

BNDDUTY,CLOSED,INTERPRETER

U.S. District Court
Southern District of Florida (Miami)
CRIMINAL DOCKET FOR CASE #: 1:24-mj-04212-MFE-1

Case title: USA v. Sanjay Kaushik

Date Filed: 10/18/2024

Date Terminated: 10/18/2024

Assigned to: Magistrate Judge Marty
Fulgueira Elfenbein

Defendant (1)

Sanjay Kaushik

13911-506

YOB: 1967; Hindi

TERMINATED: 10/18/2024

Pending Counts

Disposition

None

Highest Offense Level (Opening)

None

Terminated Counts

Disposition

None

Highest Offense Level (Terminated)

None

Complaints

Disposition

WARRANT\DISTRICT OF
OREGON\COMPLAINT\ 18 U.S.C.§ 554
Smuggling Goods from the United States
and 50 U.S.C. § 4819 Export Control
Reform Act

Plaintiff

USA

represented by **Noticing AUSA CR TP/SR**
Email: Usafls.transferprob@usdoj.gov
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Designation: Retained

Date Filed	#	Docket Text
10/17/2024		Arrest of Sanjay Kaushik (yeh0) (Entered: 10/21/2024)
10/18/2024	<u>1</u>	Magistrate Judge Removal of Complaint from District of Oregon Case number in the other District 3:24-mj-226 as to Sanjay Kaushik (1). (kan) (Entered: 10/21/2024)
10/18/2024	<u>3</u>	WAIVER of Rule 5(c)(3)/Rule 40 Hearing by Sanjay Kaushik (yeh0) (Entered: 10/21/2024)
10/18/2024	<u>4</u>	COMMITMENT TO ANOTHER DISTRICT as to Sanjay Kaushik. Defendant committed to District of Oregon. Closing Case for Defendant. Signed by Magistrate Judge Marty Fulgueira Elfenbein on 10/18/2024. <i>See attached document for full details.</i> (yeh0) (Entered: 10/21/2024)
10/21/2024	<u>2</u>	Minute Order for proceedings held before Magistrate Judge Marty Fulgueira Elfenbein: Initial Appearance as to Sanjay Kaushik held on 10/21/2024. The parties stipulated to Bond recommendation: Sanjay Kaushik (1) Pretrial Detention – STIP with the right to revisit. Defendant ordered removed. Hindi Interpreter present. (Digital 13:36:19/14:54:19/15:09:36) Signed by Magistrate Judge Marty Fulgueira Elfenbein on 10/18/2024. (yeh0) (Entered: 10/21/2024)

UNITED STATES DISTRICT COURT

SEALEDfor the
District of Oregon

24-MJ-4212-ELFENBEIN

United States of America
v.

SANJAY KAUSHIK

Case No. 3:24-mj-226

FILED BY KAN D.C.

Oct 18, 2024

ANGELA E. NOBLE
CLERK U.S. DIST. CT.
S. D. OF FLA. - Miami

Defendant

ARREST WARRANT

To: Any authorized law enforcement officer

YOU ARE COMMANDED to arrest and bring before a United States magistrate judge without unnecessary delay
(name of person to be arrested) SANJAY KAUSHIK,
who is accused of an offense or violation based on the following document filed with the court:

☐ Indictment ☐ Superseding Indictment ☐ Information ☐ Superseding Information ☒ Complaint
☐ Probation Violation Petition ☐ Supervised Release Violation Petition ☐ Violation Notice ☐ Order of the Court

This offense is briefly described as follows:

Smuggling Goods from the United States in violation of 18 U.S.C. § 554 and Export Control Reform Act in violation of 50 U.S.C. § 4819

Date: October 16, 2024*Youlee Yim You*
Issuing officer's signatureCity and state: Portland, Oregon

Honorable Youlee Yim You, U.S. Magistrate Judge

Printed name and title

ReturnThis warrant was received on (date) _____, and the person was arrested on (date) _____
at (city and state) _____.

Date: _____

Arresting officer's signature

Printed name and title

UNITED STATES DISTRICT COURT

for the

District of Oregon

SEALED

United States of America)

v.)

SANJAY KAUSHIK)

Case No. 3:24-mj-226)

24-MJ-4212-ELFENBEIN)

FILED BY KAN D.C.**Oct 18, 2024**ANGELA E. NOBLE
CLERK U.S. DIST. CT.
S. D. OF FLA. - Miami

Defendant(s)

**CRIMINAL COMPLAINT
BY TELEPHONE OR OTHER RELIABLE ELECTRONIC MEANS**

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of 9/1/2023 through 10/1/2024 in the county of Washington in the
 District of Oregon, the defendant(s) violated:*Code Section**Offense Description*18 U.S.C. § 554 and 50 U.S.C. §
4819

Smuggling Goods from the United States and Export Control Reform Act

This criminal complaint is based on these facts:

See affidavit which is attached hereto and incorporated herein by this reference

☒ Continued on the attached sheet.

/s/ By phone pursuant to Fed. R. Crim. P. 4.1

Complainant's signature

BIS OEE Special Agent Matthew Peterson

*Printed name and title*Attested to by the applicant in accordance with the requirements of Fed. R. Crim. P. 4.1 by
telephone at 6:27 p.m.Date: October 16, 2024*Youlee Yim You**Judge's signature*City and state: Portland, Oregon

Honorable Youlee Yim You, U.S. Magistrate Judge

Printed name and title

DISTRICT OF OREGON, ss: AFFIDAVIT OF MATTHEW PETERSON

Affidavit in Support of a Criminal Complaint and Arrest Warrant

I, Matthew Peterson, being duly sworn, do hereby depose and state as follows:

Introduction and Agent Background

1. I am a Special Agent (“SA”) with the U.S. Department of Commerce, Bureau of Industry and Security (“BIS”) assigned to the Office of Export Enforcement (“OEE”) Resident Office in Portland, Oregon. I joined BIS OEE in February 2024, having previously been an SA with Homeland Security Investigations (“HSI”) since December 2010. Since becoming an SA in 2010, I have specialized in criminal investigations related to the unlawful export of export-controlled technology and associated money laundering. I have a B.A. in Political Science and an M.S. in Criminal Justice. My formal law enforcement training includes successfully completing the 23-week Criminal Investigations course at the Federal Law Enforcement Training Center in Glynco, Georgia, which included specific courses on technology, weapons proliferation, and money laundering investigations. I have received advanced training in counterproliferation investigations and have served as a government expert trial witness related to technology smuggling and money laundering networks.

2. I submit this affidavit in support of a criminal complaint and arrest warrant for Sanjay KAUSHIK (“KAUSHIK”) for violations of 18 U.S.C. § 554 (Smuggling) and 50 U.S.C. § 4819 (the Export Control Reform Act, or “ECRA”). As set forth below, I submit there is probable cause to believe, and I do believe, that KAUSHIK, a citizen of India scheduled to travel to the United States on October 17, 2024, is part of an illicit procurement network unlawfully obtaining aviation goods and technology from the United States for entities in Russia.

Applicable Laws

3. The applicable laws are provided below:

a. 50 U.S.C. § 4819 (Export Control Reform Act or ECRA) provides, in pertinent part:

(a) Unlawful acts

(1) In general

It shall be unlawful for a person to violate, attempt to violate, conspire to violate, or cause a violation of this subchapter or of any regulation, order, license, or other authorization issued under this subchapter, including any of the unlawful acts described in paragraph (2).

(2) Specific Unlawful Acts

(A) No person may engage in any conduct prohibited by or contrary to, or refrain from engaging in any conduct required by this subchapter, the Export Administration Regulations, or any order, license or authorization issued thereunder.

(B) No person may cause or aid, abet, counsel, command, induce, procure, permit, or approve the doing of any act prohibited, or the omission of any act required by this subchapter, the Export Administration Regulations, or any order, license or authorization issued thereunder.

(C) No person may solicit or attempt a violation of this subchapter, the Export Administration Regulations, or any order, license or authorization issued thereunder.

(D) No person may conspire or act in concert with one or more other persons in any manner or for any purpose to bring about or to do any act that constitutes a violation of this subchapter, the Export Administration Regulations, or any order, license or authorization issued thereunder.

(E) No person may order, buy, remove, conceal, store, use, sell, loan, dispose of, transfer, transport, finance, forward, or otherwise service, in whole or in part, or conduct negotiations to facilitate such activities for, any item exported or to be exported from the United States, or that is otherwise subject to the Export Administration

Regulations, with knowledge that a violation of this subchapter, the Export Administration Regulations, or any order, license or authorization issued thereunder, has occurred, is about to occur, or is intended to occur in connection with the item unless valid authorization is obtained therefor.

