



July 6, 2010

Man Suspected of Illicit Nuclear Trade to Iran Found Guilty

This morning, a Canadian-Iranian man on trial in Toronto, Mahmoud Yadegari, 37, was [found guilty](#) of nine counts of export control related violations. One count of forgery was dismissed. Between December 2008 and March 2009, Yadegari [procured and attempted to send](#) to Iran pressure transducers, dual-use equipment that can be used to measure the gas pressure of uranium hexafluoride in centrifuge cascades. Iran has sought hundreds of pressure transducers in Europe, China, and Taiwan. It cannot make acceptable pressure transducers and uses a considerable number of them in its centrifuge cascades.

In Canada, exports of pressure transducers are controlled by the United Nations Act, which supports UN resolutions on Iran, and other domestic export control and customs laws. Yadegari's contact in Iran was a man at a company called TSI Co. He communicated with the Iranian contact, Nima Tabari, on orders of pressure transducers and other items, and attempted to send a shipment of pressure transducers via Dubai to him. Yadegari was arrested for the attempted shipment in April 2009. He faces sentencing on July 29 and [could receive](#) up to ten years in prison and a fine of \$500,000 for each offense.

This conviction is an important contribution in the effort to hinder Iran's ability to procure for its nuclear program. It is imperative that all states, especially those with high-technology manufacturers or those used as transshipment points by smuggling rings, enforce UN resolutions and their own export control laws.

The following facts about the case were obtained from court documents (linked to below) used in the case by federal prosecutors in Toronto:

- Yadegari used his import-export (or trading) company, N&N Express Inc., as a cover to purchase the pressure transducers. He was its director and sole employee.
- In December 2008, Yadegari obtained ten pressure transducers from Alpha Controls, the Canadian distributor of Setra Systems, Inc. of Massachusetts, for \$1,109.00 each. He attempted to ship two of the items to Dubai in March 2009 via DHL Freight Forwarding, but did not apply for an export license. He attempted to conceal the nature of the items upon export by removing their content labels and indicating that the package contained two "Setra Electrical Accessories" worth \$50 each. The intended recipient was Keft Trading Co. in Dubai, and the package was addressed to a "Mr. Saudmand."

- In January 2009, Yadegari attempted to purchase another twenty pressure transducers from Phivac, Inc., the Canadian distributor of Pfeiffer Vacuum Inc., headquartered in Germany. Three of the models cost \$1,259.28 and the other four cost \$1,372.70. The company canceled the order based on “in-house export restrictions” upon admission from Yadegari that the items would go to Dubai (he first told the company the end destination was Denmark, but then could not provide an adequate end user certification from the company that he alleged was purchasing the equipment through N&N Express Inc).
- On March 2009, Yadegari was informed that his shipment of two Setra Systems pressure transducers had been detained by the Canadian Customs Export Control Unit. Setra Systems reportedly informed the U.S. Immigration and Customs Enforcement Counter Proliferation Investigations Unit about a suspicious sale, which in turn informed the Canadian authorities. (See an earlier ISIS report on Yadegari’s Setra Systems shipment [here](#)). Yadegari was asked to sign an export declaration, in which he described the equipment as “pressure gauges” worth \$1,309. He was arrested on April 19, 2009. Authorities found during a search of his home an invoice from N&N Express Inc. to Keft Trading Co. for \$5,590.56 for the two Setra Systems pressure transducers. Since the pressure transducers were originally purchased for \$1,109 each, Yadegari would have made a profit of \$3,372.
- According to e-mails acquired by authorities, a contact of Yadegari’s in Iran for the pressure transducer procurements and other items was a man named Nima Alizadeh Tabari of TSI Co. He communicated with Tabari on the Pfeiffer pressure transducer order. Tabari had indicated to Yadegari that he could face difficulties in attempting to ship items via Dubai. He said, “Please think again about sending the goods to Dubai or to Iran...” Indeed, on occasions when Yadegari attempted to procure other items from companies and indicated their end destination was Iran or Dubai, he was turned down. Justice Cathy Mocha, while returning her opinion on Yadegari’s case this morning, [said](#), “This clearly was not a sophisticated operation. He was not a sophisticated offender.”
- Yadegari’s attempts to purchase other types of equipment from several suppliers included ball valves from Cameron Valves and Measurement and Samson Controls Inc., a capacitance sensor from MKS Instruments, and a valve and strainer from Velan, for which he communicated via e-mail with Tabari on the progress of the orders. In all, he [attempted to purchase items](#) for Tabari from 118 companies between November 2008 and April 2009, according to 2,000 e-mails obtained by prosecutors. The prosecution did not prove wrongdoing in these instances, focusing instead on the egregious attempted shipment of the pressure transducers.
- During the trial of Yadegari, the prosecution attempted to submit evidence of an [alleged confession](#) by Yadegari to two Royal Canadian Mounted Police (RCMP) corporals about his attempts to procure pressure transducers for Tabari. During the alleged confession, which took place in his jail cell following his arrest, Yadegari said that he had met Tabari in 2007 while in Iran and he was his main contact in Iran. He allegedly indicated that Tabari wanted the pressure transducers sent via Dubai. The alleged confession was ultimately deemed inadmissible in court.

For the interested reader, the prosecution’s court documents are linked here, and provide an easily readable summation of the case:

[Information on Yadegari \(in the United States, a formal indictment\)](#)

[Agreed Statement of Facts, Part I](#)

[Agreed Statement of Facts, Part II](#)

[Supplementary Agreed Statement of Facts](#)

[Compendium of E-mails](#)