**Exclusive - Britain Told U.N. Monitors of Active Iran Nuclear Procurement**

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http://www.reuters.com/article/2015/04/30/us-iran-nuclear-idUSKBN0NL09220150430

Britain has informed a [United Nations](http://www.reuters.com/subjects/united-nations) sanctions panel of an active Iranian nuclear procurement network linked to two blacklisted firms, according to a confidential report by the panel seen by Reuters.

The existence of such a network could add to Western concerns over whether Tehran can be trusted to adhere to a nuclear deal due by June 30 in which it would agree to restrict sensitive nuclear work in exchange for sanctions relief.

Talks between six major powers and Tehran are approaching the final stages after they hammered out a preliminary agreement on April 2, with Iran committing to reduce the number of centrifuges it operates and to other long-term nuclear limitations.

"The UK government informed the Panel on 20 April 2015 that it 'is aware of an active Iranian nuclear procurement network which has been associated with Iran's Centrifuge Technology Company (TESA) and Kalay Electric Company (KEC)'," the Panel of Experts said in its annual report. The panel monitors Iran's compliance with the U.N. sanctions regime.

KEC is under U.N. Security Council sanctions while TESA is under U.S. and European Union sanctions due to their suspected links to banned Iranian nuclear activities.

Iran, which is has been under sanctions for years, has a long history of illicit nuclear procurement using front companies and other methods of skirting sanctions.

That has enabled it to develop a substantial atomic program in spite of aggressive international efforts to curtail it, U.N. diplomats say. But analysts and Western intelligence officials say sanctions have slowed the development of Tehran’s nuclear program.

The United States and the International Atomic Energy Agency have repeatedly said that Tehran has so far complied with the terms of a limited agreement struck in November 2013 between [Iran](http://www.reuters.com/places/iran) and the six powers involving some reductions in its nuclear activities, including enrichment.

The panel's 41-page document did not contain further details on the British report.

U.S. State Department spokeswoman Marie Harf played down the report's significance. She acknowledged that Iranian sanctions violations have continued, and noted that Washington has repeatedly blacklisted Iranian entities due to illicit procurement while negotiations with Tehran were underway.

REPORTS OF IRAN VIOLATIONS VANISH

The report could add to skepticism in the U.S. Congress over the wisdom of engaging Iran, as senators vote on a bill subjecting the agreement to congressional review. Some Republicans are seeking to inject amendments that would toughen the demands on Iran.

A spokesman for Republican Dan Coats said the senator "believes recent allegations of Iranian circumvention are further proof that a skeptical Congress must have a voice."

U.S. ally Israel also says Iran cannot be trusted.

Nuclear enrichment centrifuges are used to purify uranium for use as fuel for power plants or, if purified to a very high level, in weapons.

Tehran denies allegations from Western powers and their allies that it is amassing the capability to produce nuclear weapons under cover of a civilian atomic energy program.

The panel said that the British information about the Iranian procurement network was received too recently for it to conduct an independent investigation of the allegations.

U.N. sanctions in place since 2006 bar Tehran from pursuing sensitive nuclear activities, including uranium enrichment, as well as ballistic missile work. There are also U.S. and EU sanctions on Iran, which have crippled its [economy](http://www.reuters.com/finance/markets).

Officials at the U.N. missions of Britain and Iran were not immediately available for comment.

Apart from the British notice and expressions of concern from some member states about continued Iranian procurement activities, the panel said it had received no new reports from U.N. member states of confirmed cases of non-compliance.

But it said that could simply indicate that some states are refraining from reporting violations to avoid undermining the delicate nuclear talks. It said that some members' assessment was that Iran's procurement and "circumvention techniques" remain mostly unchanged.

It cited an example of an unnamed member state saying that an Iranian entity had recently attempted to acquire compressors, a key component in the uranium enrichment process, using false end-user certificates in an attempt to evade controls.

The panel noted multiple media reports of Iranian weapons shipments to Syria, Lebanon, Iraq, and Yemen as well as Hezbollah and Hamas militants in violation of a U.N. embargo -- some of them quoting Iranian officials talking openly about arms shipments abroad.

And yet, it said, not a single country reported those arms shipments to the Security Council's Iran sanctions committee in line with standard procedure for suspected breaches.

The panel also said that a U.N.-sanctioned subsidiary of the Islamic Republic of Iran Shipping Lines (IRISL), the Irano Hind Shipping Company (IHSC), has remained active without its assets being frozen as required under U.N. sanctions rules.

The report said IHSC continues to operate two oil tankers, Amin 2 and Tour 2, which have been transporting [crude oil](http://www.reuters.com/finance/commodity?symbol=GB@IB.1) to Syria, as recently as after September 2014.

The government of Syria, which has been waging a war for four years against insurgents determined to topple it, is a staunch ally of Iran.