

COUNT THIRTY-NINE

RACKETEERING

The Grand Jury further charges:

29. Each and every allegation contained in Paragraphs 1 through 28, and all subparts thereof, of Counts One through Thirty-eight of this Indictment is realleged and incorporated by reference and the subparts thereof as if fully set forth.

30. From on and about January 1, 1980, up to and including the date of filing of this Indictment, in the Southern District of New York and elsewhere, MARC RICH, PINCUS GREEN, CLYDE MELTZER, AG and INTERNATIONAL, the defendants, being individuals and entities employed by and associated with an enterprise, as defined in 18 U.S.C. § 1961(4), engaged in and the activities of which affect interstate and foreign commerce, to wit, AG and its wholly-owned subsidiaries, the defendant INTERNATIONAL, Rescor and Highams, together with others known and unknown to the Grand Jury ("co-racketeers"), unlawfully, wilfully and knowingly, did conduct and participate, directly and indirectly, in the conduct of the affairs of the enterprise through a pattern of racketeering activity, as defined in 18 U.S.C. § 1961(5), consisting of the acts of racketeering including wire fraud, indictable under Title 18, United States Code, Section 1343, as set forth in Paragraphs 1 through 23 and all subparts thereof, of Counts One through Twenty-three of this

Indictment, and mail fraud, indictable under Title 18, United States Code, Section 1341, as set forth in Paragraphs 24 through 28 of Counts Twenty-four through Thirty-eight, all in violation of Title 18, United States Code, Section 1962(c).

31. The defendants MARC RICH, PINCUS GREEN, CLYDE MELTZER, AG, INTERNATIONAL together with their co-racketeers conducted the enterprise through a pattern of racketeering activity wherein the defendants and others concealed in excess of \$100 million in taxable income of the defendant INTERNATIONAL by diverting it, through a series of sham transactions, offshore to the defendant AG. Most of this \$100 million in taxable income was illegally generated through the defendants' violations of federal energy laws and regulations. The enterprise has been used by the defendants to enable the defendant INTERNATIONAL to evade in excess of \$48 million in United States taxes for the 1980 and 1981 tax years.

The Pattern of Racketeering

32. It was a part of the pattern of racketeering activity that from on or about January 1, 1980, up to and including the date of the filing of this Indictment, MARC RICH, PINCUS GREEN, CLYDE MELTZER, AG, and INTERNATIONAL, the defendants, together and with their co-racketeers, unlawfully, wilfully and knowingly, would and did devise and intend to devise schemes and artifices to defraud the United States, and agencies thereof, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, to wit:

(i) the Internal Revenue Service ("IRS") in its lawful governmental function of administering and overseeing the collection of taxes in the United States; and

(ii) the Department of Energy ("DOE") in its lawful governmental function of administering and overseeing the laws and regulations which provided for price controls and limited markups on the sale of crude oil produced in or imported into the United States.

33. It was part of the pattern of racketeering activity that MARC RICH, PINCUS GREEN, CLYDE MELTZER, AG and INTERNATIONAL, the defendants, together and with their co-racketeers, unlawfully, wilfully, and knowingly:

(i) in executing the scheme to defraud the Internal Revenue Service, and attempting to do so, would and did commit the 24 acts of racketeering set forth below, and also set forth in detail in Paragraphs 1 through 23 of Counts One through Twenty-three; and

(ii) in executing the scheme to defraud the Department of Energy, and attempting to do, would and did commit the 15 acts of racketeering set forth below, and also set forth in detail in Paragraphs 24 through 28 of Counts Twenty-four through Thirty-eight .

