



**U.S. Department of Justice**

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**FOR IMMEDIATE RELEASE**

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**PRESS RELEASE**

**CYBER-STING NETS CHINESE NATIONAL IN ATTEMPT TO EXPORT SENSITIVE  
DEFENSE TECHNOLOGY**

***Defendant Pleads Guilty After Evidence Reveals that He Attempted to Enlist Undercover  
Agents in Illegal Export Deal Involving Weapons-Grade Carbon Fiber***

Earlier today, Lisong Ma, a citizen of China, pled guilty at the federal courthouse in Brooklyn, New York, to violating the International Emergency Economic Powers Act by attempting to export weapons-grade carbon fiber from the United States to China. According to court filings and facts presented during the plea proceeding, Ma was arrested after attempting to close a deal to acquire and export the specialized materials, which have applications in the defense and aerospace industries and are therefore controlled for export by the United States Department of Commerce.

The plea was announced by Loretta E. Lynch, United States Attorney for the Eastern District of New York; James T. Hayes, Jr., Special Agent-in-Charge, U.S. Immigration and Customs Enforcement, Homeland Security Investigations (HSI), New York; Kenneth J. Siegler, Resident Agent-in-Charge of the Defense Criminal Investigative Service (DCIS), New York Resident Agency; and Sidney Simon, Special Agent-in-Charge, U.S. Department of Commerce (DOC), Office of Export Enforcement, New York Field Office.

During the investigation, federal agents tasked with protecting sensitive technology maintained a covert cyber-presence on web sites related to the brokering, purchase and sale of controlled commodities. In February 2013, the defendant, using the name "Ma Li," e-mailed an undercover agent and indicated that he was interested in acquiring several different types of high-grade carbon fiber. Then, through various online communications, the defendant attempted to negotiate the purchase of five tons of carbon fiber. Based on a review of Internet Protocol log-in information, investigators discovered that the defendant was communicating from the People's Republic of China.

On March 12, 2013, the defendant and undercover agents engaged in an online video teleconference session, which was recorded. During the teleconference, the defendant and the undercover agents discussed the license requirement to export certain types of carbon fiber from the United States. One of the agents told the defendant: “We can’t send this to China without an export license, otherwise we risk going to jail.” The defendant then told agents that he would soon be traveling to the United States, and arranged a meeting to further discuss the terms of a deal. On March 27, 2013, the defendant met with undercover agents in the United States. During the meeting, which was covertly recorded, the defendant requested a sample of carbon fiber, because it was “easier” and “safer” to ship, and later commented: “There is a greater chance that the authorities will arrest you if you get a third party involved. That is why it’s better to go directly from the U.S. to China.”

The defendant ultimately decided to ship a sample of weapons-grade, Toray-type T-800 carbon fiber from the United States to China. He paid the undercover agents and placed the material into a plain brown box. Ma falsely indicated on the waybill and invoice that the package contained “clothing.” After the defendant finished packing the box and completing the shipping forms, the package was transported to a courier service, to be shipped to China. The package was thereafter intercepted by agents before it could be exported. Agents also intercepted and arrested the defendant shortly thereafter, as he transited Los Angeles International Airport on his way to Shanghai. He was then removed in custody to Brooklyn.

Certain types of carbon fiber, such as the type defendant Ma sought to acquire in this case, are closely controlled to protect national security. The regulation of carbon fiber falls under the jurisdiction of the Department of Commerce, which reviews and controls the export of certain goods and technology from the United States to foreign countries. In particular, the Commerce Department has placed restrictions on the export of goods and technology that it has determined could make a significant contribution to the military potential or nuclear proliferation of other nations, or that could be detrimental to the foreign policy or national security of the United States.

Carbon fiber composites are ideally suited to applications where strength, stiffness, lower weight, and outstanding fatigue characteristics are critical requirements. These composites also can be used in applications where high temperature, chemical inertness, and high damping are important. The two main applications of carbon fiber are in specialized technology, which includes aerospace and nuclear engineering, and in general engineering and transportation. In addition, certain carbon fiber-based composites, such as the material sought by the defendant, are used in military aircraft and unmanned aerial vehicles. Due to the scarcity of these types of materials, they command high prices on the open market and are highly sought after.

“The defendant tried to circumvent laws that protect our national security by preventing specialized technologies from falling into the wrong hands. The defendant was bent on exporting to China up to five tons of weapons-grade carbon fiber -- enough carbon fiber to stretch from Brooklyn to the Pacific Ocean,” stated United States Attorney Lynch. “Today’s

conviction should leave no doubt that the United States will use every available technique, including covert cyber operations, to maintain the superiority of our nation's armed forces." Ms. Lynch praised the level of inter-agency cooperation in this case, and added that the government's investigation is ongoing.

"Today's conviction highlights the reality that even the most relentless of efforts to unlawfully acquire sensitive American technology will be foiled," said HSI Special Agent in Charge Hayes. "This investigation provides a great example of how HSI and federal law enforcement are meeting the threat posed by tech savvy international smugglers head-on."

"This plea demonstrates our resolve to investigate and prosecute those who choose to violate U.S. export control laws. We are proud to work with our law enforcement partners in protecting national security and leveling the playing field for legitimate commerce," said DOC Special Agent-in-Charge Simon.

"This investigation demonstrates the continued commitment of the Defense Criminal Investigative Service, in cooperation with our law enforcement partners and the U.S. Attorney's Office, to aggressively pursue those intent on acquiring and illegally exporting military grade materials. Too often these sensitive items find their way into the hands of adversaries and therefore present a potential threat to National Security and America's war fighters." stated DCIS Resident Agent-in-Charge Siegler.

Today's plea took place before United States Magistrate Judge Vera Scanlon. When sentenced, Ma faces up to 20 years in prison, as well as forfeiture and a fine of up to \$1 million.

The government's case is being prosecuted by Assistant United States Attorney Seth DuCharme, with assistance from Trial Attorney David Recker of the Department of Justice Counterespionage Section.

**The Defendant:**

LISONG MA

Age: 34