



# Department of Justice

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## **SUMMARY OF MAJOR U.S. EXPORT ENFORCEMENT AND EMBARGO-RELATED CRIMINAL PROSECUTIONS: 2007 TO THE PRESENT**

Below is a snapshot of some of the major export and embargo-related criminal prosecutions handled by the Justice Department since January 2007. These cases resulted from investigations by the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI), the Department of Commerce's Bureau of Industry and Security (BIS), the Pentagon's Defense Criminal Investigative Service (DCIS), and other law enforcement agencies. [This list of cases is not exhaustive and only represents select cases](#)

- ***Radiation-Hardened Aerospace Technology to China*** – On Sept. 30, 2011, defendants Hong Wei Xian, aka “Harry Zan,” and Li Li, aka “Lea Li,” were sentenced in the Eastern District of Virginia to 24 months in prison for conspiracy to violate the Arms Export Control Act and conspiracy to smuggle goods unlawfully from the United States, in connection with their efforts to export to China radiation-hardened microchips that are used in satellite systems and are classified as defense articles. Both defendants pleaded guilty to the charges on June 1, 2011. The defendants were arrested on Sept. 1, 2010 in Budapest by Hungarian authorities pursuant to a U.S. provisional arrest warrant. On April 4, 2011, they made their initial court appearances in federal court in the Eastern District of Virginia after being extradited from Hungary. According to court documents, Zan and Li operated a company in China called Beijing Starcreates Space Science and Technology Development Company Limited. This firm was allegedly in the business of selling technology to China Aerospace and Technology Corporation, a Chinese government-controlled entity involved in the production and design of missile systems and launch vehicles. According to court documents, from April 2009 to Sept. 1, 2010, the defendants contacted a Virginia company seeking to purchase and export thousands of Programmable Read-Only Microchips (PROMs). The defendants ultimately attempted to purchase 40 PROMs from the Virginia firm and indicated to undercover agents that the PROMs were intended for China Aerospace and Technology Corporation. The investigation was conducted by ICE and DCIS.
- ***Military Flight Simulation Technology to Iran*** – On Sept. 26, 2011, Hok Shek Chan was sentenced in the District of Massachusetts to 3 ½ years in prison for conspiring to obtain components for C-130 military flight simulators from the United States for delivery to Iran. On March 25, 2010, an indictment was unsealed in federal court charging Chan and two Malaysian nationals, Wong Fook Loy and Ngo Tek Chai, with conspiring to and attempting to illegally export munitions without the required licenses. According to the October 2008 indictment, Chan, a Hong Kong citizen, conspired with Loy and Chai, and others to cause the export of 10 indicators servo tachometers used in C-130 military flight simulators from the United States for use in Iran. Chan was extradited from Hong Kong to face the charges against him in Boston. The case was investigated by ICE, BIS, and DCIS.

the Nevada company. In response to questions from the Nevada company about the end-use of the welding wire, Jafari told the company that the materials “will not be exported from Turkey and will not be used for any nuclear, missile or chemical/biological weapons related applications,” the indictment alleges. The shipment was detained by the Commerce Department in 2007 before it left the country. The indictment alleges that Jafari and his conspirators were successful in causing several shipments of other materials to be exported from the United States to Iran via Turkey, including: three kilograms of custom-made brazing alloy, 1,366 pounds of commercial bronze bars, electronic testing equipment, U.S. fiber-optic equipment and aerosol generators for fire suppression systems. The investigation was conducted by BIS and FBI.

- ***Electronics Used in Military Radar & Electronic Warfare to China*** – On Jan. 27, 2011, Yufeing Wei was sentenced in the District of Massachusetts to 36 months in prison, while on Jan. 26, 2011, her co-defendant, Zhen Zhou Wu, was sentenced to 97 months in prison. Their company, Chitron Electronics, Inc. was fined \$15.5 million. Wei, Wu and Chitron Electronics, Inc. were convicted at trial on May 17, 2010 of conspiring for a period of more than ten years to illegally export to the People’s Republic of China military electronics components and sensitive electronics used in military phased array radar, electronic warfare and missile systems. Several Chinese military entities were among those receiving the exported equipment. Wu and Wei were also both convicted of filing false shipping documents with the U.S. government. As proven at trial, defendants illegally exported military electronic components to China through Hong Kong. The electronics exported are primarily used in military phased array radar, electronic warfare, military guidance systems, and military satellite communications. The defendants also illegally exported Commerce Department-controlled electronics components to China with military applications such as electronic warfare, military radar, and satellite communications systems. Wu founded and controlled Chitron, with headquarters in Shenzhen, China and a U.S. office located in Waltham, Mass., where defendant Wei served as Manager. Wu and Chitron sold electronics from the U.S. to Chinese military factories and military research institutes, including numerous institutes of the China Electronics Technology Group Corporation, which is responsible for the procurement, development and manufacture of electronics for the Chinese military. Since as early as 2002, Wu referred to Chinese military entities as Chitron’s major customer and employed an engineer at Chitron’s Shenzhen office to work with Chinese military customers. By 2007, 25% of Chitron’s sales were to Chinese military entities. Shenzhen Chitron Electronics Company Limited, Wu’s Chinese company through which U.S. electronics were delivered to the Chinese military and other end-users, was also indicted. On Feb. 9, 2011, Chitron-Shenzhen received a fine of \$1.9 million for refusing to appear for trial. Co-defendant Bo Li, aka Eric Lee, previously pled guilty to making false statements on shipping documents. The case was investigated by BIS; ICE; FBI; and DCIS.
- ***AK-47s and Other Firearms to Mexico*** – On Jan. 25, 2011, federal prosecutors in the District of Arizona announced that grand juries had returned five different indictments against 34 defendants accused of illegally trafficking firearms from the United States to Mexico. That day, law enforcement authorities in Arizona arrested 20 defendants charged in one indictment (*U.S. v. Avila et al*) with conspiring to purchase hundreds of firearms, including AK-47s, to be illegally exported to Mexico, by acting as “straw purchasers,” i.e., falsely declaring they were buying the weapons for themselves when they were purchasing them for others. Four other indictments (*U.S. v. Flores, U.S. v. Broome, U.S. v. Aguilar, and U.S. v. Abarca*) charged 14 additional defendants with making false statement during the purchase of a firearm, in connection with “straw purchases” of multiple firearms destined for Mexico. On Aug. 22, 2011, defendant Jeffrey David Broome was sentenced to 30 months in prison and three years supervised release, after pleading guilty on May 23, 2011 to conspiracy violations. Defendant Daniel Kevin Abarca pleaded guilty on Aug. 8, 2011 to false statements in connection with the acquisition of a firearm

