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FOR IMMEDIATE RELEASE

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ARLINGTON HEIGHTS COMPANY AND ITS OWNER AND EMPLOYEE CHARGED WITH ILLEGAL EXPORT AND IMPORT OF MILITARY ARTICLES

CHICAGO — An Arlington Heights company, its president, and a former employee were indicted on federal charges for unlawfully exporting and importing military articles, including components used in night vision systems and on the M1A1 Abrams tank, which is the main battle tank used by the U.S. Armed Forces. The defendants were charged in an indictment returned by a federal grand jury in January and made public this week.

VIBGYOR OPTICAL SYSTEMS, INC., a company located in Arlington Heights, purported to manufacture optics and optical systems, including items that were to be supplied to the U.S. Department of Defense (DOD). Instead of manufacturing the items domestically, as it claimed, VIBGYOR illegally sent the technical data for, and samples of, the military articles to manufacturers in China, then imported the items from China to sell to its customers—including DOD prime contractors. BHARAT “Victor” VERMA, 74, of Arlington Heights, VIBGYOR’s president, and URVASHI “Sonia” VERMA, 40, of Chicago, a former VIBGYOR employee and

owner of a now-defunct company that operated as a subcontractor for VIBGYOR, were also charged in the indictment.

According to the indictment, between November 2006 and March 2014, the defendants conspired to defraud the United States and violate both the Arms Export Control Act (AECA) and International Traffic in Arms Regulations (ITAR). The Arms Export Control Act prohibits the export or import 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. Under the International Traffic in Arms Regulations, any person seeking to import items designated as defense articles on the United States Munitions Import List is required to obtain a permit to do so from the Bureau of Alcohol, Tobacco, Firearms and Explosives. VIBGYOR won subcontracts to supply optical components and systems to DOD prime contractors by misrepresenting the location of manufacture of the items it supplied. BHARAT VERMA falsely claimed that the items VIBGYOR supplied were manufactured domestically, when they actually had been manufactured in China, based on information illegally exported to Chinese manufacturers. In addition to illegally providing technical data for a military item to China, URVASHI VERMA attempted to ship an example of one of the military items to the Chinese manufacturer.

“The Arms Export Control Act and the International Traffic in Arms Regulations are vital to preventing embargoed countries from gaining access to our sensitive military technology, and to ensuring that our armed forces are not issued substandard equipment,” stated Zachary T.

Fardon, United States Attorney, after the charges were announced. “Where companies and individuals seek to violate AECA and the ITAR, we will not hesitate to act.”

VIBGYOR, BHARAT VERMA, and URVASHI VERMA are charged with one count of conspiracy to violate both the Arms Export Control Act and the International Traffic in Arms Regulations; one count of conspiracy to defraud the United States—each offense punishable by up to five years’ imprisonment—and one count of violating the Arms Export Control Act, with a maximum possible penalty of 20 years in prison and a fine up to \$1,000,000. VIBGYOR and BHARAT VERMA were also charged with international money laundering, an offense with a maximum possible sentence of 20 years’ imprisonment and a fine up to \$500,000. The defendants are scheduled to be arraigned Friday, February 20, at 1:00 p.m. before U.S. Magistrate Judge Susan E. Cox at the Everett McKinley Dirksen United States Courthouse in Chicago.

The charges were announced by Zachary T. Fardon, United States Attorney for the Northern District of Illinois, Gary Hartwig, Special Agent-in-Charge of Homeland Security Investigations Chicago, James C. Lee, Special Agent-in-Charge of the Chicago Office of the Internal Revenue Service, and Brian Reihms, Special Agent-in-Charge of the Department of Defense Criminal Investigative Service in Chicago.

The government is being represented by Assistant United States Attorneys Diane MacArthur, Bolling W. Haxall, and Shoba Pillay and Trial Attorney Casey Arrowood of the Justice Department’s National Security Division.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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