

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA

09 CR 10.03.4 GAO

v.

HANS WERNER SCHNEIDER,
CHRISTOF SCHNEIDER, and
SCHNEIDER GMBH,

Defendants.

)
) Violations:
) 18 U.S.C. §371 -
) Conspiracy; and
) 18 U.S.C. §2 - Aiding
) and Abetting.
)
)

INDICTMENT

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

1. Defendants HANS WERNER SCHNEIDER ("HANS SCHNEIDER") and CHRISTOF SCHNEIDER are citizens of the Federal Republic of Germany. HANS SCHNEIDER and CHRISTOF SCHNEIDER are principals and directors of SCHNEIDER GMBH.

2. Defendant SCHNEIDER GMBH is a business organized under the laws of the Federal Republic of Germany with offices at Thomas-Mann Street 35-37, 42929 Wermelskirchen, Germany. SCHNEIDER GMBH is involved in the business of procuring, brokering, selling, and exporting a wide range of industrial supplies for customers located in numerous countries, including the Islamic Republic of Iran.

3. Unindicted coconspirator #1 is an individual located in the Kingdom of Jordan who assisted defendants HANS SCHNEIDER and CHRISTOF SCHNEIDER in their attempts to procure U.S. manufactured pump parts for an Iranian customer.

4. Between January 1975 and September 1977, Shapur Chemical Company in the Islamic Republic of Iran obtained in excess of 15 Vertical Centrifugal Sulphuric Acid and Sulphur Pumps from a U.S. manufacturer. The U.S. manufacturer assigned each of these pumps a unique serial number, which, among other things, ensured that correct pump parts were supplied when needed.

COUNT ONE: (18 U.S.C. §371 - Conspiracy)

The Grand Jury charges that:

The allegations contained in paragraphs 1-4 are hereby re-alleged and incorporated by reference as if fully set forth herein.

From a date unknown to the Grand Jury, but at least from in or about February 2006, and continuing thereafter until in or about December 2007, in the District of Massachusetts and elsewhere,

**HANS WERNER SCHNEIDER,
CHRISTOF SCHNEIDER, and
SCHNEIDER GMBH,**

defendants herein, did willfully conspire, combine, confederate and agree with each other and others known and unknown to the Grand Jury to commit an offense against the United States, to wit:

- a. to knowingly and willfully export and cause the export, and re-export and cause the re-export, directly and indirectly from the United States, to the Islamic Republic of Iran, of goods, technology and services, to wit, pump parts worth in excess of \$200,000 for Lewis Vertical Centrifugal Sulphuric Acid and Sulphur Pumps, without the required authorization from the Secretary of the U.S. Department of Treasury having first been obtained, in violation of Title 50, United States Code,

Section 1705(a), Executive Order 13059, and 31 C.F.R. Sections 560.204 and 560.205;

- b. to fraudulently and knowingly cause the export and sending from the United States of merchandise, articles and objects, to wit, pump parts worth in excess of \$200,000 for Lewis Vertical Centrifugal Sulphuric Acid and Sulphur Pumps, contrary to the laws and regulations of the United States, in violation of Title 18, United States Code, Section 554(a); and
- c. to fraudulently and knowingly buy, and facilitate the sale of merchandise, articles, and objects, to wit, pump parts worth in excess of \$200,000 for Lewis Vertical Centrifugal Sulphuric Acid and Sulphur Pumps, prior to exportation, knowing the same to be intended for exportation contrary to laws and regulations of the United States, in violation of Title 18, United States Code, Section 554(a).

MANNER AND MEANS

The manner and means by which the conspiracy was sought to be accomplished included, among other things, the following during the dates of the alleged conspiracy:

1. It was part of the conspiracy that defendant HANS SCHNEIDER would seek to acquire pump parts for Centrifugal Sulphuric Acid and Sulphur Pumps from a United States company for delivery to Germany and re-export to the Islamic Republic of Iran.
2. It was further part of the conspiracy that the defendants HANS SCHNEIDER and CHRISTOF SCHNEIDER would use electronic mail ("e-mail") to acquire pump parts within the United States and to negotiate price, payment, and delivery terms.
3. It was further part of the conspiracy that the defendants HANS SCHNEIDER, CHRISTOF SCHNEIDER, and unindicted coconspirator #1 would use international telephone calls (including facsimile) to plan the procurement of pump parts and to induce an Immigration and Customs Enforcement undercover company and a U.S. manufacturer to deliver the pump parts to Germany.

OVERT ACTS

In furtherance of the conspiracy, and to effect the objects thereof, the defendants, and other co-conspirators, committed

overt acts, including but not limited to the following:

4. On or about February 13, 2006, defendant HANS SCHNEIDER contacted an undercover federal agent via e-mail requesting assistance in acquiring pump parts from two U.S. manufacturers for "restricted oversea's destination."
5. On or about February 17, 2006, defendant HANS SCHNEIDER sent a facsimile to an undercover federal agent using a Massachusetts phone number requesting quotes for 33 pump parts for different pumps manufactured by two U.S. companies.
6. On or about October 27, 2006, during a telephone conversation with an undercover federal agent located in Massachusetts, defendant HANS SCHNEIDER, in an effort to conceal that the final destination of the pump parts was Iran, advised the agent that he (SCHNEIDER) would omit, from the purchase order, any reference to the serial numbers of the pumps for which the parts were being acquired.
7. On or about November 6, 2006, defendant HANS SCHNEIDER sent, via facsimile to an undercover federal agent in Massachusetts, a completed U.S. Department of Commerce Form BIS-711 that falsely reflected that the ultimate consignee of the pump parts was SCHNEIDER GMBH, a German company. The form, which was signed by HANS SCHNEIDER, further indicated that the pump parts would be re-sold, and used, in Germany

and were not intended for re-export.

