

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS**

BENJAMIN A. ZIBUTIS, MARK E. THOMSEN, RALPH LOUIS THOMSEN, ARDELL LEE THOMSEN, BRANDON T. JOSEY, ANTHONY FARINA, ADAM J. MAGERS, COLLEEN CZAPLICKI, individually, and as representative for the ESTATE OF JOHN KYLE DAGGETT, JOHN DAGGETT, KENDALL LYNNE RASMUSSEN, ANDRES VAZQUEZ, BARBARA CARIDAD PALACIO-VAZQUEZ, JAYLEEN BARBARA VAZQUEZ, MELISSA GRACE VAZQUEZ, ALEXANDRIA VAZQUEZ, MICHAEL J. BRIGGS, TAKARRA LYN BRIGGS, MACAYLA JADE NIELSON, MILAN J. BRIGGS, and MICHAEL DAVID BRIGGS,

Plaintiffs,

v.

STEYR ARMS, GmbH,

Defendant.

26-cv-11810

JURY TRIAL DEMANDED

**COMPLAINT FOR VIOLATIONS OF THE ANTI-TERRORISM ACT**

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## **INTRODUCTION**

1. This lawsuit seeks civil damages under the Antiterrorism Act (“ATA”), as amended by the Justice Against Sponsors of Terrorism Act (“JASTA”),<sup>1</sup> which entitles any U.S. national injured by reason of an act of international terrorism committed, planned, or authorized by a designated Foreign Terrorist Organization (“FTO”) to recover against any person “who aids and abets, by knowingly providing substantial assistance.”<sup>2</sup> In 2004 and 2005, Defendant Steyr Arms GmbH, an Austrian arms manufacturer, sold hundreds of specialized, high-caliber sniper rifles to the world’s leading state sponsor of terrorism, the Islamic Republic of Iran, despite knowing or recklessly disregarding that those weapons would be placed in the hands of Hizballah terrorists targeting Americans in Iraq at that time. This lawsuit seeks compensation for American victims who suffered as a result of Steyr’s extraordinary decision.

2. By 2004, as U.S. forces were engaged in peacekeeping efforts to reconstruct a democratic government in Iraq, Hizballah and its Iranian backers were leading a terrorist campaign against the Americans there. For the terrorists targeting Americans, Steyr’s high-caliber sniper rifle, the “HS .50,” was a game-changer. It was considered at the time to be “one of the world’s most modern and precise weapons,”<sup>3</sup> a “weapon of war”<sup>4</sup> that was “ideal for . . .

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<sup>1</sup> 18 U.S.C. § 2333, amended by Pub. L. No. 114-222, 130 Stat. 852 (2016) (“JASTA”).

<sup>2</sup> 18 U.S.C. § 2333(a), (d)(2).

<sup>3</sup> Von Marion Kraske, “A Smoking Gun From the Alps: More than 800 high-powered weapons were shipped to Iran from Austria in 2004 over US and British objections. Now, the rifles may have turned up in the hands of Iraq insurgents,” SPIEGEL International (Feb. 14, 2007).

<sup>4</sup> Campaign for Gun Industry Accountability Violence Policy Center, “Long Range Terror — How U.S. 50 Caliber Sniper Rifles Wreak Havoc in Mexico” (March 2025) (citation and internal quotation marks omitted).

destroying not only manpower but also military equipment, including lightly armoured vehicles and for shooting at extreme distances.”<sup>5</sup> The terrorists had nothing else like it at the time.

3. Steyr arranged at that time to supply 2,400 of those sniper rifles to Iran, claiming they were for counter-narcotics and border patrol while disregarding that this rationale was implausible and that the number of weapons far exceeded what could be used for such purposes. U.S. government officials were immediately alarmed and intervened to warn that Iran was seeking these high-powered rifles to arm its terrorist proxies in Iraq who were targeting American soldiers at that time. But Steyr continued to deliver the rifles to Iran anyway and managed to deliver at least 800 of them before it could be stopped. Even then, Steyr persisted—and made clear which side it was on. Steyr’s president, Wolfgang Fuerlinger, boasted that if forced to choose between his business in the U.S. and the “arms relationship he was developing with Iran,” he “would choose to keep his business with Iran.”<sup>6</sup> And when U.S. officials requested the quantities and serial numbers of the rifles Steyr had delivered so they could trace them in Iraq, Steyr refused and lied about the serial numbers to protect the Iranians. Steyr then attempted to extort the U.S. government, offering to provide the serial numbers and information about its Iran sales only if the U.S. government purchased weapons from Steyr to expand Steyr’s share of the U.S. market.

4. As expected, within 45 days of the first Steyr HS .50 rifles arriving in Iran, the rifles were already in the hands of Iraqi terrorists, and one had been used to kill an American there. But Steyr’s sale had an exponential impact beyond even that. As Steyr knew and

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<sup>5</sup> AKM Group CZ, “Sniper system based on the STEYR HS .50 M1: from professionals for professionals” (Feb. 13, 2025).

<sup>6</sup> U.S. Dep’t of State, Cable, Austria: Sniper Rifles to Iran: Company Head Remains Hard Over (Feb. 4, 2005), [https://wikileaks.org/plusd/cables/05VIENNA331\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA331_a.html).

acknowledged to U.S. officials, the design of its sniper rifle was “very simple” and easy to copy.<sup>7</sup> Indeed, Steyr’s president admitted he was “aware, via the internet, of Iranian attempts to copy the HS .50,” required “no . . . guarantees” that Iran would not reverse-engineer the HS .50, and even traveled to Iran for two days in 2005—after the U.S. government’s intervention—to view Iran’s “production line.”<sup>8</sup> Thus, in supplying its rifles to Iran, Steyr provided the Iranians with the blueprint for how to manufacture the HS .50 themselves. “[E]xpectedly,” soon after Steyr delivered its rifles to Iran, “Iranian defense organizations started producing copies of the rifle called AM-50 Sayyad” and “distributed [them] to Iranian proxies and Iranian-aligned militias across the entire Middle East region.”<sup>9</sup> Steyr’s HS .50 and its Iranian copy became ubiquitous among Iran-backed terrorists.

5. As U.S. forces saw some of the most intense terrorist violence in Iraq during the Battle of Sadr City in the spring of 2008, Hizballah snipers armed with Steyr’s HS .50 rifle were integral to the deadly threats they faced. While U.S. forces undertook a major effort to build a concrete wall to secure the Green Zone from further attacks, terrorist snipers used Steyr’s HS .50 to target the U.S. forces building the wall, as well as their construction equipment. Steyr’s HS .50 in the hands of the terrorists put U.S. forces at grave risk, impeded their progress in building the wall, and prolonged the battle, subjecting the Americans to even more terrorist attacks.

6. Plaintiffs were injured as a result of the terrorist attacks that Steyr enabled. Plaintiffs were targeted by terrorist snipers while they worked to build the wall during the Battle

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<sup>7</sup> U.S. Dep’t of State, Cable, Steyr-Mannlicher: Reloading After Sanctions (Oct. 12, 2006), [https://wikileaks.org/plusd/cables/06VIENNA3028\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA3028_a.html).

<sup>8</sup> *Id.*

<sup>9</sup> Charlie Gao, “Introducing the Steyr HS 50: The Deadliest .50 Caliber Sniper Rifle on Earth?,” *The National Interest* (Jan. 11, 2020).

of Sadr City. Many were subject to sniper fire; all suffered in constant fear of it. Plaintiffs are the individuals directly injured in those attacks, the estates of individuals killed in those attacks, and the family members who suffered as a result of the harm to their loved ones.

7. In enacting JASTA, Congress expressed its intention to “to provide civil litigants with the broadest possible basis ... to seek relief against” anybody that has “provided material support, directly or indirectly, to foreign organizations or persons that engage in terrorist activities against the United States.”<sup>10</sup> This includes those who act “knowingly or recklessly,” and support terrorism “directly or indirectly.”<sup>11</sup> Congress later reaffirmed the “long-standing policy of the United States that civil lawsuits against those who support, aid and abet, and provide material support for international terrorism serve the national security interests of the United States by deterring the sponsorship of terrorism and by advancing interests of justice, transparency, and accountability.”<sup>12</sup> Plaintiffs’ claims advance these vital national interests.

8. Plaintiffs also aim to set the record straight. Steyr seeks to market its weapons to American consumers under a false narrative that whitewashes its history with Iran. On August 4, 2025, a Steyr representative promoted Steyr’s HS-50 M1 in an interview in English posted on YouTube for an American audience of gun consumers. The interviewer asked about reports that Steyr had sold rifles “to the bad guys,” to which the Steyr representative responded:

Of course, Steyr never sold anything to any bad guys. Austria has one of the strictest regulations on export worldwide. There was a big tender where also American companies participated, but we won. And we started a production, and I think they got some samples from us. So it was just the first, like ten rifles out of I don’t know the quantity. It was twenty years ago. And then the whole situation in this country changed, so it was all stopped, by pressure from the U.S. also, and we didn’t deliver them. We had quite a lot

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<sup>10</sup> JASTA § 2(b).

<sup>11</sup> JASTA § 2(a)(6).

<sup>12</sup> Sudan Claims Resolution Act, Pub. L. No. 116-260, div. FF, tit. XVII, § 1706(a)(1), 134 Stat. 3294 (2020).

on stock then, so we sold a lot of HS .50s on the civilian market because our big tender project was stopped. What they did then is they copied it. So they made their own. They look more or less the same. And that's the rifle you sometimes see in whatever comes out in the newspaper once in a while. But it's not us.<sup>13</sup>

9. Nearly every element of Steyr's narrative is false or misleading, as was documented in a series of U.S. government cables released by *Wikileaks*. In fact, Steyr sold its HS .50 rifles to the world's leading state sponsor of terrorism (a bad guy *par excellence*); no American companies did so at that time; it was 800 rifles, not ten samples; Steyr delivered all of them and sought to deliver more, even after intervention by the U.S. government; most of Steyr's HS .50s were delivered directly to Iran, not sold on the civilian market; and Steyr supplied Iran with the rifles Iran copied, knowing it would do so.

## **THE PARTIES**

### **A. Plaintiffs**

10. Plaintiffs are direct and indirect victims of terrorist attacks committed in Iraq in 2008. Each direct victim Plaintiff was targeted by terrorist snipers, was physically injured or killed in a terrorist attack, and suffered severe physical and emotional pain and suffering as a result. Indirect victims are the direct victims' close family members who suffered financially and emotionally as a result of the attacks. They include spouses, children, parents, siblings, and other close relations of the direct attack victims.

11. Each Plaintiff is either a U.S. national or the estate, survivor, or heir of a U.S. national.<sup>14</sup>

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<sup>13</sup> TFB TV, "Austria's Underrated .50 Cal: The Steyr HS-50 M1," 5:28-7:00 (Aug. 4, 2025), [https://www.youtube.com/watch?v=Ko41PpN\\_U\\_E](https://www.youtube.com/watch?v=Ko41PpN_U_E).

<sup>14</sup> "Estate" as used herein encompasses established estates, anticipated estates, as well as certain estate-like constructs available under the laws of certain States (such as "heirships"). The process of establishing certain estates is ongoing, and the identified family members or other

**B. Steyr Arms**

12. Defendant Steyr Arms GmbH (“Defendant” and “Steyr”), also known during the relevant period as “Steyr Mannlicher AG,” is “one of the world’s oldest and most prestigious firearms manufacturers.”<sup>15</sup> The company was founded in Austria in 1864 and has been manufacturing rifles since 1867. Steyr’s headquarters is in Kleinraming, Austria. It exports its rifles throughout the world, including to the United States.

13. Steyr has marketed and sold its rifles in the United States since at least the 1990s. As of December 2005, when the U.S. government sanctioned Steyr for the conduct that is the subject of this Complaint, U.S. sales accounted for approximately 30 to 40 percent of Steyr’s global business.<sup>16</sup> Steyr has continuously sought to grow its U.S. market share, including by seeking to sell its products to the U.S. government. In Fall 2005, for example, Steyr sought to sell 2,080 pistols worth \$396,000 to the U.S. Army for Iraqi security forces.<sup>17</sup> At the end of 2005, Steyr sought to sell seven .50 cal sniper rifles to U.S. Special Operations Command.<sup>18</sup>

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individuals, as the anticipated personal representatives, bring these claims on behalf of the anticipated estates of such decedents and all heirs thereof. Each person so identified reserves all rights, including the right pursuant to Fed. R. Civ. P. 25, to seek to substitute for itself the decedent’s estate, any successor thereto, or any subsequently named and/or designated estate representative.

<sup>15</sup> Jerry Underwood, “Steyr Arms to add manufacturing at Alabama operation in \$2.9M expansion,” *Made in Alabama* (June 22, 2017), <https://www.madeinalabama.com/2017/06/steyr-arms/>.