I. THE SCHEME TO DEFRAUD THE IRS

<u>RACKETEERING ACT</u>	<u>APPROXIMATE DATE</u>	<u>VIOLATION</u>	<u>DEFENDANTS</u>
		<u>WIM "Pot"</u>	
(1) wire transfer to AG of \$12,507,818.40 (including \$1,786,831.00 from the "pot") by WIM: "Arctic Star"	October 21, 1980	18 USC §§ 1343 and 2	Rich, Green, AG and International
(2) wire transfer to AG of \$4,050,000.00 by WIM from the "pot": "Norse King"	October 23, 1980	18 USC §§ 1343 and 2	Rich, Green, AG and International
(3) wire transfer to AG of \$5,384,217.00 by WIM from the "pot": "Olympic Bond"	January 5, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International
(4) wire transfer to AG of \$5,000,000.00 by WIM from the "pot": "Nia Rocco Piaggio" and "Okinoshima Maru"	January 30, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International
(5) wire transfer to AG of \$1,199,974.00 by WIM from the "pot": "Okinoshima Maru"	February 9, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International
(6) wire transfer to AG of \$5,141,709.00 by WIM from the "pot": "Romo Maersk"	February 23, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International
(7) wire transfer to Highams of \$1,215,000.00 by WIM from the "pot": "Philip of Macedon"	May 4, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International
(8) telefaxes of handwritten notes re WIM pot from International to WIM	February 1, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International
(9) telefax of typewritten summary re WIM pot from WIM to International	February 9, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International

<u>RACKETEERING ACT</u>	<u>APPROXIMATE DATE</u>	<u>VIOLATION</u>	<u>DEFENDANTS</u>
(10) telefax of typewritten summary re WIM pot from International to WIM	February 10, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International
<u>Listo "Pot"</u>			
(11) wire transfer to AG of \$32,950,790.78 (including \$4,131,620.24 from the "pot") by Listo: "Montessa"	December 5, 1980	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
(12) wire transfer to AG of \$4,259,844.00 by Listo from the "pot": "Universe Explorer"	December 15, 1980	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
(13) wire transfer to AG of \$18,605,470.63 (including \$2,241,743.45 from the "pot") by Listo: "Alnair II"	December 23, 1980	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
(14) wire transfer to AG of \$19,946,909.84 (including \$2,266,694.30 from the "pot") by Listo: "Lamyra"	December 31, 1980	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
(15) wire transfer to AG of \$5,291,409.82 by Listo from the "pot": "Arctic Star"	January 27, 1981	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
(16) wire transfer to AG of \$3,349,660.34 by Listo from the "pot": "Ionian Commander"	January 30, 1981	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
(17) wire transfer to AG of \$1,873,584.45 by Listo from the "pot": "Jeci"	February 2, 1981	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
(18) wire transfer to AG of \$6,396,201.22 by Listo from the "pot": "Keiyoh Maru"	February 11, 1981	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International

<u>RACKETEERING ACT</u>	<u>APPROXIMATE DATE</u>	<u>VIOLATION</u>	<u>DEFENDANTS</u>
(19) wire transfer to AG of \$5,315,478.50 by Listo from the "pot": "White Gardenia"	March 3, 1981	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
(20) wire transfer to AG of \$9,452,307.00 by Listo from the "pot": "Jamunda" and "Norse King"	May 5, 1981	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
(21) wire transfer to Rescor of \$3,000,000.00 by Listo from the "pot": "Philip of Macedon" and "Okinoshima Maru"	May 14, 1981	18 USC §§ 1343 and 2	Rich, Green, Meltzer, AG and International
<u>Charter False Deductions</u>			
(22) wire transfer to AG of \$29,157,628.90 by International: "Luna Mar", "Devali," "World Scholar" and "Ratna Jayshree"	September 29, 1980	18 USC §§ 1343 and 2	Rich, Green, AG and International
(23) wire transfer to AG of \$1,659,472.80 by International: "Santamar"	April 7, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International
<u>Arco False Deduction</u>			
(24) wire transfer to Rescor of \$2,716,510.00 by International: "Wind Escort"	August 27, 1981	18 USC §§ 1343 and 2	Rich, Green, AG and International
<u>II. THE SCHEME TO DEFRAUD THE DOE</u>			
(25) ERA-69 for September 1980 Sent by Express Mail to DOE	December 1, 1980	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International
(26) ERA-69 for November 1980 Sent by Express Mail to DOE	January 30, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International
(27) ERA-69 for December 1980 Sent by Express Mail to DOE	January 27, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International

