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SMUGGLER OF UNITED STATES MILITARY EQUIPMENT
EXTRADITED FROM HONG KONG

MICHAEL J. GARCIA announced today the extradition of YEN CHING PENG, a/k/a "Yen-Po Peng," a/k/a "Alex Peng," from the Hong Kong Special Administrative Region in China. PENG, who is charged with smuggling military equipment out of the United States to Taiwan, was arraigned in Manhattan federal court this afternoon. According to the Indictment in this case:

PENG, a resident of Taiwan, solicited from an undercover agent a list of specified military equipment that PENG was interested in purchasing. Among the items on this list were (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; (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; and (c) a fighter pilot's helmet and its associated technology, which permits a fighter pilot to accurately direct onboard weapons against enemy targets while performing high-G aircraft maneuvers. 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.

PENG, while in Taiwan, purchased over the internet several infrared laser aiming devices from the undercover agent in New York, and specifically paid an additional fee to the undercover so that the lasers would be exported without the required license. In addition, PENG requested that the undercover agent falsify on required declaration forms the contents of the packages shipped. In addition, on several

occasions, PENG requested that the undercover agent deliver military lasers to PENG's associate PETER LIU in Queens, New York, for later delivery to PENG by LIU, again using falsified declarations of the items shipped.

PENG also ordered from the undercover a fighter pilot's helmet - specifically, a Joint Helmet Mounted Cueing System. PENG directed the undercover agent to dismantle the helmet, deliver part of it to LIU, and ship part of it to PENG in Taiwan. On December 6, 2007, following PENG's instructions, the undercover agent delivered part of the dismantled helmet to LIU in New York, New York, representing to LIU that the helmet had been stolen. LIU took possession of the helmet from the undercover agent.

On December 11, 2007, PENG was arrested in Hong Kong at a pre-arranged meeting with the undercover agent. PENG's arrest was pursuant to a provisional arrest warrant obtained based on the criminal complaint filed in New York against PENG. Also on December 11, 2007, LIU was arrested in New York, New York.

PENG is charged with participating in a conspiracy to smuggle military equipment out of the United States to Taiwan, four counts of causing the export and attempted export of Munitions List Items without a license; six counts of money laundering; and three counts of export smuggling. If convicted, PENG faces a maximum prison sentence of five years on the conspiracy charge; ten years on each of the export violation charges; twenty years on each of the money laundering charges; and ten years on each of the export smuggling charges.

On August 7, 2008, LIU, following a guilty plea, was sentenced to 30 months' imprisonment by United States District Court Judge ROBERT P. PATTERSON, Jr. in Manhattan federal court.

Mr. GARCIA praised the investigative work of Department of Homeland Security's United States Immigration and Customs Enforcement ("ICE") and the United States Department of Defense's Defense Criminal Investigative Service ("DCIS"). Mr. GARCIA also thanked the Hong Kong Customs and Excise Department for their assistance in the operation.

The prosecution is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorney WILLIAM J. STELLMACH is in charge of the prosecution.

The charges contained in the Indictment are merely accusations and the defendant is presumed innocent unless and until proven guilty.