<sup>16</sup> U.S. Dep’t of State Cable, Iran Nonproliferation Act of 2000: Austrian Government Understanding of Steyr-Mannlicher Sanctions (Dec. 30, 2005), [https://wikileaks.org/plusd/cables/05VIENNA3973\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA3973_a.html).

<sup>17</sup> U.S. Dep’t of State, Cable, Iran Non-Proliferation Act (INPA) Sanctions on Steyr-Mannlicher—Company President Wants to ‘Earn’ Reversal of Sanctions (Jan. 25, 2006), [https://wikileaks.org/plusd/cables/06VIENNA232\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA232_a.html)

<sup>18</sup> *Id.*

Steyr also sought to position its AUG-3 assault rifle as the “best fit on the market for the U.S. Army’s requirements.”<sup>19</sup>

14. Steyr currently operates in the U.S. through Steyr Arms, Inc. (“Steyr USA”), which has been incorporated in the United States since at least 2003. Steyr USA maintains a 33,000-square foot corporate office, showroom, warehouse, and manufacturing center at its location in Bessemer, Alabama. Steyr USA previously had a marketing, logistic support and manufacturing facility in Cumming, Georgia, which it opened in 2006. Its first U.S. location was an assembly plant and training center in Trussville, Alabama, which it operated through approximately 2013. Steyr USA also runs a training academy in Talladega, Alabama, which offers courses in the operation, use, and maintenance of Steyr weapons.

15. From approximately 1998 to 2007, Steyr was owned by the Austrian holding company Cura Invest. In 2024, Steyr was acquired by Czech investment group RSBC Holding a.s.

### **JURISDICTION AND VENUE**

16. This Court has subject-matter jurisdiction under 28 U.S.C. § 1331, 18 U.S.C. §§ 2333(a) and (d), and 18 U.S.C. § 2338.

17. Defendant is subject to personal jurisdiction pursuant to 18 U.S.C. § 2334(a) and Fed. R. Civ. P. 4(k).

18. Defendant entered the United States voluntarily. It has regularly sold its products in the United States since at least the 1990s; it has maintained a wholly owned subsidiary and/or U.S. office in the United States since at least 2003.

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<sup>19</sup> *Id.*

19. As explained below, Steyr marketed, exported, and distributed its products in the U.S. and actively sought contracts to sell its products to the U.S. government. Moreover, Steyr debuted a prototype of its HS .50 rifle at the SHOT (“Shooting, Hunting, and Outdoor Trade”) Show in Las Vegas in 2002, where it sought feedback from American users. On information and belief, Steyr used its research and development in the U.S. to improve the design of its HS .50 rifle, which it subsequently sold to Iran. Steyr also sought to use its sale of the HS .50 rifle to Iran as leverage to grow its U.S. market share by obtaining contracts from the U.S. government.

20. Venue in this District is proper pursuant to 18 U.S.C. § 2334(a), because Plaintiff Benjamin A. Zibutis resides in this District.

### **SOURCING**

21. The allegations herein are based on publicly available information about Defendants’ conduct, including media reports, industry publications, government reports, and U.S. Department of State (“State”) cables published by *Wikileaks*.

### **FACTUAL ALLEGATIONS**

#### **I. From 2003 Through 2008, Iran Was Arming Terrorists To Attack Americans In Iraq.**

22. For decades, elements of the Iranian regime have led an alliance—the self-styled “Axis of Resistance”—that has used terrorism to undermine American foreign policy and kill Americans across the Middle East. Their shared objective since the Islamic Revolution of 1979 was to force the United States (the “Great Satan”) to exit the Middle East and abandon its allies there.

23. Iran’s Axis of Resistance pursued this objective through a coordinated campaign of terrorist attacks against Americans that has earned Iran a longstanding reputation as the world’s leading sponsor of terrorism.

24. On March 19, 2003, the United States invaded Iraq. Saddam Hussein's government fell, and formal armed hostilities between the United States and the Iraqi government ended on May 1, 2003. After that date, American troops deployed to Iraq performed a peacekeeping and nation-building function, rather than a warfighting function. American troops' primary purpose was to create the political and security conditions conducive to Iraqi democracy. Americans in Iraq began overseeing the reconstruction of a democratic Iraqi government and formulating a plan to transfer sovereignty to the Iraqi people.

25. Almost immediately, Iran began arming its proxies in Iraq who commenced a terrorist campaign against the Americans there.

**A. Iran Was the World's Leading Sponsor of Terrorism.**

26. Beginning in 1995 and accelerating through the 2000s, the U.S. frequently warned about Iran's support for terrorism. In 1995, President Clinton found that "the actions and policies of the Government of Iran constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States," and declared "a national emergency to deal with that threat." Through the issuance of Executive Order 12957 in March 1995 and Executive Order 12959 in May 1995, the President imposed comprehensive trade and financial sanctions on Iran. As President Clinton explained to Congress on September 18, 1995, "This action was in response to actions and policies of the Government of Iran, including support for international terrorism." Warning of "Iran's continuing support for international terrorism," the President explained that comprehensive sanctions "advance[d] important objectives in promoting the nonproliferation and antiterrorism policies of the United States."

27. A few months later, announcing the first-ever designations of Foreign Terrorist Organizations (FTOs), which included the designation of Hizballah, U.S. Secretary of State

Madeleine K. Albright explained the designations as a “recognition that terrorism is not a self-sustaining enterprise. It needs money and supplies to succeed.”<sup>20</sup> That money and supplies came from Iran.

28. In March 2000, Congress enacted and the president signed into law the Iran Nonproliferation Act of 2000. Pub. L. 106-178, 114 Stat 38. The Act authorized the President to take punitive action against individuals or organizations known to be providing material aid to Iran.

29. Iran’s Islamic Revolutionary Guard Corps (“IRGC”), a parastatal terrorist organization not part of Iran’s regular armed forces, led the Axis of Resistance by cultivating, training, and directing proxy terrorist organizations that carried out terrorist attacks targeting Americans outside Iran. In recognition of the IRGC’s prolific terrorist activities, the U.S. designated its Qods Force (“IRGC-QF” or “Qods Force”) a Specially Designated Global Terrorist (“SDGT”) under Executive Order 13224 on October 25, 2007. The U.S. subsequently extended that designation to the entirety of the IRGC, and later designated the IRGC as a FTO.

30. During the relevant period, the IRGC was led by Major General Mohammad Ali Jafari, who served as its Commander-in-Chief, and Major General Qasem Soleimani, who led its terrorist operations as Commander of the Qods Force. Jafari participated in the 1979 takeover of the U.S. Embassy during the Iranian revolution and then rose to become so hostile to the United States that he was known to give “new meaning to the term ‘hardliner.’”<sup>21</sup> Days after he was appointed to lead the IRGC on September 1, 2007, Jafari promised to “expand” efforts against

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<sup>20</sup> Secretary of State Madeleine K. Albright, “Remarks on Designation of Terrorist Organizations,” (Oct. 8, 1997), <https://1997-2001.state.gov/statements/971008.html>.

<sup>21</sup> Muhammad Sahimi, *A Hardliner’s Hardliner: General Mohammad Ali Jafari*, PBS Frontline, Jan. 21, 2010.

“the enemies of Iran and the revolution” by using “asymmetrical warfare capabilities, such as those used by Hezbollah,” which “reflect the strengths and weaknesses of the U.S. forces in Afghanistan and Iraq”—*i.e.*, terrorism against Americans there.<sup>22</sup>

31. Those efforts were directed by Soleimani, who was the principal architect of Iran’s strategy to use terrorist proxies to attack Americans in Iraq. Soleimani was long regarded by the U.S. government as “the number-one terrorist anywhere in the world”<sup>23</sup> and “the point man directing the formulation and implementation of [Iran’s] Iraq policy, with authority second only to Supreme Leader Khamenei.”<sup>24</sup>

32. In an April 8, 2019, fact sheet, State summarized Iran’s terrorist activity over the past several decades, explaining that “its support for terrorism is foundational and institutional.” It “fund[ed],” “fuel[ed],” and “equip[ped]” terrorists who “killed U.S. citizens.” And in Iraq alone, it was “responsible for the deaths of at least 603 American service members . . . since 2003.”

**B. Hizballah Established a Terrorist Network Armed by Iran to Target Americans in Iraq.**

33. Iran’s most important proxy in Iraq was Lebanese Hizballah (“Hizballah”), which has been designated an FTO since 1997 and has long been dedicated to terrorism targeting Americans.

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<sup>22</sup> *Id.*; Vahid Sepehri, “Iran: New Commander Takes Over Revolutionary Guards,” *Radio Free Europe* (Sep. 4, 2007).

<sup>23</sup> President Donald J. Trump, “Remarks by President Trump on the Killing of Qasem Soleimani” (Jan. 3, 2020).

<sup>24</sup> U.S. Dep’t of State, Cable, Iran’s Efforts in Iraqi Electoral Politics (Nov. 13, 2009), [https://wikileaks.org/plusd/cables/09BAGHDAD2992\\_a.html](https://wikileaks.org/plusd/cables/09BAGHDAD2992_a.html).

34. In 2003, Hizballah Secretary-General Hassan Nasrallah proclaimed: “Let the entire world hear me. Our hostility to the Great Satan [America] is absolute . . . . Regardless of how the world has changed after 11 September, Death to America will remain our reverberating and powerful slogan: Death to America.”<sup>25</sup>

35. In April 2003, Hizballah dispatched to Iraq its chief terrorist mastermind, Imad Mugniyeh, to help Muqtada al-Sadr found a new terrorist organization, Jaysh al-Mahdi (“JAM”). Their shared goal, according to an October 2003 Israeli intelligence report, was to set up a terrorist network in Iraq to inflict “mass casualties” on the Americans working on the reconstruction.<sup>26</sup> A U.S. Special Operations task force report quoted by the *U.S. News & World Report* in 2004 explained that “the Lebanese Hizballah leadership believes that the struggle in Iraq is the new battleground in the fight against the U.S.”<sup>27</sup> As one embedded war correspondent put it, JAM was created to be “the Iraqi branch of Hezbollah.”<sup>28</sup>

36. JAM proclaimed its identification with Hizballah. As Muqtada al-Sadr put it, JAM would serve as Hizballah’s “striking arm in Iraq.”<sup>29</sup> During his Friday sermons on March 26, 2004—in which he praised the attacks of September 11th and called for violence against Americans in Iraq—Sadr swore fealty to Hizballah in Shi’a Islamic terms, pledging support to “our victorious party, Hezbollah.” In April 2004, Sadr proclaimed, “I will support the real

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<sup>25</sup> Hizballah Manifesto, *reprinted in Anti-American Terrorism and the Middle East: A Documentary Reader* 50 (Barry Rubin & Judith Colp Rubin eds., Oxford Univ. Press 2002).

<sup>26</sup> Edward T. Pound, *Special Report: The Iran Connection*, U.S. News & World Report, Nov. 22, 2004.

<sup>27</sup> *Id.*

<sup>28</sup> Michael J. Totten, *Balance of Terror*, Michael J. Totten’s Middle East J., Aug. 14, 2007.

<sup>29</sup> Jon Lee Anderson, “The Uprising: Shia and Sunnis put aside their differences,” *The New Yorker*, Apr. 26, 2004.

Islamic unity that has been created by Hassan Nasrallah, the secretary-general of the victorious Hezbollah.”<sup>30</sup> In an August 2007 interview, Sadr again reportedly acknowledged that JAM “ha[s] formal links with Hizballah” and “cop[ies] Hizballah in the way they fight and their tactics.”<sup>31</sup>

37. JAM fighters also swore fealty to Hizballah. They regularly participated in anti-American marches in which they marched under Hizballah flags, waved Hizballah banners, and shouted chants identifying themselves with Hizballah. Tens of thousands of members of JAM publicly swore fealty to Hizballah in various marches in Sadr City in 2006 alone. On August 4, 2006, for example, more than 10,000 members of JAM attended a joint JAM/Hizballah march in Sadr City. As recounted in a field report in *Al-Jazeera*, demonstrators wore “white shrouds symboli[z]ing [their] willingness to die for Hezbollah, waved the Lebanese guerrillas’ yellow banner and chanted slogans in support of their leader, Sheik Hassan Nasrallah.”<sup>32</sup> The crowd of JAM fighters further declared “Mahdi Army and Hezbollah are one,” and chanted “Allah, Allah, give victory to Hassan Nasrallah.”<sup>33</sup> The close, symbiotic connection between Jaysh al-Mahdi and Hizballah was summed up by JAM members’ repeated declaration at the rally: “we are Hezbollah.”<sup>34</sup>

38. Treasury formally recognized the links between Hizballah and JAM when it designated JAM commander Abu Mahdi al-Muhandis as a SDGT in 2009, noting that Hizballah “prepare[d]” JAM “for attacks against Coalition Forces” through “training in guerilla warfare,

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<sup>30</sup> “Gunmen kill 4 people in attacks on Iraqi police,” *China Daily*, Apr. 4, 2004.