<u>RACKETEERING ACT</u>	<u>APPROXIMATE DATE</u>	<u>VIOLATION</u>	<u>DEFENDANTS</u>
(28) ERA-69 for January 1981 Sent by Express Mail to DOE	March 31, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International
(29) Invoice No. S9-041 mailed to International by WIM for 69,000 barrels at \$2,280,450.00	October 7, 1980	18 USC §§ 1341 and 2	Rich, Green, AG and International
(30) Invoice No. S10-068 mailed to International by WIM for 83,700 barrels at \$2,787,210.00	November 6, 1980	18 USC §§ 1341 and 2	Rich, Green, AG and International
(31) Invoice No. S10-069 mailed to International by WIM for 71,300 barrels at \$2,374,290.00	November 6, 1980	18 USC §§ 1341 and 2	Rich, Green, AG and International
(32) Invoice No. S11-051 mailed to International by WIM for 150,000 barrels at \$4,995,000.00	December 4, 1980	18 USC §§ 1341 and 2	Rich, Green, AG and International
(33) Invoice No. 0989 mailed to International by Listo for 313,629 barrels at \$9,879,313.50: "Sinclair Texas"	January 7, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International
(34) Invoice No. 1126 mailed to International by Listo for 261,486.49 barrels at \$10,036,575.96: "Sinclair Texas"	January 21, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International
(35) Invoice No. 1138 mailed to International by Listo for 405,544.61 barrels at \$15,714,853.64: "Prudhoe Bay"	January 26, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International
(36) Invoice No. 1139 mailed to International by Listo for 458,532 barrels at \$15,360,822.00: "Overseas New York"	January 26, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International

<u>RACKETEERING ACT</u>	<u>APPROXIMATE DATE</u>	<u>VIOLATION</u>	<u>DEFENDANTS</u>
(37) Invoice No. 1140 mailed to International by Listo for 53,844.39 barrels at \$2,086,470.11: "Sinclair Texas"	January 26, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International
(38) Invoice No. 1271 mailed to International by Listo for 292,809 barrels at \$10,043,348.70: "Arco Heritage"	February 24, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International
(39) Invoice No. 1267 mailed to International by Listo for 332,390.25 barrels at \$11,068,595.33: "Arco Heritage"	February 24, 1981	18 USC §§ 1341 and 2	Rich, Green, Meltzer, AG and International

(Title 18, United States Code, Sections 1962(c) and 2.)

COUNT FORTY

THE RACKETEERING CONSPIRACY

The Grand Jury further charges:

34. Each and every allegation contained in Paragraphs 1 through 33, and all subparts thereof, of Counts One through Thirty-nine of this Indictment is realleged and incorporated by reference herein as if fully set forth.

35. From on or about January 1, 1980, up to and including the date of the filing of this Indictment, in the Southern District of New York and elsewhere, MARC RICH, PINCUS GREEN, CLYDE MELTZER, AG, and INTERNATIONAL, the defendants, being individuals and entities employed by and associated with an enterprise engaged in, and the activities of which affect, interstate and foreign commerce, to wit, AG and its wholly-owned subsidiaries, the defendant INTERNATIONAL, Rescor and Highams,

together with their co-racketeers, unlawfully, wilfully and knowingly, did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, a violation of Title 18, United States Code, Section 1962, that is, to conduct and participate, directly and indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity as defined in Title 18, United States Code, Section 1961(5).

36. The objects of the racketeering conspiracy were that the defendants MARC RICH, PINCUS GREEN, CLYDE MELTZER, AG and INTERNATIONAL, together and with their co-racketeers, would and did commit and agree to commit the acts of racketeering, including wire fraud, indictable under Title 18, United States Code, Section 1343, as charged in Paragraphs 1 and 23 of Counts One through Twenty-three, and in Count Thirty-nine, and mail fraud, indictable under Title 18, United States Code, Section 1341, as charged in Paragraphs 24 through 28 of Counts Twenty-four through Thirty-eight, and in Count Thirty-nine, all in violation of Title 18, United States Code, Section 1962(c).

(Title 18, United States Code, Section 1962(d).)

