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**Department of Justice**

U.S. Attorney's Office

District of Connecticut

FOR IMMEDIATE RELEASE

Tuesday, December 20, 2016

## **Citizen of China Who Attempted Illegal Export of Advanced Military Computer Chips is Sentenced**

Deirdre M. Daly, United States Attorney for the District of Connecticut, and Mary B. McCord, Acting Assistant Attorney General for National Security, announced that JIANG YAN, 34, of Shenzhen, China, was sentenced today by U.S. District Judge Robert N. Chatigny in Hartford to approximately 12 months of imprisonment, time already served, for attempting to purchase and export to China without a required license certain sophisticated integrated circuits used in military satellites and missiles, and for conspiring to sell counterfeits of those same integrated circuits to a purchaser in the United States.

According to court documents and statements made in court, YAN, Xianfeng Zuo, and Daofu Zhang each operated businesses in China that bought and sold electronic components, including integrated circuits ("ICs"). In the summer of 2015, Zuo asked YAN to locate and purchase several advanced ICs made by Xilinx Corp., which owing to their radiation tolerance for uses in space, have military applications in missiles and surveillance satellites. YAN then asked a U.S. individual to locate the Xilinx ICs and sell them to YAN. The U.S. individual explained that the ICs cannot be shipped outside the U.S. without an export license, but YAN still wished to make the purchase. When the U.S. individual expressed concern that the desired ICs would have to be stolen from military inventory, YAN proposed to supply the U.S. source with "fake" ICs that "look the same," to replace the ones to be stolen from the military.

In November 2015, Zhang shipped from China, to the U.S. individual, two packages containing a total of eight counterfeit ICs, each bearing a counterfeit Xilinx brand label. After further discussions between YAN and the U.S. individual, YAN, Zhang, and Zuo flew together from China to the U.S. in early December 2015 to complete the Xilinx ICs purchase.

On December 10, 2015, the three conspirators drove to a location near Route 95 in Milford, Connecticut, where they planned to meet the U.S. individual, make payment, and take custody of the Xilinx ICs. Federal agents arrested all three at the meeting location.

YAN has been detained since his arrest. On March 7, 2016, he pleaded guilty to one count each of conspiracy to traffic in counterfeit goods, and attempted unlicensed export of export-controlled items.

As part of his sentence, YAN was ordered to forfeit \$63,000 in cash seized incident to his arrest.

YAN will be transferred to the custody of the Department of Homeland Security and deported to China.

Zhang and Zuo also pleaded guilty. They were each sentenced to 15 months of imprisonment on July 8, 2016, and November 4, 2016, respectively.

This matter was investigated by the Defense Criminal Investigative Service, the Department of Homeland Security, the Department of Commerce, the Federal Bureau of Investigation, and the Air Force Office of Special Investigations. The case was prosecuted by Assistant U.S. Attorney Henry Kopel and National Security Division's Counterintelligence and Export Control Section Trial Attorneys Casey Arrowood and Thea Kendler.

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**Topic:**

Counterintelligence and Export Control  
National Security

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