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Department of Justice

U.S. Attorney's Office

Northern District of Illinois

FOR IMMEDIATE RELEASE

Thursday, March 31, 2022

**Southern California Businessman Sentenced to a Year in Federal Prison for Illegally Brokering Sales of Embargoed Defense Articles From China**

CHICAGO — A Southern California businessman has been sentenced to a year in federal prison for illegally brokering the sales of embargoed defense articles from the People's Republic of China and filing a false corporate tax return.

TUQIANG XIE, also known as "Tony Xie," 60, of Irvine, Calif., pleaded guilty in 2019 to one count of violating the Arms Export Control Act and one count of filing a false tax return. U.S. District Judge Charles R. Norgle imposed the year-and-a-day prison sentence Wednesday after a hearing in federal court in Chicago.

The sentence was announced by John R. Lausch, Jr., United States Attorney for the Northern District of Illinois; Stuart M. Goldberg, Acting Deputy Assistant Attorney General of the Justice Department's Tax Division; and Angie Salazar, Special Agent-in-Charge of the Chicago office of Homeland Security Investigations. Substantial assistance was provided by the Central Field Office of the Defense Criminal Investigative Service of the U.S. Department of Defense's Office of Inspector General. The government was represented by Assistant U.S. Attorney Diane MacArthur of the Northern District of Illinois and Trial Attorney Matthew R. Hoffman of the Tax Division.

Xie admitted in a plea agreement that through his company, Bio-Medical Optics LLC of Irvine, Calif., he served as a broker for the shipment of defense articles on the U.S. Munitions List and the U.S. Munitions Import List. The items on these lists are regulated components and systems used in U.S. military equipment. Federal law requires that individuals involved in the business of manufacturing or exporting defense articles must obtain a license and register with the Directorate of Defense Trade Controls at the U.S. Department of State. Xie never obtained a license or registered with the DDTC. Moreover, the U.S. since 1989 has imposed an arms embargo on the PRC, restricting imports or exports of arms between the two countries.

Despite the arms embargo and the lack of a license or registration, Xie admitted in his plea agreement that in 2014 and 2015 he located a manufacturer in the PRC to produce defense articles for one of his clients. Over time, Xie earned hundreds of thousands of dollars in commissions or fees based on his role in shipments to and from the PRC.

The tax charge pertained to Xie's filing a false corporate tax return for Bio-Medical Optics for 2013. Xie also admitted in the plea agreement that he filed false corporate tax returns for Bio-Medical Optics for 2009 through 2012, causing a total tax loss to the IRS of more than \$100,000.

**Topic(s):**

Cyber Crime  
Foreign Corruption  
Counterintelligence and Export Control  
Tax

**Component(s):**

[Tax Division](#)  
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