(F) No person may make any false or misleading representation, statement, or certification, or falsify or conceal any material fact, either directly to the Department of Commerce, or an official of any other United States agency, including the Department of Homeland Security and the Department of Justice, or indirectly through any other person—

b. 18 U.S.C. § 554 (Smuggling goods from the United States), provides in pertinent part:

(a) In General.—

Whoever fraudulently or knowingly exports or sends from the United States, or attempts to export or send from the United States, any merchandise, article, or object contrary to any law or regulation of the United States, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of such merchandise, article or object, prior to exportation, knowing the same to be intended for exportation contrary to any law or regulation of the United States, shall be fined under this title, imprisoned not more than 10 years, or both.

The Export Control Reform Act and Export Administration Regulations

4. In part, the ECRA provides permanent statutory authority for the Export Administration Regulations. The ECRA provides, among its stated policy objectives, that “the national security and foreign policy of the United States require that the export, reexport and in-country transfer of items, and specific activities of United States persons, wherever located, be controlled” 50 U.S.C. § 4811(2). To that end, the ECRA grants the President the authority to control “(1) the export, reexport, and in-country transfer of items subject to the jurisdiction of the United States, whether by United States persons or by foreign persons; and (2) the activities

of United States persons, wherever located, relating to” specific categories of items and information. 50 U.S.C. § 4812(a). The ECRA further grants the Secretary of Commerce the authority to establish the applicable regulatory framework.

5. The Export Administration Regulations (“EAR”), 15 C.F.R. parts 730-774, were promulgated by BIS to regulate the export of goods, technology and software from the United States. Through the EAR, BIS reviews and controls the export from the United States to foreign countries of certain U.S. items. See 15 C.F.R. §§ 734.2-.3. In particular, BIS placed restrictions on the export and re-export of items that it determined could make a significant contribution to the military potential or nuclear proliferation of other nations or that could be detrimental to the foreign policy or national security of the United States. Under the EAR, such restrictions depended on several factors, including the technical characteristics of the item, the destination country, the end user and the end use of the item.

6. The most sensitive items subject to the EAR controls are identified on the Commerce Control List (“CCL”) set forth in Title 15, Code of Federal Regulations, part 774, Supplement Number 1. Items listed on the CCL are categorized by an Export Control Classification Number (“ECCN”), each of which is subject to export control requirements depending on destination, end use, and end user of the item.

7. In response to Russia’s 2022 invasion of Ukraine, the Department of Commerce imposed new license requirements on exports to Russia. As of February 24, 2022, any item classified under any ECCN in Categories 3 through 9 of the CCL required a license to be exported to Russia. See 87 Fed. Reg. 12,226 (Mar. 3, 2022). As of April 8, 2022, the license requirement for export to Russia was expanded to cover all items on the CCL. See 87 Fed. Reg. 22,130 (Apr. 14, 2022). These rules are codified in Title 15, Code of Federal Regulations,

Section 746.8, which states, “a license is required, excluding deemed exports and deemed reexports, to export, reexport, or transfer (in-country) to or within Russia or Belarus any item subject to the EAR and specified in any Export Control Classification Number (ECCN) on the CCL.” Any requests for licenses to export items on the CCL to Russia are reviewed under a policy of denial. See 15 C.F.R. § 746.8(b).

8. The EAR further impose, pursuant to the “Entity List” published at 15 C.F.R. part 744, Supp. No. 4, licensing and other requirements for exports to designated companies, businesses, research institutions, government and private organizations, individuals, and other types of legal persons that are subject to specific license requirements for the export, reexport, and/or transfer (in-country) of specific items. If a license is required for a transaction, a U.S. party to the transaction must submit an export license application prior to export.

9. Under the ECRA, it is a crime to violate, attempt to violate, conspire to violate or cause a violation of any regulation, order, license or authorization issued pursuant to the statute, including the EAR. See 50 U.S.C. § 4819(a)(1). Willful violations of the EAR constitute criminal offenses under the ECRA, and carry a 20-year maximum term of imprisonment and up to a \$1,000,000 fine. See 50 U.S.C. § 4819(b).

Background on Russian Efforts to Obtain U.S. Aerospace Technology

10. In response to enhanced export controls and sanctions directed at Russia, I have observed that Russian procurement agents seek willing individuals and companies in countries with more favorable trade relations with the United States, such as India, the United Arab Emirates, and certain European countries, to procure U.S. technology on their behalf.

11. For dual-use aerospace technology—technology that has a military and civilian application—I have observed, through other Russia-centric counterproliferation investigations,

that Russian procurement agents work with intermediaries in third countries to develop a “cover” story explaining the purported civilian end-use of the aerospace components. Often, this explanation involves maintenance for a civilian aircraft, when in fact, evidence shows the items are intended for Russian defense organizations or entities that otherwise provide services to Russia’s defense apparatus.

Statement of Probable Cause

12. The United States, including OEE and HSI, is investigating a conspiracy involving KAUSHIK, a citizen of India and Managing Partner of AREZO AVIATION SERVICES LIMITED (“AREZO AVIATION”) in India, Markus KALTENEGGER (“KALTENEGGER”), a citizen of Austria and the owner of YORACRAFT GMBH (“YORACRAFT”) in Austria, and others to procure export-controlled aerospace components on behalf of Russian entities in violation of ECRA and U.S. smuggling statutes.


13. OEE’s investigation began after YORACRAFT initiated the procurement of an export-controlled Inertial Navigation System (“INS”) aviation component from a company based in the District of Oregon (“U.S. COMPANY 1”). Specifically, YORACRAFT requested from U.S. COMPANY 1 an LCR-100 Attitude and Heading Reference System (AHRS). The LCR-100 AHRS is controlled for export by the Department of Commerce under ECCN 7A103 because of its application in missile guidance systems. A valid export license is required to export the item from the United States to most countries, including Austria and India (subject to specified exceptions for use in civilian manned aircraft), or Russia.¹

¹ The EAR contains an exception to the export license requirement for ECCN 7A103 items for the export, reexport, and in-country transfers for certain countries when “the commodities are for use in or for the ‘production’ of civil manned aircraft.” 15 C.F.R. § 740.15(b)(2)(ii). This exception applies to export, reexport, and in-country transfers for Austria and India, but not to

Affidavit of Matthew Peterson **Page 6**

14. I interviewed the owner of U.S. COMPANY 1 in Portland, Oregon, who informed me that the initial request for the export-controlled AHRS, referenced above, was received on or about September 6, 2023. The owner of U.S. COMPANY 1 provided me with an email string reflecting this date, sent from KALTENEGGER (parts@yoracraft.com), requesting a quote for the AHRS. On or about the same date, YORACRAFT negotiated a purchase order for \$72,000 for the component with the “Ship to” address reflecting AREZO AVIATION in New Delhi, India, as provided in the purchase invoice below. KAUSHIK was identified as the POC for AREZO AVIATION.

Yoracraft GmbH
 Weidegasse 8
 2443 Stotzing
 Austria
 Markus Kaltenegger
 +43 650 5053 295
 markus@yoracraft.com



PURCHASE ORDER

Supplier:
 [REDACTED]
 [REDACTED] OR [REDACTED]
 USA
 [REDACTED]

Ship to:
Arezo Aviation Services
 S-456, Basement, opposite FORTIS HOSPITAL
 GREATER KAILASH II
 110048 New Delhi, India
 Sanjay Kaushik, +91 95998 12214
 sanjay@arezoaviation.in

PURCHASE ORDER #
 1001320

ORDER DATE
 Sep/06/2023


Notes: E-mail Quote 54297

Part Number	Description	Sales Condition Lead Time	Part Condition	Qty	Unit Price	Line Total
145130-1002	LCR-100 AHRS	Outright Stock	NE	1	\$72,000.00	\$72,000.00

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Russia. See id.; 15 C.F.R. § 740, Supp. No. 1 (identifying Austria and India as being in Country Group A:2, to which the ECCN 7A103 license exception applies).

15. According to an email thread regarding this purchase provided by the owner of U.S. COMPANY 1, the order was contingent upon the approval of an export license by the U.S. Department of Commerce. As part of U.S. COMPANY 1's compliance program, the owner requested that the end-user—purportedly AREZO AVIATION in India—fill out and provide a Russia Sanctions certification document declaring its understanding of U.S. Export Administration Regulations and license requirements for commercial aircraft parts for Russia. The document indicates that the purchaser, KAUSHIK, declared that he would “not directly or indirectly export, reexport, or transfer (in country) items subject to the EAR, to Russia, Ukraine, or Belarus in violation of the EAR or other applicable laws.” A copy of the declaration is provided below, in pertinent part.

