WASHINGTON — Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned a network of seven individuals and six entities in Iran, the People’s Republic of China (PRC), and Hong Kong in connection with Iran’s ballistic missile program. This network has conducted financial transactions and facilitated procurement of sensitive and critical parts and technology for key actors in Iran’s ballistic missile development, including Iran’s Ministry of Defense and Armed Forces Logistics (MODAFL) and its affiliated organizations, Parchin Chemicals Industries (PCI), Aerospace Industries Organization (AIO), Iran Electronics Industries (IEI), and P.B. Sadr, which is PCI’s key intermediary for the procurement of parts to develop missile propellant. PCI, the main beneficiary of this network, is a subsidiary of MODAFL’s Defense Industries Organization (DIO) and produces ammunition, explosives, and solid propellants for rockets and missiles. OFAC is also designating Iran’s Defense Attaché in Beijing, who has coordinated military-related procurements from the PRC for Iranian end-users, including MODAFL subsidiaries.

“Today’s action reinforces our commitment to respond to activities which undermine regional stability and threaten the security of our key partners and allies,” said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. “The United States will continue to target illicit transnational procurement networks that covertly support Iran’s ballistic missile production and other military programs.”

Today’s action builds on OFAC’s March 30, 2022 designation of P.B. Sadr and other Iran-based individuals and entities supporting Iran’s ballistic missile program. The network is sanctioned today pursuant to Executive Order (E.O.) 13382, which targets weapons of mass destruction proliferators and their supporters. MODAFL was designated pursuant to E.O. 13382 by the U.S. Department of State on October 25, 2007, for having engaged, or attempted to engage, in activities or transactions that have materially contributed to, or pose a risk of materially contributing to, the proliferation of weapons of mass destruction or their means of delivery. PCI was designated pursuant to E.O. 13382 on July 8, 2008, for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, DIO. P.B. Sadr was designated pursuant to E.O. 13382 on March 30, 2022, for acting or purporting to act for or on behalf of, directly or indirectly, PCI.
CENTRIFUGE SALES TO PCI VIA P.B. SADR

PRC-based Zhejiang Qingji Ind. Co., Ltd (Zhejiang Qingji) has sold centrifuges and associated equipment and services valued at several hundreds of thousands of dollars to PCI, with P.B. Sadr acting as an intermediary. PCI has sought these centrifuges from Zhejiang Qingji to support the production of nitrocellulose, an essential raw material for propellants and combustible components.

PRC-based Li Zeming (Li), an employee of Zhejiang Qingji, has personally negotiated and executed Zhejiang Qingji’s centrifuge sales to PCI and P.B. Sadr, and even employed methods to deliberately obfuscate the ultimate end-user of Zhejiang Qingji’s shipments following warnings from the PRC government about dealing with U.S.-designated firms in Iran. PRC-based Shen Weisheng (Shen), the director and general manager of Zhejiang Qingji, has also carried out Zhejiang Qingji’s centrifuge deals, worth hundreds of thousands of dollars, with PCI and P.B. Sadr.

Hong Kong-based Lingoe Process Engineering Limited (Lingoe) has served as a front company for Zhejiang Qingji in its commercial dealings with PCI and P.B. Sadr. Lingoe has facilitated financial transactions in support of Zhejiang Qingji’s centrifuge sales, affording Zhejiang Qingji access to the U.S. financial system. Iran-based transportation company Blue Calm Marine Services Company (Blue Calm) has facilitated some of these shipments for the benefit of P.B. Sadr.

Zhejiang Qingji is being designated pursuant to E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, PCI. Li and Shen are being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, Zhejiang Qingji. Lingoe is being designated pursuant to E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, Zhejiang Qingji. Blue Calm is being designated for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, P.B. Sadr.

DUAL-USE METALS SALES TO P.B. SADR

Hong Kong-based Hong Kong Ke.Do International Trade Co., Limited (Hong Kong Ke.Do) and PRC-based Qingdao Zhongrongtong Trade Development Co., Ltd. (Qingdao ZRT) have together engaged in the sale of tens of millions of dollars’ worth of dual-use, nonferrous metals to P.B. Sadr. PRC-based Wei Zunyi (Wei), who manages both Hong Kong Ke.Do and Qingdao ZRT, represented Hong Kong Ke.Do in this metals deal. Wei also represented Hong Kong Ke.Do in its purchase of tens
of millions of dollars’ worth of tugboats, which it procured on behalf of an affiliate of MODAFL’s Marine Industries Organization (MIO) in Iran. MIO was designated pursuant to E.O. 13382 on December 21, 2012, for being owned or controlled by MODAFL.

PRC-based Qin Xutong (Qin), as the commercial manager of Hong Kong Ke.Do, has facilitated the company’s nonferrous metals sales to P.B. Sadr. PRC-based Gong Jiao (Gong) also facilitated Wei’s nonferrous metals sales to P.B. Sadr as an employee of both Hong Kong Ke.Do and Qingdao ZRT. Additionally, as Wei’s accountant, Gong separately facilitated financial transactions between Wei’s companies in support of the procurement of modules with radar applications for MODAFL.

Hong Kong Ke.Do and Qingdao ZRT are being designated pursuant to E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, P.B. Sadr. Wei and Qin are being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, Hong Kong Ke.Do. Gong is being designated pursuant to E.O. 13382 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, Wei.

MODAFL’S ELECTRONICS PROCUREMENT

PRC-based Beijing Shiny Nights Technology Development Co., Ltd (Beijing SNTD) operates as a MODAFL front company that procures electronics on behalf of Iranian end-users. Beijing SNTD has worked with Wei’s companies to procure modules with radar applications. Separately, Beijing SNTD has procured accelerometers and gyroscopes likely on behalf of Iranian defense and missile end-users, as well as facilitated the acquisition of equipment for MODAFL’s Iran Electronics Industries (IEI). IEI was designated pursuant to E.O. 13382 on September 17, 2008, for being owned or controlled by MODAFL. PRC-based Iranian national Ghasem Haghighat (Haghighat) serves as a director and shareholder of Beijing SNTD and has facilitated the firm’s modules procurement.

Iran’s Defense Attaché in Beijing, Davoud Damghani (Damghani), has coordinated defense-related procurements from the PRC for Iranian end-users, including MODAFL subsidiaries. Damghani organized Beijing SNTD’s procurement of accelerometers and gyroscopes, as well as P.B. Sadr’s nonferrous metals purchase from Hong Kong Ke.Do and Qingdao ZRT. Damghani has also coordinated procurement from the PRC for AIO, a key element of Iran’s ballistic missile program.

Beijing SNTD is being designated pursuant to E.O. 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, MODAFL. Haghighat is being designated for acting or purporting to act for or on behalf of, directly or indirectly, Beijing SNTD.
Damghani is being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, MODAFL.

**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. All transactions 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 are prohibited.

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.

For identifying information on the individuals and entities designated today.

#####