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U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

APR 21 2005

United States District Court

BY DAVID J. MALAND, CLERK
DEPUTY

EASTERN DISTRICT OF TEXAS

In the Matter of the Search of

(Name, address or Brief description of person, property or premises to be searched)

3801 W. 14th Street #1906
Plano, Texas

APPLICATION AND AFFIDAVIT
FOR SEARCH WARRANT

CASE NUMBER: 4:05-M71

I Matthew A. Baechtle being duly sworn depose and say:

I am a(n) Special Agent of the Department of Homeland Security, Immigration and Customs Enforcement and have reason to believe that on the property or premises known as (name, description and/or location) (SEE ATTACHMENT A)

in the EASTERN District of TEXAS there is now concealed a certain person or property, namely (describe the person or property to be seized)

(SEE ATTACHMENT B)

which is (state one or more bases for search and seizure set forth under Rule 41(b) of the Federal Rules of Criminal Procedure)

property that constitutes evidence of the commission of a crime, contraband, the fruits of crime, and is otherwise criminally possessed, concerning a violation of Title 22 United States code, Section(s) 2778(c) and Title 50 United States code, Section(s) 1705. The facts to support a finding of Probable Cause are as follows:

(SEE ATTACHED AFFIDAVIT OF SPECIAL AGENT MATHEW A. BAECHTLE)

Continued on the attached sheet and made a part hereof. XX Yes No

Signature of Affiant
Mathew A. Baechtle

Sworn to before me, and subscribed in my presence

April 21, 2005
Date

at Sherman, Texas
City and State

DON D. BUSH
United States Magistrate Judge
Name and Title of Judicial Officer

/s/ Don D. Bush
Signature of Judicial Officer

ATTACHMENT A

3801 W. 14th Street #1906, Plano, Texas 75074 is a 1000 square foot residential condominium built in 1985 constructed on Block 19, lot 1906 of the Pheasant Landing #9 subdivision in the City of Plano, Texas. It is a two-story condominium with a brown brick veneer on the outside and a composite shingle roof. The door is brown. The number 1906 appears on the eave above the door. Number 1906 is the second unit on the south end of the building..

ATTACHMENT B

1. All records and information relating to violations of the Arms Export Control Act (22 U.S.C. Sec. 2778, et seq. and International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1705),. The term "records" and "information" include all of the below-listed items of evidence in whatever form and by whatever means they may have been created or stored, including any electrical, electronic, or magnetic form (such as any information on an electronic or magnetic storage device, including floppy diskettes, hard disks, ZIP disks, CD-ROMs, optical discs, backup tapes, printer buffers, smart cards, memory calculators, pagers, personal digital assistants such as Palm Pilot computers, as well as printouts or readouts from any magnetic storage device); any handmade form (such as writing, drawing, painting); any mechanical form (such as printing or typing); and any photographic form (such as microfilm, microfiches, prints, slides, negatives, videotapes, motion pictures, photocopies).
2. All files and/or documents pertaining to any relationship between or among the following persons, including their and officers, directors, employees, and agents: Richard Chichakli, Victor Bout, Sergei Bout, Sanjivan Ruprah, San Air General Trading FZE, San Air General Trading LLC, Centrafican Airlines, Air Cess, Irbis, Air Bas, Abidjan Freight, Air Pass, Cessavia, Air Charter Service, Air Zory, ATC Ltd, Cet Aviation Enterprise (FZE), Moldtransavia SRL, Nordic Ltd., Odessa Air, Santa Cruz Imperial Airlines, Transavia Network (TAN Group), NV Trans Aviation Network Group, Transaviation, Transavia Travel Agency, Vial Company, Westbound Ltd., and any other person or entity designated by the Department of Treasury, Office of Foreign Assets Control pursuant to Executive Order 13348. (hereinafter referred to as "named parties").
3. All records evidencing the named parties dealings in the air cargo business including, but not limited to: aircraft sale/purchase documentation, aircraft insurance documentation, aircraft registration Documents, flight logs, crew manifests, crew briefs, fuel purchasing agreements, re-fueling requests, overflight permission requests, landing/take-off permission requests, payment information for overflights/landing/take-off, clearance codes to overfly country, cargo manifests, hazardous material certificates/documentation, aircraft leasing documentation, invoices/contracts for cargo flights, end user certificates
4. All documents relating to registration and licensing of any named party with the Department of State, Department of Treasury, or any other U.S. or foreign regulatory authority.