Russia/Ukraine/Belarus Sanctions Certification	
<p>The undersigned (i) acknowledges the recent implementation of sanctions against Russia by the United Kingdom, the European Union, and the United States, including, without limitation, restrictions imposed by the U.S. Office of Foreign Assets Control and the U.S. Department of Commerce, which has implemented new Russia license requirements and licensing policies for commercial aircraft components, and expanded the existing Russian military end use and military end user restrictions under the Export Administration Regulations (“EAR”), and (ii) hereby certifies on behalf of the Purchaser of the order identified below, that with respect to such order, Purchaser will not directly or indirectly export, reexport, or transfer (in country) items subject to the EAR, to Russia, Ukraine, or Belarus in violation of the EAR or other applicable laws.</p>	
<p>PO# <u>038</u></p>	
<p>I further certify that I am duly authorized to provide this certification.</p>	
<p>Print Name: <u>Sanjay Kaushik</u></p>	<p>Signature: <u></u></p>
<p>Title: <u>Managing Partner</u></p>	<p>Date: <u>Sep-07-2023</u></p>
<p>Purchaser Company Name: <u>Arezo Aviation Services</u></p>	
<p>Address: <u>S-456, Basement, opposite FORTIS HOSPITAL</u> <u>GREATER KAILASH II</u> <u>110048 New Delhi, India</u></p>	

16. Similarly, KAUSHIK signed an end-use certificate, dated September 7, 2023, acknowledging that export of the item was subject to the EAR. KAUSHIK claimed that the item would be used in a civilian helicopter with tail number VT-IKR and serial number 22071, as provided below.

Dear Valued Customer:

DATE: Sep-07-2023

Export of these commodities is subject to either the United States Government's Export Administration Regulations ("EAR") or International Traffic in Arms Regulations ("ITAR"). Please complete and return this certification so we may complete the review of your purchase order or request for quotation.

Section 1

PO No.:	PO Date: Sep-06-2023
Qty / Model number(s) / Description (attach additional sheet, if necessary):	
P/N 145130-1002, LCR-100 AHRS	

Section 2

Purchaser Information:		End-user Information:	
Company:	Yoracraft GmbH	Company:	Arezo Aviation Services
Address:	Weidegasse 8	Address:	S-456, Basement, opposite FORTIS HOSPITAL GREATER KAILASH II
City/Province:	Stotzing/Burgenland	City/Province:	New Delhi
Country/Postal:	Austria/2443	Country/Postal:	India/110048
Telephone:	00436505053295	E-Mail:	parts@yoracraft.com
Contact Name:	Markus Kaltenegger	Additional Information (if necessary):	

Section 3

Please provide a complete and detailed statement of the end use and application of the product(s) listed above.

Specific End-Use (attach additional sheet if necessary):

VT-IKR MSN 22071

Signature of Authorized Company Representative

Name (Printed): Sanjay Kaushik

Signature: 

17. Based on the above information, U.S. COMPANY 1 applied for an export license from the U.S. Department of Commerce requesting authorization to export the AHRS to AREZO AVIATION in India. The BIS export license, which confirmed the ECCN of 7A103, was initially approved. However, BIS subsequently developed derogatory information regarding AREZO AVIATION. That is, open-source trade data indicates that since July 2023, AREZO AVIATION has sent 53 shipments valued at over USD \$6 million, in sum, to PDS AVIA LLC

(discussed in greater detail further below), based in Moscow, Russia. The trade records show that the top declared item, with Harmonized Tariff Schedule code 880730, is aircraft parts or goods, consistent with the nature of AREZO AVIATION's business. Some of these exports to Russia appear to follow the receipt of aircraft components from the United States. For example, U.S. export records show that, on or about September 15, 2023, AREZO AVIATION received a "shut off valve" from the U.S. On October 17, 2023, commercial trade data indicates AREZO AVIATION exported a "shut off valve" to PDS AVIA LLC in Russia.

18. Based on the concern at the time that AREZO AVIATION was transshipping U.S. aerospace goods and technology to Russia, OEE SAs requested that U.S. Customs and Border Protection Officers detain the impending export of the AHRS to India, which was successfully accomplished.

Post-Shipment Verification Shows False Statements on Export License

19. OEE requested a post-shipment verification ("PSV") with KAUSHIK in India by a Department of Commerce Export Control officer ("ECO"). I have reviewed the report documenting the PSV with KAUSHIK on January 17, 2024, which provided, in summary and pertinent part:

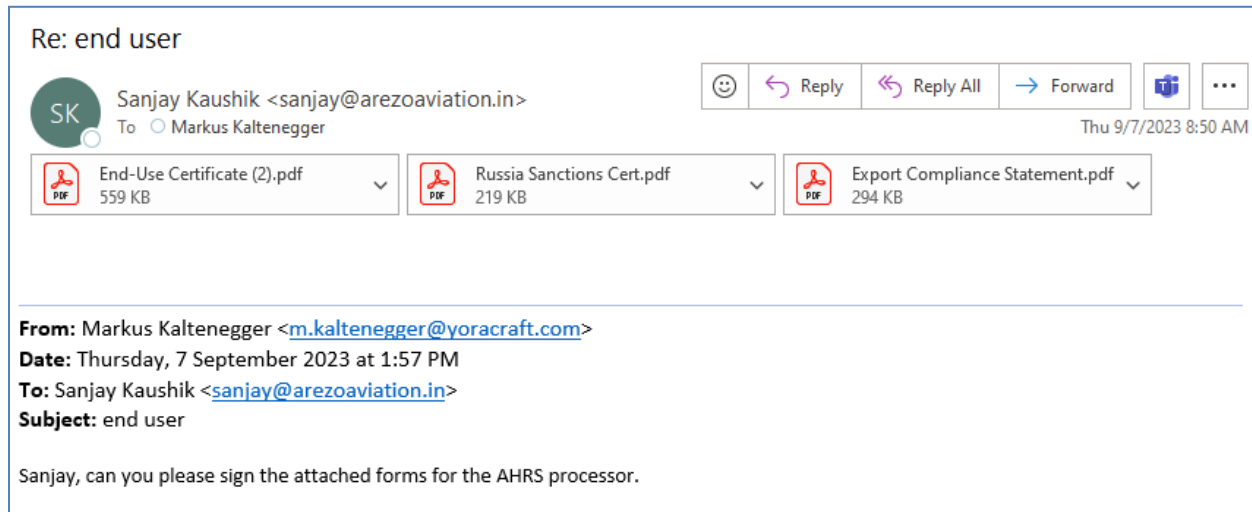
- AREZO AVIATION is a reseller and trader of aircraft parts which imports approximately \$5-\$10 million in aircraft parts from the United States each year.
- KAUSHIK is aware of U.S. export laws and the requirements to declare all involved parties during the export license process.
- KAUSHIK has known Markus KALTENEGGER since 2019, when KALTENEGGER traveled to India regarding an aircraft transaction. More recently, KAUSHIK approached KALTENEGGER to procure the export controlled AHRS.
- KAUSHIK stated that all his communications with KALTENEGGER are via WhatsApp.

- KALTENEGGER brokered the procurement of the AHRS from U.S. COMPANY 1. KALTENEGGER reportedly signed the Russia sanctions certification, end-use certificate, and the export compliance statement for KAUSHIK, with KAUSHIK's permission.
- KAUSHIK stated that the AHRS was being procured for ZACO AVIATION, based in Prune, India, and acknowledged that the aircraft and end-user were different than the information provided in the end-use documentation. KAUSHIK added that KALTENEGGER randomly chose the tail number provided in the end-use documentation from an open-source aircraft registry.

20. Based on the information received from the PSV with KAUSHIK, during which he acknowledged his understanding of U.S. export laws and engaged in activities contrary to the EAR, including the knowledge that false end-user information was provided in an export license, BIS revoked the license authorizing the export of the AHRS to India.

21. Moreover, email evidence shows that KAUSHIK lied to the Department of Commerce ECO when he said that KALTENEGGER signed the export-control documents on his behalf, as emails show that KALTENEGGER sent the documents to KAUSHIK, who returned the documents signed with the false end-user information. During my search of KALTENEGGER email accounts authorized by United States Magistrate Judge Youlee Yim You, described in further detail below, I observed an email sent from KALTENEGGER (m.kaltenegger@yoracraft.com) to KAUSHIK (sanjay@arezoaviation.in) dated September 7, 2023, with three files related to the end-use of the export-controlled AHRS and an acknowledgement of Russian sanctions and export regulations. In the email, KALTENEGGER wrote: "Sanjay, can you please sign the attached forms for the AHRS processor." I reviewed the documents KALTENEGGER sent, which were not signed at the time. KAUSHIK returned the documents, signed, via email on or about the same day. U.S. COMPANY 1 used this information, including the apparent false end-user information, in the export license application

to the Department of Commerce. Moreover, this email shows that KAUSHIK lied to the Commerce ECO when he stated that KALTENEGGER signed the end-user information on his behalf.



Probable Cause to Believe the AHRs was Procured for, and Intended for Transshipment to, Clients in Russia

22. On June 26, 2024, the Honorable Youlee Yim You, United States Magistrate Judge for the District of Oregon, authorized a search warrant for email accounts parts@yoracraft.com and m.kaltenegger@yoracraft.com, associated with YORACRAFT and believed to be used by KALTENEGGER (hereinafter “KALTENEGGER Email Accounts”). During my search of the KALTENEGGER Email Accounts, I observed emails indicating that aviation components procured from the United States, including the AHRs procured from U.S. COMPANY 1 in Oregon for \$72,000, were intended for Russia-based end-users. Moreover, I observed emails indicating that KALTENEGGER and KAUSHIK have been engaged in a conspiracy to obtain aviation goods and technology from the United States for Russian end-users and split the profits with apparent Russian brokers involved in the illicit procurement.