FORFEITURES

37. Each and every allegation contained in Paragraphs 1 through 36 of Counts One through Forty of this Indictment is hereby realleged and incorporated by reference herein as if fully set forth for the purpose of alleging forfeitures pursuant to the provisions of Title 18, United States Code, Sections 1963(a) (1) and 1963(a) (2).

38. The defendants MARC RICH, PINCUS GREEN, CLYDE MELTZER, AG, and INTERNATIONAL, now known as "Clarendon Ltd.", have acquired and maintained interests from violations of Title 18, United States Code, Section 1962, and have interests in, securities of, claims against and property and contractual rights affording each defendant a source of influence over the enterprise, which enterprise each defendant established, operated, controlled, conducted and participated, directly and indirectly, in the conduct of through a pattern of racketeering, and conspired to do so, in violation of Title 18, United States Code, Section 1962(c) and (d), thereby making all such interests, securities of, claims against, property and contractual rights, wherever located, in whatever names held, subject to forfeiture to the United States as of the date they were acquired, maintained and utilized.

39. The interests of the defendants MARC RICH, PINCUS GREEN and CLYDE MELTZER, subject to forfeiture to the United States, include any interests and proceeds therefrom each defendant has acquired and maintained from violations of Title 18, United States Code, Section 1962, including but not limited to:

- (a) dividends, salaries, bonuses, and pension benefits paid by any of the corporate entities comprising or associated with the enterprise; and
- (b) any interests purchased or obtained with the monies set forth in subparagraph (a) above including, but not limited to personalty, real estate, and investments, wherever located and in whatever names;

and any interests in, securities of, claims against, property, contractual rights and rights of any kind affording a source of influence over the enterprise, including but not limited to all stock, securities, notes, rights, warrants, and options, wherever located and in whatever names, and all offices and titles, in any of the corporate entities comprising or associated with the enterprise.

40. The interests of the defendant AG subject to forfeiture to the United States include any interests and proceeds therefrom that the defendant AG has acquired and maintained from violations of Title 18, United States Code, Section 1962, including but not limited to:

- (a) all monies received and specified in this Indictment, including monies paid to Rescor, Inc. and Highams Consultants, AG's wholly-owned subsidiaries, and
- (b) all assets, interests and investments, including loans and receivables, wherever located and in whatever names, purchased or obtained with the monies set forth in subparagraph (a) above and profits derived therefrom, including in excess of \$37 million owed to the defendant AG by Guam Oil and Refining Company and the interests of Richco Holdings, B.V. in TCF Holdings, Inc.;

and any interests in, securities of, claims against, property, contractual rights and rights of any kind affording a source of influence over the enterprise, including but not limited to:

(a) all stock, securities, notes, rights, warrants and options, wherever located and in whatever names, in the defendant INTERNATIONAL, Rescor, Inc. and Highams Consultants and any and all of their subsidiaries, including but not limited to Century Chartering Co., Inc.;

(b) all assets, wherever located and in whatever name, of the entities set forth in subparagraph (a) above, including but not limited to:

1. bank accounts
2. accounts receivables
3. securities, stock, notes, rights, warrants and options
4. contracts
5. leaseholds, including the leasehold at 650 Fifth Avenue, New York, New York
6. inventory
7. office equipment, furnishings and fixtures

8. interests in realty and minerals, including oil and gas properties described in a Mortgage, Security Agreement, Financing Statement and Assignment dated August 4, 1983, by Clarendon Ltd. and Century Chartering Co., Inc. to and in favor of the United States of America.

9. Proceeds of any purported sale of any interest in the defendant INTERNATIONAL, including proceeds of a purported sale of the defendant INTERNATIONAL to Alexander Hackel and others on June 30, 1983.

41. The interests of the defendant INTERNATIONAL subject to forfeiture to the United States include any interests and proceeds therefrom that the defendant INTERNATIONAL has acquired and maintained from violations of Title 18, United States Code, Section 1962, including but not limited to

(a) all monies received and specified in this Indictment; and

(b) all assets, interests and investments, including loans and receivables, wherever located and in whatever names, purchased or obtained with the monies set forth in subparagraph (a) above and profits derived therefrom or purchased or obtained with monies that were due and owing to the United States of America as a consequence of the violations of law set forth in this Indictment; and any interests in, securities of, claims against, property, contractual rights and rights of any kind affording a source of influence over the enterprise, including but not limited to, all stock, securities, notes, rights, warrants and options, wherever located, in whatever names, in all subsidiaries, including but not limited to Century Chartering Co., Inc.