8. On or about March 21, 2007, defendant HANS SCHNEIDER sent a purchase order via e-mail and airmail courier to an undercover federal agent to acquire 26 different types of pump parts (of varying quantities) from a U.S. manufacturer for a total purchase price of \$214,949.04. As discussed during the telephone conversation of October 27, 2006, in the purchase order, defendant HANS SCHNEIDER omitted any reference to the serial numbers of the pumps for which the parts were being obtained.
9. On or about March 21, 2007, defendant HANS SCHNEIDER sent a draft irrevocable letter of credit in the amount of \$214,949.04 via e-mail and airmail courier to an undercover federal agent located in Massachusetts.
10. During a telephone conversation, on or about June 8, 2007, defendant HANS SCHNEIDER told an undercover federal agent that his "son" and "junior partner," CHRISTOF SCHNEIDER, would answer any questions that arose pertaining to the pump parts sale while HANS SCHNEIDER was away from the office.
11. In or about June 2007, defendant CHRISTOF SCHNEIDER sent e-mails to an undercover federal agent requesting an update on the status of the SCHNEIDER's pump parts order.
12. On or about July 23, 2007, defendant HANS SCHNEIDER sent a purchase order to a representative of a U.S. manufacturer to

acquire 26 pump parts (in various quantities) for a total purchase price of \$214,949.04. In this purchase order, SCHNEIDER omitted any reference to the serial numbers of the pumps for which the parts were being obtained. Further, in this purchase order, SCHNEIDER instructed, "no documentation at all [was] to be packed inside to the goods."

13. On or about August 3, 2007, defendant HANS SCHNEIDER sent an e-mail to a representative of a U.S. manufacturer stating, "[w]e do not know the serial numbers which have become unreadable on the pumps." Defendant HANS SCHNEIDER further advised in this e-mail that the pump parts his company was seeking to procure would be "imported by our company to Germany."
14. On or about August 20, 2007, defendant HANS SCHNEIDER, in response to inquiries by a U.S. manufacturer, told a representative of that manufacturer via e-mail, the "final destination [for the pump parts SCHNEIDER'S company was seeking to acquire] is Fed. Republic of Germany. We have to import these spares for a famous petrochemical company in Germany and we are not interested in revealing our good client addresses."
15. On or about September 18, 2007, defendant CHRISTOF SCHNEIDER advised a representative of a U.S. manufacturer via e-mail, "the chemical factory in Germany confirms the ultimate

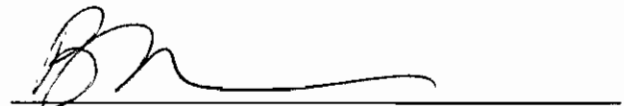
destination [for the pump parts] is the Kingdom of Jordan."

16. On October 18, 2007, defendant HANS SCHNEIDER advised an undercover federal agent via e-mail that the ultimate destination of the pump parts was now "the Kingdom of Jordan."
17. On or about November 12, 2007, coconspirator #1 sent an e-mail to a representative of a U.S. manufacturer that stated that his company had placed an order with SCHNEIDER GMBH for pump parts and confirmed that "the material is for the Jordanian market use and will not be re exported [sic] neither sold to any others out side [sic] Jordan."

All in violation of 18 U.S.C. §371 and §2.

A TRUE BILL


FOREPERSON OF THE GRAND JURY

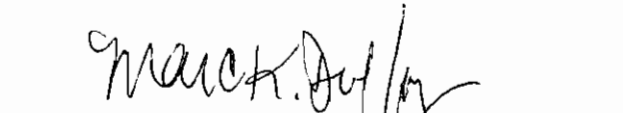

B. STEPHANIE SIEGMANN
Assistant United States Attorney

DISTRICT OF MASSACHUSETTS, Boston, MA

February 5, 2009

@10:35

Returned into the District Court by the Grand Jurors and filed.