<sup>31</sup> Anthony H. Cordesman & Jose Ramos, “Sadr and the Mahdi Army: Evolution, Capabilities, and a New Direction,” Center for Strategic & International Studies, Aug. 4, 2008.

<sup>32</sup> “Iraq’s Shia March for Hezbollah,” *Al-Jazeera*, Aug. 4, 2006.

<sup>33</sup> *Id.*

<sup>34</sup> Andy Mosher, “In Baghdad, Shiites Rally for Hezbollah,” *The Washington Post* (Aug. 5, 2006).

handling bombs and explosives, and employing weapons [such as] missiles, mortars, and sniper rifles.”<sup>35</sup> Treasury did so again in 2012 when it found that “Hizballah, along with its Iranian allies, trained and advised Iraqi militants to carry out numerous terrorist attacks.”<sup>36</sup>

39. Hizballah supervised JAM’s terrorist operations by recruiting, training, arming, and directing JAM terrorists who carried out terrorist attacks against Americans on Hizballah’s behalf. Immediately after JAM’s founding in April 2003, Mugniyeh recruited 300 terrorists for JAM from Shi’a communities in Kuwait and Saudi Arabia, then sent those terrorists to Lebanon for weapons training. These 300 fighters were some of JAM’s first members. That same month, according to the *Asia Times*, Hizballah “opened two offices in the Iraqi cities of Basra and Safwan” to “build[] up [its] organizational and military apparatuses in Iraq.”<sup>37</sup> By August 2003, Hizballah had established permanent teams of 30 to 40 operatives in Najaf to recruit and train JAM terrorists. At the same time, these Hizballah operatives were acquiring weapons from the IRGC for JAM’s use in terrorist attacks.

40. In JAM’s early days, Hizballah began a wide-ranging public propaganda campaign to authorize and incite Shi’a in Iraq to join JAM’s campaign of terrorism against Americans there. Hizballah’s message of authorization was effective because JAM fighters regarded Hizballah as a moral and religious authority.

41. According to a senior American intelligence official cited in *The New York Times*, Hizballah “train[ed] [JAM fighters] inside of Iraq” and sent them to Lebanon for more training

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<sup>35</sup> U.S. Dep’t of Treasury, *Treasury Designates Individual, Entity Posing Threat to Stability in Iraq* (July 2, 2009).

<sup>36</sup> U.S. Dep’t of Treasury, *Treasury Designates Hizballah Commander Responsible for American Deaths in Iraq* (Nov. 19, 2012).

<sup>37</sup> Olivier Guitta, “Nasrallah’s Other Fight,” *Asia Times* (July 29, 2006).

by Hizballah.<sup>38</sup> This training was designed to help “Iraqi militants to carry out numerous terrorist attacks” targeting Americans.<sup>39</sup> JAM recruits who had little to no combat experience were taught Hizballah’s methods to be used against American forces in Iraq. This included training in how to use the most deadly weapons—including explosively-formed penetrators (“EFPs”), rockets, mortars, RPGs, sniper rifles, and small arms with armor-piercing ammunition—that Hizballah was supplying to JAM.<sup>40</sup>

42. Like many terrorist organizations, JAM was structured as an integrated network of cells, militias, and “Special Groups,” each of which served the mission of the broader organization. JAM’s “Special Groups” included Asa’ib Ahl al-Haq (“AAH”) and Kataib Hizballah (“KH”). Despite its cellular structure, JAM’s cells maintained a basic hierarchical command structure; shared membership and leadership; relied on common sources of financing and institutional support from the broader JAM organization; frequently operated together in coordinated attacks; and were unified ideologically by radical Shi’a ideology, devotion to Sadr, and violent opposition to the American presence in Iraq. All references in this Complaint to JAM include JAM’s Special Groups.

43. The extent of Hizballah’s involvement in JAM’s attacks was demonstrated by evidence gathered in connection with the capture of Hizballah commander Ali Mussa Daqduq al-

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<sup>38</sup> *Id. Accord* U.S. Treasury Dep’t, *Treasury Designates Hizballah Commander Responsible for American Deaths in Iraq* (Nov. 19, 2012) (finding that, in 2005, Iran “asked Hizballah to form a group to train Iraqis to fight Coalition Forces in Iraq,” prompting Hizballah to “establish[] a covert Hizballah unit to train and advise Iraqi militants in Jaysh al-Mahdi (JAM) and JAM Special Groups”).

<sup>39</sup> U.S. Treasury Dep’t, *Treasury Designates Hizballah Commander Responsible for American Deaths in Iraq* (Nov. 19, 2012).

<sup>40</sup> Marisa Cochrane, *Institute for the Study of War Iraq Report 12: The Fragmentation of the Sadrist Movement* (Jan. 2009).

Musawi (“Daqduq”) in 2007, which included a document described by five U.S. Senators as a 22-page “planning guide” spelling out how JAM fighters should deploy the training and weaponry Hizballah provided. It included specific instructions describing how to plant IEDs and carry out abductions of Americans. Hizballah’s instruction as reflected in this “planning guide” enabled JAM to execute an array of sophisticated attacks against Americans that it otherwise would have been unable to carry out.

**C. The Terrorist Campaign Accelerated in 2004 and 2005.**

44. By January 2004, nearly 800 Hizballah agents had been sent to Iraq, where they were deployed to direct JAM’s terrorist attacks from key JAM strongholds in Iraq, including Sadr City. Eighteen of these Hizballah operatives were detained on charges of terrorism in February 2005. In addition to Hizballah terrorist mastermind Mugniyeh (who continued to personally supervise JAM’s campaign of terror until his death in February 2008), Hizballah deployed many of its senior terrorist planners in Iraq, including (1) senior Hizballah field commander Daqduq, who Treasury found in 2012 was “responsible for numerous attacks against Coalition Forces in Iraq”;<sup>41</sup> (2) Nasrallah’s personal liaison to JAM Muhammad Kawtharani, who was “responsible for terrorist operations” in Iraq “[a]s the individual in charge of Hizballah’s Iraq activities,”<sup>42</sup> and was directly involved in coordinating attacks against Americans in Baghdad; (3) senior Hizballah commander Yusuf Hashem, who coordinated Hizballah’s JAM operations in Iraq;<sup>43</sup> (4) Hizballah member Ali Falih Hadi, who, according to a

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<sup>41</sup> U.S. Dep’t of Treasury, *Treasury Designates Hizballah Commander Responsible for American Deaths in Iraq* (Nov. 19, 2012).

<sup>42</sup> U.S. Dep’t of Treasury, *Treasury Sanctions Hizballah Leadership* (Aug. 22, 2013).

<sup>43</sup> Matthew Levitt, *Hezbollah’s Regional Activities in Support of Iran’s Proxy Networks* (July 26, 2021).

Coalition threat report (as published by WikiLeaks), was based in Amarah in Basra Province and was “responsible for supplying weapons” to members of a joint Jaysh al-Mahdi/Hizballah cell operating in Basra;<sup>44</sup> and (5) on information and belief, one or more experienced Hizballah bombmakers, who provided in-country direction to JAM terrorists. These Hizballah terrorists and many others were dedicated to providing weapons, training, and knowledge to JAM with the intent of harming Americans in Iraq.

45. During 2004 and 2005, as Hizballah expanded its presence on the ground in Iraq, Iran was actively supplying Hizballah and JAM with weapons to use against the Americans there. With this support from Hizballah and Iran, JAM expanded from a fledgling group concentrated in Shi’a areas to a terrorist organization with a significant presence throughout Iraq. What began as a small group of 300 fighters in April 2003 grew to a terrorist organization of between 6,000 and 10,000 fighters by June 2004 and boasted at least 60,000 fighters by January 2007. By late 2004, Sadr had effectively seized control of the entire eastern half of Baghdad, and by early 2005, Sadr controlled 20 JAM brigades—all of which were trained by Hizballah—operating out of his command-and-control safe haven in Sadr City, from which JAM coordinated and launched Hizballah-supported attacks against Coalition forces throughout Iraq.

46. Having built and trained this JAM army, Hizballah operatives planned a campaign of escalating terrorist attacks that JAM began to carry out at Hizballah’s direction in 2005. This

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<sup>44</sup> U.S. Army, *Threat Report: Ambush Threat* (Jul. 16, 2008), <https://wikileaks.org/irq/report/2008/07/IRQ20080716n11210.html>. While the report identifies “Ali Falih Hadey,” on information and belief “Hadey” has the same meaning as “Hadi.”

escalation was the result of Hizballah's "strategic decision" to ratchet up pressure on the United States by boosting Hizballah's "support [for] Sadr" and fostering "managed instability" in Iraq.<sup>45</sup>

47. Many of JAM's attacks employed tactics that Hizballah had trained JAM fighters to use. As a declassified British intelligence report concluded, for example, EFPs used in Iraq during the relevant period were "exclusively associated with Hizballah," who was the world's foremost expert on EFPs.<sup>46</sup> Hizballah planned these EFP attacks by giving assistance to JAM regarding EFP design, helping JAM prepare these weapons, teaching JAM fighters how to use them, identifying specific target locations in Iraq, and sending senior Hezbollah terrorists to coordinate the EFP attacks. Hizballah thus not only provided the EFPs to JAM but also instructed JAM to use them against American soldiers and taught JAM how to do so. As another example, Hizballah directed JAM members to launch indirect-fire rocket attacks and instructed them on how to carry out these attacks. Hizballah's direction to fire rockets on the Green Zone (also known as the "International Zone") from Sadr City specifically included indirect-fire attacks in early 2008, during which JAM rocket teams showed an ability to hit specific targets several miles away, demonstrating the effectiveness of Hizballah's instruction and the sophistication of the rockets supplied from Iran. The same was true for other types of attacks with tactics that reflected specialized Hizballah training, including sniper, mortar, and RPG attacks, as well as the use of small arms in combination with other weapons.

48. JAM terrorists, working with and at the direction of Hizballah, inflicted enormous death and suffering on Americans involved in the reconstruction of Iraq. "Coalition sources

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<sup>45</sup> Michael R. Gordon & Dexter Filkins, "Hezbollah Said to Help Shiite Army in Iraq," *The New York Times* (Nov. 28, 2006).

<sup>46</sup> Minute, Deputy Chief of Assessments Staff to Sir Nigel Sheinwald, Iraq: Lebanese Training including manuscript comment Blair (May 3, 2007).

report[ed] that by August 2007, Iranian-backed insurgents accounted for roughly half the attacks on Coalition forces, a dramatic change from previous periods,”<sup>47</sup> leading General David Petraeus to conclude that “JAM is more of a hindrance to long-term security in Iraq than is [Al-Qaeda in Iraq].”<sup>48</sup> Sniper attacks were a key part of this surge in violence by Iranian proxies against U.S. forces.<sup>49</sup> As the *Los Angeles Times* reported, “By the fall [of 2006], sniper attacks had become so frequent, U.S. military officials said, that U.S. Secret Service agents flew to Baghdad to help establish new countermeasures and training.”<sup>50</sup>

#### **D. The Terrorist Campaign Culminated in the Battle of Sadr City.**

49. By 2008, the terrorist organization Hizballah had created and Iran had armed was at full strength when Hizballah directed JAM to launch a barrage of rocket fire attacks on the Green Zone, a heavily fortified zone in the center of Baghdad that served as the headquarters of successive Iraqi regimes and bases for U.S. and Coalition forces. These rocket attacks were launched from Sadr City.

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<sup>47</sup> Kimberly Kagan, “Iran’s Proxy War Against the United States and Iraq,” *Iraq Report: May 2006 – August 20, 2007* (a publication of the Institute for the Study of War and WeeklyStandard.com) (Aug. 29, 2007), <https://understandingwar.org/research/middle-east/irans-proxy-war-against-the-united-states-and-iraq> (citing U.S. Dep’t of Defense, *Press Briefing with Multi-National Corps-Iraq Commander Lt. Gen. Ray Odierno re: Ongoing Security Operations in Iraq* (Aug. 17, 2007)).

<sup>48</sup> Michael R. Gordon & Gen. Bernard E. Trainor, *The Endgame: The Inside Story of the Struggle for Iraq, from George W. Bush to Barack Obama* 422 (Vintage Books 1st ed. 2012).

<sup>49</sup> Kagan, *supra* note 47 (“Iran has provided its Iraqi proxies with advanced weapons, including . . . advanced large-caliber sniper rifles.”). Accord Anthony H. Cordesman, *Iran’s Evolving Threat* (Jan. 3, 2010) (concluding that, as of early 2010, the “Quds Force continue[d] to provide Iraqi and Afghani militants with: specialized training, funding, Iranian-produced advanced rockets, sniper rifles, automatic weapons, mortars, Improvised Explosive Devices (IEDs) and explosively formed projectiles (EFPs) that have a higher lethality rate than other types of IEDs”).

