



***United States Attorney
District of New Jersey***

FOR IMMEDIATE RELEASE
Oct. 23, 2013
www.justice.gov/usao/nj

CONTACT: Rebekah Carmichael
Matthew Reilly
Office of Public Affairs
(973) 645-2888

**OWNER OF ALLIED COMPONENTS LLC ADMITS TRANSMITTING
MILITARY BLUEPRINTS TO INDIA WITHOUT A LICENSE**

***Also Provided Faulty Aircraft Parts to Department of Defense
Grounded 47 F-15 Fighters***

TRENTON, N.J. – The owner and general manager of Allied Components LLC, a Sparta, N.J., company that supplies defense hardware items to the U.S. Department of Defense (DoD), today admitted that he e-mailed to India sensitive military technical data and provided faulty aircraft parts to the DoD, U.S. Attorney Paul J. Fishman announced.

Robert Luba, 47, of Sparta, pleaded guilty today before U.S. District Judge Joel A. Pisano to an information charging him with one count of making a false claim upon the DoD by providing non-conforming “wing-pins,” manufactured in India, for the F-15 fighter aircraft, when he had contracted to provide a U.S.-made product. He also pleaded guilty to one count of violating the Arms Export Control Act for transmitting information about a component of a nuclear-powered submarine to India without the approval of the U.S. Department of State.

“The conduct admitted by Luba shows a callous disregard for the safety of our armed forces,” U.S. Attorney Fishman said. “By recklessly providing sub-standard parts for sophisticated weapons systems and sharing sensitive information with a foreign state, Luba not only jeopardized the lives of men and women on the front lines of our national defense, he put all Americans at risk, all in the name of making a buck.”

“The Defense Criminal Investigative Service is committed to protecting the integrity of the Defense acquisition process from personal and corporate avarice,” Craig Rupert, Special Agent in

Charge, DCIS Northeast Field Office, said. “Ensuring U.S. taxpayers’ dollars and preventing contract fraud is in our nations’ interest and remains a priority.”

“HSI takes the illegal export of defense items very seriously, as they are crucial to the protection of our national security,” Andrew McLees, special agent in charge of HSI Newark, said. “We will continue to work with DCIS and other federal partners to ensure the safety of our U.S. military and homeland.”

According to documents filed in the case and statements made in Court:

Luba was the owner and general manager of Allied Components, which had contracts to supply the DoD with defense hardware items and spare parts. In July 2011, Luba signed a Military Critical Technical Data Agreement certifying that he acknowledged his responsibilities under applicable U.S. export control laws.

In October 2011, Luba began a business relationship with a company, One Source USA LLC. Luba used One Source USA as a source of defense hardware items and spare parts, which Allied Components would in turn provide to the DoD. Luba’s principle contact at One Source USA was Hannah Robert. Luba learned that Robert and One Source USA manufactured their defense hardware items and spare parts at a production facility in India. Luba admitted that he provided these foreign-made defense items to the DoD under contracts in which he had promised to supply American-made products.

On Feb. 7, 2012, Luba submitted a bid for a contract with the DoD to supply American-made wing pins for use in the F-15 combat aircraft and was awarded the contract. On April 2, 2012, Luba received an international Federal Express delivery of the wing pins from India at his Sparta residence. Despite knowing that the wing pins were made in India, Luba shipped these foreign-made wing-pins to the DoD and accepted payment for them.

On Oct. 10, 2012, the DoD contacted Luba with an urgent e-mail, reporting that the wing pins under this contract, and a second contract with Allied Components, were not of the hardness required under the contract. Luba e-mailed Robert requesting a certification of the materials used in the manufacture of the wing pins, as well as inspection records, to provide to the DoD. One Source USA sent Luba material certifications and inspection records for the wing pins, which listed only a New Jersey address for the company. On Oct. 12, 2012, Luba sent these false and misleading certifications and inspection records to a contracting officer at the DoD.

The U.S. Air Force ultimately grounded 47 F-15 fighter aircraft for inspection and repair as a result of the non-conforming wing pins, resulting in a loss to the government of about \$166,000.

Luba also admitted that he had a contact in India associated with One Source USA with whom he communicated in connection with Allied Components’ business with the DoD. Luba would e-mail this contact — identified in court papers only as “R.P.” — technical data for spare parts needed by the DoD so that R.P. and Robert could decide how much they would charge, and Luba could decide whether he could bid on the DoD contracts. The technical blueprints that Luba e-mailed to R.P. in India included technical data protected under the export control laws. Luba

failed to obtain the necessary license from the U.S. Department of State in connection with these e-mails. These e-mails included a the technical drawing for a hardware item known as the “Torpedo Tube, Open Breech Door, Gagging Collar A,” for installation in a nuclear-powered military submarine.

Robert, the owner of One Source, was indicted on Oct. 10, 2013, by a federal grand jury on separate charges of conspiring to violate and violating the Arms Export Control Act. The indictment alleges that Robert used the password-protected website of a Camden County, N.J., church to transmit the blueprints for hundreds of defense hardware items to her conspirator in India, without the church’s knowledge. Robert’s arraignment on those charges will take place on Oct. 28, 2013, at 12:00 p.m., before Judge Pisano in Trenton. Robert is on home detention pending trial.

Count One of the information to which Luba pleaded guilty is punishable by a maximum penalty of five years in prison and a \$250,000 fine. Count Two is punishable by a maximum penalty of 20 years in prison and a \$1 million fine. As part of his plea agreement, Luba also agreed to pay back approximately \$173,000 to the U.S. Department of Defense, which includes the cost of repair for the grounded F-15s. Sentencing is currently scheduled for Feb. 19, 2014. Luba was released on an unsecured appearance bond.

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.

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 today’s guilty plea.

The government is represented by Assistant U.S. Attorney John E. Clabby of the U.S. Attorney’s Office Criminal Division in Trenton.

13-408

###

Defense counsel: John P. McDonald Esq., Somerville, N.J.