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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

May 1987 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

FORWAY INDUSTRIES, INC.,
RONALD C. WADE,
TUSHAR K. BASU,
GREGORY A. ROGERS,

Defendants.

Criminal Case No. 88-0425-JTS

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

1 items include military aircraft armaments and components for high-tech navigational
2 systems, among which are power supplies, signal data converters, optical guidance
3 controls and other equipment.

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

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

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

20 6. The components comprising the Doppler navigational system are designated
21 as defense articles on the United States Munitions List and therefore require an export
22 license prior to shipment abroad. At no time relevant herein did defendants RONALD C.
23 WADE, TUSHAR K. BASU, GREGORY A. ROGERS, or FORWAY INDUSTRIES, INC.,
24 apply for or possess a license to export components of the Doppler navigational system
25 to the Islamic Republic of Iran.

26 7. At all times relevant herein, defendant FORWAY INDUSTRIES, INC., was a
27 New Jersey corporation which, among other things, manufactured and conducted
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1 research on defense and defense related articles. In addition, FORWAY INDUSTRIES,
2 INC., distributed and negotiated the sale of various aircraft parts and navigation systems
3 manufactured by other companies. The corporate headquarters of FORWAY
4 INDUSTRIES, INC., are maintained at 122 Green Avenue, Woodbury, New Jersey.

5 8. At all times relevant herein, defendant RONALD C. WADE was president and
6 chief executive officer of FORWAY INDUSTRIES, INC. In these capacities, he managed,
7 supervised, and directed the operation of the company and its employees.

8 9. At all times relevant herein, defendant TUSHAR K. BASU was a purchasing
9 manager for FORWAY INDUSTRIES, INC. In this capacity, he negotiated and supervised
10 the negotiation of various contracts undertaken by FORWAY INDUSTRIES, INC.

11 10. At all times relevant herein, defendant GREGORY A. ROGERS was the
12 manager of the tracked vehicle components division. In this capacity, among other
13 things, he supervised the handling of export licenses for FORWAY INDUSTRIES, INC.

14 11. At all times relevant herein, Beechcraft Vertrieb Und Service GmbH (herein-
15 after "Beechcraft West Germany") was a West German corporation holding a franchise to
16 sell, service, and distribute aircraft and aircraft parts manufactured by Beechcraft,
17 U.S.A. In addition to operating a franchise for Beechcraft, U.S.A., Beechcraft West
18 Germany's international trade division distributed aircraft parts and navigation systems
19 manufactured by other companies. The corporate headquarters of Beechcraft West
20 Germany were maintained at Flughafenstrasse 5, D-8900, Augsburg, West Germany.

21 THE CONSPIRACY

22 12. Beginning in or about May 1985 and continuing up to and including
23 December 18, 1987, within the Southern District of California, and elsewhere,
24 defendants RONALD C. WADE, TUSHAR K. BASU, GREGORY A. ROGERS, and
25 FORWAY INDUSTRIES, INC., did knowingly and willfully combine, conspire and agree
26 with others to export and attempt to export from the United States of America to West
27 Germany for transshipment to the Islamic Republic of Iran, without being licensed for
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1 such export by the Office of Munitions Control, Department of State, components of the
2 AN/APN-182(V) Doppler navigational system which had been designated as defense
3 articles by the President of the United States; in violation of Title 22, United States
4 Code, Section 2778.

5 THE METHODS OF THE CONSPIRACY

6 13. It was a part of the conspiracy that defendant RONALD C. WADE,
7 TUSHAR K. BASU, and GREGORY A. ROGERS, on behalf of defendant FORWAY
8 INDUSTRIES, INC., sought to obtain components of the AN/APN-182(V) Doppler
9 Navigational System from Teledyne Ryan Electronics.

10 14. It was a further part of the conspiracy that defendants TUSHAR K. BASU and
11 GREGORY A. RODGERS, on behalf of FORWAY INDUSTRIES, INC., would and did
12 submit false and fraudulent information to Teledyne Ryan Electronics.

13 15. It was a further part of the conspiracy that defendant RONALD C. WADE, on
14 behalf of FORWAY INDUSTRIES, INC., would and did submit false and fraudulent
15 information to the United States Customs Service.

16 16. It was a further part of the conspiracy that defendants RONALD C. WADE,
17 TUSHAR K. BASU, and GREGORY A. ROGERS, on behalf of FORWAY INDUSTRIES,
18 INC., would and did allow the Department of State, Office of Munitions Control to rely
19 on false and fraudulent information.

20 17. As a further part of the conspiracy, defendant RONALD C. WADE would and
21 did get a false and fraudulent end use certificate from an individual representing himself
22 to be employed by Beechcraft, West Germany, to conceal the fact that the
23 coconspirators knew the true destination of the navigational components.