5. All corporate documents for domestic and foreign companies, including articles of incorporation, shareholder lists, by-laws, minutes of meetings of boards of directors or minutes of meetings of officers of any of the named parties.
6. All bank records for corporate and personal accounts or evidence of monetary transactions that relate to transactions among the named parties (to included monthly statements, canceled checks, deposit tickets, deposited items, debit and credit memos, wire transfer advices, and correspondence).
7. All copies of e-mail transmission and correspondence and documents transmitted through the U.S. mail or by private carrier or by facsimile evidencing contacts among and the relationship among the named parties.
8. All documents, books and records, including accounting records, showing receipt and disposition of funds by the named parties.
9. All contracts, memoranda, letters, notes and other documentation evidencing business or personal dealings between the named parties and foreign businesses and individuals.
10. All address and telephone listings and books, telephone logs and phone bills of the named parties.

AFFIDAVIT

AFFIANT'S EXPERIENCE

I, Matthew A. Baechtle, state that:

1. I am a Special Agent with U.S. Immigration and Customs Enforcement (ICE) and have been so employed since March 2003. I am currently assigned to the Arms and Strategic Technologies Investigations (ASTI) Unit in the Office of the Special Agent in Charge, Washington D.C. As a federal agent, I am authorized to investigate violations of United States law. I am also authorized to execute arrest and search warrants issued under the authority of the United States.
2. Since graduating from the Federal Law Enforcement Training Center in Glynco, Georgia, I have conducted and participated in numerous investigations to include violations of Arms Export Control Act ("AECA"), 22 U.S.C. Sec. 2778 and associated regulations and the International Emergency Economic Powers Act ("IEEPA"), 50 USC Secs. 1701-1706 (1988). Through my training and experience, I have become familiar with a variety of means through which individuals and entities traffic in arms in violation of these laws.

REQUEST

3. This request for permission to search three Texas locations is the result of two coordinated criminal investigations. The first is an ongoing year and one-half federal law enforcement international criminal and grand jury investigation into the involvement of Americans and others, including Victor Bout, in international illegal arms trafficking with federal grand juries

operating in Washington, D.C. and Virginia. The second is an ongoing two-year law enforcement and federal Dallas grand jury investigation into the activities of Richard Ammar Chichakli, a resident of Richardson, Texas, and his admitted personal and professional association with the illicit international arms trafficker, Victor Bout.¹ This investigation is headed by Federal Bureau of Investigation Special Agent Dennis Brady.

4. As set forth below, I have probable cause to believe that during Charles Taylor's reign in Liberia, Victor Bout trafficked for profit multi-ton shipments of foreign military arms and defense items from Eastern Europe and Asia to Liberia, in violation of a well-established UN embargo. In addition, I have probable cause to believe that Richard Chichakli facilitated Bout's illicit profiteering, first, by assisting in establishing companies for Bout such as San Air General Trading ("San Air") that facilitated these shipments and then, for example, by assisting in the management of their operation as the Chief Financial Officer ("CFO"). I have probable cause to believe that, as an operating officer of the company, Chichakli knew of the illicit shipments. I also have probable cause to believe that Chichakli should have seen and retained records of these activities, which may be evidence of crime. Finally, because of the open and notorious nature of Bout's arms trafficking and because of Bout's close personal and professional association with Chichakli, I have probable cause to believe that the companies' involvement in Bout's illicit arms trafficking activities were known to Chichakli during the

¹Due to translation, Victor Bout's first name is variously styled "Viktor" and his last name styled "Butt," "But," "Bont," "Butte" and "Boutov." He is also known as "Vitali Sergitov." For convenience of the reader, the spelling "Victor Bout" is used throughout this affidavit.

relevant time period. Consequently, I have probable cause to believe that as a US person, Chichakli's assistance of Bout during the relevant time period violated United States laws against arms trafficking and United States laws against UN sanctions busting.² The term "US person" means a citizen of the United States or an alien lawfully admitted for permanent residence. 50 U.S.C. 1801(i).

