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PRESS RELEASE

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Massachusetts Man Pleads Guilty to Conspiracy to Export Military Antennae to Singapore and Hong Kong

WASHINGTON – Rudolf L. Cheung, 57, a resident of Massachusetts, pled guilty today in federal court in the District of Columbia to conspiracy to violate the Arms Export Control Act in connection with the unlawful export of 55 military antennae from the United States to Singapore and Hong Kong.

The plea was announced by Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; Lisa Monaco, Assistant Attorney General for National Security; John Morton, Director of the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE); Mark Giuliano, Executive Assistant Director of the FBI's National Security Branch, and Eric L. Hirschhorn, Under Secretary for Industry and Security at the Commerce Department.

Cheung serves as the head of the Research & Development Department at a private company that manufactures antennae. Over the past 17 years, he has designed or supervised the development of a full library of antennae made by the firm, many of which have military applications and are used by defense contractors. Some of Cheung's inventions are used in the U.S. space program.

According to court documents filed in the case, in June 2006, a company in Singapore sent an inquiry to the firm that employs Cheung seeking a quotation for two types of antennae that are classified by the U.S. government as defense articles and may not be exported without a license or approval from the State Department. After receiving the query, the export compliance officer at Cheung's firm advised the firm in Singapore that neither antenna could be exported unless they filled out a U.S. government form attesting that the goods would not be transferred. The firm in Singapore refused and the order was stopped.

After learning that the export compliance officer at his company had blocked the export, Cheung admitted that he discussed with an individual outside his company (co-conspirator C) a plan to bypass the export controls at his company and arrange for the antennae to be exported to

Singapore through co-conspirator C. Under the plan, co-conspirator C, who operated his own company in Massachusetts, would purchase these goods from Cheung's company and then export them on his own to the firm in Singapore, with Cheung's knowledge.

Subsequently, co-conspirator C contacted the firm in Singapore and offered to broker the deal with Cheung's company. Co-conspirator C then negotiated the purchase of the antennae with employees of the firm in Singapore and, later, with another company called Corezing International in Singapore. Between July and September 2007, co-conspirator C purchased 55 military antennae from Cheung's company, which he then exported to Corezing addresses in both Singapore and Hong Kong.

According to court documents, Cheung was aware that the purchases by co-conspirator C were intended for export from the United States and that these exports had previously been blocked by his export compliance manager. Yet Cheung took no action to stop the sale of these antennae from his company or their subsequent export from the United States, even though he knew a license was required for such exports. Cheung neither sought nor obtained any license from the State Department to export these items outside the United States.

At sentencing, Cheung faces a maximum potential sentence of five years in prison, a fine of \$250,000 and a 3-year term of supervised release.

Corezing, based in Singapore, has been charged in a separate indictment in the District of Columbia in connection with the export of these particular military antennae to Singapore and Hong Kong. Corezing and its principals have also been charged, and the United States is seeking their extradition, in connection with the export of 6,000 radio frequency modules from the United States to Iran via Singapore, some of which were later found in improvised explosive devices in Iraq.

This investigation was jointly conducted by ICE agents in Boston and Los Angeles; FBI agents in Minneapolis; and Department of Commerce, Bureau of Industry and Security agents in Chicago and Boston. Substantial assistance was provided by the U.S. Department of Defense, U.S. Customs and Border Protection and the State Department's Directorate of Defense Trade Controls.

The prosecution is being handled by Assistant U.S. Attorneys Anthony Asuncion and John W. Borchert of the U.S. Attorney's Office for the District of Columbia, and Trial Attorneys Jonathan C. Poling and Richard S. Scott of the Counterespionage Section of the Justice Department's National Security Division.