

Combating Export Violations to Iran: The Role of ICE Homeland Security Investigations

by [John T. Morton \(/experts/john-t-morton\)](/experts/john-t-morton)

Sep 7, 2010

ABOUT THE AUTHORS

[John T. Morton \(/experts/john-t-morton\)](/experts/john-t-morton)

John T. Morton assistant secretary of the Department of Homeland Security (DHS), where he serves as director of U.S. Immigration and Customs Enforcement (ICE), the principal investigative component of DHS.



Brief Analysis

Part of a series: [Counterterrorism Lecture Series \(https://www.washingtoninstitute.org/policy-analysis/series/counterterrorism-lecture-series\)](https://www.washingtoninstitute.org/policy-analysis/series/counterterrorism-lecture-series)

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How is the Department of Homeland Security's investigative and enforcement arm implementing export controls on Iran?

On September 2, 2010, John T. Morton, assistant secretary of the Department of Homeland Security (DHS), addressed a special Policy Forum luncheon at the Washington Institute. As director of U.S. Immigration and Customs Enforcement (ICE), he leads the principal investigative component of DHS. The following is a rapporteur's summary of his remarks.

[Read Secretary Morton's prepared remarks. \(/media/5891\)](/media/5891)

Immigration and Customs Enforcement is the principal criminal investigative arm of DHS -- its Homeland Security Investigations (HSI) arm is the only federal law enforcement entity with full statutory authority to pursue violations of U.S. export laws related to military items, controlled dual-use commodities, and sanctioned or embargoed countries. In fiscal year 2009, HSI initiated 1,313 criminal investigations of possible illegal exports; made 708 criminal arrests, 218 of which were for sensitive commodities and technologies; secured 194 indictments; and obtained 190 convictions. The majority of these cases focused on stemming the flow of key U.S. technology to Iran.

Enforcing Export Controls

Created in the wake of the September 11 attacks, ICE brought together resources and personnel from the U.S. Customs Service, the Immigration and Naturalization Service, and the Federal Protective Service to enforce more than 400 immigration and customs statutes. Today, ICE's national security mission includes enforcing export control laws. Technology is a critical asset to America's security and could be an instrument of intimidation or destruction in

the wrong hands. Highly advanced technology has become a primary target for illicit use, and even a seemingly insignificant item could be a necessary component for a hostile regime, group, or individual.

Today, nearly nine years after the September 11 attacks, harmful weapons and their components are more widely available to our enemies than ever before. Despite treaties and sanctions, Iran and other countries continue to work around the system in an effort to obtain restricted technology. Accordingly, HSI has a number of mechanisms in place to combat terrorism and other threats from such actors. The Counter-Proliferation Investigations Unit monitors a broad range of activities, including trafficking in weapons of mass destruction materiel, sensitive dual-use commodities, and technologies sought by rogue nations and terrorist groups. It also oversees export enforcement training for private industry as well as state, local, and foreign agencies.

Another HSI initiative, Project Shield America, involves working with U.S. manufacturers and exporters of arms and sensitive technology, educating them about export laws while soliciting their assistance in preventing illegal foreign acquisition of their products. Established in 2001, it also protects American intellectual property achievements in order to prevent our adversaries from gaining technological parity or military advantages. The program works in concert with the three-pronged approach of HSI's Export Enforcement Program: inspection/interdiction, investigations, and international cooperation.

Another tool is the National Export Enforcement Coordination Network (NEECN). Established in 2007, NEECN coordinates efforts by numerous law enforcement and intelligence agencies to prevent the illegal procurement of U.S. munitions and critical dual-use technology.

Successful Investigations against Iran

Iran is aggressively seeking nuclear capabilities that would drastically change the balance of power in the Middle East, with the regime sponsoring continual efforts to obtain weaponry and materials that could be used for nuclear purposes. Despite being conducted by a network of international brokers, these efforts are very much directed by, and for the benefit of, the Iranian state. Fortunately, aggressive targeted actions -- part of a sustained and calculated campaign to enforce export controls -- have significantly impaired Iran's network from carrying out its charge. Consider some recent cases:

- Amir Hossein Ardebili. Beginning in 2002, this Iranian citizen worked as an intermediary for the Iran Electronics Institute, which directly supplied the regime's military and served as a mechanism for Tehran to illegally acquire sensitive U.S. technology and munitions. Specifically, Ardebili acquired approximately \$1 million worth of components for the government each year. According to undercover U.S. agents who spoke with him, Iran sought these technologies in order to enhance its military capabilities in the event of conflict with the United States.

