

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Northern District of California

FOR IMMEDIATE RELEASE

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South Bay Resident Charged With Smuggling And Exporting American Aviation Technology To Beijing University

Defendant Allegedly Used Intermediary to Funnel Payments for United States Army Aviation-Related Software Sent to Restricted Beijing University

SAN FRANCISCO – The United States Attorney's Office today unsealed a criminal complaint charging Jonathan Yet Wing Soong with smuggling and violating export control laws by allegedly secretly funneling sensitive aeronautics software to a Beijing university, announced United States Attorney Stephanie M. Hinds; Federal Bureau of Investigation Special Agent in Charge Sean Ragan; Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement (BIS), Special Agent in Charge John D. Masters; Defense Criminal Investigative Service (DCIS) Special Agent in Charge Bryan D. Denny. Soong made his initial appearance to face the charges in federal court earlier today before U.S. Magistrate Judge Joseph C. Spero.

The allegations against Soong, 34, of San Jose, were set out in a complaint filed May 23, 2022, and unsealed earlier today. According to the complaint, Soong was employed by Universities Space Research Association (USRA) between April 2016 and September 2020 as a program administrator. USRA is a nonprofit corporation contracted by the National Aeronautics and Space Administration (NASA) to, among other things, distribute domestically and internationally sensitive aeronautics-related software developed through the Army's Software Transfer Agreement (STA) program. As USRA's STA program administrator, Soong was responsible for overseeing certain software license sales, conducting export compliance screening of customers, generating software licenses, and, on occasion, physically exporting software.

Soong is alleged to have been trained in and been aware of export compliance rules which, among other things, restrict sales and exports to certain entities. As relevant to this case, the complaint describes rules that restrict sales of certain technology to entities on the U.S. Department of Commerce Entity List (Entity List), a list with associated regulations that are maintained by the Department of Commerce pursuant to federal statutory and presidential directive. The Entity List and associated regulations prohibit export without a license of certain technology with commercial and potential military applications to entities and individuals whose activities have been found to be contrary to U.S. national security or foreign policy interests. The complaint alleges Soong unlawfully and without a license exported and facilitated the sale and transfer of software to an entity on the Entity List—Beijing University of Aeronautics and Astronautics (BUAA), which is

also known as Beihang University. According to the complaint, Beihang University was added to the Entity List due to the University's involvement in People's Republic of China military rocket systems and unmanned air vehicle systems. Given its inclusion on the Entity List, BUAA is prohibited from receiving certain items without a license. The complaint alleges Soong used an intermediary in hopes that the illegal transfer would not be detected.

At issue in the case is a software package that is marketed for the development of unmanned aircraft. The Army flight-control software packages, referred to in the complaint as CIFER, performed as a tool to allow a user to develop a dynamic model of an aircraft based on collective flight test data. The package could be used to analyze and design aircraft control systems. According to the complaint, in April 2017, Soong became aware that BUAA was on the Entity List and nonetheless arranged to sell and transfer the CIFER software package to BUAA. Soong ultimately exported directly to Beihang University in July 2018. The complaint alleges that Soong arranged to sell the CIFER software package to Beijing Rainbow Technical Development Ltd., as an intermediary for the purchase to disguise BUAA's involvement, as Soong knew that BUAA could not receive this technology without a license from the Department of Commerce. The complaint describes how Soong arranged for the intermediary to receive the CIFER program package, and ultimately Soong arranged to have the passcodes for the CIFER software package forwarded to Beihang University with payment coming from Beijing Rainbow.

A criminal complaint merely alleges that crimes have been committed. All defendants, including Soong, are presumed innocent until proven guilty beyond a reasonable doubt.

Soong is charged with violating International Emergency Economic Powers Act (IEEPA), in violation of 50 U.S.C. §§ 1701–1707, and smuggling, in violation of 18 U.S.C. § 554. The IEEPA violation carries a statutory maximum penalty of 20 years in prison and a \$1,000,000 fine. The smuggling count carries a statutory maximum penalty of 10 years in prison and a \$250,000 fine. In addition, as part of any sentence handed down after conviction, the court may order restitution, and up to three years of supervised release. However, any sentence after conviction would be imposed by the court only after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Soong's next scheduled appearance is set for June 2, 2022, before U.S. Magistrate Judge the Honorable Laurel Beeler.

Assistant United States Attorney Barbara Valliere of the United States Attorney's Office's Special Prosecutions Section is prosecuting the case with the assistance of Maddi Wachs and Kathy Tat. The prosecution is the result of an investigation by the BIS, DCIS, and the FBI with assistance from the NASA Office of Inspector General; U.S. Army Criminal Investigation Division; the U.S. Army Counterintelligence; and the Department of Homeland Security, Homeland Security Investigations.

Component(s):

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