(Title 18, United States Code, Section 1963.)

THE INCOME TAX EVASION COUNTS

COUNT FORTY-ONE

Tax Evasion for 1980

The Grand Jury further charges:

42. Each and every allegation contained in Paragraphs 1 through 41, and all subparts thereof, of Counts One through

Forty of this Indictment is realleged and incorporated by reference herein as if fully set forth.

43. On or about September 17, 1981, in the Southern District of New York, MARC RICH, PINCUS GREEN, CLYDE MELTZER, and INTERNATIONAL, the defendants, together with AG, not named as a defendant in this count, unlawfully, wilfully and knowingly did attempt to evade and defeat a large part of the income tax due and owing by the defendant INTERNATIONAL to the United States of America for the calendar year 1980, by preparing and causing to be prepared and by filing and causing to be filed a false and fraudulent income tax return for the defendant INTERNATIONAL, which return stated that the taxable income for said calendar year was \$1,091,431.00 and that the amount of income tax due and owing thereon was \$413,374.00, whereas, as the defendants then and there well knew, the true taxable income of, and the true income tax due and owing by the defendant INTERNATIONAL to the United States for said calendar year were substantially in excess of the amounts reported on said return, to wit, the defendant INTERNATIONAL's true taxable income for said calendar year was at least \$53,650,947.07, upon which there was due and owing to the United States an income tax of approximately \$24,590,751.65.
(Title 26, United States Code, Sections 7201 and 2.)

COUNT FORTY-TWO

Tax Evasion for 1981

The Grand Jury further charges:

44. Each and every allegation contained in Paragraphs 1 through 43, and all subparts thereof, of Counts One through Forty-one of this Indictment is realleged and incorporated by reference herein as if fully set forth.

45. On or about September 22, 1982, in the Southern District of New York, MARC RICH, PINCUS GREEN, CLYDE MELTZER, and INTERNATIONAL, the defendants, together with AG, not named as a defendant in this count, unlawfully, wilfully and knowingly did attempt to evade and defeat a large part of the income tax due and owing by the defendant INTERNATIONAL to the United States of America for the calendar year 1981, by preparing and causing to be prepared and by filing and causing to be filed a false and fraudulent income tax return for the defendant INTERNATIONAL, which return stated that the taxable income for said calendar year was \$2,424,172.00 and that the amount of income tax due and owing thereon was \$235,525.00, whereas, as the defendants then and there well knew, the true taxable income, and the true income tax due and owing, by the defendant INTERNATIONAL to the United States for said calendar year were substantially in excess of the amounts reported on said return, to wit, the defendant INTERNATIONAL's true taxable income for said calendar year was at least \$55,043,714.33, upon which there was due and owing to the United States an income tax of approximately \$24,440,514.59.

(Title 26, United States Code, Section 7201 and 2.)

COUNTS FORTY-THREE THROUGH FIFTY-SEVEN

THE SCHEME TO DEFRAUD THE DEPARTMENT
OF TREASURY RE: IRANIAN DEALS

The Grand Jury further charges:

46. Each and every allegation contained in Paragraphs 1 through 45, and all subparts thereof, of Counts One through Forty-two of this Indictment is realleged and incorporated by reference herein as if fully set forth.

47. From in or about January 1980, up to and including the date of the filing of this Indictment, in the Southern District of New York and elsewhere, MARC RICH and PINCUS GREEN, the defendants, unlawfully, wilfully and knowingly would and did devise and intend to devise a scheme and artifice to defraud the United States and agencies thereof, to wit, the Department of Treasury and its Office of Foreign Assets Control, in their lawful governmental function of administering and overseeing the laws and regulations which prohibited commercial transactions and credit transactions involving Iran during the American hostage crisis, and to obtain money and property by false and fraudulent pretenses, representations and promises.

