

OFAC Enforcement Case Summary

Justice Department Declines Prosecution of Private Equity Firm Following Voluntary Disclosure of Sanctions Violations and Related Offenses Committed by Acquired Company

On June 16, 2025, the Justice Department's National Security Division (**NSD**) and the U.S. Attorney's Office for the Southern District of Texas (**SDTX**) declined to prosecute private equity firm White Deer Management LLC (**White Deer**) and its affiliates after the firm discovered and voluntarily self-disclosed criminal violations of U.S. sanctions and export laws committed by a company it acquired, Texas-based Unicat Catalyst Technologies LLC (**Unicat**).

After acquiring a company with a hidden history of sanctions violations, this private equity firm uncovered the misconduct, stopped it, and quickly reported it to the government, leading to the successful prosecution of a senior executive.

From approximately 2014 through 2021, Mani Erfan, Unicat's former CEO, conspired with others, including at least one other Unicat employee, to cause Unicat to submit bids and make sales to customers in Iran, Venezuela, Syria, and Cuba in violation of U.S. economic sanctions. In total, Erfan caused Unicat to make a total of 23 unlawful sales of chemical catalysts used in oil refining and steel production to customers in Iran, Venezuela, and Cuba. Some of the sales were effected through exports of catalysts from the United States and further violated U.S. export control laws. To further the conspiracy, the conspirators made false statements in export documents and financial records about the true identities and locations of Unicat's customers and falsely assured some Unicat employees that the company's business with customers subject to U.S. economic sanctions was lawful. Unicat obtained approximately \$3.33 million in revenue from its unlawful sales.

Erfan and Unicat employees additionally falsified invoices to reduce the tariffs assessed on catalysts that Unicat imported from China. By undervaluing these imports, Unicat caused a loss of revenue of approximately \$1.66 million in duties, taxes, and fees. Further, during negotiations to sell Unicat to White Deer, Unicat's prior owners provided representations and warranties to White Deer attesting to Unicat's compliance with U.S. sanctions and export control laws.

The scheme came to light in June 2021, in the midst of the COVID-19 pandemic, after White Deer acquired Unicat and a second company based in the United Kingdom, and Unicat's new CEO was able to travel to the United States to visit Unicat and begin to integrate the operations of the company. During his visit, the new CEO learned that Unicat had a pending transaction with an Iranian customer and immediately ordered the deal's cancellation. Over the next month, White Deer and Unicat's new CEO retained counsel to investigate and learned that Unicat had engaged in a series of transactions with counterparties subject to different U.S. sanctions programs. Before the investigation was complete, but after determining that Unicat employees had engaged in potentially criminal violations of U.S. sanctions laws, White Deer and Unicat's new management submitted a voluntary self-disclosure to NSD.

Unicat agreed to pay forfeiture totaling \$3,325,052.10, representing the proceeds of its violations of U.S. sanctions and export control laws. In parallel resolutions coordinated between the Justice Department, the U.S. Department of the Treasury's Office of Foreign Assets Control (**OFAC**), and the Commerce Department's Bureau of Industry and Security (**BIS**) Office of Export Enforcement (**OEE**), Unicat agreed to pay \$3,882,797 to OFAC for its apparent violations of U.S. sanctions laws and agreed with OEE to pay a penalty of \$391,183 for its violation of U.S. export control laws. OFAC agreed to credit Unicat's payment of forfeiture pursuant to the NPA against the OFAC penalty, and OEE has agreed to credit Unicat's

payment to OFAC against the OEE penalty. In a separate administrative resolution with U.S. Customs and Border Protection, Unicat agreed to pay \$1,655,189.57, in underpaid duties, taxes, and fees. The former CEO and co-founder of Unicat, Mani Erfan, pleaded guilty to conspiring to violate U.S. sanctions against Iran and other countries and foreign governments, as well as concealment and international promotional money laundering. As part of his plea, Erfan also agreed to pay a money judgment in the amount of \$1,600,000.

See Summary - <https://www.justice.gov/opa/pr/justice-department-declines-prosecution-private-equity-firm-following-voluntary-disclosure>