



THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* CONNECTICUT

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CITIZEN OF ISRAEL CHARGED WITH VIOLATING U.S. ARMS EXPORT LAWS

May 15, 2014 - Deirdre M. Daly, United States Attorney for the District of Connecticut, Bruce M. Foucart, Special Agent in Charge of U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) in Boston, and Craig Rupert, Special Agent in Charge of the Defense Criminal Investigative Service Northeast Field Office, today announced that ELIYAHU COHEN, also known as ELI COHEN, 63, of Bnei Brak, Israel, has been arrested on federal felony charges of conspiracy to export U.S. defense articles, unlawful export of U.S. defense articles, and conspiracy to commit money laundering. This matter stems from a long-term investigation into a network of military parts purchasers and brokers involved in an alleged conspiracy to export controlled military parts from the U.S. in violation of U.S. federal criminal law.

“The U.S. Attorney’s office in Connecticut is committed to working with our law enforcement partners here and abroad to ensure that sensitive military items built in the United States do not fall into the wrong hands,” said U.S. Attorney Deirdre Daly. “Willful and repeated violations of our export laws will be prosecuted to the full extent of the law.”

“One of Homeland Security Investigations highest priorities is to prevent illicit procurement networks and foreign nations from illegally obtaining U.S. military products and sensitive dual-use technologies,” said Bruce Foucart, special agent in charge of HSI Boston. “The scope and magnitude of this case illustrates just how real that threat is, HSI will continue to aggressively pursue those who violate U.S. export laws, especially when our national security could be jeopardized.”

“The arrest of Eli Cohen represents the culmination of a long-term collaborative effort amongst investigators and prosecutors in bringing an alleged international arms trafficker to justice,” said Craig Rupert, Special Agent in Charge of the DCIS Northeast Field Office. “As long as there are those who seek to illegally acquire sensitive U.S. military technology, DCIS will remain committed to combating their efforts and protecting America’s Warfighters.”

On February 6, 2007, a grand jury in the District of Connecticut returned an indictment charging COHEN, his companies, Q.P.S. Ltd., Wheels, Inc., P. AD. Ltd. and R.S. P. Spare Parts Ltd., and others, with conspiring to violate the Arms Export Control Act (“AECA”), and the International Traffic in Arms Regulations (“ITAR”), violating those laws, and engaging in a conspiracy to commit money laundering, and aiding and abetting. On May 8, 2013, a grand jury returned a nine-count superseding indictment, which includes five counts charged in 2007, two additional AECA violations and two violations of the International Emergency Economic Powers Act (“IEEPA”).

COHEN was arrested in Israel on May 12, 2014, and a redacted superseding indictment was ordered unsealed yesterday by U.S. District Judge Stefan R. Underhill in Bridgeport, Connecticut. COHEN is currently detained in Israel and the U.S. government is seeking his extradition.

According to the indictment, the export from the U.S. of arms, munitions, and related military components, and the technology to build such items, is heavily regulated by federal statutes and corresponding regulations. The indictment alleges that between 2000 and 2004, COHEN, working with brokers in the U.S., arranged for the export of several defense articles, including U.S. origin Hawk Missile System components, from the U.S. The Hawk Missile System is a medium range surface-to-air missile system designed to destroy missiles in flight. It is no longer used by the United States but is used by the Islamic Republic of Iran. At no time did COHEN or any of his co-conspirators apply for or receive a license or other authorization from the U.S. Department of State to export the defense articles.

The indictment further alleges that in 2012 and 2013, COHEN conspired to ship U.S. origin defense articles, specifically F-4C and F-14 aircraft fighter jet replacement parts, from Israel to Iran, via Athens, Greece, without U.S. government authorization.

If convicted of all of the counts of the superseding indictment in which he is charged, COHEN faces a maximum term of imprisonment of 130 years and a fine of up to \$7.5 million.

U.S. Attorney Daly stressed that an indictment is not evidence of guilt. Charges are only allegations, and a defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.

This matter is being investigated by HSI New Haven, HSI Attaché Tel Aviv, the Defense Criminal Investigative Service and the Department of Commerce Bureau of Industry and Security's Office of Export Enforcement, with the cooperation and assistance of the Israeli National Police, the Israeli Ministry of Defense, Directorate of Security for the Defense Establishment, the Israel Tax Authority and the International Department of the Israeli State Attorney's Office. The case is being prosecuted by Assistant U.S. Attorneys Sarala V. Nagala and Paul H. McConnell, and Trial Attorney David Recker of the Justice Department's National Security Division, Counterespionage Section.

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