and he was sentenced Aug. 10, 2011 to time served and three years supervised release. The investigations were conducted by an Organized Crime Drug Enforcement Task Force consisting of ATF, ICE, IRS, DEA, the Department of Agriculture and the Phoenix Police Department.

- ***Stealth Missile Exhaust Designs and Military Technical Data to China*** – On Jan. 24, 2011, a federal judge in the District of Hawaii sentenced Noshir Gowadia, 66, of Maui to 32 years in prison for communicating classified national defense information to the People’s Republic of China (PRC), illegally exporting military technical data, as well as money laundering, filing false tax returns and other offenses. On Aug. 9, 2010, a federal jury in the District of Hawaii found Gowadia guilty of 14 criminal violations after six days of deliberation and a 40-day trial. These included five criminal offenses relating to his design for the PRC of a low-signature cruise missile exhaust system capable of rendering a PRC cruise missile resistant to detection by infrared missiles. The jury also convicted Gowadia of three counts of illegally communicating classified information regarding lock-on range for infrared missiles against the U.S. B-2 bomber to persons not authorized to receive such information. Gowadia was also convicted of unlawfully exporting classified information about the B-2, illegally retaining information related to U.S. national defense at his home, money laundering and filing false tax returns for the years 2001 and 2002. Gowadia was an engineer with Northrop Grumman Corporation from 1968 to 1986, during which time he contributed to the development of the unique propulsion system and low observable capabilities of the B-2 bomber. Gowadia continued to work on classified matters as a contractor with the U.S. government until 1997, when his security clearance was terminated. Evidence at trial revealed that from July 2003 to June 2005, Gowadia took six trips to the PRC to provide defense services in the form of design, test support and test data analysis of technologies for the purpose of assisting the PRC with its cruise missile system by developing a stealthy exhaust nozzle and was paid at least \$110,000 by the PRC. The jury convicted Gowadia of two specific transmissions of classified information: a PowerPoint presentation on the exhaust nozzle of a PRC cruise missile project and an evaluation of the effectiveness of a redesigned nozzle, and a computer file providing his signature prediction of a PRC cruise missile outfitted with his modified exhaust nozzle and associated predictions in relation to a U.S. air-to-air missile. The prosecution also produced evidence which documented Gowadia’s use of three foreign entities he controlled, including a Liechtenstein charity purportedly for the benefit of children, to disguise the income he received from foreign countries. This case was investigated by FBI, the U.S. Air Force Office of Special Investigations, the IRS, U.S. Customs and Border Protection, and ICE.
- ***Ammunition Primers to Jamaica*** – On Jan. 24, 2011, Orville Andrew Braham, of Brockton, Mass., was indicted in the Southern District of Florida in connection with the transportation in his luggage of ammunition primers, which caused an explosion at the Miami International Airport on Dec. 28, 2010. Braham boarded a flight in Boston ultimately bound for Jamaica with hundreds of .45 caliber ammunition primers concealed in his luggage. The primers exploded when a baggage handler at the Miami airport placed the luggage on the ground. The investigation was conducted by FBI, ATF and Department of Transportation.
- ***Infrared Military Technology to South Korea*** – On Jan. 20, 2011, Kue Sang Chun, a former longtime employee at the NASA Glenn Research Center in Ohio and resident of Avon Lake, Ohio, pleaded guilty in the Northern District of Ohio to one count of violating the Arms Export Control Act and one count of filing false tax returns. He was charged in an information on Jan. 10, 2011. According to court documents, while working as an electrical engineer for NASA, Chun also operated a business out of his home through which he illegally exported U.S. munitions to the South Korea and performed consulting services for Korean businesses. Chun illegally exported several infrared focal plane array detectors and infrared camera engines, which are classified as defense articles on the U.S. munitions list, to South Korea for use in Korean