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U.S. Department of Justice
United States Attorney's Office

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MANAGER OF SOUTH CAROLINA-BASED FIRM PLEADS GUILTY IN CONNECTION WITH ILLEGAL EXPORTS TO IRAN

COLUMBIA, S.C. – Markos Baghdasarian, the manager of Delfin Group USA LLC, pleaded guilty yesterday in the District of South Carolina to charges of conspiracy to violate the International Emergency Economic Powers Act (IEEPA), violating the IEEPA and making false statements in connection with his illegal exports to Iran without the required U.S. government licenses.

The guilty plea was announced by William N. Nettles, U.S. Attorney for the District of South Carolina; Lisa Monaco, Assistant Attorney General for National Security; John Morton, Director of U.S. Immigration and Customs Enforcement (ICE); and David W. Mills, Assistant Secretary of Commerce for Export Enforcement.

At sentencing, Baghdasarian faces a potential sentence of five years in prison for conspiring to violate IEEPA, 20 years in prison for violating IEEPA and five years in prison for false statements. Baghdasarian was arrested on May 19, 2012, in Atlanta on a criminal complaint issued in the District of South Carolina and was later indicted on June 14, 2012.

In May 1995, the President of the United States, under executive IEEPA authority, declared a trade embargo with Iran, prohibiting the export from the United States to Iran of any goods, technology or services with limited exceptions. The imposition of the trade embargo followed a March 1995 executive order that declared a national emergency with respect to Iran and its government based on findings that the Iranian government constituted a threat to the national security of the United States due to Iran’s support of international terrorism and its attempts to acquire weapons of mass destruction.

According to the indictment, Baghdasarian served as the manager of Delfin Group USA, located in Charleston, S.C., which supplies automotive and marine lubricants to domestic and international markets. From as early as June 13, 2010, until Oct. 12, 2011, Baghdasarian engaged in prohibited transactions with customers in Iran. Under IEEPA, U.S. persons and companies are prohibited from engaging in commercial transactions involving Iran unless authorized by the U.S. Department of Treasury.

As further detailed in the indictment, Baghdasarian and others received orders from customers in Iran for Delfin USA products. Baghdasarian then registered “paper” companies in the United Arab Emirates (UAE) and produced fictitious labels for Delfin USA products in order obscure the company identity from export enforcement officials. In addition, he concealed from the U.S. government that materials were being sold to customers in Iran by falsely stating that the UAE was the final end destination of goods intended for Iran. Finally, according to the indictment, Baghdasarian caused Delfin USA products to be sold to customers in Iran without obtaining a license from the Treasury Department.

This case was the product of an extensive investigation by ICE’s Homeland Security Investigations and the U.S. Department of Commerce’s Bureau of Industry and Security Office of Export Enforcement, with assistance from U.S. Customs and Border Protection and the U.S. Coast Guard.

The case is being prosecuted by Trial Attorney Elizabeth Cannon of the Counterespionage Section in the Justice Department’s National Security Division and Assistant U.S. Attorney Alston Badger of the U.S. Attorney’s Office for the District of South Carolina, Charleston Division.

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