5. The statements contained in this affidavit are based in part on the results to date of the investigations discussed in paragraph 3 above, and on information provided by me and by Special Agents and employees of the FBI, including Special Agents Dennis Brady and Michael Call. I have also included information provided to me by Defense Criminal Investigative Service Special Agent Billy Byassee, Internal Revenue Service Criminal Investigations Special Agent Ronald A. Loecker. In addition, I have drawn from other resources, including information contained in official reports of the United Nations ("UN"), law enforcement interviews of UN investigators, discussions with foreign law enforcement officers, published news articles and various internet sources, as well as on my experience and training as a Special Agent of ICE and that of my fellow federal investigators. I have also relied on the experience of experts in records preservation and retrieval, especially those experts in electronic data preservation and recovery.
6. Because this affidavit is being submitted for the limited purpose of securing search warrants

²In addition, any business Richard Chichakli conducted with Victor Bout after July 22, 2004, the date of Bout's designation as a denied person under US law, violates the International Emergency Economic Powers Act, 50 USC Secs. 1701-1706 (1988).

for the four locations specified below, I have not included each and every fact known to me or my fellow investigators concerning this investigation. I have set forth only the facts that I believe are necessary to establish probable cause to believe that records and information, as detailed in Attachment B, which are evidence of a violation of the Arms Export Control Act, 22 U.S.C. Sec. 2778 and associated regulations, specifically 22 CFR Part 126.1(c), and the International Emergency Economic Powers Act, 50 USC Secs. 1701-1706 (1988), are presently located at the following three locations: (1) 811 S. Central Expressway, Suite 210, Richardson, Texas (the "Office"); (2) 225 Syracuse Place, Richardson, Texas (the "Residence"); and (3) 3801 W. 14th Street #1906, Plano, Texas (the "Condominium").

VIOLATIONS OF US LAW

7. Under the Arms Export Control Act, 22 U.S.C. Sec. 2778, it is a violation of US law for a US person to export, import or transfer any domestic or foreign defense article or service without previously registering with the US government and receiving a license to conduct the transaction. 22 USC Sec. 2778(b)(1)(A) *et seq.* In addition, it is a violation of US law to broker such transactions. *Id.* Brokering activities include "the financing, transportation, freight forwarding or taking of any other action that facilitates the manufacture, export, or import of a defense article or defense service." 22 USC Sec. 2778(b)(1)(A)(ii)(II). Military munitions are considered defense articles under these provisions. See 22 USC Sec. 2778(b)(1)(A)(ii)(IV) and 22 C.F.R. Part 121.1 *et seq.* (United States Munitions List). These provisions apply to non-US defense articles or services "regardless of whether such article or service is of United States origin or whether such article or service contains United States

origin components.” 22 USC Sec. 2778(b)(1)(A)(ii)(IV).

8. Pursuant to regulations promulgated pursuant to the Arms Export Control Act, 22 U.S.C. Sec. 2778, it is also a violation of US law for a US person to break a UN Security Council arms embargo.³ 22 CFR Part 126.1(c). In addition, it is the policy of the United States to deny licenses for the export of defense articles or services to countries to which the United States maintains an arms embargo, including Liberia. 22 CFR Part 126.1(a).
9. Any individual or entity that wilfully violates Section 2778 or its regulations issued pursuant commits a felony punishable by ten years’ imprisonment and a \$1,000,000 fine. 22 U.S.C. Sec. 2778©.
10. Under the International Emergency Economic Powers Act (“IEEPA”), 50 USC Secs. 1701-1706 (1988), the President of the United States has authority to designate individuals and entities and restrict business activities related to them. Any wilful violation of an IEEPA issued regulation is punishable by up to ten years’ imprisonment and a monetary fine of up to \$250,000 or under the alternative fines calculations under 18 USC Sec. 3571, twice the gross gain or loss, whichever is greater.

³UN Security Council Resolution 788, adopted November 19, 1992, established a general and complete arms embargo “on all deliveries of weapons and military equipment to Liberia. . . .” On March 7, 2001, in recognition of the expanding Liberia conflict, the Security Council issued a renewed and tightened weapons and military equipment embargo, which included all “arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for the aforementioned, whether or not originating in their territories[.]” The Security Council extended this embargo twice, first on May 6, 2002 through Resolution 1408 and next on May 6, 2003 through Resolution 1478. On December 22, 2003, the Security Council issued Resolution 1521 revising the Liberia arms embargo in part but retaining the embargo on all “arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for the aforementioned, whether or not originating in their territories[.]”