Statutory Background

48. On November 4, 1979, Iranian nationals invaded the U.S. Embassy in Teheran, Iran. Thereafter, 53 American citizens were held hostage for over 14 months until their release on January 19, 1981.

49. In response to the seizure of American hostages:

(a) On November 14, 1979, President Carter, under the International Economic Emergency Powers Act of 1977, issued Executive Order # 12170 to block and freeze all property and interests in property of the Government of Iran and any of its instrumentalities and controlled entities, including the National Iranian Oil Company ("NIOC"), which were or became subject to the jurisdiction of the United States or which were or came within the possession or control of persons subject to the United States.

(b) On November 15, 1979, the Department of Treasury through its Office of Foreign Assets Control issued regulations to implement President Carter's Executive Order # 12170. The effect of the regulations was that various transactions with Iran and its controlled entities were prohibited in the absence of a license from the Department of Treasury.

(c) On April 7, 1980, President Carter issued Executive Order # 12205 under the International Emergency Economic Powers Act which imposed a trade embargo on Iran. On April 9, 1980, the Department of Treasury through its Office of Foreign Assets Control issued regulations to implement President Carter's Executive Order # 12205.

(d) On April 17, 1980, President Carter issued Executive Order # 12211 to expand the provisions of Executive

Orders # 12170 and # 12205 by prohibiting the payment or transfer of any funds from the United States to any Iranian person as well as the Government of Iran or any of its controlled entities, such as NIOC, as had been previously prohibited without license by Executive Order # 12170. On April 21, 1980, the Department of Treasury through its Office of Foreign Assets Control issued regulations which implemented President Carter's Executive Order # 12211.

(e) The various regulations required every individual and entity engaging in any transaction subject to the prohibitions to keep records to be available for examination by the Office of Foreign Assets Control.

50. During the hostage crisis and while the foregoing regulations were in effect:

(a) AG entered into contracts with the National Iranian Oil Company ("NIOC") to purchase Iranian crude and fuel oil, including contract # 244 on April 30, 1980, for the purchase of crude and fuel oil from May 1, 1980, through September 30, 1980. The terms of the contracts gave AG sixty days after the date of delivery to make payment to NIOC in American dollars through letters of credit posted by AG in favor of NIOC.

(b) Beginning on or about May 1, 1980, prior to the delivery of this Iranian crude oil and fuel oil under the contracts AG had with NIOC, the defendants MARC RICH and PINCUS GREEN -- both United States citizens -- negotiated from the offices of International in New York, New York, with the principal of Transworld Oil, Bermuda, the sale of approximately 6,250,000 barrels of Iranian crude oil and fuel oil for approximately \$202,806,291.00. The defendants MARC RICH and PINCUS GREEN would and did cause payment to be ultimately effected to NIOC with American dollars by using commercial credit arrangements involving United States banks and United States branch offices of foreign banks located in New York, New York, all in violation of the various Executive Orders of President Carter and the underlying regulations. These payment arrangements for the Iranian oil, which were effected through banks located in New York, New York, were consummated by "back to back" letters of credit wherein Transworld Oil would make payment to AG in United States dollars, normally within thirty days of delivery, and AG would then in turn make payment to NIOC in United States dollars within sixty days of delivery.

(c) To further the scheme, the defendants MARC RICH and PINCUS GREEN did not disclose to these banks in the United States -- which were also prohibited from knowingly transferring any funds to Iran -- that the ultimate beneficiary of the United States dollars was NIOC.

(d) To further the scheme, in or about July 1980, the defendants MARC RICH and PINCUS GREEN devised a secret code for interoffice cable communications when referring to the illegal Iranian transactions, in order to disguise the participation of NIOC. Telexes containing this secret code were maintained in the New York records of International which, pursuant to the regulations, were subject to examination by the Department of Treasury's Office of Foreign Assets Control.

