

## **RICHARD CHICHAKLI STATEMENT**

I, Richard A. Chichakli, declare the following, under penalty of perjury. The facts stated below are of my personal knowledge and I am competent to testify to the matters stated herein.

1. On April 26, 2005, the Office of Foreign Assets Control (OFAC) determined that I, Richard A. Chichakli (Chichakli), am subject to Executive Order 13348 (EO), and accordingly froze my assets and named me as a Specially Designated National (SDN).
2. My name did not appear in the Annex of the Executive Order 13348 and it was not the President of the United States who made the determination that I should be subject to the EO. It should be clear that OFAC is solely responsible for making the determination and subjecting me to the said EO nine months after its issuance, and therefore, OFAC is the party that may have made an error in making such determination.
3. OFAC declared that I was determined to be subject to EO-13348 by OFAC's own assessment, because they alleged that I was acting or purporting to act, directly or indirectly, for or on behalf of Viktor Bout (Bout), a person who's name appeared in the Annex of EO-13348, AFTER July 13, 2004, being the day the EO concerned was issued and Bout became subject to the EO.
4. I was not questioned nor was I afforded the opportunity to provide evidence or defend myself prior to the issuance of OFAC's determination, and the closing of my business, and the freezing of my assets.

5. I hereby categorically deny that I am or was acting, or purporting to act, directly or indirectly, for or on behalf of Viktor Bout after 7/13/2004, the day Bout was designated under the EO, and I communicated my denial to OFAC on several occasions.
6. Until I was sanctioned by OFAC, I was a practicing CPA in good standing in the State of Texas, an honorably discharged disabled US Army veteran with no prior conviction of any crime, and an upstanding member of the community.
7. The evidence provided by OFAC to me as justification for my designation consists mainly of magazine articles and entries found on the Internet, all of which without exception are dated prior to the EO and are based on hearsay and are untraceable to any person who can stand in court and testify under oath to have first-hand knowledge.
8. When speaking to the media about Bout, I clearly identified myself as a “friend and brother” and have never presented myself as the spokesperson of Bout or a representative or agent to Bout or any of his businesses contrary to OFAC’s allegation.
9. OFAC did not produce a single proof supporting its allegations or showing evidence that I have violated the EO signed in July 2004, and all the evidence used by OFAC is dated several years before Bout was designated.
10. Prior to the issuance of the EO, there was not any legal reason barring American entities from doing business with Victor Bout.
11. I attach a statement, which I obtained in my investigation, taken in Brussels from Nathalie Piret, which shows I was not involved with Bout.

12. Since all of this has happened, Charles Taylor, the ex-president of Liberia, who was the target of the Presidential Order, has been imprisoned in the Netherlands to stand trial. I have never had any connection with Liberia or Charles Taylor in any manner. The order is directed toward the illegal cutting and selling of timber from Liberia, which was sold to raise money to buy illegal arms, according to the order. I know nothing of the selling of timber from Liberia or the selling of illegal arms. I do not believe, and I have seen no evidence, that Viktor Bout or his organization sold illegal arms.
13. The UN report S/2000/1225 was issued four years prior to the date of the EO designation of Bout and that I was associated with or employed by Bout, which is not true.
14. I was not an employee or associate of Bout as alleged because can prove with evidence that during the stated decade, which ended in 2000, I was:
- a. serving on active duty in the United States army from 1990 to 1993;
  - b. a student at Embry-Riddle Aeronautical University in the US, from 1991 to 1993;
  - c. employed as the General Manager for the Emirates Protein Factory – a project for Alagroobi Enterprises in the United Arab Emirates in 1994;
  - d. employed as Commercial Manager for Sharjah Free Zone Authority, a government entity of the United Arab Emirates in 1995 and 1996;
  - e. a full-time student in Dallas County Community Colleges in the United States in 1997 and half of 1998;
  - f. a full-time student at the University of Texas at Dallas in 1998, and part-time student in 1999 and 2000;
  - g. employed as an accountant on a part-time basis by Account Temps in the Dallas area in the years 1997, 1998 and 1999;

- h. a part-time student of Collin County Community College District in 1997;
  - i. employed by the U.S. Department of Justice – INS, on full-time basis in 1998;
  - j. the owner and operator of Daytona Pools, Inc., a swimming pool maintenance service company in the Dallas-Ft. Worth area in 1998;
  - k. a full-time practicing CPA in the State of Texas, personally serving hundreds of tax, payroll, and bookkeeping clients from two offices in Plano, Richardson, and Grand Prairie since 1999; and
  - l. part-time faculty at Collin County Community College District in 2000.
15. I was not interviewed or questioned by any person in relation to the UN report S/2000/1225 or any other report, nor was I given the opportunity to prove the falsity of the allegations stated in the UN report.
16. It is impossible for me to be, as OFAC alleged, the key-manager directing the day-to-day activities of a business empire located overseas while I was in the US because:
- a. By OFAC’s own admission, the empire I was allegedly managing was a conglomerate spanning worldwide operation and as such it would require the manager to be present in person in order to be able to manage the day-to-day activities. I was physically present in the United States working and involved in other jobs.
  - b. Managing the day-to-day activities would require intensive contact between the manager and the entity’s own employees, external clients, banks, etc. Employees, customers, and all others involved with the firms will testify that I was not an employee, nor was I associated with the operations as alleged by OFAC.

