

# **Startling Revelations From an Iranian Smuggling Case in Hamburg**

**by Matthias Küntzel**

I rarely attend trials, but this one is special.

On July 24, 2013, the main hearing in the case of German businessman Rudolf M. and Iranian-Germans Gholamali K., Kianzad K., and Hamid Kh. opened at Hamburg's Higher Regional Court. The defendants are charged with exporting 92 German-produced specialized valves for use in Iran's Arak plutonium reactor and arranging the shipment of 856 nuclear-usable valves from India to Iran in 2010 and 2011.

The reasons why the UN Security Council has ordered Iran to halt the construction of the Arak reactor are compelling. If this nuclear plant comes online in 2014, as the Iranians anticipate, it could produce enough weapons-grade plutonium for two bombs a year. The smuggling of nuclear valves from Germany is therefore of exceptional significance and tops the latest UN list of reported alleged violations of the sanction regime against Iran.

Recently, an important detail of this smuggling operation was revealed on the German public television current affairs program, Fakt: "German officials clearly (knew) about this illegal trade since 2009 and did nothing about it for years." How so? Did such an explosive shipment really take place before the very eyes of the German security services?

Wishing to learn more, I installed myself in the empty public auditorium of the Hamburg Palace of Justice, where, on August 2, Stefan M., from the Cologne branch of the Customs Criminological Office (CCO) was called to the witness stand.

He testified that the name of Hossein Tanideh, a senior agent for the Iranian nuclear program, had been known to the CCO since 2009. While introducing himself in Germany as a refinery manager, Tanideh was in fact the organizer of the transport of the valves to Iran via front companies in Turkey and Azerbaijan. He is currently on remand in Istanbul. In 2009, the U.S. began to issue alerts about Tanideh.

Did the American alerts “arrive on your desk more frequently or more rarely?” Stefan M. was asked. “Somewhere in between” he replied. “I did not get one every month.” Were there contacts with the U.S.? The CCO has “no direct line to information-providing states.” If Washington sent something, it was filed away for “routine treatment.”

In 2011, the U.S. realized that most of the valves were already at or on their way to Arak. Washington was furious.

On October 12, 2011, three State Department representatives, an official of the Department of Energy, and a U.S. embassy representative arrived at the German Foreign Ministry. Participating in this two-hour crisis meeting on the German side were representatives of the Foreign Office, the Economic and Finance Ministries, and the CCO’s Stefan M.

The U.S. had asked for a meeting about the “Tanideh issue,” declared Stefan M. “I got the impression that there were expectations. What have you done? Were the alerts taken seriously or not?”

The German side attempted to show that “something is being done.” In fact, monitoring of the defendant’s calls only began five months after the meeting – in March 2012.

The accused valve manufacturer, Rudolf M., had been on the German radar since 2009. Firstly, the Federal Office of Economics and Export Control (BAFA) inquired as to whether he was intending to export anything to Iran. Then officers of the Bundesamt für Verfassungsschutz (BfV), the German domestic intelligence service, dropped in and observed his conspicuously evasive responses to mentions of Iran. They wrote in a 2009 report that “the valve manufacturer is the source of a proliferation danger.”

In 2010, the suspicions grew stronger. In May, the German firm AUMA broke off its business relationship with Rudolf M. explaining that “we know from reliable sources that you intend to send goods to Iran.” So why did the first consignments of valves go to Iran that very same year?

Stefan M. described his department’s attitude thus: “When I get a proliferation alert, my point of departure is always: this German firm is clean. BAFA works in the same way... their assumption is that the firms are credulous.”

Question from the judge: is this not a matter of prevention? Shouldn’t you immediately respond to the alerts rather than believing in the goodness of the businessman?

"It would be counter-productive to assume per se that every German firm mentioned in an alert is involved in criminal activity."

So what should not have happened, happened. On September 8, 2011, BAFA authorized the export of more valves by Rudolf M. to Hossein Tanideh's undercover business operation.

Germany's security services, however, were well aware of the Iranian tricks. "Some 100 front companies are involved in the illegal export of arms to Iran", the President of the CCO stated back in 2005.

To this very day, "technology 'Made in Germany' is highly sought after for the development of the Iranian nuclear weapons program," CCO President Norbert Drude declared recently. In 2012, 136 preliminary investigations were initiated in relation to breaches of German export regulations. "According to the Senior Customs Officer, three-quarters of these cases concern the Mullahs' regime in Tehran."

For Tehran, what we refer to as nuclear smuggling is a component of government policy. The Iranian regime views the sanctions as a machination of the Great and Little Satans, the USA and Israel, and violating them as a part of an economic jihad. "The easiest way to evade the sanctions," we learn from a recent study by the Iranian Parliament, is for "a person or company to change the name and address of the affected company."

We have to therefore assume that the Iranian embassy in Berlin directs and coordinates the nuclear smuggling, and that it also greases official palms. There are plenty of examples from the recent past that provide food for thought.

For instance, in 2007, Gert-René Polli, the long-serving chief of the Austrian intelligence services, was dismissed because of his suspiciously close ties to senior figures in the Iranian secret service. Polli's department had previously "simply ignored a shopping trip to Austria by Iranian buyers of nuclear weapons components," the Austrian media reported.

Then there is "Sinbad," an Iranian who worked under this pseudonym for the German intelligence service BND for ten years, and a total remuneration of one million euros. Then it emerged that Sinbad had been smuggling missile components to Iran and was allegedly a double agent for Tehran. "Sinbad" was arrested and sentenced to three years imprisonment by a Berlin court in May 2009.

However, "the legal authorities, the accused, and the BND [agreed] that the case should be dealt with without a main hearing. In return, after the verdict, 'Sinbad' would leave Germany," reported Der Spiegel at the time.

The current hearing in Hamburg has already shown that the smuggling of the nuclear valves was only possible because of loopholes and misconduct by officials. Let us hope that the Hamburg judges do not restrict their search for the truth to the specific offenses, but shed light on their context – the obvious failings of the German security services and the reasons for them.

This is a special trial, indeed. I would prefer not to remain the sole note-taker in the auditorium.

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