



# Department of Justice

UNITED STATES ATTORNEY ALICE H. MARTIN  
NORTHERN DISTRICT OF ALABAMA

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CONTACT: JILL  
ELLIS

PHONE: (205) 244-2001

FAX: (205) 244-2171

## ALABAMA DEFENSE CONTRACTOR AND ITS OWNER INDICTED FOR ILLEGAL EXPORT OF MILITARY DEFENSE ARTICLES

**BIRMINGHAM, AL - An Alabama company and its owner have been indicted by a Federal Grand Jury on charges of illegally exporting military defense technology without a license, fraud involving aircraft parts, and submitting false documents. The five-count indictment charges AXION CORPORATION and its owner ALEXANDER NOOREDIN LATIFI, 59, both of Huntsville, Alabama, and is announced today by Kenneth L. Wainstein, Assistant Attorney General for National Security, and Alice H. Martin, United States Attorney for the Northern District of Alabama.**

**"Keeping sensitive U.S. military technology from falling into the wrong hands is a top priority for the Justice Department," said Assistant Attorney General Wainstein. "This indictment and other recent illegal export prosecutions should serve as a warning to companies seeking to enhance their profits at the expense of America's national security."**

**"No defense contractor can export an item on the United States Munitions List, to another country, without first obtaining a license from the Department of State. Critical technology, such as the bifilar weight assembly, will be protected through criminal law enforcement where violations are found," said Alice H. Martin, United States Attorney Northern District of Alabama.**

**According to the indictment, in September 2003 and continuing thereafter, Axion Corporation and Latifi knowingly and willfully exported defense articles, specifically technical drawings of the bifilar weight assembly for the UH-60 Black Hawk helicopter, to overseas purchasers without first obtaining a required license and authorization from the State Department.**

**The indictment also alleges that, on or about February 19, 2004, Axion Corporation and Latifi made a fraudulent representation to the U.S. Army concerning an aircraft part in connection with a military contract. Specifically, the defendants represented to the U.S. Army that certain parts were provided by Tungsten Products of Madison, Alabama, when that company was not the supplier of those parts.**

**Further, on or about January 2004, Axion Corporation and Latifi knowingly submitted a false document to the government in connection with a military contract. Specifically, the defendants submitted "First Article Test Reports" which falsely stated that Industrial Fabrications Co., Inc., had conducted testing, when the defendants knew that the test reports were false and the testing had not taken place before a specific date.**

**Counts four and five of the indictment seek forfeiture of any assets and property derived from the offenses alleged in the indictment, including real property at 317 Nick Fitchard Road, NW Huntsville, Alabama, where Axion Corporation is located, as well as \$659,280 and all interest and proceeds derived therefrom.**

**The penalty for exporting defense articles without a license is not more than ten years imprisonment, a fine of not more than \$1,000,000 or both, and a term of supervised release of not more than three years. The penalty for fraud is imprisonment of not more than fifteen years, a fine of not more than \$500,000, or both, and a term of supervised release of not more than three years. The penalty for filing false documents is not more than five years imprisonment, a fine of \$250,000, or both, and a term of not more than three years supervised release.**

**This investigation was conducted by National Aeronautics and Space Administration (NASA) Office of Inspector General; the Defense Criminal Investigative Service (DCIS); Army Criminal Investigation Division; the U.S. Immigration and Customs Enforcement (ICE); the Federal Bureau of Investigation (FBI), and the Internal Revenue Service (IRS).**

**"We understand the tremendous amount of taxpayer dollars that are spend in procuring defense articles in the Huntsville area. To better focus our investigative efforts, and improve communication among the various investigative agencies, we have recently established a Procurement Fraud Working Group in the Northern District of Alabama. Agencies have been invited to join our efforts, and the public should expect to see increased law enforcement efforts in this important area," said U. S. Attorney Alice H. Martin. "If any member of the public knows of fraud in the area of government procurement or illegal exportation of sensitive information we ask that they contact our office."**

**The prosecution is being handled by Assistant U.S. Attorneys David H. Estes, Angela Redmond Debro, and James D. Ingram from the U.S. Attorney's Office for the Northern District of Alabama, as well as Trial Attorney Mariclaire Rourk from the Counterespionage Section of the Justice Department's National Security Division.**

**Members of the public are reminded that an indictment contains only charges. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.**

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