

**NOTICE TO EXPORTERS – 2010/35****Three men jailed for breaching UK arms embargo to Iran (Update on confiscation proceedings)**

**This Notice replaces Notice 2009/13 issued on 5 June 2009**

Mr Mohsen Akhavan Nik, his son Mr Mohammad Akhavan Nik and Mr Nithish Jaitha were jailed in June 2009 for a total of 10 years for conspiracy to export controlled goods and breaching the UK's arms embargo to Iran. The trio were sentenced at Southwark Crown Court following a five week trial.

### **1. Update**

Following the conviction of the three defendants in 2009, confiscation proceedings were concluded at Southwark Crown Court on 17 September 2010.

Mohsen Nik and his son Mohammad Nik were found by His Honour Judge Loraine-Smith to have benefited from their criminal activities involving the illegal export and supply of military aircraft parts to Iran. They were found to have profited from a "criminal lifestyle" totalling £802,620.

Confiscation orders were issued – £574,526 was made against Mr Mohsen Nik and £336,044 against his son. The orders have to be paid within six months otherwise the defendants may be liable to a default sentence of four and three years respectively.

A confiscation order was also made at an earlier hearing against the third defendant, Mr Nitish Jaitha. This order amounted to £68,204 (to paid within three months and with a default sentence of 20 months imprisonment). The court determined that Jaitha had benefited from his illegal activities to the amount of £207,290.

### **2. Details of the case**

The three businessmen were involved in a plot to supply military equipment to keep Iranian F-14 'Tomcat' fighter jets (as featured in the 1980s film "Top Gun") airborne and combat ready.

HM Revenue & Customs (HMRC) uncovered the plot when they found a consignment of oxygen cylinders at Heathrow Airport bound for Tehran, breaking the terms of a 1993 embargo on military goods exported to Iran.

The technical equipment, which is vital in enabling fighter pilots to breathe at high altitude, is specifically tailored for military jets and has limited civilian application. The defendants claimed the items were for use in the health sector, specifically for breathing apparatus in an ambulance. To reinforce their claims, the accused fabricated documents and trade catalogues, but court evidence from technical experts showed this to be untrue.

The plot involved the three men acting as middlemen by sourcing items on E-Bay in the United States and shipping to an address in Florida to avoid export controls, before onward dispatch to Iran via the UK, Romania and Hong Kong. The conspiracy involved a network of illegal shipments and fraudulent documents.

Customs officers had previously warned Mr Mohsen Akhavan Nik against such prohibited trade in 2000 when an illegal shipment of lasers to Iran was seized. He claimed the goods were used to project advertising slogans onto the outside of buildings. The devices were in fact not for advertising but battle simulation by tanks. Despite this warning, they continued trading in breach of the UK's export control legislation and Iran sanctions.

### **3. Official Comments**

Peter Millroy, Head of HMRC's specialist unit on military exports, said:

"These men were involved in a complex and lucrative conspiracy to supply military equipment to Iran in contravention of a UK arms embargo. This is an excellent result dismantling as it does this particular supply route."

David Green QC, Director of the Revenue and Customs Prosecutions Office (RCPO), added that:

"This is an excellent example of international law enforcement and prosecuting agencies working together to prevent arms trafficking, and more specifically to end the activities of a major Iranian arms procurement network."

A full press release was previously issued in June 2009 by HMRC and the RCPO providing further details about the case and was available on the Government's News Distribution Service.

#### **4. Prosecuting Authority**

The case was originally prosecuted on behalf of HMRC by The Revenue & Customs Prosecution Office (RCPO) which was created by Royal Assent on 07 April 2005. The RCPO is an independent prosecuting authority and now forms part of the Crown Prosecution Service (CPS). The CPS reports directly to the Attorney General and is responsible for prosecuting some of the largest drug and fraud cases in the UK.

#### **5. Wider Advice for Exporters**

Exporters must take their export control responsibilities seriously and ensure full compliance with the regulations. This includes taking reasonable steps to assure themselves that destinations for export are not subject to sanctions or embargoes incorporating export controls - in cases of doubt exporters should contact the ECO. As this and other recent cases show, HMRC and the CPS can and will take action to enforce the controls.

The ECO also provides comprehensive advice on export controls on the Businesslink website – <http://www.businesslink.gov.uk/exportcontrol>

Our guidance includes details of:

- controlled items published on the UK Strategic Export Control Lists
- guidance on applying for an export licence
- guidance on current arms embargoes and sanctions
- how to comply with the controls
- information on the training and seminar programme provided by the ECO

#### **6. Contact the ECO**

For further details of strategic export controls please contact:

Export Control Organisation  
Department for Business, Innovation and Skills  
1 Victoria Street  
London SW1H 0ET  
Tel:020 7215 4594  
Fax 020 7215 2635  
Email: [eco.help@bis.gsi.gov.uk](mailto:eco.help@bis.gsi.gov.uk)  
Website:

<http://www.businesslink.gov.uk/exportcontrol> or <http://www.bis.gov.uk/exportcontrol>

*This notice is for information purposes only and has no force in law. Please note that where legal advice is required exporters should make their own arrangements.*

Export Control Organisation  
29 October 2010  
NTE201035