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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

May 1986 Grand Jury

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 HANS SCHNEIDER,)
 BEECHCRAFT VERTRIEB)
 UND SERVICE GmbH,)
)
 Defendants.)

Criminal Case No. 87-1092-JLS

I N D I C T M E N T

Title 18, U.S.C., Sec. 371 - Conspiracy to
Export Defense Articles; Title 22, U.S.C.,
Sec. 2778 - Exportation of Defense
Articles; Title 18, U.S.C., Sec. 1001 - False
Statements; Title 18, U.S.C., Sec. 2 - Aiding
and Abetting

The grand jury charges:

Count 1

INTRODUCTORY ALLEGATIONS

1. In furtherance of world peace and the security and foreign policy of the United States, the President is authorized to control the export of defense articles and to provide guidance to persons involved in the export of such articles.

2. The President is authorized to designate those items which shall be considered defense articles and to promulgate regulations for the export of such articles. The items so designated constitute the United States Munitions List. These designated items include military aircraft armaments and components for high-tech navigational

1 systems, among which are power supplies, signal data converters, optical guidance
2 controls and other equipment.

3 3. Decisions on issuing export licenses for items on the United States Munitions
4 List are made in coordination with the Director of the United States Arms Control and
5 Disarmament Agency and take into account the Director's opinion as to whether the
6 export of an article will contribute to an arms race, increase the possibility of outbreak
7 or escalation of conflict or prejudice the development of bilateral or multilateral arms
8 control arrangements.

9 4. The AN/APN-182(V) Doppler Velocity Sensor is a sophisticated, lightweight,
10 fixed antenna radar navigational system currently being produced by Teledyne Ryan
11 Electronics, a California corporation, primarily for the United States armed services. It
12 is available with a selection of antennae which allows it to be installed on either a
13 helicopter or a fixed-wing aircraft. The Doppler navigational system allows the aircraft
14 to accurately measure its ground speed, drift angle, velocity and distance traveled.

15 5. The Doppler navigational system supplies aircraft with an accurate, inde-
16 pendent method for quickly responding to military orders. It is designed for, among
17 other things, supplying data for flight control and weapons delivery systems. In addition,
18 it can supply guidance information and integrate with other aeronautical systems.

19 6. The components comprising the Doppler navigational system are designated
20 as defense articles on the United States Munitions List and therefore require an export
21 license prior to shipment abroad. At no time did defendants HANS SCHNEIDER or
22 BEEHCRAFT VERTRIEB UND SERVICE GmbH, (hereinafter "BEEHCRAFT WEST
23 GERMANY") or coconspirators Juergen Zimmermann or Bernd Pleuger apply for or
24 possess a license to export components of the Doppler navigational system to the Islamic
25 Republic of Iran.

26 7. At all times relevant herein, defendant BEEHCRAFT WEST GERMANY was
27 a West German corporation holding a franchise to sell, service, and distribute aircraft
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1 and aircraft parts manufactured by Beechcraft, U.S.A. In addition to operating a
2 franchise for Beechcraft, U.S.A., BEEHCRAFT WEST GERMANY's international trade
3 division distributed aircraft parts and navigation systems manufactured by other
4 companies. The corporate headquarters of BEEHCRAFT WEST GERMANY were
5 maintained at Flughafenstrasse 5, D-8900, Augsburg, West Germany.

6 8. At all times relevant herein, defendant HANS SCHNEIDER was sole owner,
7 president, and chief executive officer of BEEHCRAFT WEST GERMANY. In these
8 capacities, he managed, supervised, and directed the operation of the company as well as
9 the activities of coconspirators Jeurgen Zimmermann and Bernd Pleuger.

10 9. At all times relevant herein, coconspirator Bernd Pleuger was managing
11 director and sales representative of BEEHCRAFT WEST GERMANY. In these
12 capacities, he supervised the operations of all divisions of the company and worked under
13 and reported directly to defendant HANS SCHNEIDER. Among his duties, coconspirator
14 Bernd Pleuger was responsible for the operations of the international trade division. This
15 division's business consisted almost exclusively of contracts to sell and service aircraft
16 and navigational components for the Islamic Republic of Iran.

17 10. At all times relevant herein, coconspirator Jeurgen Zimmermann was a sales
18 representative of BEEHCRAFT WEST GERMANY. In that capacity, he directly
19 coordinated daily activity in BEEHCRAFT WEST GERMANY's international trade
20 division.

21 THE CONSPIRACY

22 11. Beginning on or about August 30, 1983, and continuing up to and including
23 October 29, 1986, within the Southern District of California, and elsewhere, defendants
24 HANS SCHNEIDER and BEEHCRAFT WEST GERMANY did knowingly and willfully
25 combine, conspire and agree with coconspirators Juergen Zimmermann, Bernd Pleuger
26 and with divers others to export and attempt to export from the United States of
27 America to West Germany for transshipment to the Islamic Republic of Iran, without
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1 being licensed for such export by the Office of Munitions Control, Department of State,
2 components of the AN/APN -182(V) Doppler navigational system which had been desig-
3 nated as defense articles by the President of the United States; in violation of Title 22,
4 United States Code, Section 2778.

