

NEWS RELEASE

Thomas P. O'Brien

United States Attorney Central District of California

For Immediate Distribution

February 23, 2009

Thom Mrozek, Public Affairs Officer (213) 894-6947
thom.mrozek@usdoj.gov
www.usdoj.gov/usao/cac

CHINESE MAN FOUND GUILTY OF ILLEGALLY EXPORTING SENSITIVE THERMAL-IMAGING TECHNOLOGY TO CHINA

LOS ANGELES – A Chinese national was found guilty today of two federal charges related to a plot to procure and export thermal-imaging cameras to the People's Republic of China without obtaining the necessary licenses.

Zhi Yong Guo, 50, a resident of Beijing, was convicted of conspiracy and exporting and/or attempting to export restricted items, charges that carry a statutory maximum sentence of 40 years in prison. A federal jury in Los Angeles returned the guilty verdicts following a one-week trial.

The charges relate to 10 cameras concealed in luggage destined for China in April 2008. The export of the thermal-imaging cameras to China are controlled by the Department of Commerce for national security and regional stability reasons because of their use in a wide variety of civilian and military applications. The thermal-imaging cameras can be used to observe things not otherwise visible to the naked eye.

Previously in this case, Tah Wei Chao, 53, of, Beijing, China, pleaded guilty to three felony counts: conspiracy, and two counts of exporting and/or attempting to export restricted items.

In March 2008, Chao ordered 10 thermal-imaging cameras from FLIR Systems, Inc. for \$53,000. Representatives from FLIR Systems repeatedly warned Chao that the cameras could not be moved outside of the United States without an export license issued by the Department of Commerce. Both Chao and Guo were arrested at Los Angeles International Airport in April 2008 after authorities

recovered the 10 cameras that had been hidden in their suitcases, stuffed in shoes and concealed in clothing. Each of the cameras had a warning sticker stating: "This product is an export controlled item. Authorization by the U.S. Government must be obtained prior to any shipment outside of the United States."

In addition to the 10 cameras intercepted by federal authorities in April 2008, Chao admitted that, acting at the behest of Guo, he shipped three cameras to China in October 2007. The evidence at trial showed that Guo, an engineer and a managing director of a technology development company in Bejing, directed Chao to obtain the cameras for Guo's clients, the Chinese Special Police and the Special Armed Police.

Both Chao and Guo were charged under the International Emergency Economic Powers Act and Export Administration Regulations for their procurement and illegal export of sensitive technology in violation of export laws.

"Sensitive United States technology is protected under federal law because its improper use by foreign nationals could have a significant impact on our national security," said United States Attorney Thomas P. O'Brien. "The efforts by several law enforcement agencies uncovered a plot to illegally send this technology to China. Our efforts demonstrate our unyielding desire to protect the interests of the United States and to keep our technology from falling into the wrong hands."

Salvador Hernandez, Assistant Director in Charge of the FBI in Los Angeles, stated: "The conviction of Mr. Guo for the illegal export of dual-use technology is another example of how dedication and cooperation by multiple federal agencies working together can protect national security. The FBI will continue to work with it partners to safeguard sensitive, protected technology."

Guo is scheduled to be sentenced by Judge Walter on May 11.

Chao pleaded guilty before Judge Walter last summer. Chao, who faces a statutory maximum penalty of 60 years in prison, is scheduled to be sentenced on March 16.

This case is the product of an investigation by the Export and Antiproliferation Global Law Enforcement (EAGLE) Task Force. The counterproliferation task force was created by the United States Attorney's Office for the Central District of California in conjunction with federal law enforcement agencies to jointly investigate and combat the illegal exports of arms and sensitive technologies. The members of the EAGLE Task Force that participated in this investigation are: the United States Department of Commerce, Bureau of Industry and Security, Office of Export and Enforcement; U.S. Immigration and Customs Enforcement; the Federal Bureau of Investigation; Customs and Border Protection; the Diplomatic Security Service and the Transportation Security Administration.

Anthony Levey, Special Agent in Charge of the Los Angeles Field Office of the Commerce Department's Office of Export Enforcement, stated: "This conviction demonstrates the successful working relationship between the U. S. Department of Commerce, its allied agencies, and the U.S. Attorney's Office. It also sends the message that the EAGLE Task Force will fully investigate and prosecute those who would violate U.S. export laws."

CONTACT: Assistant United States Attorney Rodin Rooyani
National Security Section
(213) 894-6595

Assistant United States Attorney Christopher Grigg National Security Section (213) 894-5429

Release No. 09-014