<sup>50</sup> Solomon Moore & Tony Perry, “The Conflict in Iraq: 3,000 U.S. Military Deaths; U.S. Military Deaths in Iraq Hit 3,000 Mark,” *Los Angeles Times* (Jan. 1, 2007).

50. To protect the Green Zone from those attacks, U.S. forces had to isolate and secure two neighborhoods on the Southeast side of Sadr City, Ishbiliyah and Habbibiyah. U.S. forces determined that these neighborhoods were the farthest locations from which Hizballah and JAM could fire their 107mm rockets and mortars and still effectively hit the Green Zone.<sup>51</sup>

51. To push JAM beyond firing range of the Green Zone, U.S. forces undertook two major campaigns: Operation Striker Denial (March 26-April 14, 2008) and Operation Gold Wall (April 15-May 15, 2008).<sup>52</sup> In the first phase, the 1st Squadron, 2nd Stryker Cavalry Regiment (“1-2 SCR”) attacked and seized JAM rocket-firing positions in Ishbiliyah and Habbibiyah.<sup>53</sup> During the second phase, the U.S. Army 3rd Brigade Combat Team, 4th Infantry Division (“3-4 BCT”) constructed some 3,000 12-foot-tall and 5-foot-wide reinforced concrete T-wall sections to create a 4.6-kilometer concrete barrier along a road that U.S. forces called “Route Gold.”<sup>54</sup> Once completed, the “Gold Wall” would cut off Ishbiliyah and Habbibiyah from the rest of Sadr City and prevent the terrorists from reaching these neighborhoods to fire rockets.

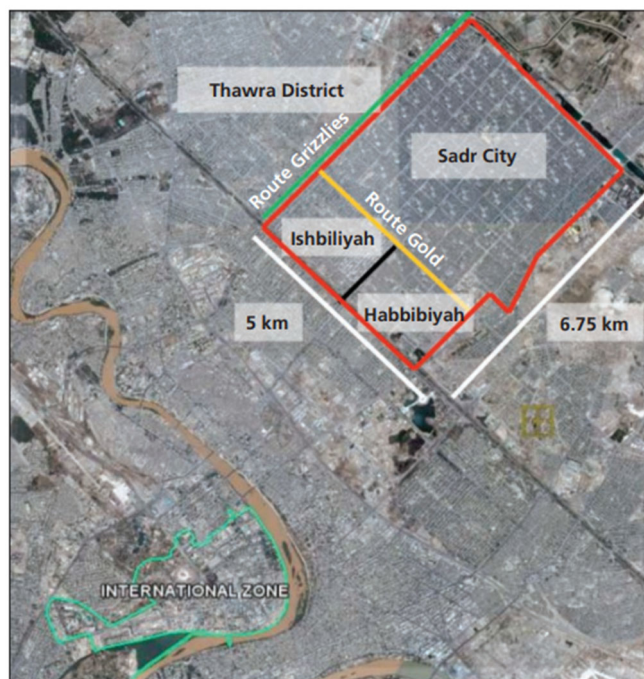
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<sup>51</sup> David E. Johnson, M. Wade Markel, & Brian Shannon, *The 2008 Battle of Sadr City: Reimagining Urban Combat*, xiv-xvi (RAND Arroyo Center 2013).

<sup>52</sup> *Id.* at xvi.

<sup>53</sup> *Id.*

<sup>54</sup> *Id.* at xvii.



52. The effort to secure Ishbiliyah and Habbibiyah and to construct the Gold Wall became a magnet for Hizballah and JAM terrorists who recognized its strategic importance and continuously attacked Americans in those neighborhoods and along Route Gold. Those attacks became known as the “Battle of Sadr City” and constituted some of the most intense violence U.S. forces faced in Iraq.

53. Despite major resistance from Hizballah and JAM terrorists that delayed and impeded the effort, the Gold Wall was eventually completed on May 15, 2008, and immediately achieved its purpose of securing the area. It led to a cease fire that made Sadr City safer for U.S. forces and Iraqi civilians alike.

## **II. As Iran And Hizballah Accelerated Their Terrorist Campaign In Iraq, Steyr Equipped Them With Hundreds Of High-Caliber Sniper Rifles.**

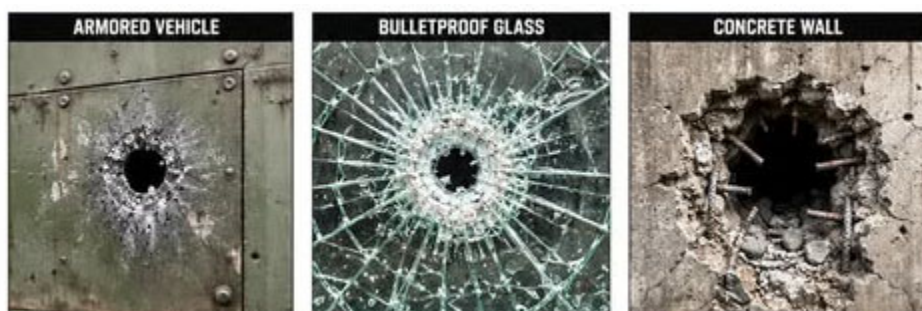
### **A. Steyr’s HS .50 Sniper Rifle Was a Deadly and Precise “Weapon of War.”**

54. Steyr’s HS .50 (below left) is a single-shot, bolt-action “Hochpräzisions-Scharfschützengewehr,” or “high-precision sniper rifle,” designed to fire high-caliber 12.7 x 99

mm (.50 BMG) cartridges, nearly half-an-inch thick and five-and-a-half inches long with bullets the size of a thumb (below right).



55. Unlike traditional sniper rifles that were typically designed for smaller ammunition, the HS .50 was distinctive in its use of high-caliber rounds more commonly associated with heavy machine guns. These massive rounds enabled the HS .50 to achieve extraordinary range and precision that could not be matched by an ordinary sniper rifle. They also delivered devastating destructive power, capable of punching through engine blocks, armored vehicles, and concrete walls.



56. The HS .50 combined those advantages of a high-caliber rifle with a design that located the action and magazine behind the trigger, allowing for a longer barrel while

maintaining a more compact overall length. This design made the HS .50 more maneuverable than other high-caliber, long-range rifles.

57. Those and other features caused the HS .50 to be “considered one of the world’s most modern and precise weapons,”<sup>55</sup> and to be classified as an “anti-materiel rifle”—a weapon “ideal for . . . destroying not only manpower but also military equipment, including lightly armoured vehicles and for shooting at extreme distances.”<sup>56</sup> Steyr’s HS .50 sniper rifle was designed for elite military use against hardened targets: a “purpose-designed and purpose-built weapon[] of war.”<sup>57</sup>

58. Those same features made the HS .50 attractive to terrorists. Shortly after the HS .50 was advertised in the U.S., observers warned that such .50 caliber sniper rifles were an “ideal tool” for “terrorists.”<sup>58</sup> As one observer explained, “the HS 50 has qualities that make it ideal for use by militias.”<sup>59</sup> First, this “deadly weapon . . . can penetrate basic armor at a range of 1.5 kilometers (just under a mile).”<sup>60</sup> Second, the HS .50 is “very light and easy to repair.”<sup>61</sup> Third, “[c]ompared to other .50 caliber rifles, the HS 50 design is incredibly simple.”<sup>62</sup> As Steyr

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<sup>55</sup> Kraske, *supra* note 3.

<sup>56</sup> AKM Group CZ, *supra* note 5.

<sup>57</sup> Campaign for Gun Industry Accountability Violence Policy Center, *supra* note 4.

<sup>58</sup> Violence Policy Center, The State of the Gun Industry, <https://vpc.org/graphics/shotshow.pdf>

<sup>59</sup> Charlie Gao, “Introducing the Steyr HS 50: The Deadliest .50 Caliber Sniper Rifle on Earth?,” *The National Interest* (Jan. 11, 2020).

<sup>60</sup> Kraske, *supra* note 3.

<sup>61</sup> Charlie Gao, “Introducing the Steyr HS 50: The Deadliest .50 Caliber Sniper Rifle on Earth?,” *The National Interest* (Jan. 11, 2020). *See also* “Austrian Govt Says Sales Of Rifles To Iran Were Legal,” *Dow Jones International News* (Dec. 28, 2005) (citing Fuehrlinger) (noting that the gun weighs just 12 kilograms (20 pounds)).

<sup>62</sup> Charlie Gao, “Introducing the Steyr HS 50: The Deadliest .50 Caliber Sniper Rifle on Earth?,” *The National Interest* (Jan. 11, 2020).

explains on its website: “Directly after assembly, the weapon is ready for use,” and “[t]aking off the barrel complete with optics takes only a few seconds.” That made for an easy get-away for a terrorist sniper looking to disappear into a crowd.

59. More generally, government officials and armed conflict scholars had long been warning about the strategic threat .50 caliber sniper rifles could pose in the hands of terrorists.

For instance:

- a. “As early as 1985, a previously classified National War College strategic study report . . . warned . . . that 50 caliber ‘long range weapons pose a significant threat for U.S. National Command Authority figures if used by terrorists or other assailants. . . . The weapons are more accurate than shoulder fired antitank rockets and, if used against aircraft, immune to electronic counter measures.’”<sup>63</sup>
- b. A 1993 U.S. Army field manual on urban combat emphasized that “heavy sniper rifles (.50-caliber, 12.7-mm, 14.5-mm, and 15-mm) with ranges of 1,200 to 1,500 meters are now proliferating around the world,” and observed: “It is their ability to shoot through all but the heaviest shielding material, and their devastating effects, that make them valuable psychological weapons.”<sup>64</sup>
- c. A 1995 RAND Corporation report cautioned that 50 caliber sniper rifles “give light forces a portable and quite deadly option against parked aircraft. . . . These rifles are effective against man-sized targets up to 1,600 meters away and could hit aircraft-sized targets at even greater ranges. . . . It seems only a matter of time before these or similar weapons find their way into the arsenals of potential adversaries, if they have not already done so.”<sup>65</sup>
- d. In 1999, the U.S. Government Accountability Office (GAO) reported to Congress that it had found that .50 caliber rifles have a “nexus to terrorist groups.”<sup>66</sup>
- e. In March 2001, Senator Diane Feinstein noted that .50 caliber sniper rifles were “deadly, military style assault weapons” capable of “piercing light armor at more than

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<sup>63</sup> Campaign for Gun Industry Accountability Violence Policy Center, “National Security Experts Agree: 50 Caliber Anti-Armor Sniper Rifles are Ideal Tools for Terrorists,” [https://vpc.org/fact\\_sht/snipersecurityexperts.fs.pdf](https://vpc.org/fact_sht/snipersecurityexperts.fs.pdf).

<sup>64</sup> U.S. Dep’t of the Army, Field Manual 90-10-1: *An Infantryman’s Guide to Combat in Built-Up Areas* (May 1993), App’x J, “Countering Urban Snipers,” J-2.

<sup>65</sup> Campaign for Gun Industry Accountability Violence Policy Center, *supra* note 63.

<sup>66</sup> U.S. Gov’t Accountability Office, “Briefing Paper: Criminal Activity Associated with .50 Caliber Semiautomatic Rifles” (Aug. 4, 1999).

4 miles” and enabling “a single shooter to destroy enemy jeeps, tanks, personnel carriers, bunkers, fuel stations, and even communication centers,” and warning of the “increased use of the weapon by violent criminals and terrorists around the world.”<sup>67</sup>

- f. In 2003, the U.S. Army published its *Military Guide to Terrorism in the Twenty-First Century*, which warned that “with the development of large caliber sniper weapons, such as the Armalite AR-50 in .50 Caliber BMG, terrorists can also effectively engage light armored vehicles.”<sup>68</sup>
- g. In 2005, U.S. Senator Carl Levin noted that “[f]ifty caliber sniper rifles in the hands of terrorists pose a significant threat to our homeland security” and that members of Congress “have not done enough to help keep terrorists from acquiring these dangerous weapons.”<sup>69</sup>

**B. Steyr Sold Hundreds of HS .50 Sniper Rifles to Iran While Knowing or Recklessly Disregarding that They Would Be Used to Arm Iran’s Terrorist Proxies in Iraq.**

60. Steyr debuted a prototype of its HS .50 rifle in 2002 at the SHOT (“Shooting, Hunting, and Outdoor Trade”) Show in Las Vegas, Nevada. After receiving feedback, Steyr finalized its design of the HS .50 and began seeking buyers. The most highly interested buyer was Iran.

