

# US charges China academics in trade theft scheme

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US prosecutors have charged six Chinese nationals, including three university professors, with a years-long scheme to steal mobile phone technology trade secrets for Beijing's benefit.

According to a 32-count criminal indictment filed April 1 and unsealed Tuesday, the group led a long-running effort to obtain US trade secrets for universities and companies controlled by the Chinese government.

Among those charged were Tianjin University professor Hao Zhang, who was arrested upon entry into the United States on Saturday, US officials said.

Five others named in the indictment were believed to be in China, according to a Justice Department official who noted that this is the 11th case brought for economic espionage under a 1996 law.

All could face lengthy prison sentences if convicted. The charges they face include economic espionage, theft of trade secrets and various conspiracy counts. Each carries penalties that could include 10 to 15 years in prison plus fines.

The scheme led to the theft of so-called FBAR technology, which enables mobile phones and other devices to filter radio signals and improve performance.

"As today's case demonstrates, sensitive technology developed by US

companies in Silicon Valley and throughout California continues to be vulnerable to coordinated and complex efforts sponsored by foreign governments to steal that technology," US Attorney Melinda Haag said in a statement.

David Johnson, FBI special agent in charge in San Francisco, called the scheme a "methodical and relentless effort by foreign interests to obtain and exploit sensitive and valuable US technology through the use of individuals operating within the United States."

Jeff Rathke, a State Department spokesman, told reporters that "economic espionage is something that we take very seriously," adding that the case shows "that the United States is committed to protecting US companies' trade secrets and their proprietary business information from theft."

## **Using stolen secrets**

In a scheme that allegedly dates back to 2006, the six are accused of working to steal trade secrets from California-based Avago Technologies and Massachusetts-based Skyworks Solutions.

A shell company called Novana was created in the Cayman Islands but led by the Chinese academics and Tianjin University, with Chinese government support, to manufacture rival technology products, according to US investigators.

The Chinese company, called ROFS Microsystems, used technology stolen from the US firms, according to US officials.

Zhang, 36, is a former Skyworks employee and a full professor at Tianjin University.

"We know about academic exchanges and research, but we haven't seen any evidence that these professors were spies," said a man in the Tianjin University propaganda department surnamed Feng. "We don't have anything to do with spying."

He confirmed the school has a professor named Zhang Hao—in Asian name order, with the surname first—but said officials were still trying to confirm whether he is the same person.

"We just heard about this from news reports this morning and we're still unsure exactly what is going on," Feng added.

Calls to ROFS Microsystems by AFP were not answered.

The others charged included Wei Pang, 35, a former Avago employee who is also a full professor at Tianjin University; Jinping Chen, 41, a professor at Tianjin University and a member of the board of ROFS; Huisui Zhang, 34, a Chinese national who studied with Pang and Hao Zhang at the University of Southern California (USC); Chong Zhou, 26, a Tianjin University graduate student; and Zhao Gang, 39, general manager of ROFS Microsystems.

Pang and Hao Zhang met at USC in Los Angeles during their doctoral studies in electrical engineering, where they conducted research on the technology under funding from the US Defense Advanced Research Projects Agency (DARPA).

After earning their doctorates, Pang joined Avago and Zhang took a job at Skyworks.

ROFS was established as a joint venture between the Chinese university's investment arm and several individuals, including some of the defendants, according to the indictment.

Investigators said the scheme focused on thin-film bulk acoustic resonator (FBAR) technology, which is an important component of mobile communications and which was kept under close guard by the two US companies.

The Chinese defendants schemed to steal the technology and filed for patents in the US and China, presenting themselves as the inventors as they sought funding for the effort, according to the indictment.

They aimed to sell the FBAR components to mobile phone makers including Nokia, Samsung, Motorola and LG, noting that the market for the products was worth an estimated \$1 billion in 2006.

"The stolen trade secrets enabled Tianjin University to construct and equip a state-of-the-art FBAR fabrication facility," according to the Justice Department.

Zhang, arrested at Los Angeles International Airport, appeared before a US magistrate on Monday who ordered him held and transported to San Jose to face the charges.

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