

March 26, 2013

Newark, NJ

## Former employee of New Jersey defense contractor sentenced for exporting sensitive military technology to China

NEWARK, N.J. — A former employee of a New Jersey-based defense contractor was sentenced Monday for exporting sensitive military technology to China, stealing trade secrets and lying to federal agents. The case was investigated by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI), FBI and U.S. Customs and Border Protection.

Sixing Liu, aka Steve Liu, 49, a Chinese national, who had recently lived in Flanders, N.J., and Deerfield, Ill., was sentenced to 70 months in prison. Liu was also ordered to serve three years of supervised release and pay a \$15,000 fine. Restitution is to be determined at a later date.

Liu was convicted by a federal grand jury in September 2012 and has remained in federal custody.

The jury convicted Liu of nine of the 11 counts in the second superseding indictment with which he was charged, including: six counts of violating the Arms Export Control Act and the International Traffic in Arms Regulations; one count of possessing stolen trade secrets in violation of the Economic Espionage Act of 1996; one count of transporting stolen property in interstate commerce; and one count of lying to federal agents.

"Today's sentencing underscores the potential global consequences when sensitive military weapons and technical data come into the wrong hands," said Andrew McLees, special agent in charge of HSI Newark. "HSI is determined to bring these criminals to justice and prevent criminal organizations from threatening our safety and security."

According to court documents, in 2010, Liu stole thousands of electronic files from his employer, L-3 Communications, Space and Navigation Division, located in Budd Lake, N.J. The stolen files detailed the performance and design of guidance systems for missiles, rockets, target locators and unmanned aerial vehicles. Liu stole the files to position and prepare himself for future employment in China. As part of that plan, Liu delivered presentations about the technology at several Chinese universities, the Chinese Academy of Sciences and conferences organized by Chinese government entities. However, Liu was not charged with any crimes related to those presentations.

Liu boarded a flight from Newark Liberty International Airport to China Nov. 12, 2010. Upon his return to the United States Nov. 29, 2010, HSI special agents found Liu in possession of a non-work-issued computer found to contain the stolen material. The following day, Liu lied to

HSI special agents about the extent of his work on U.S. defense technology, which the jury found to be a criminal false statement.

The U.S. Department of State later verified that several of the stolen files on Liu's computer contained export-controlled technical data that relates to defense items listed on the United States Munitions List.

Under federal regulations, items and data covered by the USML may not be exported without a license, which Liu did not obtain. The regulations also provide that it is the policy of the United States to deny licenses to export items and data covered by the USML to countries with which the United States maintains an arms embargo, which includes China.

<http://www.ice.gov/news/releases/1303/130326newark.htm>