51. For the purpose of executing the scheme and artifice to defraud and attempting to do so, the defendants MARC RICH and PINCUS GREEN unlawfully, wilfully and knowingly, did transmit and cause to be transmitted by means of wire, radio and television communication, in interstate and foreign commerce, certain telexes and wire and cable transfers of monies, all as more particularly as set forth in Counts 43 through 57 herein below:

<u>COUNT</u>	<u>WIRE COMMUNICATION</u>	<u>APPROXIMATE DATE OF WIRE COMMUNICATION</u>	<u>DEFENDANT</u>
43	wire transfer of \$8,239,385.90 from New York to Zurich, Switzerland	July 7, 1980	Rich and Green
44	wire transfer of \$56,187,197.00 from New York to Zurich, Switzerland	July 7, 1980	Rich and Green
45	wire transfer of \$56,356,234.00 from New York to Paris, France	July 14, 1980	Rich and Green
46	wire transfer of \$8,408,685.00 from New York to Paris, France	July 17, 1980	Rich and Green
47	wire transfer of \$7,745,130.00 from New York to Paris, France	July 31, 1980	Rich and Green
48	wire transfer of \$4,671,022.50 from New York to Paris, France	September 2, 1980	Rich and Green

<u>COUNT</u>	<u>WIRE COMMUNICATION</u>	<u>APPROXIMATE DATE OF WIRE COMMUNICATION</u>	<u>DEFENDANT</u>
49	wire transfer of \$4,844,487.50 from New York to Paris, France	September 11, 1980	Rich and Green
50	wire transfer of \$56,463,649.00 from New York to Paris, France	September 30, 1980	Rich and Green
51	Telex #NYC 143 from Pincus Green in New York to AG (London) and AG (Zug)	May 1, 1980	Rich and Green
52	Telex #NYC 171 from Marc Rich in New York to AG (London) and AG (Zug)	May 7, 1980	Rich and Green
53	Telex #NYC 188 from Pincus Green in New York to AG (London)	May 7, 1980	Rich and Green
54	Telex # NYC 139 from Pincus Green in New York to AG (London) and AG (Zug)	May 7, 1980	Rich and Green
55	Telex #NYC 174 from Marc Rich in New York to AG (London)	May 8, 1980	Rich and Green
56	Telex #NYC 042 from Marc Rich in New York to AG (London) and AG (Zug)	May 12, 1980	Rich and Green
57	Telex #NYC 146 from Pincus Green in New York to AG (London)	August 14, 1980	Rich and Green

(Title 18, United States Code, Sections 1343 and 2.)

TRADING WITH IRAN COUNTS

COUNTS FIFTY-EIGHT THROUGH SIXTY-FIVE

52. Each and every allegation contained in Paragraphs 1 through 51, and all subparts thereof, of Counts One through Fifty-seven of this Indictment is realleged and incorporated by reference as if fully set forth herein.

53. During a period from in or about April 1980, up to and including January 19, 1981, in the Southern District of New York and elsewhere, at the time when United States citizens were being held hostage in Iran, MARC RICH and PINCUS GREEN, the defendants, who were United States citizens subject to the jurisdiction of the United States, unlawfully, wilfully and knowingly, in transactions involving Iran, an Iranian governmental entity, and an enterprise controlled by Iran and an Iranian governmental entity, did make and cause to be made payments, transfers of credit, and other transfers of funds and other property and interests to persons in Iran, to wit, the defendants MARC RICH and PINCUS GREEN caused United States dollars from banks located in the United States to be transferred to the National Iranian Oil Company ("NIOC") to pay for crude oil and fuel oil which AG had purchased directly from NIOC and which the defendants MARC RICH and PINCUS GREEN had pre-sold from the offices of International in the United States to third-party companies as more specifically set forth below:

<u>Count</u>	<u>Quantity of Iranian Crude Oil or Fuel Oil Purchased and Sold</u>	<u>Third Party Purchaser</u>	<u>Description of Payment to NIOC</u>	<u>Date of Payment to NIOC</u>
58	53,129 metric tons of fuel oil	TransWorld Oil	US \$8,233,544.40 by Letter of Credit issued in favor of NIOC by Union Bank of Switzerland (UBS), Switzerland, covered through a bank in New York, New York to Bank Markazi, Iran acct. at UBS, Switzerland	July 7, 1980

