



## UNITED STATES ATTORNEY'S OFFICE

*Eastern District of Virginia*

U.S. ATTORNEY NEIL H. MACBRIDE

**FOR IMMEDIATE RELEASE:**

**April 4, 2011**

Peter Carr

Public Information Officer

Phone (703) 842-4050 Fax: (703) 299-2584

Email: [usavae.press@usdoj.gov](mailto:usavae.press@usdoj.gov)

Web Address: [www.justice.gov/usao/vae](http://www.justice.gov/usao/vae)

### **Two Chinese Nationals Charged with Illegally Attempting to Export Military Satellite Components to the PRC**

ALEXANDRIA, Va. - Two Chinese nationals have been indicted by a federal grand jury in Alexandria, Va., for attempting to obtain radiation-hardened microchips, which are prohibited defense items used in the military and aerospace industry.

Neil H. MacBride, United States Attorney for the Eastern District of Virginia; Todd Hinnen, Acting Assistant Attorney General for National Security; John P. Torres, Special Agent in Charge for ICE, Office of Homeland Security Investigations (HSI) in Washington, D.C.; and Robert E. Craig, Special Agent in Charge of the Defense Criminal Investigative Service's (DCIS) Mid-Atlantic Field Office, made the announcement after the indictment was unsealed.

Hong Wei Xian, a/k/a "Harry Zan," 32, and Li Li, a/k/a "Lea Li," 33, both from the People's Republic of China (PRC), were charged in a two-count indictment accusing them of conspiring to violate the Arms Export Control Act to smuggle goods from the United States and the attempted export of United States Munitions List items in violation of the Arms Export Control Act. If convicted, they face a maximum penalty of five years in prison for the conspiracy charge and 20 years in prison on the export violation charge. Xian and Li will make their initial appearance at 2:00 p.m. at the Alexandria federal courthouse.

According to the indictment, Xian is the president of Beijing Starcreates Space Science and Technology Development Company Limited (Beijing Starcreates), and Li is the company's vice president. Among other things, Beijing Starcreates engages in the business of importing and selling programmable read-only memory microchips to China Aerospace Science and Technology Corporation, which is controlled by the PRC government and plays a substantial role in the research, design, development and production of strategic and tactical missile systems and launch vehicles for the PRC.

Since 1990, the U.S. government has maintained an arms embargo against the PRC that prohibits the export, re-export, or re-transfer of any defense article to the PRC. Prohibited defense articles are placed on the United States Munitions List, which includes spacecraft systems and associated equipment. A programmable read-only memory microchip (PROM) serves to store the initial start-up program for a computer system and is built to withstand the conditions present in outer space.

According to the indictment, neither Xian nor Li applied for nor received a license from the United States to export defense articles of any description; however, from April

2009 to Sept. 1, 2010, the two are charged with contacting a company in the Eastern District of Virginia and seeking to export thousands of radiation-hardened PROMs from that company.

The indictment states that Xian and Li knew a license was required but did not seek to obtain one because it was difficult, time-consuming, and would require them to identify the end user and describe the end use. They are accused of conspiring to break up orders into multiple shipments and designate countries outside the PRC for delivery to avoid drawing attention to the orders.

On Sept. 1, 2010, the defendants were arrested in Hungary pursuant to a United States provisional arrest warrant and were transferred into the custody of U.S. Marshals on April 1, 2011, after they waived extradition. They arrived in the Eastern District of Virginia late April 1, 2011.

This case was investigated by ICE HSI and DCIS, with assistance from ICE HSI Office of International Affairs and the Department of Justice's Office of International Affairs. Assistant United States Attorney James P. Gillis of the Office's National Security and International Crime Unit and Trial Attorney Brandon L. Van Grack of the Justice Department's National Security Division are prosecuting the case on behalf of the United States.

Criminal indictments are only charges and not evidence of guilt. A defendant is presumed to be innocent until and unless proven guilty.

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.justice.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <http://pacer.uspci.uscourts.gov>.