

Treasury Sanctions Transnational Procurement Network Supporting Iran's Ballistic Missile and UAV Programs

February 2, 2024

Action includes designation of a Qods Force financial front company

WASHINGTON — Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned a key procurement network of prolific suppliers of materials and sensitive technology for Iran's ballistic missile and Unmanned Aerial Vehicle (UAV) programs, including the Shahed-series UAV produced by Iran's Shahed Aviation Industries Research Center (SAIRC). The four Iran- and Hong Kong-based entities designated today have operated as covert procurement entities for OFAC designated [Hamed Dehghan and Pishtazan Kavosh Gostar Boshra \(PKGB\)](#), who are actively engaged in supporting multiple Iranian military organizations, including the Islamic Revolutionary Guard Corps (IRGC). Additionally, OFAC is designating a Hong Kong-based front company involved in the sale of hundreds of millions of dollars' worth of Iranian commodities for the benefit of the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF).

"Iran's continued proliferation of its advanced conventional weapons, including the UAVs and missiles that target U.S. soldiers, remains a critical threat to the stability of the region," said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. "We will not hesitate to leverage our full suite of tools to disrupt the illicit procurement networks that supply the components for these weapons systems, as well as hold accountable those who seek to export these weapons to terrorist proxy groups."

Today's action was taken pursuant to Executive Order (E.O.) 13382, which targets proliferators of weapons of mass destruction and their means of delivery. This designation was enabled by key data from Treasury's Financial Crimes Enforcement Network (FinCEN).

HONG KONG-BASED FRONT COMPANIES

FY International Trading Co., Limited (FYIT) is a Hong Kong-based front company for PKGB that has procured orders of UAV engines and Western-origin carburetors for PKGB. FYIT has conducted millions of dollars' worth of transactions through the U.S. financial system,

including sending or receiving transactions of more than \$16 million since 2021. FYIT has received transactions from OFAC designated [Torgan Co. Limited](#) and [Lowell Limited](#), demonstrating FYIT's connection to [Iranian shadow banking networks](#), a multi-jurisdictional illicit finance system that grants Iranian entities access to the international financial system and obfuscates Iranian trade with foreign customers.

End users of FYIT's UAV-related procurements for PKGB include the Shahed Aviation Industries Research Center. On November 15, 2022, OFAC designated Iran's [SAIRC](#), a firm subordinate to the IRGC Aerospace Force (IRGC ASF) that designs and manufactures the Shahed-136 one-way attack UAV that Iran has supplied to Russia for use against Ukraine. The IRGC ASF was designated pursuant to E.O. 13382 on June 16, 2010.

Hong Kong-based **Duling Technology HK Limited (Duling Technology)** has facilitated procurements of U.S.- and Western-origin matrix switches, turbine engines, and other items with UAV applications totaling millions of dollars for PKGB. PKGB officials, including OFAC designated PKGB managing director Hamed Dehghan and OFAC designated PKGB employee [Mehdi Ebrahimzadeh-Ardakani](#), have used Duling Technology to procure these U.S.- and Western-origin items with UAV applications totaling millions of dollars for PKGB.

Advantage Trading Co., Limited (Advantage Trading) is a Hong Kong-based front company incorporated by PKGB in 2023. PKGB has used Advantage Trading to procure U.S.- and Western-origin microelectronics and aviation parts with UAV applications.

FYIT, Duling Technology, and Advantage Trading were 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, PKGB.

IRAN-BASED SUBSIDIARY

Narin Sepehr Mobin Istatis (NSMI), an Iran-based subsidiary of PKGB, 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, PKGB.

IRGC-QF COMMODITY SALES TO PRC ENTITIES

Hong Kong-based IRGC-QF front company **China Oil and Petroleum Company Limited (COPC)** has arranged contracts and sold hundreds of millions of dollars' worth of Iranian commodities for the benefit of the IRGC-QF. IRGC-QF officials, to include deceased IRGC-QF

official Rostam Ghasemi, have represented COPC, which has used falsified documents to mask the origin of the Iranian commodities. COPC coordinated with Mira to sell Iranian commodities to a PRC-based entity via the M/T SARAK, a vessel that was identified as blocked property of the [Mehdi Group](#), which was designated pursuant to E.O. 13224 in August 2019 for its provision of support to Rostam Ghasemi. COPC similarly coordinated with U.S.-designated Kasim Oztas, a member of U.S.-designated Sitki Ayan's ASB Group network, to facilitate trade with PRC-based entities for the benefit of the IRGC-QF.

China Oil and Petroleum Company Limited is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the IRGC-QF.

[Kasim Oztas and Sitki Ayan](#) were designated pursuant to E.O. 13224, as amended, on December 8, 2022, for providing support to the IRGC-QF. [ASB Group](#) was designated pursuant to E.O. 13224, as amended, on December 8, 2022, for being owned, controlled, or directed by, directly or indirectly, Sitki Ayan.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the entities named above, and of any entities that are owned, directly or indirectly, 50 percent or more by them, individually or with other blocked persons, that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. 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 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 or entities designated today 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 Frequently Asked Question 897 here](#).

[For identifying information on the individuals and entities designated today, click here.](#)

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