To further his efforts, Ardebili established front companies in the United Arab Emirates (UAE) and used European bank accounts. On October 2, 2007, he was arrested in the Republic of Georgia after negotiating with undercover agents to acquire and export phase shifter microchips and a digital air data recorder to Iran. The following May, he pled guilty to fourteen counts related to violations of U.S. export control laws, and in December 2009, he was sentenced to five years in prison.

- Mahmoud Yadegari. On July 29, 2010, the Ontario Court of Justice sentenced Mahmoud Yadegari to twenty months in jail for violating Canada's United Nations Act and various criminal laws. In February 2009, an ICE industry outreach visit to Nashua, New Hampshire, had turned up details regarding a suspicious order of twenty pressure transducers -- a dual-use nuclear technology -- to a new Ontario-based customer, Yadegari. When he attempted to send two of the transducers to the UAE, the Canadian Border Services Agency detained the shipment. In March-April 2009, U.S. agents assisted the Royal Canadian Mounted Police in executing search warrants associated with Yadegari's email and telephone accounts, financial records, and residence. Canadian authorities seized eight Setra

Systems pressure transducers from his home; additional evidence revealed that all of the items were destined for Iran.

- Jacques Monsieur, "The Field Marshal." In January 2009, an informant contacted an ICE agent in Mobile, Alabama, regarding Monsieur, identifying him as an infamous illegal "gray market" arms dealer who procured military-related items for embargoed countries. The informant revealed that Monsieur was seeking parts and engines for the F-5, a fighter jet used by the Iranian air force. This information spurred an investigation that stretched into Europe, Central Asia, and the Persian Gulf.

In February 2009, Monsieur made initial contact with an undercover agent to purchase F-5 components, intending to export them to Iran. In May of that year, he and a business associate met with an undercover agent in London, where they sought falsified U.S. shipping or export authorization documents indicating a Colombian end-user for the parts rather than their actual destination, Iran. The next month, Monsieur sent the agent a purchase order from a front company in Kyrgyzstan. He later wired approximately \$110,000 from Dubai to an Alabama bank account as payment for the parts and transshipment. On August 28, 2009, U.S. agents arrested Monsieur; three months later, he pled guilty to smuggling and other charges.

International Cooperation

Combating re-export plots has proven challenging. Paradoxically, the effectiveness of U.S. export legislation has forced much of the illicit trade in American technology offshore -- such activity now takes place almost entirely outside the United States. Given widely variable enforcement efforts around the world, hostile actors seek to obtain American arms and other sensitive items via economies with less stringent controls. U.S. coordination with foreign governments and businesses is therefore crucial. Divergent approaches to export control are plain even between the United States and Canada, highlighting the need to proactively encourage other countries to strengthen their laws in order to keep illicit items from those who seek to do us harm.

That said, the United States desperately needs to streamline its own approach to monitoring exports, placing this responsibility under the aegis of one licensing agency. Only once our own house is in order can we credibly approach potential partners to create a uniform international enforcement regime based on a broad set of shared principles.

Recent coordination with the UAE represents a positive development toward this end. The country has significantly improved its export controls, transshipment oversight, and law enforcement in general, including efforts to limit the amount of illicit funding from Afghanistan moving through its banks and ports. Meanwhile, the U.S. government has opened customs and immigration academies in the emirates to serve as regional law enforcement training centers. In addition, cooperation between American and UAE law enforcement officials is improving by the day.

Conclusion

Although few countries view export control through the same lens as Washington, foreign governments are becoming increasingly aware of the importance of such efforts. In order to protect American interests, maintain a tactical and technological advantage, and prevent adversarial regimes and groups from obtaining sensitive items, the United States must substantially rework its complex and disjointed export control laws. Only then can it convincingly leverage its own export scheme to unify controls worldwide.

This rapporteur's summary was prepared by Benjamin Freedman. ❖

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