



## **Former Defense Contractor Indicted for Illegally Exporting Military Blueprints and Defrauding U.S. Department of Defense**

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TRENTON, N.J. – The former owner of two New Jersey defense contracting businesses was indicted by a federal grand jury today for allegedly submitting fraudulent bids to the U.S. Department of Defense (DoD) and disseminating military technical drawings to India without a license, U.S. Attorney Paul J. Fishman announced.

Hannah Robert, 49, of North Brunswick, New Jersey, was charged in a superseding indictment with one count of violating the Arms Export Control Act, one count of conspiracy to violate the act and four counts of wire fraud and one count of conspiracy to commit wire fraud. The Arms Export Control Act prohibits the export of defense articles and defense services without first obtaining a license from the U.S. Department of State and is one of the principal export control laws in the United States. Robert is currently under home detention pending trial.

According to the superseding indictment:

Robert was the founder, owner, and president of One Source USA LLC, a company located at her residence in Mount Laurel Township, New Jersey, and contracted with DoD to supply defense hardware items and spare parts pursuant to government contracts. Starting in September 2012, Robert opened a second defense-contracting company, Caldwell Components Inc., based at the same address in Mount Laurel Township.

Along with a resident of India identified only as “P.R.,” Robert owned and operated another company (One Source India) located in India that manufactured at its own facility defense hardware items and spare parts. From June 2010 to December 2012, Robert and P.R. allegedly conspired to defraud the DoD by electronically submitting fraudulent bids for DoD contracts, stating that they would provide parts manufactured in the United States, when in fact, the items were manufactured in India. One Source USA also subcontracted to other U.S. defense contractors, including those in Sussex County, New Jersey, and Boca Raton, Florida. Robert provided export-controlled items made

in India to these defense contractors in such a way as to appear to the DoD that the items were manufactured in this country.

From June 2010 to December 2012, Robert also allegedly conspired to export defense blueprints to India without obtaining the necessary licenses from the U.S. Department of State. The exported technical drawings include parts used in the torpedo systems for nuclear submarines, military attack helicopters, and F-15 fighter aircraft.

In addition to United States' sales, Robert and P.R. sold defense hardware items to foreign customers. Robert transmitted export-controlled technical data to P.R. in India so that Robert and P.R. could submit bids to foreigners, including those in the United Arab Emirates (UAE), to supply them or their foreign customers with defense hardware items and spare parts. Neither Robert nor P.R. obtained approval from the U.S. Department of State for this conduct.

On August 23, 2012, P.R. e-mailed Robert from India requesting the technical drawing for a particular military item. P.R.'s e-mail forwarded Robert an e-mail from an individual purporting to be "an official contractor of the UAE Ministry of Defence," and who listed a business address in Abu Dhabi, UAE. The UAE e-mail requested quotations for a bid for the "blanket assembly" for the CH-47F Chinook military helicopter and listed the "End User" for the hardware item as the UAE Armed Forces. Later that same day, Robert replied to P.R.'s e-mail, attaching, among other things, the electronic file for an export-controlled technical drawing titled "Installation and Assy Acoustic Blankets, STA 120 CH-47F," to be used in the Chinook attack helicopter.

Starting in October 2010, Robert transmitted the military drawings for parts to India by posting the technical data to the password-protected website of a Camden County, N.J., church where she was a volunteer web administrator. This was done without the knowledge of the church staff. Robert e-mailed P.R. the username and password to the church website so that P.R. could download the files from India. Through the course of the scheme, Robert uploaded thousands of technical drawings to the church website for P.R. to download in India.

On June 25, 2012, P.R. e-mailed Robert from India, stating: "Please send me the church web site username and password." The e-mail was in reference to both an invoice to, and a quote for, an individual known to Robert as a broker of defense hardware items for an end-user in Pakistan. This individual (the "Pakistan trans-shipper") employed a UAE address for shipping purposes. Later than day, Robert replied to this e-mail, providing a new username and password for the church website so that P.R. could download the particular defense drawings.

There were quality issues with the parts that Robert provided to the DoD. After the DoD in October 2012 disclosed the failure of certain parts used in the wings of the F-15 fighter aircraft, supplied by one of One Source USA's American customers, Robert and P.R. provided the principal of that company with false and misleading material certifications and inspection reports for the parts. These documents, to be transmitted to the DoD, listed only One Source USA's New Jersey address and not the address of the actual manufacturer in India, One Source India. As a result of the failed wing pins, the DoD grounded approximately 47 F-15 fighter aircraft for inspection and repair, at a cost estimated to exceed \$150,000.

Robert was, until November 2012, an employee of a separate defense contractor in Burlington County, New Jersey, where she worked as a system analyst and had access to thousands of drawings marked with export-control warnings and to information on this defense contractor's bids on DoD contracts. Robert misrepresented to her employer the nature and extent of her involvement with One Source USA.

Count One of the superseding indictment, charging conspiracy to commit wire fraud, carries a maximum penalty of 20 years in prison and a fine of \$250,000. Counts Two through Five, charging substantive wire fraud, each carry a maximum penalty of 20 years and a fine of \$250,000. Count Six, charging conspiracy to violate the Arms Export Control Act, is punishable by a maximum penalty of five years in prison and a \$250,000 fine. Count Seven, charging a substantive violation of the Arms Export Control Act, is punishable by a maximum penalty of 20 years in prison and a \$1 million fine. The superseding indictment also seeks forfeiture of Robert's proceeds from the alleged criminal scheme.

U.S. Attorney Fishman credited special agents of the U.S. Department of Defense, Defense Criminal Investigative Service Northeast Field Office, under the leadership of Special Agent in Charge Craig W. Rupert, and special agents of the Department of Homeland Security, Homeland Security Investigations, Counter Proliferation Investigations, under the supervision of Special Agent in Charge Andrew M. McLees, with the investigation leading to the superseding indictment.

The government is represented by Assistant U.S. Attorney Fabiana Pierre-Louis of the U.S. Attorney's Office Criminal Division in Trenton, and L. Judson Welle of the U.S. Attorney's Office National Security Unit.

The charges and allegations contained in the superseding indictment are merely accusations, and the defendant is considered innocent unless and until proven guilty.

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