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FOR IMMEDIATE RELEASE

Tuesday, July 10, 2018

Electrical Engineer Found Guilty for Intending to Convert Trade Secrets from Defense Contractor

WASHINGTON – A federal jury in Hartford, Connecticut yesterday returned guilty verdicts against a man for his conduct related to a scheme to convert trade secrets belonging to a defense contractor based in Groton, Connecticut, related to, among others, an innovative naval prototype being developed for the U.S. Navy, Office of Naval Research, announced Acting Assistant Attorney General John P. Cronan of the Justice Department's Criminal Division and U.S. Attorney John H. Durham of the District of Connecticut.

According to evidence admitted at trial, Jared Dylan Sparks, 35, of Ardmore, Oklahoma, an electrical engineer, worked at LBI Inc., a defense contractor that has designed and built unmanned underwater vehicles for the U.S. Navy's Office of Naval Research and deployable ice buoys used to gather weather data for the National Oceanic and Atmospheric Administration (NOAA). During the course of his employment with LBI, Sparks collaborated with Charles River Analytics (CRA), a Massachusetts-based software company that developed software to be integrated into LBI's unmanned underwater vehicles. In late 2011, CRA sought to expand into the hardware business and eventually agreed with the Office of Naval Research that it would complete the testing for a number of the unmanned vehicles designed and developed by LBI. Sometime after April 2011, Sparks began exploring employment with CRA, and was eventually hired by that company in January 2012. Before he left LBI, however, Sparks surreptitiously uploaded thousands of LBI files to his personal account with Dropbox, a cloud-based file-storage application. Those files included LBI's accounting and engineering files as well as photographs related to designs and renderings used to fabricate and manufacture LBI's unmanned underwater vehicles and buoys.

On Nov. 3, 2016, a grand jury returned a 29-count indictment charging Sparks and Jay Williams of Griswold, Connecticut, with various offenses stemming from this alleged scheme.

The jury found Sparks guilty of six counts of theft of trade secrets, six counts of upload of trade secrets, and one count of transmission of trade secrets. Each of these offenses carry a maximum term of imprisonment of 10 years. The jury found Sparks not guilty of multiple counts of the indictment, and Williams not guilty of all the counts in which he was charged. Sparks' sentencing has not yet been scheduled.

"Jared Sparks stole thousands of documents—including proprietary designs and renderings—from his former employer when he left to work for a competitor," said Acting Assistant Attorney General John P. Cronan. "Yesterday's verdict sends a clear message that the Department of Justice is committed to protecting American intellectual property and will aggressively prosecute those who steal it."

"In order to protect both our country's national security and the intellectual property of Connecticut's defense contractors, our office is committed to prosecuting those who steal trade secrets and hope to profit from the theft," said U.S. Attorney Durham.

"Theft of trade secrets from a Defense contractor harms the U.S. taxpayer and threatens the integrity of the Defense Department's procurement system," said Special Agent-in-Charge Leigh-Alistair Barzey, Defense Criminal Investigative Service (DCIS) Northeast Field Office. "DCIS is committed to working with the DOJ, FBI and other law enforcement partners, to investigate and prosecute those individuals who seek to profit at the expense of our national security."

"Intellectual property theft cost U.S. businesses billions in revenue annually and robs the nation of jobs and taxes," said FBI Acting Special Agent in Charge Robert Fuller. "Preventing intellectual property theft is a priority of the FBI's criminal investigative program. The key to this successful prosecution was due to linking considerable resources and collaboration of the private sector, federal law enforcement partners, the U.S. Attorney's office and the Criminal Division's Computer Crime and Intellectual Property Section."

This matter was investigated by DCIS and the FBI with assistance from the Department of Defense's Computer Forensic Laboratory. The case was prosecuted by Assistant U.S. Attorney Jacabed Rodriguez-Coss of the District of Connecticut and Trial Attorneys Kebharu Smith and Joss Nichols of the Criminal Division's Computer Crime and Intellectual Property Section (CCIPS), with assistance from the CCIPS Cybercrime Lab.

Topic(s):

Intellectual Property
National Security

Component(s):

Criminal Division
USAO - Connecticut

Updated July 10, 2018