61. The Iranian government arranged with Steyr in 2004 to purchase 2,400 HS .50 rifles.<sup>70</sup> While Iran claimed that the purpose of its order was counter-narcotics and border control along its border with Afghanistan, Steyr must have known that this was a flimsy pretext for such an enormous number of high-caliber, anti-materiel sniper rifles. Indeed, because the number of

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<sup>67</sup> S. Res. 505, 107th Cong., 147 Cong. Rec. 31 at S2127 (2001).

<sup>68</sup> Campaign for Gun Industry Accountability Violence Policy Center, *supra* note 4 (citation and internal quotation marks omitted).

<sup>69</sup> 151 Cong. Rec. 15174 (2005).

<sup>70</sup> U.S. Dep’t of State, Cable, Austrian Export of Sniper Rifles to Iran – Ambassador Highlights Retransfer Concerns (Jan. 7, 2005), [https://wikileaks.org/plusd/cables/05VIENNA37\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA37_a.html).

rifles Steyr had requested to export was obviously “too many for the stated purpose,” Austrian officials blocked Steyr from delivering most of Iran’s original order.<sup>71</sup>

62. Steyr nevertheless persisted, managing to deliver 800 of the 2,400 rifles Iran had requested. In doing so, Steyr knew or recklessly disregarded what Iran’s enormous order was really for. Not only was the stated purpose an obvious pretext, but substantial public reporting in 2003 and 2004 alerted Steyr that Iran was at that very moment arming terrorists in Iraq to attack Americans there. In mid-2003, for example, the *Cleveland Plain Dealer* reported “strong signs that Iran is trying to foment unrest among Iraq’s majority Shiites, [and] its sponsorship of terrorists, always the highest in the region, now seems to be shifting to those who target Americans.”<sup>72</sup> In June 2003, *The New York Times* reported that “American allegations that Tehran is meddling in Iraq.”<sup>73</sup> In July 2003, U.S. Defense Secretary Donald H. Rumsfeld identified “fighters ‘influenced by Iran’” as among those responsible for attacks that had killed 25 troops since the end of major military operations in May 2003.<sup>74</sup>

63. Such reports appeared in the Austrian press as well. In July 2004, for example, a leading national daily newspaper in Austria, *Der Standard*, reported that “the series of attacks and deadly assaults on US troops and local security forces in Iraq continues unabated,” and quoted the Iraqi Defense Minister who explained that Iran had confirmed the presence of agents

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<sup>71</sup> U.S. Dep’t of State, Cable, Austria: Sniper Rifles to Iran: Company Head Remains Hard Over (Feb. 4, 2005), [https://wikileaks.org/plusd/cables/05VIENNA331\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA331_a.html).

<sup>72</sup> “Iran and the bomb,” *Cleveland Plain Dealer* (June 1, 2003).

<sup>73</sup> Neil MacFarquhar, “U.S., Iran Approaching Crossroads,” *The New York Times* (June 20, 2003).

<sup>74</sup> Bill Gertz, “Foreign troops ‘gear up’ to enter Iraq: As many as 20,000 to relieve Americans fighting terrorists,” *Washington Times* (July 1, 2003).

in Iraq tasked with destabilizing the social and political situation there.<sup>75</sup> In August 2004, *Der Standard* quoted Iraqi Defense Minister Hazim Shaalan, contending that “Iran interferes in Iraqi affairs to ‘kill democracy’ by supporting terrorism and infiltrating enemies into Iraq.”<sup>76</sup> And in December 2004, *Der Standard* reported on U.S. President George W. Bush’s warning to Iran against interfering in Iraq’s internal affairs and noted that “Iraqi Defense Minister Hazim al-Shaalan had previously blamed Iran for terrorist attacks in Iraq, claiming that terrorism in Iraq was being orchestrated by Iranian and Syrian intelligence services.”<sup>77</sup>

64. Despite those reasons to expect that Iran was seeking an enormous number of HS .50 rifles to arm its terrorist proxies in Iraq, Steyr moved forward with delivering 800 of them.

65. In March 2004, Steyr delivered two sample rifles, plus seventy rounds of ammunition, to Iran.<sup>78</sup> In November 2004, Steyr sent a second shipment of 154 rifles. Between November 2004 and January 2005, Steyr delivered four more 154-rifle shipments every other week, with a final shipment of 30 rifles at a later time in 2005.<sup>79</sup> These six shipments included standard scopes.<sup>80</sup>

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<sup>75</sup> “900th US soldier killed in attack: Iraq blames neighboring countries for violence - Three dead in car bomb explosion in Ramadi, a stronghold of Saddam Hussein supporters,” *Der Standard* (July 22, 2004).

<sup>76</sup> “Press reviews: ‘Balkanization’ of Iraq and ‘Iran is the main enemy of Iraqi democracy,’” *Der Standard* (Aug. 11, 2004) (translated by Google).

<sup>77</sup> “Bush warns Iran and Syria against “interference” in Iraq,” *Der Standard* (Dec. 16, 2004) (translated by Google).

<sup>78</sup> U.S. Dep’t of State, Cable, Steyr-Mannlicher: Reloading After Sanctions (Oct. 12, 2006), [https://wikileaks.org/plusd/cables/06VIENNA3028\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA3028_a.html).

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

**C. When Confronted by U.S. Authorities, Steyr Refused to Mitigate the Harm It Had Done, Lied to Protect its Iranian Partners, and Enabled Further Iranian Support for Terrorists.**

66. In January 2005, Steyr's sale to the Iranians came to the attention of the U.S. government. The U.S. government was immediately concerned that Iran would send the sniper rifles to its terrorist proxies in Iraq.

67. On January 7, 2005, the U.S. Ambassador to Austria met with a senior Austrian official to convey the U.S. government's "concerns that these weapons would end up in the hands of insur[re]gents in Iraq, putting our forces, and those of coalition countries, at great risk."<sup>81</sup> The Ambassador "outlined evidence that insurgents in Iraq had recently obtained Iranian-origin military equipment," which the Austrian official acknowledged "constituted 'proof that weapons in Iraq had come from Iran.'"<sup>82</sup> The Ambassador also underscored that the "purpose the Iranians had given for the purchase" was "questionable" and the "number of weapons" was "excessive for any law enforcement purposes."<sup>83</sup> He requested more information from the Austrian official about the sales, including the number of rifles that had been delivered and their serial numbers. On information and belief, the Austrian official relayed the U.S. government's concerns to Steyr shortly after the January 7 meeting.

68. Steyr's President Wolfgang Furlinger sought a meeting with U.S. embassy officials to respond to their requests for information. The meeting was held on February 3, 2005. Furlinger's message for American officials was total defiance.

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<sup>81</sup> U.S. Dep't of State, Cable, Austrian Export of Sniper Rifles to Iran—Ambassador Highlights Retransfer Concerns, (Jan. 7, 2005), [https://wikileaks.org/plusd/cables/05VIENNA37\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA37_a.html).

<sup>82</sup> *Id.*

<sup>83</sup> *Id.*

69. In response to the U.S. government's strong concern that the Iranians would use Steyr's rifles against Americans in Iraq, Furlinger boasted of the importance of the "arms relationship he was developing in Iran."<sup>84</sup> That relationship made Iran Steyr's best customer, he said, representing "'by far' the largest part of his global business."<sup>85</sup> Indeed, Furlinger emphasized that the "Iran market was 'ten times' as large as his U.S. business," so "if it came to a choice between cutting off his business with the U.S. or cutting off his business with Iran, he would choose to keep his business with Iran."<sup>86</sup>

70. Furlinger thus refused to share with American officials the quantity of weapons he had delivered or their serial numbers. He claimed that "confidentiality" was important to his business and that the "release of serial numbers could endanger [Steyr's] business relationships with the referenced customer [*i.e.*, the Iranians]."<sup>87</sup> He also suggested that the serial numbers were unreliable, claiming "it was 'very easy' to erase and alter the serial number because the numbers are laser engraved."<sup>88</sup> This statement to U.S. officials was a lie. As Furlinger knew but did not disclose, Steyr's rifles contained a hidden "internal serial number" inside the barrel that was not easy to alter and that could be confirmed with an infrared device.<sup>89</sup>

71. Steyr's message to U.S. officials did not stop at defiance, however. It soon became extortion. Furlinger told U.S. officials that he would only stop selling arms to Iran if he

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<sup>84</sup> U.S. Dep't of State, Cable, Austria: Sniper Rifles to Iran: Company Head Remains Hard Over (Feb. 4, 2005), [https://wikileaks.org/plusd/cables/05VIENNA331\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA331_a.html).

<sup>85</sup> *Id.*

<sup>86</sup> *Id.*

<sup>87</sup> *Id.*

<sup>88</sup> *Id.*

<sup>89</sup> U.S. Dep't of State, Cable, Steyr-Mannlicher: Reloading After Sanctions (Oct. 12, 2006), [https://wikileaks.org/plusd/cables/06VIENNA3028\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA3028_a.html).

received “compensation,” and he said “the best way to compensate him would be for the U.S. Army to select his new AUG-A3 assault rifle” for a contract that Steyr was bidding on in the U.S.<sup>90</sup> The U.S. officials reported, “Fuerlinger said that he would give us the quantity of weapons in Iran, the serial numbers of those weapons, and access to all his files regarding Iran contracts, as well as halt all future dealings with Iran in exchange for ‘compensation’ in the form of the assault rifle contract.”<sup>91</sup> Furlinger reiterated this oral demand in a fax to the U.S. Embassy the next day: “We cannot agree to the release of serial numbers,” he wrote, but “we would like to stress once more that we are extremely interested in fair access to the U.S. market. In the U.S., our product line, which is in heavy demand, would certainly put us in a position to compensate for a possible withdrawal of our company from the Middle Eastern market.”<sup>92</sup>

72. A few days later, Steyr’s arms deal with Iran was made public by the business periodical *Wirtschaftsblatt*.<sup>93</sup> When contacted by journalists for comment, Furlinger admitted that “[t]he Americans put pressure on me” to cancel the sale because they feared the Steyr rifles would be used to arm terrorist groups in Iraq.<sup>94</sup> Furlinger likewise told the *Associated Press* that U.S. Embassy officials had expressed concerns that Steyr’s rifles would be used against U.S. troops in Iraq but that he rebuffed a request to stop such sales.<sup>95</sup>

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<sup>90</sup> U.S. Dep’t of State, Cable, Austria: Sniper Rifles to Iran: Company Head Remains Hard Over (Feb. 4, 2005), [https://wikileaks.org/plusd/cables/05VIENNA331\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA331_a.html).

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

<sup>93</sup> “Steyr Mannlicher supplies weapons to Iran,” *Der Standard* (Feb. 9, 2005) (translated by Google), <https://www.derstandard.at/story/1945659/steyr-mannlicher-liefert-waffen-an-iran>.

<sup>94</sup> *Id.*

<sup>95</sup> “Austria Denies Responsibility For Rifles Ending Up In Iraq,” *Dow Jones International News* (Feb. 13, 2007).

73. Over the next several months after Fűrlinger's meeting with U.S. officials, Steyr doubled down. On information and belief, Steyr shipped the final 30 of the 800 HS .50 rifles to Iran *after* the intervention by U.S. officials—and *after* Steyr was explicitly warned that Iran would provide Steyr's rifles to terrorists to attack Americans in Iraq.<sup>96</sup>

74. Steyr also continued making additional arrangements to supply more arms to the Iranians. Fűrlinger had taunted U.S. officials, explaining that “the sniper rifle contract was only a small part of the entire arms relationship he was developing with Iran,” constituting only “some 20 percent of his total projected sale to Iran” with “25-28 million euros in contracts remain[ing].”<sup>97</sup> “If you don't like the sniper rifles,” he threatened menacingly, “you'll really hate what comes next.”<sup>98</sup> “There's more to come,” Fűrlinger told the *Wirtschaftsblatt* in February 2005 about Steyr's business with Iran. “Iran is a future market for us. It's a good business for us.”<sup>99</sup>

75. In mid-2005, Fűrlinger discussed further arms sales—including additional HS .50 rifles, AUG assault rifles, and other equipment—with Iran's Ministry of Defense. Steyr applied for a license to export AUGs to Iran, but the Austrian government denied it.<sup>100</sup> Even then, Steyr

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<sup>96</sup> U.S. Dep't of State, Cable, Steyr-Mannlicher: Reloading After Sanctions (Oct. 12, 2006), [https://wikileaks.org/plusd/cables/06VIENNA3028\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA3028_a.html) (recounting Fűrlinger's statement to U.S. officials that the first five shipments occurred “every second week between November [2004] and January 2005” but that “Fuerlinger did not specify the date of the final shipment” of 30 rifles).

<sup>97</sup> U.S. Dep't of State, Cable, Austria: Sniper Rifles to Iran: Company Head Remains Hard Over (Feb. 4, 2005), [https://wikileaks.org/plusd/cables/05VIENNA331\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA331_a.html).