Deputy Clerk

Criminal Case Cover Sheet

U.S. District Court - District of Massachusetts

Place of Offense: _____ Category No. II Investigating Agency ICE/COMMERCE

City Waltham and elsewhere

Related Case Information:

County Middlesex

Superseding Ind./ Inf. Case No. 09 CR 10034 **GAO**
Same Defendant _____ New Defendant _____
Magistrate Judge Case Number _____
Search Warrant Case Number _____
R 20/R 40 from District of _____

Defendant Information:

Defendant Name HANS WERNER SCHNEIDER Juvenile Yes No

Alias Name _____

Address unknown in Germany

Birth date (Year only): 1940 SSN (last 4 #): _____ Sex M Race: _____ Nationality: German

Defense Counsel if known: _____ Address: _____

Bar Number: _____

U.S. Attorney Information:

AUSA B. Stephanie Siegmann Bar Number if applicable _____

Interpreter: Yes No List language and/or dialect: _____

Victims: Yes No If Yes, are there multiple crime victims under 18 U.S.C. §3771(d)(2) Yes No

Matter to be SEALED: Yes No

Warrant Requested Regular Process In Custody

Location Status:

Arrest Date: _____

Already in Federal Custody as _____ in _____

Already in State Custody _____ Serving Sentence Awaiting Trial

On Pretrial Release: Ordered by _____ on _____

Charging Document: Complaint Information Indictment

Total # of Counts: Petty _____ Misdemeanor _____ Felony 1

Continue on Page 2 for Entry of U.S.C. Citations

I hereby certify that the case numbers of any prior proceedings before a Magistrate Judge are accurately set forth above.

Date: February 5, 2009

Signature of AUSA: _____

District Court Case Number (To be filled in by deputy clerk): _____

Name of Defendant HANS WERNER SCHNEIDER

U.S.C. Citations

	<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count Numbers</u>
Set 1	<u>18 U.S.C. §371</u>	<u>Conspiracy</u>	<u>1</u>
Set 2	<u>18 U.S.C. §2</u>	<u>Aiding and Abetting</u>	<u>1</u>
Set 3	_____	_____	_____
Set 4	_____	_____	_____
Set 5	_____	_____	_____
Set 6	_____	_____	_____
Set 7	_____	_____	_____
Set 8	_____	_____	_____
Set 9	_____	_____	_____
Set 10	_____	_____	_____
Set 11	_____	_____	_____
Set 12	_____	_____	_____
Set 13	_____	_____	_____
Set 14	_____	_____	_____
Set 15	_____	_____	_____

ADDITIONAL INFORMATION:

Criminal Case Cover Sheet

U.S. District Court - District of Massachusetts

Place of Offense: _____ Category No. II Investigating Agency ICE/COMMERCE

City Waltham and elsewhere

Related Case Information: **CR 1003-1 GAO**

County Middlesex

Superseding Ind./ Inf. _____ Case No. _____
Same Defendant _____ New Defendant X
Magistrate Judge Case Number _____
Search Warrant Case Number _____
R 20/R 40 from District of _____

Defendant Information:

Defendant Name CHRISTOF SCHNEIDER Juvenile Yes No

Alias Name _____

Address unknown in Germany

Birth date (Year only): 1973 SSN (last 4 #): _____ Sex M Race: _____ Nationality: German

Defense Counsel if known: _____ Address: _____

Bar Number: _____

U.S. Attorney Information:

AUSA B. Stephanie Siegmann Bar Number if applicable _____

Interpreter: Yes No List language and/or dialect: _____

Victims: Yes No If Yes, are there multiple crime victims under 18 U.S.C. §3771(d)(2) Yes No

Matter to be SEALED: Yes No

Warrant Requested Regular Process In Custody

Location Status:

Arrest Date: _____

Already in Federal Custody as _____ in _____

Already in State Custody _____ Serving Sentence Awaiting Trial

On Pretrial Release: Ordered by _____ on _____

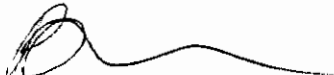
Charging Document: Complaint Information Indictment

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Signature of AUSA: 

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Name of Defendant CHRISTOF SCHNEIDER

U.S.C. Citations

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Set 6	_____	_____	_____
Set 7	_____	_____	_____
Set 8	_____	_____	_____
Set 9	_____	_____	_____
Set 10	_____	_____	_____
Set 11	_____	_____	_____
Set 12	_____	_____	_____
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City Waltham and elsewhere **09 CR 10.03.4. GAO** Related Case Information

County Middlesex Superseding Ind./ Inf. _____ Case No. _____

Same Defendant _____ New Defendant X

Magistrate Judge Case Number _____

Search Warrant Case Number _____

R 20/R 40 from District of _____

Defendant Information:

Defendant Name SCHNEIDER GMBH Juvenile Yes No

Alias Name _____

Address Thomas-Mann Street 35-37, 42929 Wermelskirchen, Germany

Birth date (Year only): _____ SSN (last 4 #): _____ Sex _____ Race: _____ Nationality: German

Defense Counsel if known: _____ Address: _____

Bar Number: _____

U.S. Attorney Information:

AUSA B. Stephanie Siegmann Bar Number if applicable _____

Interpreter: Yes No List language and/or dialect: _____

Victims: Yes No If Yes, are there multiple crime victims under 18 U.S.C. §3771(d)(2) Yes No

Matter to be SEALED: Yes No

Warrant Requested

Regular Process

In Custody

Location Status:

Arrest Date: _____

Already in Federal Custody as _____ in _____

Already in State Custody _____ Serving Sentence Awaiting Trial

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District Court Case Number (To be filled in by deputy clerk): _____

Name of Defendant SCHNEIDER GMBH

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