23. For example, as noted above, KALTENEGGER inquired with U.S. COMPANY 1 about the AHRS on or about September 6, 2023. Emails show that U.S. COMPANY 1 quoted the AHRS for \$72,000 on the same day. During my search of the KALTENEGGER Email Accounts, I observed an email sent on the same day from KALTENEGGER to himself but addressed to “Evgeniy” quoting the AHRS by part number for delivery to “Moscow.”² The email notes, in pertinent part (emphasis added by affiant):

Hi Evgeniy,

Here is an updated offer for the AHRS Processor in NE condition for the same price.

I can offer 1ea AHRS Processor P/N 145130-1002 in NE condition, in stock, exclusive freight charges, for US \$152,000.00 each.

Freight costs for 1ea AHRS Processor P/N 145130-1002 to DAP³ **Moscow** are US \$4,200.00.


24. The quote from U.S. Company 1 in Oregon is provided again below, for reference, which shows the same part number (145130-1002) and condition (“NE” or new) that KALTENEGGER quoted to Evgeniy for delivery to Moscow for over twice the purchase price. Based on this, combined with other evidence, described below, I believe that the AHRS was intended for re-export to Russia from the initiation of the procurement with U.S. COMPANY 1 in Oregon. Moreover, as described below, I believe that Evgeniy represents a Russian

² Evidence obtained from KALTENEGGER’s emails shows that he uses an encrypted application called “SimpleX” with certain clients to discuss suspected illicit procurement. I believe that KALTENEGGER copied and pasted this language to that chat application, perhaps using email as a spell-check.

³ “DAP” is a standard international trade term that means “Delivered at Place” where the seller is responsible for delivery of the goods, ready for unloading, at the named place of destination.

company, PDS AVIA LLC, which as noted above was identified in the trade data associated with AREZO AVIATION.

Yoracraft GmbH
 Weidegasse 8
 2443 Stotzing
 Austria
 Markus Kaltenegger
 +43 650 5053 295
 markus@yoracraft.com



YORACRAFT

PURCHASE ORDER

PURCHASE ORDER #
1001320

ORDER DATE
Sep/06/2023

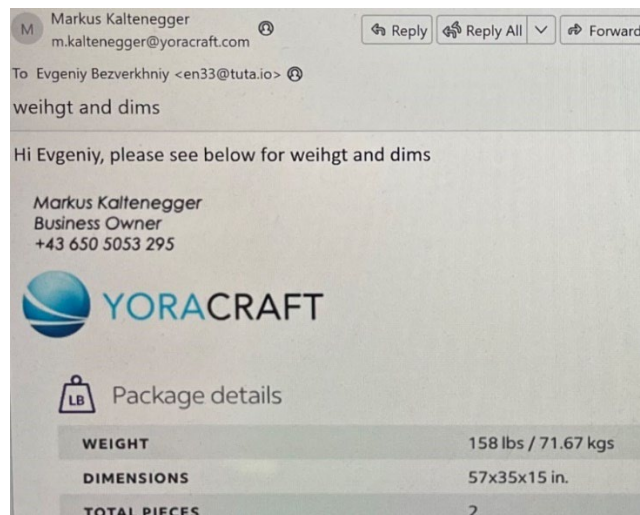
Supplier:
 [REDACTED]
 [REDACTED]
 USA

Ship to:
Arezo Aviation Services
 S-456, Basement, opposite FORTIS HOSPITAL
 GREATER KAILASH II
 110048 New Delhi, India
 Sanjay Kaushik, +91 95998 12214
 sanjay@arezoaviation.in

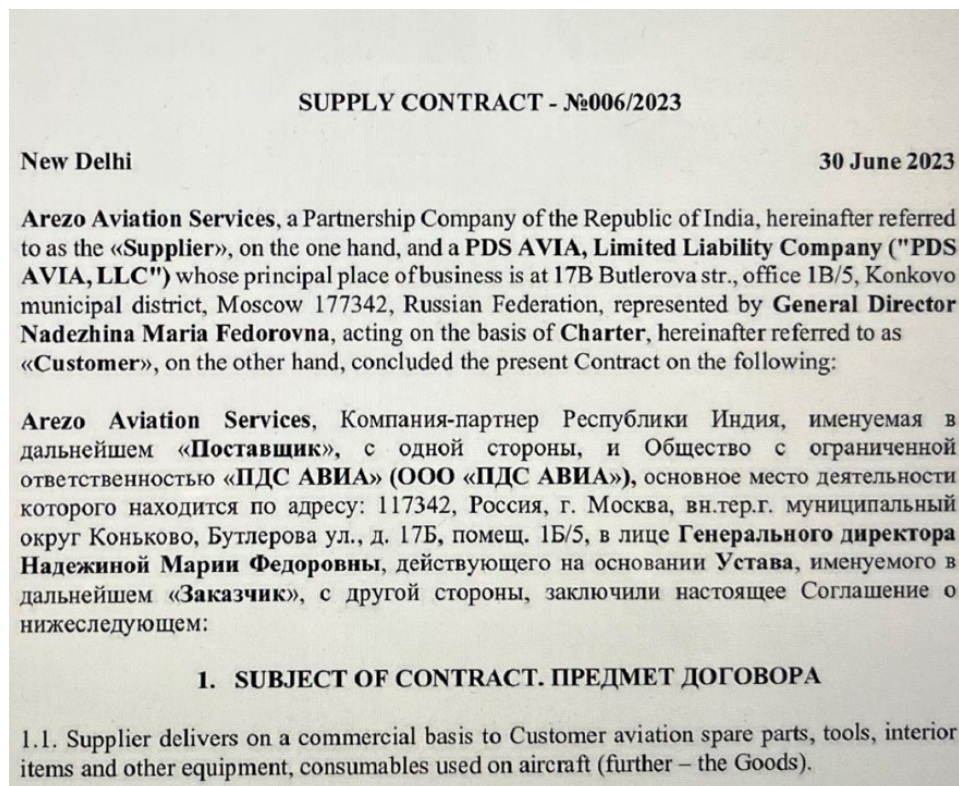
Notes: E-mail Quote 54297

Part Number	Description	Sales Condition Lead Time	Part Condition	Qty	Unit Price	Line Total
145130-1002	LCR-100 AHRS	Outright Stock	NE	1	\$72,000.00	\$72,000.00

25. Searches in the KALTENEGGER Email Accounts on “Evgeniy” revealed emails with an individual identified as “Evgeniy BEZVERKHNIY.” For example, in an email dated September 19, 2023, KALTENEGGER (m.kaltenegger@yoracraft.com) emailed en33@tuta.io regarding the weight and dimensions of an apparent shipment. According to the email header information, en33@tuta.io is associated with “Evgeniy BEZVERKHNIY, as provided below.



26. Further searches in the KALTENEGGER Email Accounts for emails involving en33@tota.io revealed several emails with contracts or other files indicating the sale of U.S.-origin aircraft parts to Russia. For example, in an email dated July 19, 2023, from en33@tota.io to KALTENEGGER (m.kaltenegger@yoracraft.com) and KAUSHIK (sanjay@arezoaviation.in) titled "Contract and specs for components paid," BEZVERKHNIY sent three files. One of the files, titled, "Supply_contract_Areza[sic]_Aviation_-_PDS Avia1-1_sign.pdf," which I have reviewed, is a supply contract dated June 30, 2023, written in English and Russian, outlining the supply of "aviation spare parts, tools, interior items and other equipment" from AREZO AVIATION SERVICES in India to PDS AVIA LLC in Moscow, Russia. The document is signed by Maria Nadezhina (Nadezhina Maria) on behalf of PDS AVIA LLC in Russia and Sanjay KAUSHIK on behalf of AREZO AVIATION SERVICES in India. Relevant portions of the contract are provided below for reference.




CUSTOMER:

PDS AVIA, LLC

Legal Address & Post Address:
17B Butlerova str., office 1B/5, Konkovo municipal district, Moscow 177342, Russian Federation

On behalf of Customer:

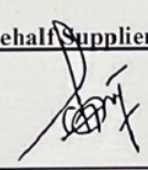

Nadezhina Maria Fedotina


SUPPLIER:

Arezo Aviation Services

Address: S-456, Basement, Opposite Fortis Hospital, Greater Kailash II, 110048 New Delhi, India
Bank Name: INDUSIND BANK LIMITED, (NEHRU PLACE BRANCH)
SHOP NO-G5,G-6,G-7,SKIPPER HOUSE,BUILDING NO-62-63, NEHRU PLACE, NEW DELHI- 110019, INDIA
BRANCH CODE. : 0370
ACCOUNT NO. : 259999720014
RTGS/ NEFT IFSC. : INDB0000370

On behalf Supplier:


Sanjay Kaushik



27. One of the other three files attached to the email, titled “SPECIFICATION No1.pdf,” is a specification of one of the aviation items related to the contract, described as “P/N 822-2504-003 AIR DATA COMPUTER” for \$150,941.00, similarly delivered to PDS-AVIA, LLC in Moscow, Russia.