<sup>98</sup> *Id.*

<sup>99</sup> “Steyr Mannlicher supplies weapons to Iran,” *Der Standard* (Feb. 9, 2005) (translated by Google).

<sup>100</sup> U.S. Dep't of State, Cable, Steyr-Mannlicher: Reloading After Sanctions (Oct. 12, 2006), [https://wikileaks.org/plusd/cables/06VIENNA3028\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA3028_a.html). *See also* CNS, *International Expert*

persisted. It sought to evade Austrian export restrictions by establishing a manufacturing operation in Malaysia and exporting the weapons manufactured in Malaysia to Iran. According to the head of Austria's export control agency, Steyr had "specifically inquired" in early-to-mid 2005 "whether or not Steyr-Mannlicher would need an export license to transfer technology via 'intangible media,' i.e., via computer" and was told that no license was needed prior to October 1, 2005, when a new law went into effect.<sup>101</sup> The head of Austria's export control agency assessed in December 2005 that Steyr "ha[d] probably already transferred the weapons technology electronically" to Malaysia or Iran "based on the loophole in the old [law]."<sup>102</sup> Indeed, Furlinger admitted to U.S. officials that "he had set up shop in Malaysia in a joint venture" because "Austria had made it impossible to transfer technology."<sup>103</sup> He further admitted that "the region" (i.e., Iran), which was Steyr's "primary source of contracts," "was the reason for the establishment of a production facility in Southeast Asia."<sup>104</sup> On information and belief, based on the foregoing, Steyr supplied additional weapons, including additional HS .50 sniper rifles, to Iran in 2005 through its Malaysian subsidiary.

76. At the same time, Steyr knowingly enabled Iran to copy its HS .50 design so that more of the rifles could be produced domestically in Iran. Furlinger acknowledged to U.S.

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*Control Observer* at 12-13 (Feb. 2006) (quoting "Chief of Austria's Mannlicher Company: U.S. Embargo over Iran Deal 'Absurd'," *Vienna Kurier* (Dec. 29, 2005)) (which reported that Furlinger complained that Steyr wanted to do additional/larger arms deals with Iran, but the authorities did not approve any further exports after February 2005).

<sup>101</sup> U.S. Dep't of State, Cable, Iran Nonproliferation Act of 2000: Demarche on Steyr-Mannlicher Sanctions Delivered (Dec. 19, 2005), [https://wikileaks.org/plusd/cables/05VIENNA3912\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA3912_a.html)

<sup>102</sup> *Id.*

<sup>103</sup> U.S. Dep't of State, Cable, Austria: Sniper Rifles to Iran: Company Head Remains Hard Over (Feb. 4, 2005), [https://wikileaks.org/plusd/cables/05VIENNA331\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA331_a.html).

<sup>104</sup> *Id.*

officials that the HS .50's "design is very simple" and that Steyr "was aware," purportedly "via the internet," of "Iranian attempts to copy the HS .50."<sup>105</sup> Yet, Steyr sought "no guarantees" that Iran would not reverse-engineer the HS .50, and Iran in fact "allowed [Fürlinger] to view the production line" at the Iranian procurement company that purchased Steyr's rifles while Fürlinger spent two days in Tehran.<sup>106</sup> On information and belief, Steyr provided Iran with information that helped it manufacture the HS .50. *See infra* Section III. At a minimum, Steyr provided the prototypes—800 rifles—while knowing or recklessly disregarding that Iran would reverse-engineer them.

77. In December 2005, the U.S. government sanctioned Steyr under the Iran Nonproliferation Act of 2000 for transferring controlled equipment and technology to Iran.<sup>107</sup> Yet Steyr kept lying. Fürlinger contacted the U.S. Embassy in January 2006, concerned that the sanctions would prevent him from competing for the U.S. Army assault rifle contract. He claimed to have been "completely unaware" of the prospect of U.S. sanctions. U.S. officials considered this "disingenuous," in light of Fürlinger's meeting a year earlier when he had told U.S. officials he was "well aware" of the Iran Non-Proliferation Act.<sup>108</sup> Fürlinger also claimed his sale of the 800 HS .50 rifles was a "a one-time deal," after which he decided to stop selling to

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<sup>105</sup> U.S. Dep't of State, Cable, Steyr-Mannlicher: Reloading After Sanctions (Oct. 12, 2006), [https://wikileaks.org/plusd/cables/06VIENNA3028\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA3028_a.html).

<sup>106</sup> *Id.*

<sup>107</sup> *Bureau of International Security and Nonproliferation; Imposition of Nonproliferation Measures Against Foreign Entities, Including a Ban on U.S. Government Procurement, and Removal of Penalties From One Entity*, 70 Fed. Reg. 77441 (Dec. 30, 2005).

<sup>108</sup> U.S. Dep't of State, Cable, Iran Non-Proliferation Act (INPA) Sanctions on Steyr-Mannlicher: Company President Wants to "Earn" Reversal of Sanctions, [https://wikileaks.org/plusd/cables/06VIENNA232\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA232_a.html); U.S. Dep't of State, Cable, Austria: Sniper Rifles to Iran: Company Head Remains Hard Over (Feb. 4, 2005), [https://wikileaks.org/plusd/cables/05VIENNA331\\_a.html](https://wikileaks.org/plusd/cables/05VIENNA331_a.html).

Iran—a claim belied by his earlier statements about additional business with Iran and his subsequent admission that he had discussed further sales in mid-2005 and even visited Tehran.<sup>109</sup>

78. U.S. officials viewed those statements as “a far cry from what he told us in February 2005.”<sup>110</sup> And when confronted about the discrepancy, “he simply denied ever having made” his prior statements.<sup>111</sup> As the U.S. government concluded in a diplomatic cable, Furlinger “did his best to send more shipments to Iran, filing for multiple Austrian export permits” and “stopped not because of an internal business decision, but because the U.S. and Austrian governments cooperated to block him.”<sup>112</sup>

### **III. Iran’s Terrorist Proxies Used Steyr’s Sniper Rifles To Attack Americans In Iraq.**

79. Steyr’s choice to deliver hundreds of HS .50 rifles to Iran had grave consequences for the Americans in Iraq. Almost immediately—and exactly as expected—the HS .50 rifles Steyr sold to Iran were provided to Hizballah and JAM terrorists in Iraq and used to attack U.S. forces. Also as expected, the rifles that Steyr provided were used as blueprints to manufacture even more HS .50 rifles in Iran based on Steyr’s design.

80. To support the campaign against U.S. forces in Iraq, Iran began in 2005 to “open[] the floodgates” to provide massive amounts of weapons to its terrorist proxies there.<sup>113</sup> Iran’s role in supplying these weapons was underscored in December 2006, when U.S. forces in

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<sup>109</sup> U.S. Dep’t of State, Cable, Iran Non-Proliferation Act (INPA) Sanctions on Steyr-Mannlicher: Company President Wants to “Earn” Reversal of Sanctions, [https://wikileaks.org/plusd/cables/06VIENNA232\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA232_a.html).

<sup>110</sup> *Id.*

<sup>111</sup> *Id.*

<sup>112</sup> *Id.*

<sup>113</sup> Michael Knights, “The Evolution of Iran’s Special Groups in Iraq,” *CTC Sentinel* (publication of the Combating Terrorism Center at West Point) (Nov. 2010).

Iraq detained two senior Iranian operatives. According to a *Washington Post* report, “the captured Iranians had detailed weapons lists” and “documents pertaining to shipments of weapons into Iraq.”<sup>114</sup> As a JAM commander told journalists in June 2007, “All of the Mahdi Army’s weapons except for the AK-47 rifles come from Iran.”<sup>115</sup> And as one military official put it in August 2007, JAM “would be unable to conduct their terrorist attacks in Iraq without Iranian-supplied weapons.”<sup>116</sup>

81. As one scholar summarized, Iran “provided its Iraqi proxies with advanced weapons, including light and heavy mortars, 107-mm and 240-mm rockets, . . . and explosively-formed penetrators (EFPs), capable of penetrating tank armor.”<sup>117</sup> Those weapons also included “advanced large-caliber sniper rifles”—*i.e.*, Steyr’s HS .50.

82. The impact was immediate. According to U.S. defense sources cited in media reports, “Within 45 days of the first HS50 Steyr Mannlicher rifles arriving in Iran, an American officer in an armoured vehicle was shot dead by an Iraqi insurgent using the weapon.”<sup>118</sup> Numerous other attacks followed.

83. Moreover, U.S. forces discovered Steyr HS .50 rifles among insurgent arms caches in Iraq. As *The Telegraph* reported in early 2007, citing “U.S. defence sources”: “Over the last six months, American forces have found small caches of the [HS .50] rifles but in the last

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<sup>114</sup> Sudarsan Raghavan & Robin Wright, “Iraq Expels 2 Iranians Detained by U.S.; American Defense Official Calls Release ‘Obviously Troubling,’” *The Washington Post* (Dec. 30, 2006).

<sup>115</sup> Leila Fadel, Chilling Stories from the Mahdi Army, *McClatchy DC* (June 22, 2007).

<sup>116</sup> Kagan, *supra* note 47 (citing Press Briefing by Multi-National Force-Iraq Deputy Chief of Staff for Strategic Effects Brigadier General Kevin Bergner, Security Operations in Iraq).

<sup>117</sup> *Id.*

<sup>118</sup> Thomas Harding, “Iraqi insurgents using Austrian rifles from Iran,” *The Telegraph* (Feb. 13, 2007).

24 hours a raid in Baghdad brought the total to more than 100.” The U.S. defense sources told *The Telegraph* that the rifles were part of the shipment of 800 rifles that Steyr had exported to Iran.<sup>119</sup> The day after the publication of the *Telegraph* article, Major General William Caldwell confirmed in a “Bloggers Roundtable” press conference that some of the Steyr .50 HS rifles that had been sold to Iran had been recovered in Iraq.<sup>120</sup>

84. While different U.S. military sources stated a month later that they had been unable to confirm recovery of Steyr HS .50 rifles by American military forces in Iraq, subsequent evidence recovered by the U.S. Army proved that Steyr HS .50 sniper rifles *were* present in Iraq during this time period and were used by terrorists against Americans there. Specifically, according to a U.S. military Significant Action (SIGACT) report published by *Wikileaks*, on July 17, 2008, a civilian contractor was struck in the outer thigh by a sniper’s shot at Forward Operating Base (FOB) Prosperity in the Green Zone of Baghdad. The contractor was transported to the combat support hospital for treatment, where the bullet was extracted. The bullet was turned over to embassy personnel and, after analysis, and was determined to have been fired from a “HS-50 .50 Caliber Steyr.”<sup>121</sup>

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<sup>119</sup> *Id.*

<sup>120</sup> Bill Roggio, “Iranian sniper rifles in the hands of Iraqi insurgents,” *FDD’s Long War Journal*, cmts. 12:06 p.m. – 1:26 p.m. (Feb. 14, 2007).

<sup>121</sup> SIGACT Report, <https://wikileaks.org/irq/report/2008/07/IRQ20080717n11173.html>. Although the report, accessible at this link, redacts the name and model of weapon, the search hit on the word “Steyr” that leads to this SIGACT report is not redacted:

85. The Steyr HS .50 rifles used by and recovered from Iran's terrorist proxies in Iraq came from the shipment of 800 rifles that Steyr sold to Iran in late 2004 and early 2005. At that time, Steyr had only produced about 1,500-2,000 HS .50 rifles in total, and Iran was the only country outside of the U.S., Canada, Germany, and France, to which Steyr HS .50 rifles had been shipped.<sup>122</sup>

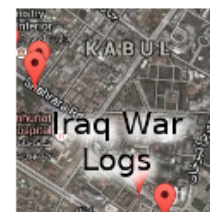
86. In 2008, the HS .50 rifle began proliferating even more broadly among terrorists in Iraq. As had been expected, the rifles that Steyr provided were used as blueprints to manufacture even more of them. Iran's domestically manufactured HS .50 rifle was called the "AM-50 Sayyad,"<sup>123</sup> and was virtually identical to the version Steyr manufactured. Iran managed to produce more HS .50 rifles remarkably quickly after receiving Steyr's original shipment,<sup>124</sup>

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Iraq War Logs



| Created    | Released   |
|------------|------------|
| 2008-07-17 | 2010-10-22 |

<sup>122</sup> U.S. Dep't of State, Cable, Steyr-Mannlicher: Reloading After Sanctions (Oct. 12, 2006), [https://wikileaks.org/plusd/cables/06VIENNA3028\\_a.html](https://wikileaks.org/plusd/cables/06VIENNA3028_a.html) (quoting Furlinger as saying that Steyr only started producing the HS .50 rifle in 2002, and Furlinger told U.S. officials that Steyr had only produced about 1,500-2,000 HS .50 rifles and that Steyr's primary customers for the rifles were Canada, the U.S., Germany, and France, and, "to my knowledge no other Middle Eastern country" other than Iran).

