Treasury Sanctions Suppliers of Iranian UAVs Used to Target Ukraine's Civilian Infrastructure

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Degraded by Western Sanctions, Russia Turns to Iran for Military Support

WASHINGTON — Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is designating six executives and board members of U.S. designated Qods Aviation Industries (QAI), a key Iranian defense manufacturer responsible for the design and production of unmanned aerial vehicles (UAVs). Iran has transferred these UAVs for use in Russia's unprovoked war of aggression in Ukraine. OFAC is also updating QAI's entry on the Specially Designated Nationals and Blocked Persons List (SDN List) to include its new alias, Light Airplanes Design and Manufacturing Industries. Finally, OFAC is designating the director of Iran's Aerospace Industries Organization (AIO), the key organization responsible for overseeing Iran's ballistic missile programs.

"We will continue to use every tool at our disposal to deny Putin the weapons that he is using to wage his barbaric and unprovoked war on Ukraine," said Secretary of the Treasury Janet L. Yellen. "The Kremlin's reliance on suppliers of last resort like Iran shows their desperation in the face of brave Ukrainian resistance and the success of our global coalition in disrupting Russian military supply chains and denying them the inputs they need to replace weapons lost on the battlefield. The United States will act swiftly against individuals and entities supporting Iran's UAV and ballistic missile programs and will stand resolutely in support of the people of Ukraine."

Treasury is acting today pursuant to Executive Order (E.O.) 13382, "Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters." It follows the December 9, 2022, November 15, 2022 and September 8, 2022 designations of individuals and entities involved in the production and transfer of Iranian Shahed- and Mohajer-series UAVs, which Moscow is using in attacks targeting Ukraine's critical infrastructure.

QAI NAME CHANGE

QAI, which is involved in the production of UAVs and is overseen by Iran's Ministry of Defense and Armed Forces Logistics (MODAFL), was designated pursuant to E.O. 13382 on December 12, 2013. MODAFL and the U.S.-designated Islamic Revolutionary Guard Corps (IRGC) contract with QAI for aviation and air defense-related projects, most notably the design and manufacture of the Mohajer-6 UAVs that have been transferred to Russia for use in its unprovoked war of aggression in Ukraine. As a result of its role producing UAVs supplied to Russia, QAI was also designated pursuant to E.O. 14024, "Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation," on November 15, 2022.

As of mid-2020, QAI has operated under its new alias, **Light Airplanes Design and Manufacturing Industries**. As QAI and its affiliated individuals and entities continue to engage in sanctions evasion such as procurement of sensitive UAV parts and technology and proliferation of these UAVs, OFAC is updating QAI's entry on the SDN List to add Light Airplanes Design and Manufacturing Industries as an alias used by QAI.

QAI EXECUTIVES

Seyed Hojatollah Ghoreishi (**Ghoreishi**) serves as the Chairman of the Board of Directors of QAI. As the head of the Supply, Research, and Industry Affairs section of MODAFL, and Deputy Minister of Defense, he has led Iran's military research and development efforts and was responsible for negotiating Iran's agreement with Russia for the supply of Iranian UAVs for Russia's war in Ukraine.

Ghoreishi is being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, both MODAFL and QAI.

Ghassem Damavandian (**Damavandian**) is the Managing Director of QAI and a member of the firm's board. In his role as Managing Director, Damavandian has likely facilitated QAI's supply of UAVs to Iranian military services in addition to training Russian personnel on the use of QAI-manufactured UAVs.

Damavandian is being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, QAI.

Hamidreza Sharifi-Tehrani (**Sharifi-Tehrani**) has served as a primary member of the Board of Directors of QAI. He has traveled for international conferences related to UAVs and has undoubtedly been involved in the supply of UAVs and related equipment to Iranian military

services. **Reza Khaki** (**Khaki), Majid Reza Niyazi-Angili** (**Niyazi-Angili**), and **Vali Arlanizadeh** (**Arlanizadeh)** have also served as members of the Board of Directors for QAI.

Sharifi-Tehrani, Khaki, Niyazi-Angili, and Arlanizadeh are all being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, QAI.

AIO DIRECTOR

Nader Khoon Siavash (**Siavash**) is the Director of AIO, the U.S. designated organization that oversees Iran's ballistic missile programs. In his role as AIO Director, Siavash oversees AIO's ballistic missile production and testing and deals with international suppliers. AIO was sanctioned under E.O. 13382 on June 28, 2005. Iran's Central Bank has siphoned millions in discounted foreign currency — ostensibly earmarked for importers of essential goods — to AIO per year, underscoring the regime's prioritization of its missile programs at the expense of its own citizens.

Siavash is being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, AIO.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the individuals and entities that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. In addition, any entities that are owned, directly or indirectly, 50 percent or more by one or more blocked persons are also blocked. OFAC sanctions 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 or entities designated today may themselves be exposed to sanctions. Furthermore, any foreign financial institution that knowingly facilitates a significant transaction or provides significant financial services for any of the individuals or entities designated today pursuant to E.O. 13382 could be subject to U.S. sanctions.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the SDN List but also from its willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish but to bring about a

positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to OFAC's FAQ 897.

Identifying information on the individuals and entities designated today.

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