



# Department of Justice

**United States Attorney Peter J. Smith  
Middle District of Pennsylvania**

---

FOR IMMEDIATE RELEASE  
WEDNESDAY, JANUARY 6, 2016  
[WWW.JUSTICE.GOV/USAO/PAM](http://WWW.JUSTICE.GOV/USAO/PAM)

PIO CONTACT: Dawn Mayko  
WORK: (717) 221-4458  
CELL: (717) 649-3922  
EMAIL: Dawn.Mayko@usdoj.gov

## **IRANIAN COMPANY SENTENCED FOR U.S. EXPORT VIOLATION**

HARRISBURG - The United States Attorney's Office for the Middle District of Pennsylvania and the Office of Export Enforcement of the United States Department of Commerce announced that FIMCO, an Iranian corporation, was sentenced today to pay a \$100,000 criminal fine by United States District Court Judge Yvette Kane in Harrisburg for conspiracy to evade export licensing requirements.

The conspiracy was in connection with an attempt to smuggle to Iran a machine with possible military as well as civilian applications.

According to U.S. Attorney Peter Smith, in December 2012, a federal grand jury in Harrisburg charged FIMCO in a sealed indictment made public in July 2015. In April 2014, an American company, Hetran, Inc., an engineering and manufacturing corporation in Orwigsburg, Schuylkill County, Pennsylvania, and its President, Helmut Oertmann, were charged with participating in the conspiracy. A guilty plea was entered on behalf of the corporation in July 2015 before United States Magistrate Judge Susan E. Schwab.

Hetran manufactured a large horizontal lathe, also described as a bar peeling machine ("peeler"), valued at more than \$800,000 and weighing in excess of 50,000 pounds. The machine is used in the production of high grade steel for the manufacture of automobile and aircraft parts.

Under U.S. law and regulations, American companies are forbidden to ship "dual use" items (items with civilian as well as military or proliferation applications), such as the peeler, to Iran without first obtaining a license from the U.S. Government. Aware that it was unlikely that such a license would be granted, FIMCO, which does business in Dubai, United Arab Emirates, and other alleged co-conspirators agreed to falsely state on the shipping documents that the end-user of the peeler was Crescent International Trade and Services FZE (Crescent), an affiliated company, knowing that the machine would subsequently be shipped to Iran after being off-loaded in Dubai.

In June 2012, Hetran caused the peeling machine to be shipped from Pennsylvania to Dubai in the United Arab Emirates, fraudulently listing Crescent as the end-user, knowing that the shipment was ultimately being sent by FIMCO to Iran in violation of federal law. The Office of Export Enforcement, Bureau of Industry and Security (BIS), U.S. Department of Commerce detected the shipment and ordered that it be re-delivered to the United States. The seizure of key shipping documents, emails and correspondence from Hetran to Iran revealed the scheme, and was critical to the success of the case, and to shutting down the contemplated shipment.

As part of its plea agreement with the United States, FIMCO agreed that the government would recommend a criminal fine. The company also has agreed under a settlement with BIS to pay a \$837,500 civil penalty to the U.S. Department of Commerce, of which it paid \$587,500 out-of-pocket, with the remaining \$250,000 suspended for two years. The suspended portion of the civil penalty will be waived thereafter so long as FIMCO complies with the terms of the plea agreement and any criminal sentence and satisfies certain additional conditions. FIMCO will also be made subject to a two-year suspended denial of its export privileges.

"The penalty imposed today, together with the six-figure administrative penalty being paid by FIMCO to the Department of Commerce, reflects the seriousness of the violation, said Under Secretary of Commerce Eric L. Hirschhorn. The Office of Export Enforcement will continue to pursue and fully prosecute those who violate our export control laws and threaten our national security."

During the investigation by the Department of Commerce's Bureau of Industry and Security (BIS), FIMCO and Crescent were placed on BIS's Entity list in August 2014. The Entity List identifies foreign parties that are prohibited from receiving listed items unless the exporter secures a license. Those persons present a greater risk of diversion to weapons of mass destruction (WMD) programs, terrorism, or other activities contrary to U.S. national security or foreign policy interests. By publicly listing such persons, the Entity List serves as an important tool to prevent unauthorized trade in such items.

In December 2014, Helmut Oertmann and Hetran were sentenced by Judge Kane to 12 months' probation; Oertmann and Hetran were ordered as part of a settlement with BIS to pay a penalty of \$837,500 with \$337,500 of that amount paid out-of-pocket and the remainder conditionally suspended, which penalty Judge Kane adopted as to Oertmann and Hetran. The other indicted company, Crescent International Trade and Services FZE, and the three Iranian individuals who served as officers of FIMCO, Khosrow Kasraei, Reza Ghoreishi, and Mujahid Ali, are presently fugitives.

The case was investigated by the New York Field Office of the Office of Export Enforcement, Bureau of Industry and Security, Department of Commerce. The Department of Commerce's Office of the Chief Counsel for Industry and Security handled the civil proceedings. The prosecution was handled by Assistant U.S. Attorney Christy H. Fawcett and was overseen by the National Security Division of the U.S. Department of Justice.

###