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

Anvik Technologies Sdn. Bhd.
a/k/a Anvik Technologies

Level 20, Menara Standard Chartered, 30 Jalan Sultan Ismail,
Kuala Lumpur 50250, Malaysia

Level 36, Menara Citibank, 165 Jalan Ampang,
Kuala Lumpur 50450, Malaysia

Level 19, Two International Finance Centre, 8 Finance Street Central
Hong Kong

155 North Wacker Drive, 42nd Floor, Chicago, IL 60606; and

Babak Jafarpour
a/k/a Bob Jefferson

Level 20, Menara Standard Chartered, 30 Jalan Sultan Ismail,
Kuala Lumpur 50250, Malaysia

Level 36, Menara Citibank, 165 Jalan Ampang,
Kuala Lumpur 50450, Malaysia

Level 19, Two International Finance Centre, 8 Finance Street Central
Hong Kong

155 North Wacker Drive, 42nd Floor, Chicago, IL 60606

Respondents.

ORDER TEMPORARILY DENYING EXPORT PRIVILEGES

Pursuant to Section 766.24 of the Export Administration Regulations ("EAR" or the "Regulations"),[1] the Bureau of Industry and Security ("BIS"), U.S. Department of Commerce, through its Office of Export Enforcement ("OEE"), has requested that I issue an Order temporarily denying, for a period of 180 days, the export privileges under the EAR of:

1. Anvik Technologies Sdn. Bhd. a/k/a Anvik Technologies

   Level 20, Menara Standard Chartered, 30 Jalan Sultan Ismail,
   Kuala Lumpur 50250, Malaysia

   Level 36, Menara Citibank, 165 Jalan Ampang,
   Kuala Lumpur 50450, Malaysia

   Level 19, Two International Finance Centre, 8 Finance Street Central
   Hong Kong

   155 North Wacker Drive, 42nd Floor, Chicago, IL 60606[2]

2. Babak Jafarpour a/k/a Bob Jefferson

   Level 20, Menara Standard Chartered, 30 Jalan Sultan Ismail,
   Kuala Lumpur 50250, Malaysia

   Level 36, Menara Citibank, 165 Jalan Ampang,
   Kuala Lumpur 50450, Malaysia

   Level 19, Two International Finance Centre, 8 Finance Street Central
   Hong Kong

   155 North Wacker Drive, 42nd Floor, Chicago, IL 60606[3]

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[1] The EAR is currently codified at 15 C.F.R. Parts 730-774 (2010). The EAR are issued under the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("EAA"). 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 12, 2010 (75 Fed. Reg. 50681 (Aug. 16, 2010)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.) ("IEEPA").

[2] As explained further below, this address is an address for "virtual office space" leased by Respondents from a company called Servcorp. See note 4. *infra*. It is BIS's understanding that other persons also rent "virtual office space" at this address. The only current users at this address subject to this Temporary Denial Order as issued are the Respondents listed above. Other persons currently using this address are not subject to the Order.

[3] See footnote 2 above.

LEGAL STANDARD

Pursuant to Section 766.24(b) of the Regulations, BIS may issue a TDO upon a showing that the order is necessary in the public interest to prevent an "imminent violation" of the Regulations. 15 C.F.R. § 766.24(b)(1). "A violation may be 'imminent' either in time or degree of likelihood." 15 C.F.R. § 766.24(b)(3). BIS may show "either that a violation is about to occur, or that the general circumstances of the matter under investigation or case under criminal or administrative charges demonstrate a likelihood of future violations." Id. As to the likelihood of future violations, BIS may show that "the violation under investigation or charges is significant, deliberate, covert and/or likely to occur again, rather than technical or negligent [.]" Id. A "lack of information establishing the precise time a violation may occur does not preclude a finding that a violation is imminent, so long as there is sufficient reason to believe the likelihood of a violation." Id.

BACKGROUND AND FINDINGS

OEE has presented evidence that, on multiple occasions, beginning in October 2009 and continuing to date, Anvik Technologies Sdn. Bhd. ("Anvik"), and its owner and operator Babak Jafarpour, have procured and attempted to procure various items subject to the Regulations for export from the United States to Iran, via transshipment through third countries, including Malaysia and Hong Kong, without obtaining the required authorization from the U.S. Government.

OEE, through its investigation, has provided evidence that Anvik and Jafarpour (hereinafter collectively referred to as "Respondents") have been utilizing a global network of leased "virtual offices"[4] to procure items from the United States and ship those items to Iran through third countries. Respondents use the leased virtual office space in order to obtain various addresses, including the addresses in Malaysia and Hong Kong, that Respondents then provide to suppliers as the ultimate destination and end-users of the items while disguising the true ultimate destination and end-users in Iran. OEE has identified at least four transactions where the Respondents have shipped or attempted to ship items to Iran using the same method of operation, including two attempted exports to Iran as recently as September 2010. In this section, I discuss evidence obtained by OEE relating to those transactions and submitted to me in support of its TDO request.