<sup>123</sup> Gao, *supra* note 9 (noting that as soon as Steyr sold the 800 HS .50 rifles to Iran "expectedly, Iranian defense organizations started producing copies of the [HS .50] rifle called AM-50 Sayyad.") (emphasis added).

<sup>124</sup> Upon information and belief, the first documented recovery of an Iran-manufactured HS .50 was in March 2008 in Afghanistan, where U.S. forces found an Iran-manufactured .50 caliber

and it wasted no time distributing these weapons “to Iranian proxies and Iranian-aligned militias across the entire Middle East region.”<sup>125</sup>

87. As early as 2008, Iran-manufactured HS .50 rifles were recovered from insurgents in Iraq.<sup>126</sup> The Iran-manufactured HS .50 has been documented as being used by Iran’s terrorist proxies throughout the Middle East, including Hizballah and JAM.<sup>127</sup>

88. Steyr attempted to disclaim responsibility for the copies Iran made of its rifle. But as Austrian Parliament Member Petra Bayr observed, “regardless of whether they are originals or copies, it is Austrian weapons technology being used . . . in the hands of terrorists.”<sup>128</sup>

#### **IV. Plaintiffs Were Injured By Terrorists Targeting Them With HS .50 Sniper Rifles During the Battle of Sadr City.**

##### **A. Hizballah and JAM Used HS .50 Sniper Rifles to Terrorize and Impede U.S. Forces.**

89. As described *supra* in Section I.D, Hizballah and JAM dedicated all of their resources to delaying and impeding the U.S. effort to construct the Gold Wall separating Sadr

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anti-materiel sniper rifle with a probable 2005 production date. U.S. Dep’t of State, Cable, *General Guidance on Iran Participation in International Defense Expos* (June 23, 2008), [https://wikileaks.org/plusd/cables/08STATE67212\\_a.html](https://wikileaks.org/plusd/cables/08STATE67212_a.html). As detailed below, the weapons began appearing in Iraq around the same time.

<sup>125</sup> Gao, *supra* note 9. Accord Conflict Armament Research, “Technical Report: Iranian AM-50 12.7x99-mm anti-materiel rifle” (Sep. 2021) (“soon after” Iran acquired the 800 HS .50 rifles from Steyr in 2004-2005, copies “manufactured in Iran under the model designation AM-50, began to appear in conflict zones”); Emanuele Ottolenghi, “Iran’s Deceptive Commercial Practices,” Besa Center Perspectives Paper No. 41 (Apr. 15, 2008) (“Soon after the delivery [of the 800 Steyr HS .50 rifles], Iran’s defense industries engaged in reverse engineering for the sniper rifles and quickly managed to produce its own version—which the IRGC is now busy distributing to insurgents across the Middle East.”).

<sup>126</sup> Conflict Armament Research, *supra* note 125 (citing *The Endgame: The Inside Story of the Struggle for Iraq, from George W. Bush to Barack Obama*).

<sup>127</sup> “Steyr .50 HS,” GlobalMilitary.net, <https://www.globalmilitary.net/firearms/steyr-50-hs/> (last visited May 29, 2026).

<sup>128</sup> [https://www.parlament.gv.at/dokument/XXVII/J/17221/fnameorig\\_1604898.html](https://www.parlament.gv.at/dokument/XXVII/J/17221/fnameorig_1604898.html).

City from the Ishbiliyah and Habbibiyah neighborhoods. The attacks on U.S. forces during the Battle of Sadr City employed the terrorists' most lethal weapons, including the HS .50 sniper rifle, which played an integral role in delaying, impeding, and terrorizing U.S. forces.

90. According to then-Col. John Hort, commander of the 3-4 BCT during Operation Gold Wall, "'Hezbollah in Iraq' snipers, using Steyr .50 caliber sniper rifles, launched attacks on the U.S. forces building the wall."<sup>129</sup> According to one soldier's memoirs, JAM would also sometimes "hit a passing convoy with semi-automatic .50 caliber sniper rifles, using armor-piercing rounds to punch through our ballistic glass and kill the man sitting on the other side."<sup>130</sup>

91. In addition, as shown below, U.S. forces were using a large crane to lift the concrete panels of the Gold Wall on steel cables and put them into place, and "[i]nsurgent sharpshooters often targeted the crane's cables or the person disconnecting the T-wall."<sup>131</sup> With .50 cal rifles, Hizballah and JAM snipers often fired at the crane operators, fired at the soldiers who needed to climb up on a ladder to unhook the crane cable after each section of the wall was put in place, and fired at the crane cable itself. A sniper even successfully hit the crane cable with a rifle round, severing the cable. Given the difficulty of hitting such a target, the sniper was very likely a highly-trained Hizballah operative armed with an HS .50—the only weapon available to terrorists that would be so accurate at long distances and capable of severing the heavy steel cable. U.S. forces determined that a Steyr .50 caliber sniper rifle had been used.<sup>132</sup>

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<sup>129</sup> Johnson, Markel, & Shannon, *supra* note 51 at 25.

<sup>130</sup> Konrad R.K. Ludwig, *Stryker: The Siege of Sadr City*, 86 (2013).

<sup>131</sup> John Spencer, et al., *Urban Warfare Project Case Study #11: Battle of Sadr City*, Modern War Institute, West Point, Jan. 14, 2025.

<sup>132</sup> Johnson, Markel, & Shannon, *supra* note 51 at 74-75.



92. The threat to the crane from .50 cal rifles was “particularly troublesome” for the wall-building effort, as “replacing the cable could take all day” and the terrorists could have “delayed progress indefinitely simply by shooting the crane cable every so often.”<sup>133</sup> The persistent threat from snipers with .50 cal rifles was also a harrowing prospect for U.S. soldiers engaged in the effort to build the Gold Wall, who were terrified that they could be hit by a sniper any time they exited their vehicles. The sniper threat thus slowed U.S. forces down and exposed them to other dangers as they raced to complete the Gold Wall.

93. The sniper threat prompted U.S. forces, for example, to conduct much of the construction work for the wall at night, to make it harder for snipers to strike the soldiers and the cable. But nighttime work presented additional dangers and delays. It was more difficult for the

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<sup>133</sup> Johnson, Markel, & Shannon, *supra* note 51 at 75.

construction crews to maneuver at night, and working at night gave the terrorists time to place IEDs along the route during the day. U.S. forces had to engage in slow and dangerous route-clearance efforts exposed to terrorist attacks before construction crews could reach the site, and “[s]ometimes the route clearance effort would take all night, leaving no time for actual wall construction.”<sup>134</sup>

94. U.S. forces also “transitioned from armored Humvees and MRAPs to M2 Bradley Fighting Vehicles and M1A2 Abrams tanks,” which had enough heavy armor to withstand a .50 caliber bullet.<sup>135</sup> But these vehicles were slower and more difficult to maneuver, exposing U.S. forces to ambushes, IEDs, and other risks.

95. As another example, U.S. forces had to deploy extra soldiers to protect the crane, the soldiers operating the crane, other soldiers assisting with building the wall, and those clearing the route to and from the construction site. The image below shows U.S. forces protecting a soldier climbing up on a ladder to unhook the crane cable after a section of the wall was lowered into place. These soldiers providing cover security became additional targets for the terrorists as they traveled to and from the construction site, staged in bases nearby, and guarded the U.S. forces working there.

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<sup>134</sup> *Id.* at 72-73.

<sup>135</sup> Spencer, et al., *supra* note 135131.



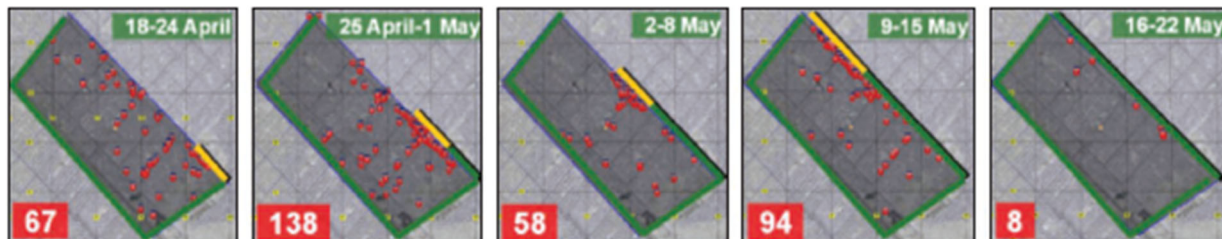
96. The .50 caliber sniper threat and its associated countermeasures were thus major variables in a complex equation by which U.S. forces were exposed to extraordinary risk from a variety of interrelated threats throughout the time they were building the Gold Wall. As an embedded journalist with *Radio Free Europe* described the chaotic scene on May 7, 2008, “‘You go high, I’ll go low—on the count of three,’ a soldier from Charlie Company, 1st Battalion, 68th Armor Regiment, yelled to another on a recent afternoon. The two were returning fire on snipers . . . who were hiding in a nearby building and firing on troops constructing the barrier.” Moments later “the two let loose with long volleys of rifle fire at the top and the bottom of a building as other soldiers moved a new section of barrier into place.” These efforts continued amid “daily ambushes by gunmen” and “snipers firing from nearby alleyways and building[s].”<sup>136</sup> Another

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<sup>136</sup> Richard Tomkins, *Iraq: U.S. Troops, Shi’ite Gunmen Battle Daily in Al-Sadr City*, Radio Free Europe, May 7, 2008.

account described one harrowing day: “As was typical of many attacks, a 1-2 SCR platoon was caught in a complex ambush involving small arms, rocket-propelled grenades, and IEDs, with an EFP hitting one of its Stryker vehicles while trying to reestablish a checkpoint. On its way to support the platoon, a second platoon was caught in another complex ambush that disabled one of the platoon’s two M1A2 Abrams tanks when it was struck by an EFP. On the way out, the initial platoon was struck by six more IEDs.”<sup>137</sup>

97. In sum, the .50 caliber sniper threat required more U.S. soldiers to be put at risk on the ground in Sadr City for a longer period of time than would otherwise have been needed if U.S. forces had not faced such a threat. The following graphic from a RAND study depicts the wall’s slow progress and the number of enemy attacks by week until it was completed.<sup>138</sup> The thick green line shows the wall’s completion, the yellow line shows the progress made each week, the red dots the location of terrorist attacks, and the white numbers in the red box the number of attacks. Every day the completion of the wall was delayed, U.S. forces faced more attacks from the neighborhoods the wall was designed to seal off, and not until the wall was fully completed on May 22, 2008, did the attacks finally wane.<sup>139</sup>



<sup>137</sup> Spencer, et al., *supra* note 135131.

<sup>138</sup> Johnson, Markel, & Shannon, *supra* note 51 at 77.

<sup>139</sup> *Id.*

**B. Plaintiffs Were Injured As a Result.**

98. Plaintiffs are U.S. servicemembers (and their families) who were targeted by snipers with HS .50 rifles and killed or injured during the construction of the Gold Wall.

99. Each servicemember was subject to sniper fire or the constant threat of being targeted by snipers while working to construct the wall or perform related tasks. Each experienced severe physical or emotional pain and suffering as a result. And each servicemember was ultimately killed or physically injured by the terrorists who targeted them.

100. Each of the attacks described below was planned, authorized, and/or committed by Hizballah, working together with JAM.

**1. U.S. Army Sergeant Benjamin A. Zibutis**

101. On or about April 27, 2008, Plaintiff Benjamin A. Zibutis, a U.S. Army Sergeant with the 1-2 SCR, was attacked by a sniper while returning from patrol near Route Gold. The sniper's bullet struck SGT Zibutis in his right arm.

102. SGT Zibutis experienced severe physical and emotional pain and suffering as a result of the attack and the injuries he sustained during the attack. SGT Zibutis now suffers from Traumatic Brain Injury, PTSD, severe knee and back pain, nerve damage, and scarring to the right arm as a result of the attack.

**2. U.S. Army Sergeant Mark E. Thomsen**

103. In March and April 2008, Plaintiff Mark E. Thomsen, a Sergeant in the U.S. Army, was serving with the 1-2 SCR, the regiment that bore the brunt of the initial fighting in the area where U.S. forces were constructing the wall during the Battle of Sadr City. He sustained numerous injuries while protecting and supporting the building of the wall.

