



CASE EXAMPLE: NADEEM AKHTAR

***Inside a Pakistan Nuclear Procurement
Network***

Special Agent Donald Pearce



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BUREAU OF INDUSTRY AND SECURITY



Pakistan Atomic Energy Commission's (PAEC) Chashma Nuclear Power Plant Complex

Pakistan Space and Upper Atmosphere Research Commission (SUPARCO)

- Pakistan's National Space Agency**



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THE INITIAL TIP

- 1995 – U.S. company makes a licensed export of actuators to a commercial nuclear power plant in the PRC.
- 2007 – same company receives 4 inquiries:
 - Taiwan rep receives PRC inquiry
 - 4 months later: Taiwan rep receives 2nd inquiry, listing part numbers (CNPP- “Any Problem?”)
 - Domestic phone inquiry the following month
 - Request from Akhtar, along with an end-use statement showing end use by AES Lapir Thermal Power Station.



COMPUTER COMMUNICATION USA



(CC-USA, a/k/a/ CCI-USA)

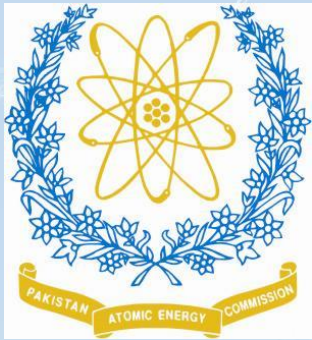


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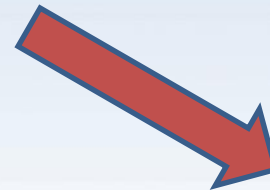
AKHTAR'S ROLE

- Received direction as to what commodities to purchase in the U.S. and the methods to be used to conceal the true nature, value and end-use/end-user of the items
- Negotiated pricing with manufacturers and suppliers
- Placed orders, arranged shipments, falsified the export paperwork
- Received a commission of 5%-7.5% of cost





**Pakistan National/CEO of
Private Pakistan Company**



**Akhtar, doing business
in the U.S. as CCI**



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GENERAL TECHNIQUES

- Use of third parties and a variety of business entities in Pakistan, Dubai and the U.S.
- Use of false End-User Statements
- Falsification of Invoices, Purchase Orders and Air Waybills
- Deliberate undervaluing to avoid export declaration filing requirements
- Concealment of controlled items in large shipments



PERSONAL DOSIMETERS



- Don't tell the company the items are destined for Pakistan
- It might help to change the “brand” of the items being requested due to the “strict rules” of the manufacturer
- Akhtar instructed to buy in batches from different companies using different buyer names
- Exported a total of 300
- Utilized a business associate in the Midwest for part of the purchase
- Retails for approximately \$300 each
- 100 digital calculators/\$3.50 each
- 200 digital pagers/\$2.50 each
- Exported to third party in Dubai



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NUCLEAR GRADE RESINS

- Akhtar informed that a license would be required if resins were going to Pakistan
- Directed to make another attempt, and to add “a few other non-nuclear resins” in the quote
- Akhtar uses the owner of a wireless company to request a quote for end-use in Maryland
- Failure to procure will result in “stoppage of the plant”
- Akhtar instructed to order portions every few days using “alternate companies”
- Trading company in Dubai used to transship the resins
- Total commercial cost: \$10,000
- Declared value: \$850



COAXIAL ATTENUATORS

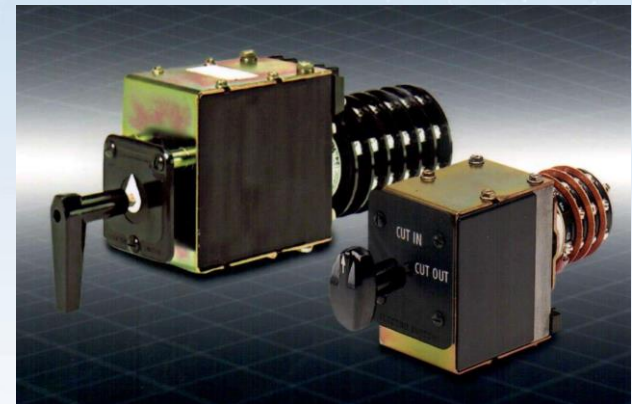


- Initial order delayed because manufacturer required an end-use statement
- Akhtar provided with two end-user certificates, indicating items would be used in research project related to “RF applications”
- Use whichever certificate you feel is appropriate.
- Akhtar uses SUPARCO EUS
- U.S. Company fails to identify SUPARCO as a listed entity
- Identified in export paperwork as “computer part”
- Total commercial cost: \$3,000
- Declared value: \$90



SELECTOR SWITCHES

- Akhtar receives long list of various selector switches
- He warns that a long list of parts would raise suspicion that items are destined for an overseas user. Suggests “Next time we break these quote into different segment.”
- Purchase order shows domestic sale
- Akhtar instructed to export the switches and other items to Dubai
- Identified in export paperwork as “spare parts (switches)”
- Total commercial cost: \$63,250
- Declared value: \$450



KNOWLEDGE

- “Do not mention it is for Pakistan”
- “Next time we break these quote into different segment”
- “Difficulties were faced as these stores were for nuclear application”
- “add a few other non-nuclear items” in the request
- “since these are...restricted items and have nuclear application...delivery date may cause problems”
- Because these items are “nuclear accessories...avoid disclosing the user in the best interest of [the] State”

INDICTMENT

- March 2010 - Akhtar and co-conspirator indicted by a Federal Grand Jury in Baltimore, MD and charged with:
 - **1 count of conspiracy to violate IEEPA**
 - **7 counts of IEEPA violations**
 - **1 count of money laundering**





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SENTENCING

- Akhtar pleaded guilty on September 9, 2011
- January 6, 2012 – sentenced to 37 months in prison
 - **Seriousness of offense**
 - **Desire to send a message of deterrence**



QUESTIONS?

Bureau of Industry and Security
U.S. Department of Commerce
www.bis.doc.gov

Where Industry and Security Intersect



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