and components being acquired, listed the U.S. manufacturer as the supplier, and listed Ghareh Sabz. Co. as the consignee. The purchase order was approved and signed by Aazad.
7. In furtherance of the conspiracy and in an effort to avoid detection by law enforcement, a Ghareh Sabz Co. purchasing agent sent an email to the U.S. manufacturer, on or about March 2, 2013, stating: “Since we are not able to receive the cargo directly, please arrange to send it to Dubai.” The purchasing agent also provided the U.S. manufacturer the address and contact information for a shipping and forwarding company in Dubai, UAE, and added that this UAE shipping and forwarding company should be listed as the buyer “in all the documents (invoice, packing list, certificate of origin, Bill of lading)[.]” (Parenthetical in original). On or about March 18, 2013, the Ghareh Sabz Co. purchasing agent sent the U.S. manufacturer a similar email, stating: “Since we can not receive the cargo in Iran please send it to Dubai . . . [p]lease note that [the UAE] shipping and forwarding Co. is the buyer in all the documents (invoice, packing list, certificate of origin & billing of lading) & you should send complete documents to them so they will be able to import the machine in Dubai. Then they will export it to Iran.” (Parenthetical in original). On or about that same date, Aazad and Emad-Vaez received an email

⁵ See note 4, *supra*.

confirming a wire transfer on behalf of Ghareh Sabz Co. to the U.S. manufacturer in the amount of \$15,199.

8. On or about April 22, 2013, in furtherance of the scheme to unlawfully export the item to Iran through the UAE, Ghareh Sabz Co. directed the U.S. manufacturer to change shipping documentation in order to list a UAE general trading company as the consignee so that the export could proceed.
9. On or about April 26, 2013, BIS, upon learning of the planned export, ordered the item detained at a warehouse outside San Francisco International Airport. No authorization to export the item had been sought or obtained from OFAC.
10. In so doing, Respondents violated Section 764.2(d) of the Regulations, for which they are jointly and severally liable.

* * * * *

Accordingly, Respondents are hereby notified that an administrative proceeding is instituted against them 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 any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$295,141⁶ 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 Respondents fail 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 Respondents default, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Respondents. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

⁶ See 15 C.F.R. § 6.3(b)(4). This amount is subject to annual increases pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Sec. 701 of Public Law 114-74, enacted on November 2, 2015. *See* 83 Fed. Reg. 706, 707 (Jan. 8, 2018) (Adjusting for inflation the maximum civil monetary penalty under IEEPA from \$289,238 to \$295,141, effective January 15, 2018).

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

Pouran Aazad
Sadr Emad-Vaez
Ghareh Sabz Co.
Charging Letter
Page 5 of 5

Respondents are further notified that they are entitled to an agency hearing on the record if they file a written demand for one with their answer. *See* 15 C.F.R. § 766.6. Respondents are also entitled to be represented by counsel or other authorized representative who has power of attorney to represent them. *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 Respondents have a proposal to settle this case, Respondents or their representative should transmit it to the attorney representing BIS named below.

Respondents are further notified that under the Small Business Regulatory Enforcement Flexibility Act, Respondents 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, Respondents' answers 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 any answer must be served on BIS at the following address:

Chief Counsel for Industry and Security
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Room H-3839
Washington, D.C. 20230
Attention: Adrienne Frazier, Esq.

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

Sincerely,



Douglas R. Hassebrock
Director
Office of Export Enforcement