

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Designates Iranian Proliferation Network and Identifies New Aliases

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Washington, DC – The U.S. Department of the Treasury today designated one Chinese individual and six Iranian entities under Executive Order 13382 for their connection to Iran's missile proliferation network. Additionally, Treasury identified eight aliases used by E.O. 13382 designee LIMMT Economic and Trade Company, Ltd. ("LIMMT") to circumvent sanctions. E.O. 13382 is an authority aimed at freezing the assets of weapons of mass destruction proliferators and those who support them.

"Today we are acting under our Security Council and other international obligations to prevent these entities from abusing the financial system to pursue centrifuge and missile technology for Iran," said Under Secretary for Terrorism and Financial Intelligence Stuart Levey.

This action was prepared in close coordination with the New York County District Attorney's Office, which unsealed a criminal indictment against this procurement network earlier today.

"We commend the District Attorney's Office for its intensive and significant investigation," added Under Secretary Levey.

LIMMT, a Chinese firm, was designated by Treasury on June 13, 2006, for providing material support to Iran's missile program. The individual named today, Li Fangwei (also known as Karl Lee), is the commercial manager of LIMMT. For several years, Lee, acting on behalf of LIMMT, has sold needed goods such as graphite to entities involved with Iran's missile program. Treasury's 2006 designation disrupted LIMMT'S export and financing channels, and numerous attempts by LIMMT to receive payment were thwarted. To compensate and circumvent sanctions, Lee created front companies to access the global financial system. In doing so, LIMMT had to juggle multiple aliases and confronted operational difficulties and customer confusion. LIMMT told one customer: "please kindly arrange your accounting department to pay for the invoice to our following new company name and account number instead of previous company name and account no., this is very important !!! otherwise, the money can be blocked as of last time!!!" On another occasion, it instructed its customer, "you are kindly required NOT to inform our following previous identifying information to U.S. bank or U.S. Treasury Department.... [W]hat you should do is let them know that SINO METALLURGY & MINERALS INDUSTRY CO., LTD. is a company who is NOT related to LIMMT company and any other Company on the Specially Designated National (SDN) list of U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC)."

Today OFAC is adding the names of eight such LIMMT front companies as aliases to the list of Specially Designated Nationals. These front companies include Ansi Metallurgy Industry Co. Ltd.; Blue Sky Industry Corporation; Dalian Carbon Co., Ltd.; Dalian Sunny Industry & Trade Co., Ltd.; Liaoning Industry and Trade Co., Ltd; SC (Dalian) Industry & Trade Co., Ltd.; Sino Metallurgy & Minmetals Industry Co., Ltd; and Wealthy Ocean Enterprises Ltd.

The Iranian firms designated today, Khorasan Metallurgy Industries, Kaveh Cutting Tools Company, the Amin Industrial Complex, Yazd Metallurgy Industries, and Shahid Sayyade Shirazi Industries, have been designated under E.O. 13382 for being owned or controlled by, or acting for or purporting to act for or on behalf of, directly or indirectly, Iran's Defense Industries Organization ("DIO"). Another Iranian entity, the Niru Battery Manufacturing Company, has been designated pursuant to E.O. 13382 because it is owned or controlled by, or acting or purporting to act for, or on behalf of, directly or indirectly, the Iranian Ministry of Defense and Armed Forces Logistics ("MODAFL"). Both DIO and MODAFL were designated by the State Department under E.O. 13382 for having engaged in activities that materially contributed to the development of Iran's nuclear and missile programs. MODAFL controls DIO and has the ultimate authority over the Aerospace Industries Organization, the entity that oversees Iran's various ballistic missile entities and missile-related research and development.

The United Nations Security Council designated Khorasan Metallurgy Industries for sanctions in UN Security Council Resolution 1803 (2008) as a subsidiary of Iran's Ammunition Industries Group, which is owned by DIO, and identified Khorasan as involved in the production of centrifuge components. Both Khorasan Metallurgy Industries and Amin Industrial Complex have also been end-users of maraging steel shipments provided by Karl Lee and his LIMMT-affiliated front companies. Maraging steel is used in creating gas centrifuges for uranium enrichment and can have ballistic missile applications as well.

Yazd Metallurgy Industries and Shahid Sayyade Shirazi Industries have been identified as end-users of various items provided by Karl Lee and his LIMMT-affiliated front companies. Kaveh Cutting Tools has been involved in material purchases for Iran's centrifuge program.

Niru Battery Manufacturing Company was designated for sanctions by the United Nations Security Council in UN Security Council Resolution 1803 (2008) and identified as a manufacturer of power units for the Iranian military, to include missile systems. A former MODAFL director described the mass production of military batteries at Niru as having a great impact on enhancing the Iranian armed forces' military capability.

As a result of Treasury's action, any assets of the individuals and entities designated today that are within U.S. jurisdiction must be frozen. Additionally, U.S. persons are prohibited from conducting any transactions with these individuals and entities.

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