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SPECIFICATION № 01
for the delivery of goods under Supply contract №006/2023
dated 30 June 2023

New Delhi

10 July 2023

Arezo Aviation Services, a Partnership Company of the Republic of India, hereinafter referred to as the «Supplier», on the one hand, and a **PDS-AVIA Limited Liability Company ("PDS-AVIA, LLC")** whose principal place of business is at 17B Butlerova str., office 1B/5, Konkovo municipal district, Moscow 177342, Russian Federation acting on the basis of Charter, hereinafter referred to as the «Customer» on the other hand, individually referred to as the «Party», and collectively referred to as the «Parties» concluded the present Specification № 01 to Supply contract № 006/2023 dated «30st June 2023 (hereinafter referred to as «Contract») as follows:

DELIVERY CONTENT:

1. In accordance with the Contract, the Supplier delivers, and the Customer pays for the Goods according to the following Specification:

№	Item/ description	Qty	Item Price	Total Price	Delivery Term
	P/N 822-2504-003 AIR DATA COMPUTER Outright OH FAA 8130	1 ea	\$150.941,00	\$150.941,00	25 calendar days from the moment of payment

Total (amount in writing): \$150.941,00 (one hundred fifty thousand and nine hundred forty one) USD

28. A review of the KALTENEGGER Email Accounts revealed that he procured the part referenced above, 822-2504-003, from a company (hereinafter, “U.S. COMPANY 2”) based in Washington State in July 2023.

29. I also observed an email sent from BEZVERKHNIY (en33@tuta.io) to KAUSHIK (sanjay@arezoaviation.in) and KALTENEGGER (m.kaltenegger@yoracraft.com) dated July 26, 2023, titled “Re: PI-21.” Attached to the email is a file titled “N-PDS – PI.21.pdf.” I reviewed the file, which appears to be an invoice for an Adaptive Flight Display, part number 822-2332-410, for 48,025,100.00 Indian Rupees (approximately US \$572,059.34) from AREZO AVIATION SERVICES in India to PDS AVIA, LLC in Moscow, Russia. I similarly searched this part number in the KALTENEGGER Email Accounts, and observed it was also procured from U.S. COMPANY 2 in Washington in July 2023.

30. KALTENEGGER and KAUSHIK appear to split the profit from the illicit sales to Russia. In an email dated September 11, 2023, from KALTENEGGER

Affidavit of Matthew Peterson

(m.kaltenegger@yoracraft.com) to KAUSHIK (sanjay@arezoaviation.in) titled “Commission Evgeniy,” KALTEGGER wrote: “Here we go, my friend.” Attached to the email is a file titled “Commission Evgeniy Summery[sic].xlsx.” The file is a spreadsheet of the apparent commission related to the procurement of several items from the United States totaling over US \$1.7 million. As the spreadsheet outlines, KALTENEGGER and KAUSHIK appear to evenly split their share of the commission with BEZVERKHNIY, who, as described above, appears to be a broker for the Russian company PDS AVIA, LLC. The AHRS purchased from U.S. COMPANY 1 in Oregon on or about September 6, 2023 is included on the commission spreadsheet, identified by part number 145130-1002 and described as “LCR-100 AHRS,” although, based on the date of this email, there was not yet a commission split between the three. A snippet of the spreadsheet is provided below as an example.

P/N	Description	Purchase Price	Sales Price [to end customer]	Mark-Up [exclusive freight]	Freight costs	Freight included in sales price yes/no	Commission	
							Markus	4,702 \$
3876280-1	UNIT, APU IGNITION	15,000 \$	19,500 \$	4,500 \$	2,000 \$	NO	Evgeniy	2,250 \$
							Sanjay	1,125 \$
							Markus	1,125 \$
822-2504-003	AIR DATA COMPUTER ADC-3020	98,000 \$	121,520 \$	23,520 \$	4,000 \$		Evgeniy	11,760 \$
							Sanjay	5,880 \$
							Markus	5,880 \$
C47329-012A	HORIS. STAB TRIM ECU [Exchange]	38,000 \$	58,500 \$	20,500 \$	4,000 \$	NO	Evgeniy	10,250 \$
							Sanjay	5,125 \$
							Markus	5,125 \$
822-1577-303	Adaptive Flight Display 5220 (AFD 5220) [Exchange]	45,000 \$	58,500 \$	13,500 \$	3,500 \$	NO	Evgeniy	6,750 \$
							Sanjay	4,710 \$
							Markus	4,710 \$
822-2332-410	DISPLAY, ADAPTIVE FLIGHT AFD-6520	500,000 \$	560,000 \$	60,000 \$	4,000 \$	NO	Evgeniy	30,000 \$
							Sanjay	15,000 \$
							Markus	15,000 \$
822-1991-002	Common Computing Module 5110	64,213 \$	72,560 \$	8,347 \$	4,000 \$	NO	Evgeniy	
							Sanjay	4,174 \$
							Markus	4,174 \$
424025-1	VALVE, STARTER AIR	95,349 \$	118,233 \$	22,884 \$	3,500 \$	NO	Evgeniy	11,442 \$
							Sanjay	5,721 \$
							Markus	5,721 \$

31. Additionally, I searched iCloud accounts associated with KAUSHIK and KALTENEGGER pursuant to warrants authorized by Magistrate Judge You, as further described

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below. During my search, I observed in the iCloud accounts additional evidence related to the AHRS procured from U.S. COMPANY 1 in Oregon. In KALTENEGGER's iCloud account, I observed an updated spreadsheet that appears to offer more detail than I observed in the email accounts. In the below spreadsheet, titled "Evgeniy Workprogress.xlsx," KALTENEGGER appears to track if each party has received the funds for a particular part, and who the "leader" for sourcing and purchasing the price is. The "Funds received by" column includes PDS, which, based on the above information and contracts, I believe is PDS AVIA LLC, based in Moscow, Russia, of which Evgeniy BEZVERKHNIY appears to be associated.

32. The spreadsheet includes the AHRS purchased by U.S. COMPANY 1 in Oregon in September 2023, and indicates that the funds were received by PDS (AVIA), Sanjay (KAUSHIK), and Markus (KALTENEGGER). In a column to the far right of the AHRS, identified by its full part number, 145130-1002, is a note that annotates: "hold by cu[s]toms."⁴

Part No	Description	Qty	Parts Leader		Funds received by		
			sourcing	purchase	PDS	Sanjay	Markus
100-0024-01	AVDS NODE CIMS	1	Markus	Markus		yes	yes
822-0044-001	FLIGHT CONTROL PANEL	1	Markus	Markus	yes	yes	yes
304634-2	PLUG, IGNITOR APU	4	Markus	Markus	yes	yes	yes
5010520-1	Brake Assy	1	Markus	Markus	yes	yes	yes
140-153	WHEEL SPEED (ANTI-SKID) TRANSDUCER	1	Sanjay	Markus	yes	yes	yes
GC584-1001-4	CONTROLLER, WINDSHIELD TEMP	1	Sanjay	Markus	yes	yes	yes
3876280-1	UNIT, APU IGNITION	1	Sanjay	Markus	yes	yes	yes
822-2504-003	AIR DATA COMPUTER ADC-3020	1	Sanjay	Markus	yes	yes	yes
C47329-012A	HORIS. STAB TRIM ECU [Exchange]	1	Sanjay	Markus	yes	yes	yes
822-1577-303	Adaptive Flight Display 5220 (AFD 5220) [Exchange]	1	Sanjay	Markus	yes	yes	yes
145130-1002	LCR-100 AHRS	1	Markus	Markus	yes	yes	yes

⁴ The AHRS appears much further down in the spreadsheet, so that snippet is added here for reference.

33. The information that the money for the AHRS was received from PDS is consistent with screenshots found in KAUSHIK's iCloud account showing that he received several credits from PDS AVIA in September 2023 in his AREZO AVIATION bank account, as highlighted in the below red box.

[REDACTED] INR 0370 AREZO AVIATION SERVICES		A/c. Status Date 06-10-2022	
ACTIVE		A/c. Close Date	
16-10-2015		A/c. Type CUSTOMER ACCOUNT	
INR	6,69,27,223.53 Cr.	Available Amt.	INR 12,94,72,276.78 Cr.
INR	12,94,72,276.78 Cr.	Effective Available Amt.	INR 12,94,72,276.78 Cr.
INR	0.00 Cr.	Float Bal.	INR 0.00 Cr.