<u>Count</u>	<u>Quantity of Iranian Crude Oil or Fuel Oil Purchased and Sold</u>	<u>Third Party Purchaser</u>	<u>Description of Payment to NIOC</u>	<u>Date of Payment to NIOC</u>
59	1,531,658 barrels of crude oil and 5990 metric tons of fuel oil	TransWorld Oil	US \$56,186,536.00 by Letter of Credit issued in favor of NIOC by UBS, Switzerland, covered through a bank in New York, New York to Zurich, Switzerland to Bank Markazi, Iran Acct. at Midland Bank, London, England	July 7, 1980
60	1,568,430 barrels of crude oil and 3158 metric tons of fuel oil	TransWorld Oil	U.S. \$56,356,234.00 by Letter of Credit issued by Banque de Paris et des Pays-Bas, Paris, covered through a bank in New York, New York to Banque de Paris et des Pays-Bas, Paris, France to Bank Markazi, Iran account at Midland Bank, London, England	July 14, 1980
61	370,418 barrels of fuel oil	TransWorld Oil	US \$8,334.40500 by Letter of Credit issued in favor of NIOC by UBS, Switzerland, covered through a bank in New York, New York, to Societe Generale, Paris, France, to UBS, Zug, Switzerland to Bank Markazi, Iran account at Midland Bank, London, England	July 17, 1980

<u>Count</u>	<u>Quantity of Iranian Crude Oil or Fuel Oil Purchased and Sold</u>	<u>Third Party Purchaser</u>	<u>Description of Payment to NIOC</u>	<u>Date of Payment to NIOC</u>
62	52,098 metric tons of fuel oil	TransWorld Oil	US \$7,745,130.00 by Letter of Credit issued in favor of NIOC by Credit Lyonnais, Paris covered through a bank in New York New York to Credit Lyonnais, Paris to Bank Markazi, Iran account at Midland Bank, London, England	July 31, 1980
63	31,367 metric tons of fuel oil	TransWorld Oil	US \$4,671,022.50 by Letter of Credit issued in favor of NIOC by Banque de Paris et des Pays Bas, France covered through a bank in New York, New York, to Bank Markazi, Iran acct. at Banque Nationale de Paris, France	September 2, 1980
64	31,614 metric tons of fuel oil	TransWorld Oil	US \$4,844,487.50 by Letter of Credit issued in favor of NIOC by Banque de Paris et des Pays Bas, France covered through a bank in New York, New York, to Bank Markazi, Iran Acct. at Banque Nationale de Paris, France	September 11, 1980

<u>Count</u>	<u>Quantity of Iranian Crude Oil or Fuel Oil Purchased and Sold</u>	<u>Third Party Purchaser</u>	<u>Description of Payment to NIOC</u>	<u>Date of Payment to NIOC</u>
65	1,607,887 barrels of crude oil	TransWorld Oil	US \$56,463,649.20 by Letter of Credit issued in favor of NIOC by Societe General, France, covered through a bank in New York, New York, to Bank Markazi, Iran Acct. at Banque Nationale de Paris, Paris, France	September 30, 1980

(31 CFR SS 535.206(a)(4), 535.208, 535.701; Title 50,
United States Code, Section 1705; and Title 18, United
States Code, Section 2.)

GRAND JURY FOREPERSON

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RUDOLPH W. GIULIANI
United States Attorney

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<u>Count</u>	<u>Quantity of Iranian Crude Oil or Fuel Oil Purchased and Sold</u>	<u>Third Party Purchaser</u>	<u>Description of Payment to NIOC</u>	<u>Date of Payment to NIOC</u>
65	1,607,887 barrels of crude oil	TransWorld Oil	US \$56,463,649.20 by Letter of Credit issued in favor of NIOC by Societe General, France, covered through a bank in New York, New York, to Bank Markazi, Iran Acct. at Banque Nationale de Paris, Paris, France	September 30, 19

(31 CFR §§ 535.206(a)(4), 535.208, 535.701; Title 50,
United States Code, Section 1705; and Title 18, United
States Code, Section 2.)

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