
JUSTICE NEWS

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Chinese Nationals Sentenced in New Mexico for Conspiring to Violate Arms Export Control Act

This afternoon, a federal judge in the District of New Mexico sentenced two Chinese nationals for conspiring to violate the Arms Export Control Act and the International Traffic in Arms Regulations (ITAR) by scheming to illegally export defense articles with military application to the People's Republic of China, announced Assistant Attorney General for National Security John P. Carlin and U.S. Attorney Damon P. Martinez of the District of New Mexico.

Bo Cai, 29, of Nanjing, China, was sentenced to 24 months in prison and his cousin Wentong Cai, 30, of Chifeng, China, was sentenced to 18 months in federal prison. Both will be deported after completing their prison sentences. The two men were charged in three-count superseding indictment with a scheme to illegally export sensors primarily manufactured for sale to the U.S. Department of Defense for use in high-level applications, such as line-of-sight stabilization and precision motion control systems. The Arms Export Control Act and the ITAR prohibit the export of defense-related materials from the United States without obtaining a license or written approval from the U.S. Department of State.

Bo Cai entered a guilty plea to all three counts of the superseding indictment in July 2014, and Wentong Cai pleaded guilty to Count 3 of the superseding indictment in December 2014. In entering the guilty pleas, each admitted that from March 2012 to December 2013, they conspired with each other to illegally export sensors from the United States to China without first obtaining the required export license. Bo Cai admitted that in March 2012, while he was employed by a technology company in China, he embarked on an illegal scheme to smuggle sensors out of the United States to China for one of his customers despite knowledge that the sensors could not be exported without a license and that the United States did not issue licenses to export the sensors to China. Wentong Cai admitted that while he was in the United States on a student visa, Bo Cai enlisted him to acquire the sensors under the ruse that he planned to use the sensors at Iowa State University where he was a graduate microbiology student.

Court filings indicate that the investigation of this case began in October 2013, when an undercover U.S. Immigration and Customs Enforcement Homeland Security Investigations (HSI) agent responded to Wentong Cai's overtures. After negotiations by telephone and email, in December 2013, Bo Cai and Wentong Cai traveled to New Mexico, where they obtained a sensor from undercover HSI agents and developed a plan for smuggling the sensor out of the United States to China. On Dec. 11, 2013, Bo Cai was arrested at an airport in Los Angeles, as he was preparing to board a flight to China, after the sensor was discovered concealed in a computer speaker in his luggage. Wentong Cai subsequently was arrested on Jan. 22, 2014, in Ames, Iowa.

The HSI Albuquerque, New Mexico, office led the investigation of this case with assistance from the U.S. Air Force Office of Special Investigations, the Defense Security Service, HSI in Iowa and Los Angeles and the FBI. Iowa State University cooperated throughout with HSI's investigation. Assistant U.S. Attorneys Dean S.

Tuckman and Fred J. Federici of the District of New Mexico prosecuted the case with assistance from Deputy Chief Deborah Curtis and Trial Attorneys David Recker and Brian Fleming of the Justice Department's National Security Division. The U.S. Attorney's Office of the Central District of California and the U.S. Attorney's Office of the Southern District of Iowa also assisted in the prosecution.

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National Security Division (NSD)

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