24 18. As a further part of the conspiracy, defendant TUSHAR K. BASU, on behalf
25 of defendant FORWAY INDUSTRIES, INC., would and did attempt to mislead Teledyne
26 Ryan Electronics by stating that the Doppler navigational components were to be used in
27 West Germany.
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1 19. As a further part of the conspiracy, defendant FORWAY INDUSTRIES, INC.,
2 would and did mislead the Department of State, Office of Munitions Control, by not
3 correcting their earlier statements that the Doppler navigational components were to be
4 installed on a BK-117 helicopter owned by Messerschmitt Boelkow Blohm in West
5 Germany for use by the German Border Control.

6 20. As a further part of the conspiracy, defendant RONALD C. WADE, on behalf
7 of defendant FORWAY INDUSTRIES, INC., would and did attempt to conceal from
8 Special Agents of the United States Customs Service that the true destination of the
9 navigational components was Iran.

10 OVERT ACTS

11 In furtherance of said conspiracy, and to effect the objects thereof, the following
12 overt acts, among others, were committed within the Southern District of California,
13 and elsewhere:

- 14 1. On December 22, 1986, in Woodbury, New Jersey, defendants TUSHAR K.
15 BASU and GREGORY A. ROGERS, on behalf of defendant FORWAY
16 INDUSTRIES, INC., sent a telex to Beechcraft, West Germany, quoting price
17 and delivery date for three power supplies, part number 588P0001-G1.
- 18 2. On January 13, 1987, an employee of FORWAY INDUSTRIES, INC., called
19 Teledyne Ryan Electronics in San Diego, California, requesting confirmation
20 of the price on three power supplies, part number 588P0001-G1.
- 21 3. On January 14, 1987, in Woodbury, New Jersey, defendants TUSHAR K. BASU
22 and GREGORY A. ROGERS, on behalf of defendant FORWAY INDUSTRIES,
23 INC., sent a telex to Beechcraft, West Germany, confirming price and
24 delivery for the power supplies.
- 25 4. On February 17, 1987, defendant TUSHAR K. BASU called Teledyne Ryan
26 Electronics in San Diego, California.

- 1 5. On February 24, 1987, TUSHAR K. BASU informed United States Customs
2 Agent Daniel Supnick, who was representing himself as an employee of
3 Teledyne Ryan Electronics in San Diego, that the end-user for the power
4 supplies was West Germany.
- 5 6. On February 26, 1987, in Woodbury, New Jersey, defendant RONALD C.
6 WADE, requested that a fraudulent end user certificate be executed to
7 "cover" defendant FORWAY INDUSTRIES, INC.
- 8 7. On April 10, 1987, in Woodbury, New Jersey, defendant RONALD C. WADE,
9 on behalf of defendant FORWAY INDUSTRIES, INC., sent a proforma invoice
10 to Beechcraft for the three power supplies.
- 11 8. On April 16, 1987, in Woodbury, New Jersey, defendant TUSHAR K. BASU, on
12 behalf of FORWAY INDUSTRIES, INC., sent a purchase order for the three
13 power supplies to Teledyne Ryan Electronics in San Diego, California.
- 14 9. On April 29, 1987, in Woodbury, New Jersey, defendant RONALD C. WADE
15 stated to Special Agents of the United States Customs Service that he had no
16 reason to believe the power supplies were going to any place other than the
17 German Border Control.
- 18 10. On April 30, 1987, in Woodbury, New Jersey, defendant TUSHAR K. BASU
19 stated to Special Agent Daniel Supnick, who was acting in an undercover
20 capacity as an employee of Teledyne Ryan Electronics, that he had no
21 knowledge that the navigational equipment was destined for Iran.

22 All in violation of Title 18, United States Code, Section 371.
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Count 3

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2 On or about April 29, 1987, in the Southern District of California and elsewhere,
3 defendants FORWAY INDUSTRIES, INC., and RONALD C. WADE knowingly and willfully
4 did falsify, conceal, and cover up by trick, scheme, and device a material fact and did
5 make a false, fictitious and fraudulent statement and representation as to a material
6 fact within the jurisdiction of the the United States Customs Service, and the
7 Department of State, in that they did conceal that they were attempting to export three
8 high voltage power supplies to Iran, and did represent to Special Agents of the United
9 States Customs Service that he had no reason to believe the power supplies were for use
10 in anyplace other than West Germany, whereas in truth and fact as the defendants then
11 and there well knew, that statement and representation was false, fictitious and
12 fraudulent when made, in violation of Title 18, United States Code, Sections 1001 and 2.


13 DATED: May 26, 1988.

14 A TRUE BILL:

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16 
17 Foreperson

18 PETER K. NUNEZ
19 United States Attorney

20 By:


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