Value Date	Instr. No	Particulars	CCY	Debit Amt.	Credit Amt.
19-09-2023		N/2023262100102651/SABR0000001/AIRCOMPANY NORTH WE	INR		4,10,00,000.00
19-09-2023		NFS CASH TXN/IN/PARAS TIEREA SECTOR 13Noida	INR	10,000.00	
19-09-2023		N/INDBN19090509766/HDFC/AREZO AVIATION SERVIC	INR	15,00,000.00	
18-09-2023		ORM0370230889550 CRE001 OUTWARD CUSTOMER PAYMENT	INR	21,95,193.75	
18-09-2023		ORM0370230889464 CRE001 OUTWARD CUSTOMER PAYMENT	INR	31,80,999.18	
15-09-2023		ORM0370230889105 CRE001 OUTWARD CUSTOMER PAYMENT	INR	34,84,405.78	
15-09-2023		N/2023258220702009/SABR0000001/AIRCOMPANY NORTH WE	INR		17,37,396.00
14-09-2023		N/2023257181502594/SABR0000001/000 PDS AVIA INN972	INR		40,19,330.00
14-09-2023		N/2023257024002446/SABR0000001/000 PDS AVIA INN972	INR		27,34,430.00
14-09-2023		N/2023257540102438/SABR0000001/000 PDS AVIA INN972	INR		3,41,68,161.40
14-09-2023		N/2023257474302433/SABR0000001/000 PDS AVIA INN972	INR		26,46,844.00

34. Relatedly, I observed a spreadsheet in KALTENEGGER's iCloud account, titled "145130-1002 AHRS Processor.xlsx," that appears to focus only on the AHRS purchased from U.S. COMPANY 1 in Oregon. The spreadsheet notes that "\$126,185.32" was received from "Sanjay" for the AHRS. I searched the iCloud data for references to \$126,185.32, and identified a bank wire receipt for a payment of \$126,185.32 from AREZO AVIATION to YORACRAFT, dated October 25, 2023, as provided below.

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Überweisung durch	00000	25.10.23	Gutschrift
Konto-Nr. des Empfängers	Empfänger	Bank - LZ	
[REDACTED]	YORACRAFT GMBH WEIDEGASSE 8 STOTZING	20111	
Verwendungszweck			
/		USD	126.493,50
//INV. NO. 1001321		abzgl. Fremdspesen	
		-USD	50,00
		-EUR	0,00
*AUFTRAGGEBER		USD	126.443,50
AREZO AVIATION SERVICES		ÜBERWEISUNGSSPESEN	
		-USD	252,89
		WÄHRUNGSABH. SPESEN	
		-USD	5,29
UNSERE REF. 201112310253AEF-PAY00516		WERT	25.10.2023
[REDACTED]		USD ----126.185,32	
Konto-Nr. des Auftraggebers	Auftraggeber		
00000000000	AREZO AVIATION SERVICES		

35. The spreadsheet titled “145130-1002 AHRS Processor.xlsx” notes that “Freight costs for 1ea AHRS Processor P/N 145130-1002 to DAP Moscow are US \$4.200,00” – a similar notation to what KALTENEGGER offered in the September 6, 2023, email addressed to “Evgeniy,” described above. Additionally, the spreadsheet appears to offer an update on the profit split for this item, with Evgeniy receiving the biggest portion, provided below.

Commission	Markus	Sanjay	Evgeniy	Total
agreed on	4,406.50 \$	4,406.50 \$	8,813.00 \$	17,626.00 \$

36. Searches in the iCloud accounts revealed contact information for Evgeniy BEZVERKHNIY, which show he is associated with two phone numbers with a +7 country code. Based on my training, experience, and research, I know that +7 is the country code for Russia. According to my review of BEZVERKHNIY’s email domain website, meridian-avia.com, the entity, JSC MERIDIAN AIRLINES, is based in Moscow, Russia.

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Evgeniy Bezverkhniy**Email Addresses**

evgeniy.skv@mail.ru INTERNET

bezverkhniy@meridian-avia.com INTERNET

Phone Numbers

+7 495 500 3221 WORK

+7 916 215 2354 CELL

JSC Meridian Airlines 117335, Moscow, Garibaldi Street, 15,
 tel: +7 495 500 3221 fax: +7 495 589 9756, comm@meridian-avia.com

37. In other emails, KALTENEGGER and KAUSHIK conspired to ship aviation goods to Russia that were obtained in the United States. I observed an email from KALTENEGGER (m.kaltenegger@yoracraft.com) to KAUSHIK (sanjay@arezoaviation.in) dated May 18, 2023, in which KALTENEGGER wrote, in pertinent part (emphasis added by affiant):

Hi Sanjay,

Here is the AWB 6418-6361-9442 for P/N 32156622-2,
 PRESSURE REGULATOR VALVE, S/N 1754, OH OUTRIGHT
 from [U.S. company based in California].

We should keep it together in Delhi and send it together with the
 other consolidated to DAP **Moscow**.

38. Moreover, there is probable cause to believe KAUSHIK was aware of U.S. trade restrictions related to exports of aviation products to Russia. For example, KAUSHIK appears to

send emails to KALTENEGGER, regarding warnings about “international restrictions” against Russia. More specifically, I observed an email sent from KAUSHIK (sanjay@arezoaviation.in) to KALTENEGGER (m.kaltenegger@yoracraft.com) dated December 10, 2022, with a forwarded message that appears to outline KAUSHIK’s efforts to do business with Russian entities despite warnings of “international restrictions.” The substance of the forwarded message from KAUSHIK reads in pertinent part (emphasis added by affiant):

Hello Mikhail

...It was nice meeting with you at MEBA Dubai.⁵ **As discussed for Russian market**, if you could generate business for western fleet like Gulfstream all series, Bombadier all series, Beechcraft all model and Dassault all series . We can support on these for all engines, APUs, and spares.

“Mikhail” (Mikhail.alenkin@arcosjet.com) replied on or about December 9, 2022, in pertinent part (emphasis added):

Hello Sanjay,

It was nice to meet you during MEBA and discuss about your company and potential cooperation in case of spare part requirements. As I told you **we are not working in the Russian market any more due to international restrictions** and closed our office there but I will be happy if I can assist you with any other business.

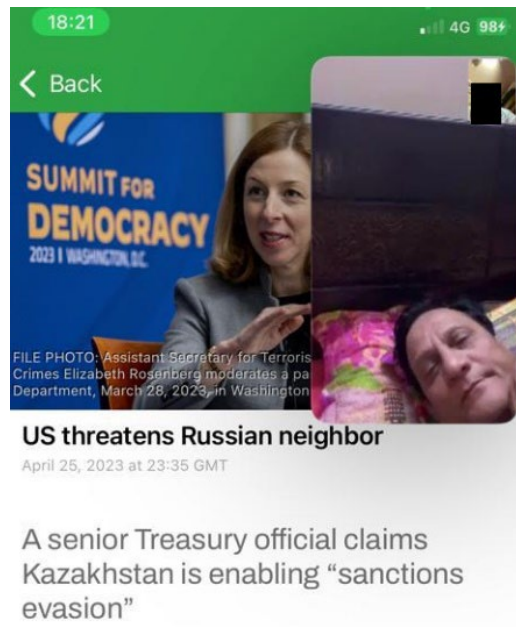
In response, KAUSHIK responded on or about the same day, noting that he understood the situation, but only wanted an introduction to operators in the Russian market:

I understand situations[sic]. My only say to introduce our company or give me contact no of operators there. I hope you understand.

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⁵ This is likely a reference to the Middle East Business Aviation Association (MEBAA) Air Show, which is held in Dubai, United Arab Emirates every two years. The MEBAA Air Show is known to attract aviation vendors and brokers from all over the world.

39. While reviewing KAUSHIK's iCloud account, I also observed an apparent screenshot from KAUSHIK's phone in which he appears to be in a video chat with an unidentified male. Captured on his phone screen, provided below, is an article titled, "US Threatens Russian Neighbor." The article, dated April 25, 2023, discusses potential consequences for Kazakhstan in relation to helping Russia evade U.S. sanctions. The screenshot is dated April 26, 2023.



Probable Cause Regarding Additional Transshipments to Entity-Listed Russian Clients

40. On August 23, 2024, Judge Youlee Yim You authorized a search warrant for iCloud accounts associated with KAUSHIK (Apple ID SANJAY2018K@ICLOUD.COM) and KALTENEGGER (Apple ID M.KALTENEGGER@YORACRAFT.COM). During my review of information associated with these respective iCloud accounts, I observed additional evidence of a conspiracy between KAUSHIK, KALTENEGGER, and others to obtain U.S.-origin aviation goods for end-users in Russia, including transactions following KAUSHIK's PSV in India. For example, I observed in KAUSHIK's iCloud account several contracts, payments, and other

documents associated with a Russian entity, AIRCOMPANY NORTH-WEST LLC, based in Saint Petersburg, Russia.

41. AIRCOMPANY NORTH-WEST LLC was added to the U.S. Department of Commerce Entity List on December 7, 2023, pursuant to §744.11 of the EAR, because it was, according to information published in Federal Register Vol. 88, No. 234: “believed to have procured and transshipped U.S.-origin avionics equipment to Russia, including to governmental entities and military end users, both before and after Russia’s invasion of Ukraine on February 24, 2022. . . . BIS imposes a license requirement for all items subject to the EAR and will review license applications under a presumption of denial.”