Between February and June 2010, Respondents exchanged email messages with a U.S. manufacturer concerning the procurement of microwave mixers and bias tees. These items, which are components used in communications and radar systems, are subject to the Regulations and designated as EAR99. Respondents' email messages with the U.S. manufacturer originated in Iran. However, Respondents completed an end-user statement that they provided to the U.S. manufacturer stating that the microwave mixers and bias tees were to be used by Anvik at its address at 155 North Wacker Drive, 42nd Floor, Chicago, IL 60606.

On September 7, 2010, on the instructions of Respondents, the U.S. manufacturer shipped the microwave mixers and bias tees to the address in Chicago provided by Respondents.

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[4] A "virtual office" arrangement provides users with communication and physical office services available to a typical lessee of office space, providing the appearance that the user maintains an office at the virtual office location. Virtual office users can use phone numbers, physical/mailing addresses, receptionist services, etc. without actually leasing space or ever being present at the virtual office.

However, the Chicago, IL address is for the "virtual office" at which Respondents do not occupy any physical space or otherwise have operations that would enable them to use these items there, and instead only lease certain services, such as remote receptionist and administrative support and use of the local phone number and address. When the microwave mixers and bias tees arrived in Chicago, the "virtual office" staff, on the instructions of Respondent Jafarpour, replaced the manufacturer's invoice with one provided by him and shipped the items to another of Respondents' "virtual office" addresses, at Level 20, Menara Standard Chartered, 30 Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia. Jafarpour instructed the virtual office staff in Malaysia to forward the package to Iran upon receipt. However, the shipment was stopped in Malaysia prior to being delivered to the virtual office address there.

As provided in Section 746.7 of the Regulations, no person may export or reexport any item that is subject to the EAR, if such transaction is prohibited by the Iranian Transactions Regulations (31 C.F.R. Part 560) and has not been authorized by OFAC. The evidence shows that using the scheme described above, Respondents took actions to evade the Regulations by exporting microwave mixers and bias tees from the United States to Iran through Malaysia. Respondents intended to have the shipment relabeled and delivered to a forwarder/shipper for transshipment to Iran once it arrived in Malaysia. Respondents had not sought or received the required U.S. Government authorization.

OEE's investigation has uncovered another recent attempt by Respondents to procure items for Iranian end-users in violation of the Regulations. Beginning in or about September 2010, Respondents attempted to export GPS timing boards, items subject to the Regulations, classified as Export Control Classification Number 7A994, and controlled for anti-terrorism

reasons, from the United States to Iran without the license required under Section 742.8 of the Regulations to export or reexport anti-terrorism controlled items to Iran. The order was placed with a U.S. manufacturer through its Swedish distributor. The purchase order submitted by Anvik stated that the terms of delivery were "FOB USA," indicating that Respondents knew the items were being exported from the United States. Respondents ordered the GPS timing boards using an address at Level 19, Two International Finance Centre, 8 Finance Street Central, Hong Kong. This address is "virtual office" space leased by Respondents. Respondents provided a different address, at Level 20, Menara Standard Chartered, 30 Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia, as the "ship to" address on the order form. This address also is "virtual office" space leased by Respondents. The shipping label on the package that arrived at Respondent Anvik's address in Malaysia stated that it was from the U.S. manufacturer in New York, United States, and the packing list included an export control warning from the U.S. manufacturer and a certificate of U.S. origin. Information provided by the forwarder demonstrates that, once the GPS timing boards were delivered to the address in Malaysia, they were immediately relabeled for shipment by the same forwarder to Iran. The shipment from Malaysia to Iran was stopped in Singapore while en route to Iran.

OEE also has uncovered other transactions in which Respondents were able to successfully procure items subject to the Regulations and cause their export from the United States to Iran via transshipment through third countries. Respondents used methods similar to those described above, having the items shipped to "virtual offices" they leased abroad and then transshipping the items from there to Iran.

In September 2009, Respondents placed an order with a U.S. manufacturer through its Singapore-based distributor for ten digital phase shifters. These items, which have a number of uses, including in radar systems, satellite communications, phase cancellation and beamforming modules, are subject to the Regulations and designated as EAR99. Respondents provided the U.S. manufacturer and its distributor with an end-user statement indicating that the digital phase shifters would be used by Anvik at Level 36, Menara Citibank, 165 Jalan Ampang, Kuala Lumpur 50450, Malaysia, and certifying that the items "will not be diverted to any country, company or individual that is prohibited by the U.S. Government." The address listed on the end-user statement is a "virtual office" address leased by Respondents. On October 19, 2009, the U.S. manufacturer exported the digital phase shifters to Anvik in Malaysia via the distributor in Singapore. Evidence uncovered by OEE demonstrates that, once the package arrived in Malaysia, Respondents promptly instructed the "virtual office" staff to ship the package to ECI Co. in Shiraz, Iran. Respondents did not obtain the required U.S. Government authorization to export the digital phase shifters from the United States to Iran.

