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Department of Justice

U.S. Attorney's Office

District of Arizona

FOR IMMEDIATE RELEASE

Friday, October 18, 2019

**Chinese National Sentenced to Prison for Conspiring to
Illegally Export Military- and Space-Grade Technology
from the United States to China**

PHOENIX, Ariz. – On October 16, 2019, United States District Judge Diane J. Humetewa sentenced Tao Li, a 39-year-old Chinese national, to 40 months in prison, followed by three years of supervised release. Li had previously pleaded guilty to conspiring to export military- and space-grade technology to the People's Republic of China without a license in violation of the International Emergency Economic Powers Act. Notwithstanding the licensing requirement, the Department of Commerce has a policy of denial to export these types of electronic components to the People's Republic of China.

Between December 2016 and January 2018, Li worked with other individuals in China to purchase radiation-hardened power amplifiers and supervisory circuits and illegally export them from the United States to China. The electronic components sought by Li are capable of withstanding significant levels of radiation and extreme heat, and as a result, are primarily used for military and space applications. Due to the technological capabilities of the electronic components sought by Li and the significant contribution that the components could make to a foreign country's military and space programs, both parts required an export license from the U.S. Department of Commerce, Bureau of Industry and Security, prior to being sent out of the United States. Notwithstanding the licensing requirement, the Department of Commerce has a policy of denial to export these types of electronic components to the People's Republic of China.

Between December 2016 and January 2018, Li, who resided in China, used multiple aliases to contact individuals in the United States, including representatives of United States-based private companies, to try to obtain the electronic components.

During his efforts to obtain the electronic components, Li contacted two different undercover law enforcement agents in Arizona. During his communications with the undercover agents, Li

asked both of them to export the electronic components to China without obtaining the required license from the Department of Commerce. Additionally, Li and his coconspirators agreed to pay a “risk fee” to illegally export the electronic components to China. In furtherance of his request, Li wired money from a bank account in China to a bank account in Arizona. Li was arrested in September 2018 at Los Angeles International Airport, as he attempted to travel from China to Arizona to meet with one of the undercover agents.

“This sentence is well deserved and further demonstrates the lengths of criminal activity by those who seek to engage in illegally obtaining sophisticated materials,” said Scott Brown, Special Agent in Charge for Homeland Security Investigations (HSI) Phoenix. “One of HSI’s top priorities is preventing U.S. military products and sensitive technology from falling into the hands of those who might seek to harm America or its interests. We will continue to aggressively pursue violators wherever they may be.”

“Li’s sentencing was the result of a highly successful joint investigative effort with our law enforcement partners and the U.S. Attorney’s Office that prevented U.S. military technology from falling into the wrong hands,” said Bryan D. Denny, Special Agent in Charge of the Defense Criminal Investigative Service, Western Field Office. “It also reaffirms our commitment to protecting America from this type of activity and, equally so, serves as a warning to those intent on illegally exporting our technologies that the Defense Criminal Investigative Service and its partners will pursue these crimes relentlessly.”

“If you steal our military and space technology, you should expect to go to prison,” said Michael Bailey, United States Attorney for the District of Arizona. “But for the diligent work of HSI and the Defense Criminal Investigative Service, our nation’s security would’ve been damaged by Mr. Li.”

The investigation in this case was conducted by HSI and DCIS. The prosecution was handled by Todd M. Allison and David Pimsner, Assistant United States Attorneys, District of Arizona, Phoenix, with assistance from Scott Claffee, Trial Attorney, Department of Justice National Security Division.

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