

# Man accused of being Russian agent set for court

October 4 2012, by Nomaan Merchant

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An FBI agent enters Arc Electronics Inc. Wednesday, Oct. 3, 2012 in Houston. A Kazakhstan-born businessman was charged in the U.S. on Wednesday with being a secret Russian agent involved in a scheme to illegally export microelectronics from the United States to Russian military and intelligence agencies. (AP Photo/David J. Phillip)

(AP)—The allegations that a naturalized U.S. citizen obtained military technology through his Texas export firm for Russia have the makings of a 1980s spy film.

Prosecutors say Alexander Fishenko and others sold cutting-edge [microelectronics](#) that could be used in Russian weapons systems, exchanged communications with Russian intelligence and tried to hide documents when they suspected authorities were onto them.

"(If) you are making it up, make it up pretty, correctly, and make sure it looks good," Fishenko allegedly wrote in one message to someone falsifying information.

Fishenko and six others charged in the alleged scheme are expected to appear Thursday morning in Houston federal court.

An indictment unsealed Wednesday accuses Fishenko of scheming to purposely evade strict [export controls](#) for cutting-edge microelectronics. It also charges Fishenko with money laundering and operating inside the United States as an unregistered agent of the Russian government.

Fishenko is from what is now Kazakhstan and owns Houston-based Arc Electronics Inc. He and seven others were in custody following raids there by the FBI.

The name of Fishenko's attorney was not immediately available. His wife, Viktoria, who was identified as a co-owner of her husband's business but not charged, declined to comment Wednesday.

"I will speak when I know what's going on," she said.

The Russian Foreign Ministry in a statement noted that the defendants had not been charged with [espionage](#). Officials said diplomats have met with one of the detained suspects. Foreign Ministry spokesman Alexander Lukashevich lamented the fact that the United States failed to inform the Russian authorities of the impending arrests.

The indictment alleges that since October 2008, the 46-year-old Fishenko and his co-defendants "engaged in a surreptitious and systematic conspiracy" to obtain the highly regulated technology from U.S. makers and export them to Russia.

U.S. authorities say the microelectronics could have a wide range of military uses, including radar and surveillance systems, weapons guidance systems and detonation triggers. They also say the charges come amid a modernization campaign by Russian military officials hungry for the restricted, American-made components.

"The defendants tried to take advantage of America's free markets to steal American technologies for the Russian government," Loretta Lynch, U.S. attorney in Brooklyn, said in a statement.

Stephen L. Morris, head of the FBI office in Houston, called the charges an example of how some countries have sought to bypass export safeguards "to improve their defense capabilities and to modernize [weapons systems](#) at the expense of U.S. taxpayers."

According to court papers, Fishenko was born in the former Soviet Republic of Kazakhstan and graduated from a technical institute in St. Petersburg before coming to America in 1994. He holds U.S. and Russian passports and has frequently traveled overseas to do business, making tens of millions of dollars on exports, authorities said.

An analysis of Arc's accounting records showed a "striking similarity between fluctuations in Arc's gross revenues and the Russian Federation's defense spending over the last several years," the court papers say. Investigators also recovered a letter to Arc from a Russian domestic intelligence agency lab complaining that microchips supplied by the company were defective, the papers add.

Phone calls and emails intercepted by U.S. investigators also "constitute devastating evidence of Fishenko's illegal procurement for the Russian government," the court papers say.

Prosecutors said the evidence revealed repeated attempts by Fishenko to

cover his tracks. In one instance in March, he "directed an employee of a Russian procurement firm to 'make sure that our guys don't discuss extra information, such as this is for our military client,'" the papers say.

In an earlier conversation, Fishenko favorably referred to a business associate using "a Russian colloquialism for 'spy' or 'secret agent,'" the papers add.

About a dozen FBI agents in Houston executed a search warrant on Wednesday at Fishenko's firm, an unmarked business located in an industrial area in southwest Houston. They took at least 18 cardboard boxes of materials from inside the business to a large truck parked in an alley in the back of the business.

Under sentencing guidelines, Fishenko faces more than 12 years in prison if convicted on all charges.

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Citation: Man accused of being Russian agent set for court (2012, October 4) retrieved 27 April 2024 from <https://phys.org/news/2012-10-accused-russian-agent-court.html>

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