On October 27, 2009, a U.S. manufacturer exported a millidioptometer to Anvik at Level 36, Menara Citibank, 165 Jalan Ampang, Kuala Lumpur 50450, Malaysia. This item, which is a measuring tool used for various optical systems, including those in aircraft systems, is subject to the Regulations and designated as EAR99. The address provided by Anvik is a virtual office address leased by Respondents. Evidence obtained by OEE indicates that, at the request of Respondent Jafarpour, the virtual office staff arranged for the millidioptometer to be promptly transshipped on Respondents' behalf from Malaysia to IOI (Isfahan Optics Institute), a

subsidiary of Iran Electronics Industries in Isfahan, Iran.[5] Respondents did not obtain the required U.S. Government authorization to export the digital phase shifters from the United States to Iran.

In addition to the evidence discussed above showing continued deliberate and covert actions by Anvik and Jafarpour to cause or attempt to cause items to be exported from the United States to Iran via third countries without obtaining U.S. Government authorization, BIS also has submitted direct evidence that Respondents had actual knowledge of the U.S. embargo against Iran. For example, in communications in June 2009, with a prospective supplier based in Canada, Respondent Jafarpour acknowledges knowing that the United States maintains an embargo against Iran.

OEE submits, in sum, that future violations of the EAR are imminent as defined in Section 766.24 of the Regulations. I agree based on the evidence of Respondents' continued deliberate, significant, and covert efforts to procure items from the United States for export to Iran via third countries without the required U.S. Government authorization, including by providing false information to U.S. companies about end-users in an effort to prevent U.S. law enforcement officials from discovering and ultimately stopping Respondents' conduct. Accordingly, I find that the evidence presented by OEE demonstrates that a violation of the Regulations by Respondents is imminent in both time and degree of likelihood. The conduct in this case is deliberate, significant, and likely to occur again absent the issuance of a TDO. As

[5] On September 17, 2008, the U.S. Department of Treasury designated Iran Electronics Industries as a Weapons of Mass Destruction proliferator or supporter pursuant to Executive Order 13382. Iran Electronics Industries was designated because it is owned or controlled by Iran's Ministry of Defense and Armed Forces Logistics (MODAFL). MODAFL, which was designated under Executive Order 13382 on October 25, 2007, controls other previously designated entities DIO, and Aerospace Industries Organization, which is the overall manager and coordinator of Iran's missile program.

such, a TDO is needed to give notice to persons and companies in the United States and abroad that they should cease dealing with the Respondents in export transactions involving items subject to the EAR.

Accordingly, I find that a TDO naming Anvik Technologies Sdn. Bhd. and Babak Jafarpour is necessary, in the public interest, to prevent an imminent violation of the EAR.

This Order is being issued on an ex parte basis without a hearing based upon BIS's showing of an imminent violation.

I. ORDER

IT IS THEREFORE ORDERED:

FIRST, that the Respondents, ANVIK TECHNOLOGIES SDN. BHD. also known as ("a/k/a") ANVIK TECHNOLOGIES, Level 20, Menara Standard Chartered, 30 Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia; Level 36, Menara Citibank, 165 Jalan Ampang, Kuala Lumpur 50450, Malaysia; Level 19, Two International Finance Centre, 8 Finance Street Central, Hong Kong; 155 North Wacker Drive, 42nd Floor, Chicago, IL 60606; BABAK JAFARPOUR a/k/a BOB JEFFERSON, Level 20, Menara Standard Chartered, 30 Jalan Sultan Ismail, Kuala Lumpur 50250, Malaysia; Level 36, Menara Citibank, 165 Jalan Ampang, Kuala Lumpur 50450, Malaysia; Level 19, Two International Finance Centre, 8 Finance Street Central, Hong Kong; 155 North Wacker Drive, 42nd Floor, Chicago, IL 60606, and each of their successors or assigns and, when acting for or on behalf of any of the foregoing, each of their officers, representatives, agents or employees (each a "Denied Person" and collectively the "Denied Persons") may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported

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

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

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

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

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

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

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

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

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

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

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

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

In accordance with the provisions of Section 766.24(e) of the EAR, the Respondents may, at any time, appeal this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022.

BIS may seek renewal of this Order by filing a written request with the Assistant Secretary of Commerce for Export Enforcement in accordance with the provisions of Section

766.24(d) of the EAR, which currently provides that such a written request must be submitted not later than 20 days before the expiration date. A Respondent may oppose a request to renew this Order in accordance with Section 766.24(d), including by filing a written submission with the Assistant Secretary of Commerce for Export Enforcement, supported by appropriate evidence. Any opposition ordinarily must be received not later than seven days before the expiration date of the Order.

Notice of the issuance of this Order shall be given to Respondents in accordance with Sections 766.5(b) and 766.24(b)(5) of the Regulations. This Order also shall be published in the Federal Register.

This Order is effective immediately and shall remain in effect for 180 days.

DAVID W. MILLS
Assistant Secretary of Commerce
for Export Enforcement

Issued this 15 day of November 2010.