104. On or about March 25, 2008, while engaged in these duties, SGT Thomsen's Stryker vehicle was destroyed by an EFP and then targeted by snipers and others in a complex attack. While the vehicle burned to the ground around him, SGT Thomsen maintained his position at the vehicle's machine gun, engaging terrorists while under heavy sniper and RPG fire. Only when everyone was evacuated from the burning vehicle did he leave his position, but he immediately took up security of the vehicle while continuing to be targeted by the terrorists for six hours until recovery assets arrived. Within an hour after being rescued, SGT Thomsen returned to the fight for nearly 72 more hours, with little to no rest, where he was engaged by more sniper fire, as well as small arms, RPGs, and mortars. In addition, on or about April 28, 2008, SGT Thomsen was injured when rockets hit the Joint Security Station (JSS) in Sadr City. SGT Thomsen experienced severe physical and emotional pain and suffering as a result of these attacks and the injuries he sustained during the attacks, including Traumatic Brain Injury and PTSD. Plaintiffs Ralph Louis Thomsen and Ardell Lee Thomsen are the parents of SGT Thomsen. As a result of the attack and SGT Thomsen's injuries, Ralph Louis Thomsen and Ardell Lee Thomsen have experienced severe mental anguish, emotional pain, and suffering.

**3. U.S. Army Staff Sergeant Brandon T. Josey**

105. In April 2008, Plaintiff Brandon T. Josey, U.S. Army Staff Sergeant, was serving with an armor company providing protection to U.S. forces building the wall and endured multiple attacks by Hizballah and JAM aimed at stopping the wall's construction.

106. On or about April 22, 2008, SSG Josey was part of a group providing cover for wall construction along Route Gold, including to protect others from snipers, when the buildings surrounding him were hit with RPGs, mortar, and makeshift rocket fire. SSG Josey was knocked unconscious and received a Traumatic Brain Injury from the attack.

107. In addition, on or about April 21, 2008, SSG Josey survived another attack while at the Joint Security Station in Sadr City when improvised rockets exploded nearby, resulting in glass and metal shards in his arms and legs, a concussion, vomiting, headaches, and an inability to sleep.

108. SSG Josey was also injured in an attack on April 28, 2008, when the Joint Security Station (“JSS”) in Sadr City was hit by improvised rockets. He suffered from a concussion, glass and metal shrapnel in his legs and arms, TBI, and bulging disks.

109. SSG Josey experienced severe physical and emotional pain and suffering as a result of these attacks and the injuries he sustained during the attacks.

#### **4. U.S. Army Staff Sergeant Anthony Farina**

110. On or about April 27, 2008, Plaintiff Anthony Farina, a U.S. Army Staff Sergeant who was deployed with the 3-4 BCT and constantly targeted by snipers, was on foot, overseeing the construction of the concrete wall along Route Gold in Sadr City, when his unit was attacked. An RPG knocked SSG Farina unconscious. SSG Farina suffered shrapnel to his neck, a Traumatic Brain Injury, and PTSD. SSG Farina experienced severe physical and emotional pain and suffering as a result of the attack and the injuries he sustained during the attack.

#### **5. U.S. Army National Guard Sergeant Adam J. Magers**

111. In April 2008, Plaintiff Adam J. Magers, a U.S. Army National Guard Sergeant, was serving with the 1138th Sapper Company supporting the Battle of Sadr City and Operation Gold Wall, where he was constantly targeted by snipers.

112. On or about April 28, 2008, SGT Magers was resting and refitting at JSS Sadr City when it was hit by improvised rockets. SGT Magers suffered a Traumatic Brain Injury, tinnitus, nausea with vomiting, several lacerations on his left arm, hands, and right ear, and small

cuts to the back of his neck, along with a shoulder injury and severe emotional trauma. In addition, on May 9, 2008, SGT Magers was conducting Route Clearance Operations on Route Gold when his vehicle was hit by an EFP. SGT Magers suffered a Traumatic Brain Injury, hearing changes, tinnitus, and dizziness.

113. SGT Magers experienced severe physical and emotional pain and suffering as a result of these attacks and the injuries he sustained during the attacks.

#### **6. U.S. Army Sergeant John Kyle Daggett**

114. On or about May 1, 2008, U.S. Army Sergeant John Kyle Daggett was working as part of a team repositioning a Stryker vehicle near Route Gold, to provide protection to the troops building the wall, including from snipers, when he was hit by an RPG. SGT Daggett was severely wounded and died on May 15, 2008, as a result of the injuries sustained during the attack.

115. Plaintiff Colleen Czaplicki is the mother of SGT Daggett and she brings claims both in her individual capacity and in her representative capacity on behalf of the Estate of John Kyle Daggett. Plaintiff John Daggett is the father of SGT Daggett. Plaintiff Kendall Lynne Rasmusson is the sister of SGT Daggett. As a result of the attack and SGT Daggett's injuries and death, John Daggett, Colleen Czaplicki, and Kendall Lynne Rasmusson have experienced severe mental anguish, emotional pain, and suffering, and the loss of SGT Daggett's society, companionship, and counsel. As a representative of the Estate of SGT Daggett, Plaintiff Colleen Czaplicki is also entitled to recover for the damages SGT Daggett sustained.

#### **7. U.S. Army Sergeant Andres Vazquez**

116. In April and May 2008, Plaintiff Andres Vazquez, U.S. Army Sergeant, was deployed with armored units supporting Operation Gold Wall. His primary duties included

loading and maintaining a heavily armored tank needed in part to protect U.S. forces from .50 caliber sniper fire. As a loader, he went on more than 20 combat patrols to secure construction and security of the wall. Most of these patrols received heavy fire, including from snipers.

117. On or about May 4 or 5, 2008, SGT Vazquez's tank was hit by RPGs. SGT Vazquez sustained a Traumatic Brain Injury, concussion-related injuries, and damage to his right ankle during this attack. SGT Vazquez experienced severe physical and emotional pain and suffering as a result of the attack and the injuries he sustained during the attack, including migraines, photosensitivity, audio sensitivity, and memory issues.

118. Plaintiff Barbara Caridad Palacio-Vazquez is the wife of SGT Vazquez. Plaintiffs Jayleen Barbara Vazquez, Melissa Grace Vazquez, and Alexandria Vazquez are the children of SGT Vazquez. As a result of the attack and SGT Vazquez's injuries, Barbara Caridad Palacio-Vazquez, Jayleen Barbara Vazquez, Melissa Grace Vazquez, and Alexandria Vazquez have experienced severe mental anguish, emotional pain, and suffering.

#### **8. U.S. Army Sergeant Michael J. Briggs**

119. Plaintiff Michael J. Briggs, U.S. Army Sergeant, was also a tanker attached to the 1-2 SCR in support of Operation Gold Wall and the Battle of Sadr City.

120. On or about May 4 or May 5, 2008, SGT Briggs was traveling in the same armored tank as SGT Vazquez when the RPGs struck the tank. SGT Briggs was wounded in the attack and sustained a severe concussion. He has experienced severe physical and emotional pain and suffering as a result of the attack and the injuries he sustained during the attack, including Traumatic Brain Injury, migraines, hearing loss, a slipped disk in his neck, and nerve damage to his arms as a result of a compression of the spine.

121. Plaintiff Takarra Lyn Briggs is the wife of SGT Briggs. Plaintiff Macayla Jade Nielson is the daughter of SGT Briggs. Plaintiff Milan J. Briggs is the son of SGT Briggs. Plaintiff Michael David Briggs is the stepson of SGT Briggs, lived in the same household as SGT Briggs for a substantial period of time and considered SGT Briggs the functional equivalent of a biological father. As a result of the attack and SGT Briggs' injuries, Takarra Lyn Briggs, Macayla Jade Nielson, Milan J. Briggs, and Michael David Briggs have experienced severe mental anguish, emotional pain, and suffering.

### **CLAIM FOR RELIEF**

#### **Aiding and Abetting Under the Anti-Terrorism Act 18 U.S.C. § 2333(d)(2)**

122. Plaintiffs incorporate their factual allegations above.

123. To establish a claim for aiding and abetting under JASTA, 18 U.S.C. § 2333(d), Plaintiffs must show: (1) that they are U.S. nationals, or the estates, survivors, or heirs of U.S. nationals; (2) that they were injured by an act of "international terrorism," as defined by 18 U.S.C. § 2331(1); (3) that the act of international terrorism was committed, planned, or authorized by a designated FTO; (4) that Defendant was generally aware that it was playing a role in an overall illegal or tortious activity from which the act of international terrorism was a foreseeable consequence; and (5) that Defendant knowingly provided substantial assistance.

124. Every Plaintiff is a U.S. national, or the estate, survivor, or heir of a U.S. national.

125. The terrorist attacks that injured Plaintiffs were acts of "international terrorism" because:

- a. the attacks involved violent and dangerous acts that violate the criminal laws of the United States and many States (or would if committed in the United States). In particular, each attack constituted one or more of murder, attempted murder, conspiracy to murder,

assault, and arson, in violation of state law; and the destruction of U.S. property by fire or explosive, conspiracy to murder in a foreign country, killing and attempted killing of U.S. employees performing official duties, damaging U.S. government property, killing U.S. nationals abroad, use of weapons of mass destruction, commission of acts of terrorism transcending national boundaries, and bombing places of public use, in violation of 18 U.S.C. §§ 844(f)(2) or (3), 956(a)(1), 1114, 1203, 1361, 2332, 2332a, 2332b, and 2332f, respectively;

- b. the attacks, carried out by terrorists bent on expelling the United States and its allies from Iraq and the Middle East, appear to have been intended (i) to intimidate or coerce the civilian populations of Iraq, the United States, and other nations, (ii) to influence the policy of the U.S., Iraqi, and other governments by intimidation and coercion, and (iii) to affect the conduct of the U.S., Iraqi, and other governments by mass destruction, assassination, and kidnapping; and
- c. the attacks occurred primarily outside the territorial jurisdiction of the United States, in Iraq.

126. Each attack was committed, planned, or authorized by one or more FTOs, namely Hizballah, which was an FTO at all relevant times. To the extent any attack was committed by JAM, Hizballah planned and authorized the attack by cultivating, training, arming, coordinating, and enabling the JAM terrorists who committed it.

127. Defendant was generally aware that it was playing a role in wrongful activity. Defendant knew at all relevant times that it was providing the world's leading state sponsor of terrorism with inherently dangerous goods—sniper rifles highly desirable to terrorists—at a time

when Americans were being targeted by Iran's terrorist proxies in Iraq. Defendant knew or recklessly disregarded that Iran would supply those weapons to its terrorist proxies.

128. Defendant provided assistance to the terrorist attacks knowingly, and not innocently or inadvertently. As its CEO admitted to U.S. officials, Defendant's conduct was part of a deliberate, years-long scheme to enhance its lucrative relationship with Iran as its weapons supplier, despite Defendant's acute knowledge that Iran was arming terrorists.

129. In no way did Defendant merely engage in passive nonfeasance or routine transactions. Instead, it actively and affirmatively cultivated a close and ongoing relationship with Iran as its weapons supplier, obstructed and lied to U.S. officials to protect the relationship, and sought to expand it even after being directly warned by U.S. officials that this conduct would cause Americans to be injured and killed in terrorist attacks by Iran's proxies in Iraq.

130. Defendant's assistance was substantial. Defendant supplied at least 800 highly accurate and lethal anti-material sniper rifles which were used to deadly and terrifying effect against Americans. Defendant's state of mind was highly culpable, selling inherently dangerous weapons to the world's leading state sponsor of terrorism. Despite specific warnings from the U.S. government, Defendant sold its weapons to Iran and attempted to sell a great deal more.

131. The attacks that injured Plaintiffs were a foreseeable risk of Defendant's conduct. They were the specific risks warned of in years of government sanctions and public media reports, and risks that U.S. government officials directly warned the company about in the midst of the sale: namely, that the weapons they sold to Iran would be used to perpetrate terrorist attacks against Americans in Iraq. Defendant knew how lethal and precise these weapons were, and the carnage they would cause if placed in the hands of terrorists. Defendant also knew that

the sale of these 800 rifles would aid Iran in manufacturing countless more of its own, multiplying the deadly impact of the sale.

132. As a result of Defendant's liability under 18 U.S.C. § 2333(d), Plaintiffs are entitled to recover economic and non-economic damages, including solatium damages.

**JURY DEMAND**

133. In accordance with Federal Rule of Civil Procedure 38(b), Plaintiffs demand a trial by jury on all issues so triable.

**PRAYER FOR RELIEF**

134. Wherefore, Plaintiffs pray this Court:

- a. Enter judgment against Defendant finding it liable under the Anti-Terrorism Act, 18 U.S.C. § 2333;
- b. Award Plaintiffs compensatory and punitive damages to the maximum extent permitted by law, and treble any compensatory damages awarded under the Anti-Terrorism Act pursuant to 18 U.S.C. § 2333(a);
- c. Award Plaintiffs their attorneys' fees and costs incurred in this action, pursuant to 18 U.S.C. § 2333(a);
- d. Award Plaintiffs prejudgment interest; and
- e. Award Plaintiffs any such further relief the Court deems just and proper.

Dated: September 27, 2026

Respectfully submitted,

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