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INDICTED CHINESE NATIONAL LANDS AT BOSTON'S LOGAN AIRPORT TO FACE FEDERAL PROSECUTION FOR SUPPLYING IRAN WITH NUCLEAR PRODUCTION PARTS

BOSTON – Sihai Cheng, a/k/a Chun Hai Cheng, a/k/a Alex Cheng, a citizen of the People's Republic of China (PRC), arrived at Logan Airport today from the United Kingdom to face charges for conspiring to export pressure transducers to Iran which can be used in the production process of weapons-grade uranium. In February 2014, Cheng was arrested by British authorities on U.S. charges during a trip to the United Kingdom. He was detained in the United Kingdom pending extradition to the United States.

Cheng is charged in a ten-count indictment with Seyed Abolfazl Shahab Jamili, an Iranian national, and two Iranian companies, Nicaro Eng. Co., Ltd. (Nicao) and Eyvaz Technic Manufacturing Company (Eyvaz). They are accused of conspiring to export, and exporting, highly sensitive U.S. manufactured goods with nuclear applications to Iran.

The indictment alleges that Cheng supplied thousands of parts that have nuclear applications, including U.S. origin goods, to Eyvaz, an Iranian company involved in the development and procurement of parts for Iran's nuclear weapons program. Specifically, it alleges that in 2005, Cheng began doing business with Jamili, an Iranian national who worked for Eyvaz and ran his own importing business in Iran. Jamili remains a fugitive, but the U.S. government, through Interpol, has requested his arrest to face prosecution in the United States.

Since 2005, Cheng sold Jamili thousands of parts with nuclear applications, knowing that these parts were destined for Iran. Significantly, beginning in February 2009, Cheng and Jamili conspired with others in the PRC to illegally obtain hundreds of U.S. manufactured pressure transducers which were manufactured by MKS Instruments, Inc., a company headquartered in Massachusetts, on behalf of Eyvaz. As a result, hundreds of MKS pressure transducers were illegally exported from the United States to China. Upon receipt of these parts in China, Cheng caused the MKS pressure transducers to be exported to Eyvaz or Jamili in Tehran, Iran, in violation of U.S. export laws.

The indictment further alleges that by 2007, Iran was operating thousands of gas centrifuges at the Natanz uranium enrichment facility. Iran has sought and illicitly obtained MKS pressure transducers to use in its centrifuge plants. Those transducers can be seen in publicly available photographs of Natanz, an Iranian uranium nuclear enrichment facility, with then President Mahmoud Ahmadinejad, showing numerous transducers attached to Iran's gas centrifuge cascades. Because pressure transducers can be

used in gas centrifuges to convert natural uranium into a form that can be used in nuclear weapons, they are subject to export controls and cannot be shipped to China without an export license or to Iran at all.

In 2011, the Council of the European Union designated Eyvaz as an entity “involved in [Iran’s] nuclear or ballistic missile activities” and imposed restrictive measures against it. In so doing, it found that Eyvaz had produced vacuum equipment, which it supplied to Natanz and Fordow, another of Iran’s uranium nuclear enrichment facilities, and that it also had supplied pressure transducers to Kalaye Electric Company, an Iranian company which has been designated by the United States and United Nations as a proliferator of weapons of mass destruction.

The charging statutes provide a sentence of no greater than 20 years in prison on the charges of conspiracy to commit export violations and illegal exports of goods to Iran; no greater than 10 years in prison on the charges of smuggling goods, and no greater than five years on the charge of conspiracy, in addition to five years of supervised release and a fine of \$4 million. Actual sentences for federal crimes are typically less than the maximum penalties. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Carmen M. Ortiz; Vincent B. Lisi, Special Agent in Charge of the Federal Bureau of Investigation, Boston Field Division; Bruce M. Foucart, Special Agent in Charge of Homeland Security Investigations in Boston; and John J. McKenna, Special Agent in Charge of the Department of Commerce, Office of Export Enforcement, Boston Field Office, made the announcement today. The case is being prosecuted by Assistant U.S. Attorney B. Stephanie Siegmann of Ortiz’s Anti-Terrorism and National Security Unit.

The details contained in the indictment are allegations. The defendants are presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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