- c. I cannot be the key and senior manager as OFAC alleged because I did not receive compensation, nor was I a resident of the country where the business exists, nor was I on a payroll, nor had a residence or any property.

17. OFAC alleged that its argument is also supported by information listed in an unsigned resume they found for Richard Chichakli where it is stated that I was an employee of Bout in 1997. I contend that despite the alleged date of employment being 1997, seven years prior to the designation of Bout, the allegation of such employment is false and cannot be true or valid because during that time I was in the US, not in South Africa as can be proven by:

- a. travel records;
- b. school attendance records;
- c. employment and tax records
- d. telephone records; and
- e. life witnesses who can testify under oath that they have seen me, or worked with me, or attended classes with me.

18. I further affirm that I was not interviewed or questioned by any person in relation to the UN report S/2000/1225 or any other report, nor was I given the opportunity to prove the falsity of the allegations stated in the said UN report.

19. In response to OFAC's allegation that I was an officer of San Air, one of Bout's companies that allegedly violated sanctions against Liberia, I hereby affirm that:

- a. I have established a branch of San Air General Trading (SanAir-UAE) in the US at the request of Bout in June of 2000, four years prior to the date of the EO and the designation of Bout, and six months prior to the issuance of the questionable

- UN report S/2000/1225. The purpose of establishing the US branch was to manufacture aircraft interior plastic panels as clearly stated in the application form filed by me with the Secretary of State of Texas.
- b. In June of 2000, there was no legal reason barring dealing with Bout, nor was there any available information or report alleging the involvement of SanAir-UAE in any questionable activities.
  - c. The US branch of San Air as proven by records, did not participate in any of the activities of SanAir-UAE, nor was it used to conduct any financial or commercial activities on behalf of SanAir-UAE.
  - d. My involvement was limited to creating SanAir-USA and I was not an employee or director of SanAir-UAE. I further hereby affirm that I was not aware, nor can I become aware of the ongoing activities of SanAir-UAE. I established the branch of the company at the request of Bout, similar to what I customarily do in my practice. The CPA office of Richard Chichakli has created hundreds of companies on behalf of clients in the State of Texas and elsewhere in the United States.
  - e. I was not ever an officer or director of SanAir-UAE, and had never participated in the financial activities of SanAir-UAE, nor have I sent or received payment or money for or on behalf of SamAir-UAE.
  - f. None of the payments OFAC alleged to have been made to San Air-UAE for the alleged illegal activities were passed, received, serviced, or maintained in the account of SanAir-USA.

- g. I have never, directly or indirectly, been involved in managing or participating in the business activities conducted by SanAir-UAE, and have never, directly or indirectly, communicated, assisted, serviced, or signed for or on behalf of SanAir-UAE for any of the alleged questionable transactions.
- h. The branch I created for SanAir in the US maintained one bank account at the Community Credit Union in Richardson and which records can clearly substantiate my statement and refute OFAC's allegations.
- i. SanAir-USA was a shelf company that had no offices, no employees, and no telephone service.

20. OFAC further alleged that my businesses in the State of Texas are "Front Companies" for Victor Bout businesses, controlled by Bout, or maintain interest for Bout and accordingly froze these businesses and disposed of their assets during the course of investigation, and prior to issuing its final determination. OFAC did not provide any valid evidence to this allegation and I contend that:

- a. All of the businesses owned by me are my own alone, or owned by me and my ex-wife or the partners stated in the corporate and tax documents.
- b. None of the businesses owned or controlled by me maintain interest whatsoever for Victor Bout, nor are they related by any means to Victor Bout.
- c. None of the businesses are controlled by or associated with any designated person, nor are they engaged or associated in any questionable or illegal activities, and that at the day they were frozen, they were all in good standing, had paid all taxes and filed all required reports.

d. All of these businesses maintain complete, correct, and detailed records of all their activities and such records are supported by third-party corroborations.

21. I, Richard Chichakli, hereby affirm that OFAC's allegations that I have presented myself to the media to be a spokesperson for Victor Bout and/or his organization or businesses are false and groundless because:

a. During every interview I had with the media, I never presented myself as a spokesperson or agent of Victor Bout or his businesses.

b. I was always clear in stating that Victor Bout was a person I met in my course of work and he was to me a friend.

c. Victor Bout was and still is a person who has not been indicted or tried for any wrongdoing, and my notion that he is innocent until proven guilty is a statement of opinion protected under the United States Constitution.

d. I further contend that OFAC's statement is groundless and cannot be supported by evidence, nor was there any evidence presented by OFAC in support of its allegations.

e. I lived, after the Blocking Order, about a year in Russia and if OFAC has an ongoing investigation, they know I did not work for Victor Bout or his organization at any time.

SIGNED on [March 15, 2007](#).



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RICHARD A. CHICHAKLI  
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