

October 14, 2014

Martin Winterkorn  
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President and CEO  
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**Re: Scania, Volkswagen and Iran**

Dear Messrs. Winterkorn and Lundstedt:

Thank you for your letter of October 9 informing us that Škoda Autos a.s. (“Škoda”) did not participate in the delegation of Czech companies that visited Iran in September 2014. United Against Nuclear Iran (“UANI”) is now writing to request a similar clarification regarding the reported participation of Volkswagen subsidiary Scania Group (“Scania”) at the impending Europe-Iran Forum (“the Forum”). UANI is troubled by Scania’s reported attendance.

The Europe-Iran Forum is set to take place on October 15-16 in London. According to its official website, the Forum is being convened “[i]n order to properly prepare and evaluate the post-sanctions trade framework and investment opportunities...” The website further declares that “With the prospect of improved political relations and a new business climate between Europe and Iran, a momentous commercial opportunity presents itself.” (European Voice website, “[The 1<sup>st</sup> Europe-Iran forum](#),” accessed 09/22/14) UANI is alarmed to see that one of those due to speak at the Forum, seemingly primed to take advantage of this “momentous commercial opportunity,” is Scania’s Iran Country Manager, Ulf Hambeck. Mr. Hambeck is set to appear alongside representatives from several Iranian companies and consulting firms, the German-Iran Chamber of Commerce and MTN, a controversial South African telecoms group widely reported to have provided goods and services that aided the Iranian regime in quashing Iranian democratic opposition. (European Voice website, “[Speakers](#),” accessed 10/13/14; *Wall Street Journal*, “[Chinese Tech Giant Aids Iran](#),” 10/27/11)

We also note the presence at the Forum of individuals representing certain Iranian companies of questionable provenance. Most notable is Mohammad Reza Ansari, Chairman of Kayson, "Iran's exemplary exporter of technical & engineering services for six years." (Kayson website, "[About Kayson](#)," accessed 10/02/14) Kayson is listed by the UK government as an entity of potential concern due to possible WMD end-use. (UK Government Dept. of Business and Skills, "[Iran List](#)," 10/23/13) The Center for Strategic and International Studies also states that Kayson Construction is "supervised by Iranian Revolutionary Guard [IRGC] personnel in Venezuela." (CSIS, "[Iran's Influence in the Americas](#)," March 2012)

As you know from our October 7 letter to Mr. Winterkorn regarding Škoda, Scania should be very mindful of the potentially damaging financial and reputational risks associated with any Iran business activities. For instance, in testimony before the U.S. Senate, Undersecretary of State for Foreign Affairs Wendy Sherman stated, "We have told them all that they are putting their reputations, themselves, and their business, [their] business enterprises, at risk if they jump the gun." (*The Washington Post*, "[Foreign firms lining up to do business with Iran once sanctions are loosened, officials say](#)," 2/4/14) In January 2014, a senior U.S. administration official also said Iran was still a "perilous" place for foreign companies to do business and warned, "Businesses need to take into account the legal *and reputational* risk of doing business with Iran." (*AFP*, "[US warns firms against breaking Iran sanctions](#)," 1/15/14) Moreover, President Obama has stated, "Businesses may be exploring...some possibilities to get in sooner rather than later, if and when there is an actual agreement to be had, but I can tell you that they do so at their own peril right now. Because we will come down on them like a ton of bricks." (*AFP*, "[Obama warns French firms on Iran sanctions](#)," 2/11/14)

We are also cognizant of Scania's apparent existing Iran business activities. For example, Scania's website lists three Scania dealers in Tehran, and Iran is cited under "Geographic Areas" within the most recent Scania Annual Report of 2013. Moreover, with reference to Iran (and Iraq), Scania Vice Chairman, Leif Östling, has stated that "The Scania brand is very strong in these countries." (Scania website "[All Scania dealers in Iran](#)," "[Annual Report 2013](#)," "[Near-doubling of production by 2015](#)," accessed 10/14/14) Regrettably, our follow-up letter to you of May 14, 2012, seeking clarification on - among other items - Scania's apparent Iran business, remains unanswered.

We would therefore appreciate further clarification on Scania's plans with respect to any Iran business activities. Please specifically explain the purpose of Mr. Hambeck's participation in the forum, if not to capitalize on "commercial opportunities" in Iran. Upon his return, please also describe in detail what, if any, meetings Scania employees or representatives held with representatives and intermediaries of the Iranian government and/or any other Iranian entity. Finally, please also clarify what, if any, agreements or other exploratory business undertakings were initiated, executed or otherwise discussed during Scania's time at the Forum.

Please note that following our letter to the Danish engineering firm FLSmidth regarding its reported attendance at the Forum, FLSmidth took the responsible decision to withdraw. Assuming the information advertizing Scania's attendance is correct, we trust Scania will follow FLSmidth's course.

Thank you kindly for your continued attention to this matter. We look forward to hearing from you.

Very truly yours,



Ambassador Mark D. Wallace

cc: The Honorable Ed Royce  
Chairman, United States House Committee on Foreign Affairs

The Honorable Eliot Engel  
Ranking Member, United States House Committee on Foreign Affairs

The Honorable Tim Johnson  
Chairman, United States Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Michael Crapo  
Ranking Member, United States Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Jeb Hensarling  
Chairman, United States House Committee on Financial Services

The Honorable Maxine Waters  
Ranking Member, United States House Committee on Financial Services

The Honorable Robert Menendez  
Chairman, United States Senate Committee on Foreign Relations

The Honorable Bob Corker  
Ranking Member, United States Senate Committee on Foreign Relations

The Honorable Ileana Ros-Lehtinen  
United States House of Representatives

The Honorable Steve Israel  
United States House of Representatives

The Honorable David S. Cohen  
Under Secretary for Terrorism and Financial Intelligence, United States Department of the Treasury

The Honorable Adam Szubin  
Director, Office of Foreign Assets Control

The Honorable David E. R. Dangoor  
Honorary Consul-General of Sweden, New York

The Honorable Brita Wagener  
Consul-General of Germany, New York