42. Yet, I observed numerous documents showing that YORACRAFT and AREZO AVIATION had procured U.S.-origin aviation goods subject to the EAR for AIRCOMPANY NORTH-WEST LLC following the Entity Listing. For example, I observed the following Purchase Order in KAUSHIK’s iCloud reflecting the purchase of part number 612C9500-007 for \$291,000, described as a “PRSOV1,” for delivery to AIRCOMPANY NORTH-WEST LLC in Russia. As described below, “PRSOV” is an aviation acronym for a “Pressure Regulating Shut-Off Valve.” The date of the purchase order, provide below, is March 27, 2024—after AIRCOMPANY NORTH-WEST LLC was added to the Entity List.

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Aircompany North-West LLC Konstitutsii Square 7, Build A, Office 71H 196191 - Saint-Petersburg Russian VAT Number: 1101077330		Purchase Order AOG AREZO AVIATION SERVICES	
Order ref. 2024-1030 R0	Ship to Aircompany North-West LLC		
Shipping Regular	Konstitutsii Square 7, Build A, Office 71H		
Date 27.03.2024	196191 - Saint-Petersburg		
Incoterms DAP	Russian		

Reference	Description	Qty	Unit Price	Total w/o VAT
Type Purchase				
612C9500-007	PRSOV1	1	285 000,00	285 000,00 USD
AOG freight	charges	1	6 000,00	6 000,00 USD
Total w/o VAT				291 000,00 USD

43. Searching the iCloud accounts for this part number, I found documents indicating that KALTENEGGER had procured the part from a U.S. company in New Jersey for \$225,000 on or about the same date, as provided below.


 YORACRAFT Yoracraft Weidegasse 8, Stotzing 2443 Austria		PURCHASE ORDER	
		Date	27 Mar 2024
		PO #	PO-15
		Original Date	27 Mar 2024
		Buyer Name	Markus Kaltenegger
		Buyer Phone	+43 650 5053 295
		Buyer Email	parts@yoracraft.com

VENDOR [REDACTED] [REDACTED] [REDACTED] NJ 07751 United States ATTN: [REDACTED] Ph: +1 [REDACTED]	SHIP TO Yoracraft GmbH Gebruder Weiss GmbH Wiener Strasse 26, Ramp 84/85, Air/Sea Maria Lanzendorf 2326 Austria ATTN: [REDACTED] Email: [REDACTED]
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SHIP METHOD	ACCT #	SHIPPING TERMS	PORT/DEST	TERMS
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LINE	PART #	DESCRIPTION	COND	QTY	UOM	UNIT PRICE	TOTAL
1	612C9500-007	PRSOV	RP	1	EA	\$225,000.00	\$225,000.00
		Purchase Type: Outright					
SUBTOTAL							\$225,000.00
TOTAL							\$225,000.00

44. A packing list found in KALTENEGGER's iCloud account shows that the component appears to have been sent to AREZO AVIATION in India in April 2024.



Yoracraft
Weidegasse 8,
Stotzing 2443 Austria
Salesperson: Markus Kaltenegger
Email: parts@yoracraft.com

PACKING LIST

Date	05 Apr 2024
SO #	SO-13
Customer PO #	PO-079

BILL TO

Arezo Aviation Services
S-456, Basement, opposite FORTIS HOSPITAL
GREATER KAILASH II
New Delhi 110048 India
Terms: Payment in advance



SHIP TO

Arezo Aviation Services
S-456, Basement, opposite FORTIS HOSPITAL
GREATER KAILASH II
New Delhi 110048 India

Requisitioner	Email	Phone	Ship Via	AWB	Total Wt	# of Pcs
Sanjay Kaushik						1

PART NO	DESCRIPTION	COND	QTY	UOM	UNIT PRICE	TOTAL
612C9500-007	PRSOV	RP	1	EA	\$235,500.00	\$235,500.00
Order Type: Outright						
Subtotal						\$235,500.00
Freight						\$0.00
Tax Subtotal						\$0.00
Total						\$235,500.00

45. Relatedly, I observed in KAUSHIK's iCloud account Indian Customs documents dated April 2024, showing this same part number (612C9500-007), identified as a "Pressure Regulating Shut Off Valve," also known as a PRSOV, sent from AREZO AVIATION SERVICES in India to AIR COMPANY NORTH-WEST LLC in Russia, as provided below. Based on my research, this is an accurate description of the item, which is in fact an aircraft PRSOV manufactured by a company based in Illinois. While I have not received a BIS license determination for this item, because of its application in aircraft, as documented in the Indian Customs document, I believe it is subject to the EAR and accordingly, requires a license for re-export to AIRCOMPANY NORTH-WEST LLC.

 INDIAN CUSTOMS EDI SYSTEM CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS DEPARTMENT OF REVENUE - MINISTRY OF FINANCE GOVERNMENT OF INDIA		Port Code		SB No		SB Date												
		INDEL4		9089399		12-APR-24												
		IEC/Br		0515026662		0												
		GSTIN/TYPE		07ABCF A3712C125 GSN														
		CB CODE		AAACA1708JCH008														
		TYPE		INV		ITEM			CONT									
Nos		1		1		0		*SB22130420240130										
PKG		1		G.WT		KGS 9												
NEW CUSTOM HOUSE, IGI AIRPORT, NEW DELHI - 110037																		
PART - II - INVOICE DETAILS																		
A. REF	1.S.No	2.INVOICE No. & Dt.		3.P.O.No. & Dt.		4.LoC No. & Dt		5.Contract No.&Dt	6.AD code	7.INVTERM								
	1	EX-001/24-25 08/04/2024							0510005	FOB								
B. TRANSACTION PARTIES	1.EXPORTER'S NAME & ADDRESS					2.BUYER'S NAME & ADDRESS												
	AREZO AVIATION SERVICES S-456 LOWER GROUND FLOOR, REAR SIDE, GREATER KAILASH PART-II 110048					AIR COMPANY NORTH-WEST LLC KONSTITUTSII SQUARE 7 BUILD A, OFF ICE 71H SAINTPETERSBURG RUSSIA 196 191												
	3.THIRD PARTY NAME & ADDRESS					4.BUYER AEO STATUS												
C.VAL DTLs	1.INVOICE VALUE		2.FOB VALUE		3.FREIGHT		4.INSURANCE		5.DISCOUNT		6.COMMISON		7.DEDUCT		8.P/C		9.EXCHANGE RATE	
	24982350		24982350		0		0		0		0		0				1 INR INR 1	
	1.ItemSNo		2.HS CD		3.DESCRPTION				4.QUANTITY		5.UQC		6.RATE		7.VALUE(FIC)			
	1		84818090		PRESSURE REGULATING SHUT OFF VALVE 612C9 500-007 (USED FOR CIVIL AVIATION AIRCRAF T)				1		NOS		*****		24982350			

46. Moreover, I observed in KAUSHIK's iCloud account a spreadsheet detailing the status of his procurement for AIRCOMPANY NORTH-WEST LLC, which shows that the PRSOV with part number 612C9500-007, highlighted below, was one transaction of many following AIRCOMPANY NORTH-WEST LLC's addition to the Entity List.

AIRCOMPANY NORTH-WEST LLC					
Sl. No	PI No.	PI Date	P/N	Description	Credit Amt.
1	PI-010	23.06.2023	D51615-142-090	512 WPS MULT	4776685
2	PI-010	23.06.2023	DK120/90	BEACON	0
3	PI-036	06.09.2023	GT411-1700-9	PCU ALIERON	9678500.00
4	PI-036	06.09.2023	GL511-3105-1	GCU GENERAT	14392000.00
5	PI-044	21.09.2023	30089-006	DC Generator	38907800.00
6	PI-044	21.09.2023		Forwarding	299950.00
7	PI-045	21.09.2023	30089-006	DC Generator	19582450.00
8	PI-052	18.10.2023	2704554-3	STARTER APU	7489405.00
9	PI-052	18.10.2023	GT411-6001-9	PCU, MULTI FL	11319000.00
			Total		106445790.00
Adjusted parts					
Sl. No	PI No.	PI Date	P/N	Description	Amount
1	PI-064	08.12.2023	30089-006	DC Generator	4727250.00
2	PI-073	19.01.2024	1288A0000-02	STEERING ACT	5439000
3	PI-077	09.02.2024	fan blade	CUSTOMER DU	729725.00
4	PI-081	16.02.2024	3205046-4	Valve	2489650.00
6	PI-090	19.03.2024	612C9500-007	PROVE (VALVE	24982350.00
7	PI-014	19.07.2024	822-2332-410	DISPLAY ADAP	42503760
8	PI-015	19.07.2024	MP-000063-001	HYDROLOCK	14170788
9	PI-016	29.07.2024	MP-000063-001	HYDROLOCK	47236.00
10	PI-018	06.08.2024	FREIGHT FORWARDING CHARGE		1290900.00
			Total		96380659.00