5 THE METHODS OF THE CONSPIRACY

6 12. It was a part of the conspiracy that defendant HANS SCHNEIDER purchased
7 BEEHCRAFT WEST GERMANY's Iranian business from the company's former owner,
8 Wolfgang Denzel.

9 13. It was a further part of the conspiracy that defendant HANS SCHNEIDER
10 authorized and directed coconspirator Bernd Pleuger to continue negotiating and
11 servicing Iranian contracts that required the illegal diversion of United States Munitions
12 List items through his company.

13 14. It was a part of the conspiracy that coconspirators Juergen Zimmermann and
14 Bernd Pleuger, on behalf of defendants HANS SCHNEIDER and BEEHCRAFT WEST
15 GERMANY, would and did cause Teledyne Ryan Electronics to obtain United States
16 Department of State export licenses for components of the AN/APN-182(V) Doppler
17 navigational system by submitting false information.

18 15. It was a further part of the conspiracy that coconspirators Juergen Zimmer-
19 mann and Bernd Pleuger, on behalf of defendants HANS SCHNEIDER and BEEHCRAFT
20 WEST GERMANY, would and did cause Teledyne Ryan Electronics to, among other
21 things, conceal from the Department of State that the end user for the Doppler
22 navigational components would be the Islamic Republic of Iran.

23 16. As a further part of the conspiracy, coconspirators Juergen Zimmermann and
24 Bernd Pleuger, on behalf of defendants HANS SCHNEIDER and BEEHCRAFT WEST
25 GERMANY, would and did utilize Circle Freight International in Munich, West Germany,
26 to transship the Doppler navigational components to the Islamic Republic of Iran.

- 1 6. On or about November 19, 1985, in San Diego, California, Teledyne Ryan
2 Electronics applied for a Department of State export license for the four
3 signal data converters.
- 4 7. On or about March 1, 1986, in San Diego, California, Teledyne Ryan
5 Electronics shipped signal data converter, serial number 0345, on Circle Air
6 Freight, Lufthansa to Circle Freight International, Munich, Germany.
- 7 8. On or about June 11, 1986, in San Diego, California, Teledyne Ryan
8 Electronics shipped the remaining three signal data converters, serial
9 numbers 0347, 0348, and 0349, on Circle Air Freight, Lufthansa to Circle
10 Freight International, Munich, Germany.
- 11 9. On or about July 21, 1986, in West Germany, coconspirators Juergen
12 Zimmermann and Bernd Pleuger ordered from Teledyne Ryan Electronics
13 three high-voltage power supplies, part number 588P0001G1.
- 14 10. On or about August 6, 1986, in West Germany, coconspirators Juergen
15 Zimmermann and Bernd Pleuger informed Teledyne Ryan Electronics that the
16 three high-voltage power supplies were destined for West Germany for use on
17 a BK-117 helicopter owned by Messerschmitt Boelkow Blohm.
- 18 11. On or about August 27, 1986, in San Diego, California, Teledyne Ryan
19 Electronics applied for a Department of State export license for the three
20 high-voltage power supplies.

21 All in violation of Title 18, United States Code, Section 371.

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Count 2

On or about March 1, 1986, in the Southern District of California, and elsewhere, defendants HANS SCHNEIDER and BEEHCRAFT WEST GERMANY and coconspirators Juergen Zimmermann and Bernd Pleuger did knowingly and willfully export and attempt to export from the United States of America to West Germany for transshipment to the Islamic Republic of Iran, without being licensed for such export by the Office of Munitions Control, Department of State, an aeronautical component which had been designated as a defense article by the President of the United States, to wit: one signal data converter, part number 588S0001-G11; in violation of Title 22, United States Code, Section 2778, and Title 18, United States Code, Section 2.

Count 3

On or about February 27, 1986, in the Southern District of California, and elsewhere, defendants HANS SCHNEIDER and BEEHCRAFT WEST GERMANY and coconspirators Juergen Zimmermann and Bernd Pleuger did knowingly and willfully make false declarations of material fact in a matter within the jurisdiction of the United States Customs Service by stating and causing to be stated on a Shipper's Export Declaration ("SED") that West Germany was the country of ultimate destination for one signal data converter, part number 588S0001-G11; in violation of Title 18, United States Code, Sections 1001 and 2.

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Count 5

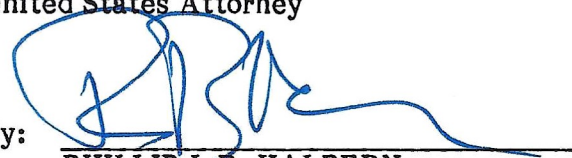
On or about June 10, 1986, in the Southern District of California, and elsewhere, defendants HANS SCHNEIDER and BEEHCRAFT WEST GERMANY and coconspirators Juergen Zimmermann and Bernd Pleuger did knowingly and willfully make false declarations of material fact in a matter within the jurisdiction of the United States Customs Service by stating and causing to be stated on a Shipper's Export Declaration ("SED") that West Germany was the country of ultimate destination for three signal data converters, part number 588S0001-G11; in violation of Title 18, United States Code, Sections 1001 and 2.

DATED: _____.

A TRUE BILL:

Foreperson

PETER K. NUNEZ
United States Attorney

By: 

PHILLIP L.B. HALPERN
Assistant U.S. Attorney