Treasury Sanctions Procurement Network Supplying Iranian Military Firm

November 10, 2020

International network procured electronic components for sanctioned Iranian military firm

WASHINGTON – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated a network of six companies and four individuals that facilitated the procurement of sensitive goods, including U.S.-origin electronic components, for Iran Communication Industries (ICI), an Iranian military firm designated by the United States in 2008 and by the European Union in 2010 for being owned or controlled by Iran’s Ministry of Defense and Armed Forces Logistics (MODAFL), the overall manager and coordinator of Iran’s ballistic missile program. ICI, a subsidiary of Iran Electronics Industries, which falls under MODAFL, produces various items including military communication systems, avionics, information technology, electronic warfare, and missile launchers.

“The Iranian regime utilizes a global network of companies to advance its destabilizing military capabilities,” said Secretary Steven T. Mnuchin. “The United States will continue to take action against those who help to support the regime’s militarization and proliferation efforts.”

Treasury’s action is being taken pursuant to Executive Order (E.O.) 13382, an authority aimed at freezing the assets of proliferators of weapons of mass destruction (WMD) and their supporters. Concurrent with Treasury’s designations, the U.S. Attorney’s Office for the District of Columbia is filing charges by criminal complaint against two entities and one individual that have also been designated today.

SANCTIONS AGAINST IRAN’S ILLICIT PROCUREMENT OF ELECTRONIC COMPONENTS

Iran-based Hoda Trading, a subsidiary of ICI since 2017, has sought U.S.-origin electronic components from China on behalf of ICI since October 2008. Since January 2017, Hoda Trading has been involved in the procurement of electronic components from China on behalf of ICI, including shipments from China of high frequency Near Vertical Incidence Skywave antennas — products that have an application in military communications — for
end use by the ICI. Since June 2016, Hong Kong-based Proma Industry Co., Ltd. helped facilitate shipments to Hoda Trading. Proma Industry also helped facilitate the sale and shipment of tens of thousands of U.S. dollars’ worth of goods purchased by Hoda Trading.

Hoda Trading purchased electronic components through businesses in Iran and the United Arab Emirates. One of these businesses is DES International Co., Ltd., a company that claims to have offices in the UAE, Singapore, Taiwan, and China. DES International is majority-owned and managed by dual Iran-U.K. national Mohammad Soltanmohammadi, utilizing the alias Chung Lung Wang. Soltanmohammadi is also the owner of China-based company Naz Technology Co., Ltd. and serves as a Director of Brunei-based Soltech Industry Co., Ltd.

As of July 2016, Hoda Trading had paid tens of thousands of U.S. dollars to Soltech Industry for the purchase of electronic components, and Soltech Industry offered to deliver goods to Hoda Trading through a forwarder.

Shih Mei (Amber) Sun, an employee of DES International since 2013, owns over a fifth of the company’s shares and serves as DES International’s finance director. Chin-Hua (Jinee) Huang, an employee of DES International since 2009, works in sales for the company and facilitated transactions for U.S.-origin electronic components involving DES International from October 2013 through at least February 2014. Iran-based Mohammad Banihashemi has worked with Soltanmohammadi and Sun at DES International to direct sales opportunities to DES International, and has requested payment for his services, which included, among others, the release of shipments of goods from international customs.

Artin San’at Tabaan Company, an Iran-based maker of computer components under the brand Solmate, has provided DES International with use of Solmate as the company’s in-house brand and provided Solmate products for sale at DES International locations.

**BASES FOR DESIGNATION**

Hoda Trading is being designated for acting or purporting to act for or on behalf of, directly or indirectly, Iran Communication Industries.

Proma Industry Co., Ltd. and Soltech Industry Co., Ltd. are being designated for having provided, or having attempted to provide, financial, material, technological, or other support for, or goods or services in support of, Hoda Trading.

Mohammad Soltanmohammadi is being designated for acting or purporting to act for or on behalf of, directly or indirectly, Soltech Industry Co., Ltd.
DES International and Naz Technology Co., Ltd. are being designated for being owned or controlled by Mohammad Soltanmohammadi.

Shih Mei Sun, Chin-Hua Huang, and Artin Sana’at Tabaan Company are being designated for having provided, or having attempted to provide, financial, material, technological, or other support for, or goods or services in support of, DES International Co., Ltd.

Mohammad Banihashemi is being designated for acting or purporting to act for or on behalf of, directly or indirectly, DES International Co., Ltd.

**SANCTIONS IMPLICATIONS**

As a result of today’s action, all property and interests in property of these targets that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC’s regulations generally prohibit all dealings by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of blocked or designated persons.

In addition, persons that engage in certain transactions with the individuals and entities designated today may themselves be exposed to sanctions or subject to an enforcement action. Furthermore, unless an exception applies, any foreign financial institution that knowingly facilitates a significant transaction for any of the individuals or entities designated today could be subject to U.S. sanctions.

*View identifying information on the individuals and entities designated today.*