Conclusion

47. Based on the foregoing, I respectfully submit that I have probable cause to believe, and I do believe, that Sanjay KAUSHIK is part of an illicit procurement network unlawfully obtaining export-controlled aviation goods and technology from the United States for entities in Russia, including sanctioned entities reportedly involved in providing aviation goods to the Russian Government or military. I believe the evidence shows that KAUSHIK conspires with his Austria-based associate, Markus KALTENEGGER, and others to facilitate the purchase, shipping, and negotiation of aviation goods from the United States for re-export to Russian clients, splitting the profit from such illicit sales, in violation of the ECRA and smuggling statutes. In summary I believe the above evidence shows that:

- On or about September 6, 2023, KALTENEGGER purchased an export-controlled AHRS from U.S. COMPANY 1 in Oregon, and on the same day, quoted the same item by part number to “Evgeniy,” later identified as Evgeniy BEZVERKHNIY, for delivery to “Moscow” for more than double the price.
- Emails sent from BEZVERKHNIY to KALTENEGGER and KAUSHIK reflect contracts with PDS AVIA LLC in Moscow, Russia for U.S-origin aviation components.
- Emails between KALTENEGGER and KAUSHIK show end-user documentation indicating that the AHRS purchased from U.S. COMPANY 1 in Oregon would be used for a helicopter in India, which KAUSHIK later stated to a U.S. Department of Commerce ECO that KALTENEGGER fabricated and that had signed on his behalf. However, email evidence shows that KAUSHIK signed the false end-user information.
- An email from KALTENEGGER to KAUSHIK in May 2023 discussed consolidating an aviation component purchased from a company in California with a shipment to Moscow, Russia.
- An email sent from KAUSHIK to KALTENEGGER appears to show KAUSHIK pursuing aviation business in Russia despite warnings of “international restrictions.”

- Emails between KALTENEGGER and KAUSHIK show the shared profit between them and BEZVERKHNIY for aviation parts that appear to be destined for Russia, including the AHRS purchased from Oregon.
- A spreadsheet detailing the AHRS transaction shows that funds had been received for the item from PDS AVIA, which evidence shows is based in Russia.
- Financial information found in iCloud data associated with KAUSHIK and KALTENEGGER shows that KAUSHIK paid KALTENEGGER \$126,185.32 after receiving incoming financial credits from PDS AVIA, based in Russia.
- KAUSHIK appears to continue to supply aviation goods and technology to AIRCOMPANY NORTH-WEST LLC, a Russia-based company added to the Department of Commerce Entity List for supplying aviation items to the Russian Government and military, even after he met with a Department of Commerce ECO in January 2024.

48. Based on the above evidence, I respectfully request that the Court issue a criminal complaint and arrest warrant for Sanjay KAUSHIK for 18 U.S.C. § 554 (Smuggling) and 50 U.S.C. § 4819. On October 15, 2024, I learned from an HSI Special Agent that KAUSHIK has a reservation to travel to the United States, scheduled to arrive in Miami, Florida, on the morning of October 17, 2024.

49. Prior to being submitted to the Court, this affidavit, the accompanying complaint and the arrest warrant were all reviewed by Assistant United States Attorney (AUSA) Greg Nyhus, and AUSA Nyhus advised me that in his opinion the affidavit and complaint are legally and factually sufficient to establish probable cause to support the issuance of the requested criminal complaint and arrest warrant.

Request for Sealing

50. It is respectfully requested that the Court issue an order sealing, until further order of the Court, all papers submitted in support of the requested criminal complaint and arrest warrant. I believe that sealing these documents is necessary because the information is relevant

to an ongoing investigation, including into KALTENEGGER's activities, and any disclosure of the information at this time may cause flight from prosecution, cause destruction of or tampering with evidence, or otherwise seriously jeopardize an investigation. Premature disclosure of the affidavit, the criminal complaint, and the arrest warrant may adversely affect the integrity of the investigation.

By phone pursuant to Fed. R. Crim. P. 4.1
MATTHEW PETERSON
Special Agent, OEE

Sworn in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone at 6:27 pm
on October 16, 2024.

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HONORABLE YOLEE YIM YOU
United States Magistrate Judge

MINUTE ORDER

Page 1

Magistrate Judge Marty F. Elfenbein

Atkins Building Courthouse - 5th Floor

Date: 10/18/2024 Time: 1:30 p.m.

Defendant: Sanjay Kaushik J#: 13911-506 Case #: 24-MJ-4212-ELFENBEIN (SEALED)

AUSA: Sean Cronin Attorney:

Violation: WARR\DIST. OF OREGON\COMPLAINT\SMUGGLING
GOODS FROM THE U.S. & EXPORT CONTROL REFORM Surr/Arrest Date: 10/17/2024 YOB: 1967

Proceeding: Initial Appearance CJA Appt:

Bond/PTD Held: Yes No Recommended Bond:

Bond Set at: Co-signed by:

☐ Surrender and/or do not obtain passports/travel docs

Language: Hindi

☐ Report to PTS as directed/or _____ x's a week/month by
phone: _____ x's a week/month in person

Disposition:

Defendant advised of
rights and charges.

Random urine testing by Pretrial

☐ Services _____

Treatment as deemed necessary

☐ Refrain from excessive use of alcohol

Complaint unsealed

☐ Participate in mental health assessment & treatment☐ Maintain or seek full-time employment/education☐ No contact with victims/witnesses, except through counsel☐ No firearms☐ Not to encumber property☐ May not visit transportation establishments☐ Home Confinement/Electronic Monitoring and/or

Curfew _____ pm to _____ am, paid by _____

☐ Allowances: Medical needs, court appearances, attorney visits,
religious, employment☐ Travel extended to: _____☐ Other: _____Defendant sworn, APD
assist as a friend of
the court for removal
proceedings. Left waived
removal hearing.Parties stipulate to PTD
with the right to consent
no Hrg held. Defendant
ordered removed.Time from today to _____ excluded
from Speedy Trial Clock

NEXT COURT APPEARANCE Date: Time: Judge: Place:

Report RE Counsel: _____

PTD/Bond Hearing: _____

Prelim/Arraignment or Removal: _____

Status Conference RE: _____

D.A.R. 13:36:19, 14:54:19, 15:09:36 Time in Court: 37 mins
s/Marty F. Elfenbein Magistrate Judge

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
Case No: 24-MJ-4212-ELFENBEIN (SEALED)

United States of America
Plaintiff,

v.

Charging District's Case No. 24-mj-226

Sanjay Kaushik,
Defendant.

WAIVER OF RULE 5 & 5.1 REMOVAL/IDENTITY HEARINGS

I understand that I have been charged in another district, the **District of Oregon**.

I have been informed of the charges and of my rights to:

- (1) retain counsel or request the assignment of counsel if I am unable to retain counsel;
- (2) an identity hearing to determine whether I am the person named in the charges;
- (3) production of the warrant, a certified copy of the warrant, or a reliable electronic copy of either;
- (4) a preliminary hearing within 14 days of my first appearance if I am in custody and 21 days otherwise — unless I am indicted — to determine whether there is probable cause to believe that an offense has been committed;
- (5) a hearing on any motion by the government for detention;
- (6) request transfer of the proceedings to this district under Fed. R. Crim. P. 20, to plead guilty.

I agree to waive my rights to: **(check those that apply)**

- ☐ An identity hearing and production of the warrant.
- ☐ A preliminary hearing.
- ☐ A detention hearing in the Southern District of Florida.
- ☒ An identity hearing, production of the warrant, and any preliminary or detention hearing to which I may be entitled to in this district. I request that those hearings be held in the prosecuting district, at a time set by that court.

I consent to the issuance of an order requiring my appearance in the prosecuting district where the charges are pending against me.

Date: 10/18/2024

Sanjay Kaushik

Defendant's Signature

Marty F. Effenbein

Marty F. Effenbein
United States Magistrate Judge

United States District Court
Southern District of Florida
Case No. 24-MJ-4212-ELFENBEIN (SEALED)

UNITED STATES OF AMERICA,

v.

Charging District's Case No. 24-mj-226

Sanjay Kaushik,
(USM# 13911-506)

COMMITMENT TO ANOTHER DISTRICT

The defendant has been ordered to appear in the District of Oregon.

~~* NOT Appointed *~~

was appointed to represent

Defendant for proceedings in this District.

The defendant remains in custody after the initial appearance in the Southern District of Florida.

IT IS ORDERED that the United States marshal must transport the defendant, together with a copy of this order, to the charging district and deliver the defendant to the United States marshal for that district, or to another officer authorized to receive the defendant. The marshal or officer in the charging district should immediately notify the United States attorney and the clerk of court for that district of the defendant's arrival so that further proceedings may be promptly scheduled. The clerk of this district must promptly transmit the papers and any bail to the charging district.

DONE AND ORDERED at Miami, Florida on 10/18/2024.



Marty F. Elfenbein
United States Magistrate Judge