

February 11, 2010

Mr. James W. Owens  
CEO, Caterpillar  
100 North East Adams Street  
Peoria, Illinois USA 61629

**Re: Caterpillar and Newly Designated IRGC-related Construction Entities**

Dear Mr. Owens:

Following my letter to you of February 4, 2010, the United States Treasury Department, Office of Foreign Assets Control (OFAC) took steps on February 10, 2010 to designate certain Iranian Islamic Revolutionary Guard Corps (IRGC) related entities. The press release is attached. As you will see, the emphasis on these most recent Treasury designations is on IRGC related entities in Iran that are involved in the construction industry.

*Today's designations include IRGC General Rostam Qasemi, who is also the commander of Khatam al-Anbiya Construction Headquarters, the engineering arm of the IRGC that serves to help the IRGC generate income and fund its operations. Khatam al-Anbiya is owned or controlled by the IRGC and is involved in the construction of streets, highways, tunnels, water conveyance projects, agricultural restoration projects, and pipelines.*

*"As the IRGC consolidates control over broad swaths of the Iranian economy, displacing ordinary Iranian businessmen in favor of a select group of insiders, it is hiding behind companies like Khatam al-Anbiya and its affiliates to maintain vital ties to the outside world," said Under Secretary for Terrorism and Financial Intelligence Stuart Levey. "Today's action exposing Khatam al-Anbiya subsidiaries will help firms worldwide avoid business that ultimately benefits the IRGC and its dangerous activities."*

U.S. Department of the Treasury, "Treasury Targets Iran's Islamic Revolutionary Guard Corps," *Press Room*, February 10, 2010. As we suggested previously, there is simply no reasonable manner by which Caterpillar may ensure that its heavy equipment sold into Iran is not used by the IRGC.


Caterpillar must stop doing business in Iran. Even under the thin veil of deniability offered by conducting sales through a foreign subsidiary and/or through other middlemen,

Caterpillar must bear responsibility for the sale of its equipment into the world's leading state sponsor of terrorism that seeks illegal nuclear weapons.

Please consider the grave importance of this most recent designation by the Treasury Department in your response to my previous letter.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'M. Wallace', written in a cursive style.

Ambassador Mark D. Wallace

U.S. Department of the Treasury  
Press Room  
February 10, 2010  
tg-539  
<http://www.ustreas.gov/press/releases/tg539.htm>

## **Treasury Targets Iran's Islamic Revolutionary Guard Corps**

**WASHINGTON --** The U.S. Department of the Treasury today took further action to implement existing U.S. sanctions against Iran's Islamic Revolutionary Guard Corps (IRGC) by designating an individual and four companies affiliated with the IRGC pursuant to Executive Order (E.O.) 13382, which freezes the assets of designated proliferators of weapons of mass destruction (WMD) and their supporters. Today's action focuses in particular on Khatam al-Anbiya Construction Headquarters, an arm of the IRGC designated pursuant to E.O. 13382 in 2007.

Today's designations include IRGC General Rostam Qasemi, who is also the commander of Khatam al-Anbiya Construction Headquarters, the engineering arm of the IRGC that serves to help the IRGC generate income and fund its operations. Khatam al-Anbiya is owned or controlled by the IRGC and is involved in the construction of streets, highways, tunnels, water conveyance projects, agricultural restoration projects, and pipelines. Treasury also today designated four companies that are owned or controlled by, or that act on behalf of, Khatam al-Anbiya.

“As the IRGC consolidates control over broad swaths of the Iranian economy, displacing ordinary Iranian businessmen in favor of a select group of insiders, it is hiding behind companies like Khatam al-Anbiya and its affiliates to maintain vital ties to the outside world,” said Under Secretary for Terrorism and Financial Intelligence Stuart Levey. “Today's action exposing Khatam al-Anbiya subsidiaries will help firms worldwide avoid business that ultimately benefits the IRGC and its dangerous activities.”

The following are subsidiary companies that are owned or controlled by Khatam al-Anbiya, or that act on its behalf, and directly support various mining and engineering projects:

- Fater Engineering Institute
- Imensazen Consultant Engineers Institute (ICEI)
- Makin Institute
- Rahab Institute

The IRGC has a growing presence in Iran's financial and commercial sectors and extensive economic interests in the defense production, construction, and oil industries, controlling billions of dollars of business. The profits from these activities are available to support the full range of the IRGC's illicit activities, including WMD proliferation and support for terrorism.

The U.S. has previously acted against the IRGC and the IRGC-Qods Force for their involvement in proliferation and terrorism support activities, respectively. In joint actions on October 25, 2007, the State Department designated the IRGC, under E.O. 13382, for having engaged, or attempted to engage, in proliferation-related activities, and Treasury designated the IRGC-Qods

Force pursuant to E.O. 13224 for providing material support to the Taliban and other terrorist organizations. Treasury at that time also designated nine IRGC-affiliated entities, including Khatam al-Anbiya, and five IRGC-affiliated individuals as derivative designations of the IRGC.

Those entities and individuals are:

- Khatam al-Anbya Construction Headquarters
- Oriental Oil Kish
- Ghorb Nooh
- Sahel Consultant Engineering
- Ghorb-e Karbala
- Sepasad Engineering Co
- Omran Sahel
- Hara Company
- Gharargahe Sazandegi Ghaem
- General Hosein Salimi, Commander of the Air Force, IRGC
- Brigadier General Morteza Rezaie, Deputy Commander of the IRGC
- Vice Admiral Ali Akhbar Ahmadian, in his former capacity as Chief of the IRGC Joint Staff
- Brigadier Gen. Mohammad Hejazi, in his former capacity as Commander of Bassij resistance force
- Brigadier General Qasem Soleimani, Commander of the Qods Force

Elements of the IRGC have also been designated for UN sanctions pursuant to UN Security Council Resolutions (UNSCRs) 1737 and 1747. All UN Member States are required to freeze the assets of entities and individuals listed in the Annexes of those resolutions, or designated by the UNSCR 1737 Committee, as well as assets of entities owned or controlled by them or by persons or entities acting on their behalf or at their direction and to prevent funds or economic resources from being made available for their benefit. The European Union has also designated IRGC-affiliated companies, including Khatam al-Anbiya, for their support to Iranian ballistic missile and nuclear programs.

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cc: Mary L. Schapiro  
Chairwoman, United States Securities Exchange Commission

Adam J. Szubin  
Director, Office of Foreign Assets Control, U.S. Department of the Treasury

Duncan L. Niederauer  
Chief Executive Officer, New York Stock Exchange

W. Frank Blount  
Chairman and CEO of JI Ventures, Inc.

John R. Brazil  
President of Trinity University

Daniel M. Dickinson  
Managing Partner of Thayer | Hidden Creek

John T. Dillon  
Former Chairman and CEO of International Paper

Eugene V. Fife  
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Gail D. Fosler  
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David R. Goode  
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