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**Department of Justice**

U.S. Attorney's Office

District of Connecticut

FOR IMMEDIATE RELEASE

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## **Former Connecticut Resident Sentenced to 97 Months for Attempting to Send U.S. Military Technology to Iran**

Deirdre M. Daly, United States Attorney for the District of Connecticut, and Assistant Attorney General for National Security John P. Carlin announced that MOZAFFAR KHAZAEI, 61, formerly of Manchester, Connecticut, was sentenced today by U.S. District Judge Vanessa L. Bryant in Hartford to 97 months of imprisonment, followed by three years of supervised release, for attempting to send to Iran voluminous hard copy documents, computer media and electronic data containing highly sensitive, proprietary, trade secret and export controlled material relating to U.S. military jet engines, which he had stolen from multiple U.S. defense contractors where he had previously been employed. KHAZAEI also was ordered to pay a \$50,000 fine.

"Mozaffar Khazaei betrayed his defense contractor employers and the national security interests of the United States by stealing and attempting to send to Iran voluminous documents containing highly sensitive U.S. defense technology," said U.S. Attorney Daly. "U.S. companies are being relentlessly targeted by those who seek to steal our intellectual property, our trade secrets and our advanced defense technology – whether through a computer hack or cyber intrusion, or through an insider or rogue employee. As this case demonstrates, we will aggressively investigate and hold accountable those who attempt to steal trade secrets and military technology from U.S. industries, whether for their own personal gain or for the benefit of foreign actors."

"Mozaffar Khazaei exploited his privileged access to national security assets to steal highly sensitive military technology with the intent of providing it to Iran," said Assistant Attorney General Carlin. "Violations of the Arms Export Control Act, particularly those involving attempts to transfer sensitive defense technology to a foreign power, are among the most significant national security threats we face, and we will continue to leverage the criminal justice system to prevent, confront, and disrupt them."

"Stopping people like Mozaffar Khazaei from providing U.S. military technology to foreign powers is crucial to our national security interests," said Matthew Etre, Special Agent in Charge of

Homeland Security Investigations (HSI) Boston. "It's abundantly clear from court records that this individual intended to harm U.S. interests both here and abroad. HSI will continue to work with our federal law enforcement partners to ensure that advanced U.S. military technology is not stolen and illegally exported for the benefit of foreign entities."

"Mr. Khazaee abused a position of trust and responsibility by stealing trade secrets and sensitive information belonging to defense contractors developing some of our most advanced aircraft," said Assistant Director Randall C. Coleman of the FBI's Counterintelligence Division. "His actions could have put our national security at risk. Stopping his plan and holding him accountable for his betrayal was a whole-of-government effort. We will use all available legal means to pursue individuals willing to help our adversaries by stealing our technical know-how."

"The evidence developed during this investigation and today's sentencing of Mr. Khazaee illustrate the potential for harm to the U.S. through illegal exportation of sensitive documents and technology," said Special Agent in Charge Craig W. Rupert, Defense Criminal Investigative Service (DCIS), Northeast Field Office. "DCIS, along with our partner agencies, continues to prioritize and pursue these investigations to curtail any adverse impact to America's warfighters and shield America's investment in national defense."

"This case was enabled by the outstanding teamwork amongst the many federal law enforcement agencies and U.S. Attorney's office," said Danielle Angley, Special Agent-in-Charge with the Air Force Office of Special Investigations. "Critical was the ability to leverage subject matter experts from the Air Force's acquisition community who provided the technical assessments of the high value technology. While the conclusion of this case neutralized the threat of this particular person, it also highlights the need for continued and ever more vigilant protection of our critical technologies."

"Today's sentencing demonstrates the ongoing cooperation between the U.S. Department of Commerce and other federal law enforcement partners working together in unison to prevent sensitive U.S. origin technology from falling into the wrong hands," said John McKenna, Special Agent in Charge of the Department of Commerce's Boston Office of Export Enforcement.

According to court documents and statements made in court, at different times between 2001 and 2013, KHAZAE, a dual citizen of Iran and the United States with a Ph.D. in mechanical engineering, was employed by three separate defense contractors. From at least 2009 through late 2013, KHAZAE offered to provide trade secret, proprietary and export controlled defense technology that he had stolen from his U.S. employers to gain employment with state-controlled technical universities in Iran.

