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Priority: Urgent

Attachment: None

Intelligence protection
organization

In the name of God
Islamic Republic of Iran
Ministry of Defense and Armed Forces Support

"Improving the security of VEDJA¹ in the shadow of effective synergy"

From: SATA² intelligence Protection

To: The respected CEO of SATA

Subject: warning about security threats caused by entering contracts with prohibited companies

Respectfully, a protective and security warning is submitted regarding the mentioned subject for your information and taking appropriate measures.

A. The title / subject of the warning:

Warning about security threats caused by entering contracts with prohibited companies.

B. Statement of the problem:

According to the comprehensive instructions for outsourcing and organizing the network of defense partners of the armed forces and the notification of the General Staff of the National Army No. 1224/3/1550/232 dated August 16, 2014, regarding "non-cooperation with prohibited companies, industries should ensure that they do not enter into contracts with suppliers who do not meet the specified qualifications (H) or are below the required

¹ Ministry of Defense of Islamic Republic (VEDJA in Persian)

² The Armed Forces Social Security Organization (SATA in Persian)

level under any title (such as factoring and consulting), and industries must carry out the necessary checks before entering into any agreement.”

Therefore, entering into a contract with prohibited companies and cooperating with them can potentially cause both security and economic harm to SATA and other economic entities.

C) Evidence of the event (or events affecting its occurrence):

Last year and this year, Shastan Investment Company has entered into a contract with Arme Nu Company (the company that won the tender for non-industrial buildings at the Chabahar site of Negin Makran Development Company), which is prohibited in the system of defense partners.

D) Analysis (analysis of the probability and impact and consequences of the upcoming event, etc.)

Paragraph "I" of Article 1 in the Budget Law of 2022 “permits the Ministry of Defense and Armed Forces Support to allocate one billion euros from the crude oil and gas condensate quota for refining in private refineries that have increased their production. Upon approval by the organization, the budget plan will be implemented, and the resulting products will be provided to the armed forces for export.” The significance of this budget allocation highlights the crucial role played by the Ministry of Defense and SATA (the economic arm of the Ministry of Defense) in the sale of oil.

On the other hand, the expansion of SATA's portfolio in the majority of the petrochemical oil and gas value chain (dominant ownership of production complexes, ownership of shares in Ariassol Petrochemicals, the largest producer of propylene in the country and...) has caused the Ministry of Defense and consequently SATA, and its subsidiaries have a key role in the sale of oil, completing the value chain and other activities in the fields of oil, gas and petrochemicals.

Considering the risky nature of the oil and gas industries in accidents and fires, the large amount of financial damage and disruption in the process of economic profitability, one of the goals of intelligence services in sabotage actions is to disrupt the activities of these production units and carry out sabotage operations in order to damage wide reach to such complexes.

Also, one of the main focuses of foreign services in the ongoing economic war is to identify the sales chain of petrochemical products, (which serves as Iran's primary foreign exchange during the sanctions), and to find solutions to circumvent the sanctions imposed by foreign countries and Iran-related companies (that help the Islamic Republic in

neutralizing the sanctions). This involves gathering information through agents in the form of companies operating in this field to achieve their goals.

It is evident that SATA's pivotal role in the oil and gas sales and processing chain (in circumvent sanctions and generate currency for the Islamic Republic) has made it a primary target for espionage and subversive activities by enemies, carrying out subversive actions in order to cause maximum damage to the economic body of the armed forces. Considering this, illicit and high-risk companies serve as a means and objective of intelligence gathering for foreign services. Hence, it is crucial to minimize information leaks and prevent potential damage to the economic body of the armed forces.

E) Countermeasures to contain and prevent and eliminate its effects and consequences:

In order to prevent the occurrence of any damage, economic security... please arrange for the relevant authorities to adopt the necessary protective and security measures, including the following protective requirements.

1- Avoid any cooperation and conclusion of contracts and purchases with prohibited companies.

2- If the prohibited company in question is one of the monopolistic companies, the situation should be reported to the intelligence protection department through the completion of the monopoly and emergency worksheet and with the approval of your Excellency.

3- Before any cooperation with the network of colleagues, the level of defense should be examined by studying the records of the companies in the relevant system that is provided to the organizations through the Samta Center.

4- Compliance with other protection and security requirements listed in the notified instructions on protection and security of outsourcing to the non-governmental sector should be taken into consideration.

Head of SATA's intelligence Protection

Saeed Al Sadat