



*United States Attorney
Southern District of New York*

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**MAN SENTENCED TO 30 MONTHS IN PRISON FOR SMUGGLING
U.S. MILITARY EQUIPMENT TO TAIWAN**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York announced that PETER LIU, a/k/a "Kang Tai Liu," was sentenced to 30 months in prison for smuggling United States military equipment to a co-conspirator in Taiwan. The sentence was imposed late yesterday by United States District Court Judge ROBERT P. PATTERSON, Jr. in Manhattan federal court. LIU, 27, pleaded guilty on April 15, 2008, to the Superseding Information, which charged him with conspiracy to commit export smuggling and four separate counts of export smuggling. According to documents filed in this case and statements made during LIU's guilty plea:

LIU, a U.S. citizen, purchased stolen U.S. military equipment on e-Bay at the direction of YEN CHING PENG, a/k/a "Yen-Po Peng," a/k/a "Alex Peng." LIU then shipped these items to PENG in Taiwan. As LIU admitted, he concealed the nature and value of these items by falsifying forms that he submitted to United States Customs and Border Protection and the United States Postal Service regarding the contents of the packages that he shipped to PENG. PENG then reverse engineered these items, which included (a) infrared laser aiming devices, which mount on military rifles and project on the rifle's target a laser beam that is invisible to the naked eye but visible with the use of military night vision goggles; and (b) thermal weapon sights, which mount on military rifles and facilitate target acquisition and surveillance in low-light conditions by detecting and visually displaying heat sources.

On December 12, 2007, LIU was arrested while accepting, on PENG's behalf and at his direction, a fighter pilot helmet and its associated technology from an undercover law enforcement officer. All of these items are manufactured for military use (primarily under contract with the Department of Defense) and law enforcement agencies, and are items listed on the United States Munitions List as items that cannot be exported without a license issued by the United States Department of State.

In addition to the prison term, Judge PATTERSON sentenced LIU to two years of supervised release.

PENG was arrested in Hong Kong in December 2007 and the charges against him are pending.

Mr. GARCIA praised the outstanding work of Department of Homeland Security's United States Immigration and Customs Enforcement ("ICE") and the United States Defense Criminal Investigative Service ("DCIS") in their investigation of this case.

The prosecution is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorneys WILLIAM STELLMACH and THOMAS G.A. BROWN are in charge of the prosecution.

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