Beginning in late 2009, KHAZAE corresponded by email with an individual in Iran to whom he attempted to send, and in some cases did send, documents containing trade secret, proprietary and export controlled material relating to the Joint Strike Fighter Program. In one email KHAZAE stated that the material he had attached was "very controlled . . . and I am taking [a] big risk." KHAZAE instructed the individual in Iran, "after downloading," he should "delete everything immediately."

Analysis of KHAZAE's computer media also revealed cover letters and application documents that KHAZAE sent to multiple state-controlled technical universities in Iran. In those materials,

KHAZAEE stated that as “lead engineer” in various projects with U.S. defense contractors, he had learned “key technique[s] that could be transferred to our own industry and universities.” KHAZAEE stated that he wanted to “move to Iran,” that he was “looking for an opportunity to work in Iran,” and that he was interested in “transferring my skill and knowledge to my nation.”

In approximately November 2013, while residing in Connecticut, KHAZAEE attempted to send a large shipping container to Iran. The shipment included, in numerous boxes and on computer media, thousands of highly sensitive technical manuals, specification sheets, test results, technical drawings and data, and other proprietary material relating to U.S. military jet engines, including those relating to the U.S. Air Force’s F35 Joint Strike Fighter (“JSF”) program and the F-22 Raptor. The materials in the interdicted shipment had been stolen from U.S. defense contractors where KHAZAEE had worked, and many documents were prominently labeled with strict export control warnings. KHAZAEE did not apply for nor did he obtain any license to export any of the documents, and the export or attempted export of such material to Iran is illegal.

On January 9, 2014, KHAZAEE was arrested at the Newark Liberty International Airport before boarding a flight to Iran. Search warrants executed on KHAZAEE’s checked and carry-on luggage revealed additional hard copy documents and computer media containing sensitive, proprietary, trade secret and export controlled documents relating to U.S. military jet engines. KHAZAEE also was found in the possession of \$59,945 in as-yet undeclared cash, which he had split up into increments of approximately \$5,000 and secreted in multiple bank envelopes in various places in his carry-on luggage.

The hard copy and electronic material that KHAZAEE stole and sought to transfer to Iran totaled some 50,000 pages and was reviewed by experts from both the U.S. Air Force and the victim defense contractors. In addition to the materials relating to the JSF Program and the F-22 Raptor, KHAZAEE also had documents from numerous other U.S. military engine programs, including the V-22 Osprey, the C130J Hercules and the Global Hawk engine programs. In total, KHAZAEE sought to export approximately 1,500 documents containing trade secrets and approximately 600 documents containing highly sensitive defense technology.

According to analyses by the U.S. Air Force and victim defense contractors, the technical data that KHAZAEE stole would have helped Iran “leap forward” 10 years or more in academic and military turbine engine research and development, reducing their investment in such technology by one to two billion dollars, and potentially enhancing the development and effectiveness of their weapon systems.

KHAZAEE has been detained since his arrest On January 9, 2014. On February 25, 2015, he pleaded guilty to one count of unlawful export and attempted export of defense articles from the U.S. in violation of the Arms Export Control Act.

This matter has been investigated by the U.S. Immigration and Customs Enforcement’s (ICE) Homeland Security Investigations (HSI) in New Haven, the New Haven Division of the Federal Bureau of Investigation, the Defense Criminal Investigative Service in New Haven, the U.S. Air Force’s Office of Special Investigations in Boston, and the Department of Commerce’s Office of Export Enforcement in Boston.

U.S. Attorney Daly and Assistant Attorney General Carlin also commended the efforts of the many other agencies and offices that were involved in this investigation, including the U.S. Attorney's Offices for the Central District of California, the Southern District of Indiana and the District of New Jersey, HSI in Los Angeles, the U.S. Customs and Border Protection Service in Los Angeles, the U.S. Air Force's Office of Special Investigations in Los Angeles, as well as HSI, CBP, and FBI in New Jersey, and HSI, FBI and DCIS in Indianapolis.

This case was prosecuted by Assistant U.S. Attorney Stephen Reynolds of the National Security and Major Crimes Unit of the U.S. Attorney's Office for the District of Connecticut, and Trial Attorney Brian Fleming of the Justice Department's Counterintelligence and Export Control Section (CES).

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