

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Northern District of Illinois

FOR IMMEDIATE RELEASE

Wednesday, May 18, 2022

Chicago Tech Executive Sentenced to a Year in Federal Prison for Illegally Exporting Computer Equipment to Pakistan

CHICAGO —A Chicago technology executive has been sentenced to a year in federal prison for illegally exporting computer equipment from the United States to a nuclear research agency of the Pakistani government.

OBAIDULLAH SYED, 67, of Northbrook, Ill., pleaded guilty last year to conspiring to export goods from the U.S. without a license from the Department of Commerce and to submit false export information. U.S. District Judge Mary M. Rowland on Tuesday sentenced Syed to a year and a day in federal prison. Prior to sentencing, Syed forfeited \$247,000 of criminally derived cash to the U.S. government.

The sentence was announced by John R. Lausch, Jr., United States Attorney for the Northern District of Illinois; Angie Salazar, Special Agent-in-Charge of the Chicago office of Homeland Security Investigations; Aaron Tambrini, Special Agent-in-Charge of the U.S. Department of Commerce, Bureau of Industry and Security-Office of Export Enforcement, Chicago Field Office; and Cynthia A. Bruce, Special Agent-in-Charge of the U.S. Department of Defense, Defense Criminal Investigative Service, Southeast Field Office. The government was represented by Assistant U.S. Attorney Peter M. Flanagan.

Syed owned Pakistan-based BUSINESS SYSTEM INTERNATIONAL PVT. LTD., and Chicago-based BSI USA. The companies provided high-performance computing platforms, servers, and software application solutions. Syed admitted in a plea agreement that from 2006 to 2015 he conspired with his company's employees in Pakistan to violate the International Emergency Economic Powers Act by exporting computer equipment from the U.S. to the Pakistan Atomic Energy Commission without obtaining the required authorization from the U.S. Department of Commerce. The PAEC is a Pakistani government agency designated by the U.S. government as an entity which may pose an unusual or extraordinary threat to the national security, foreign policy, or economy of the United States.

Syed further admitted that he and the other conspirators falsely represented to U.S.-based computer manufacturers that the illegal shipments were intended for Pakistan-based universities or Syed's businesses, when, in fact, the conspirators knew that the true end user of each shipment was either the PAEC or a research institute that trained the agency's engineers and scientists. In so doing, Syed and his company caused the U.S.-based computer manufacturers to submit to the U.S. government shipping

documents that listed false end-users for the U.S.-origin goods, thereby undermining the U.S. government's ability to stop the illegal shipments.

Business System International Pvt. Ltd. was charged in the conspiracy as a corporate defendant. The company has yet to respond to the charges.

Topic(s):

Counterintelligence and Export Control

Component(s):

USAO - Illinois, Northern

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