

Chinese-American engineer charged with stealing GE technology

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The FBI said they arrested Xiaoqing Zheng, a General Electric engineer, and found a handbook explaining 'resources' China would provide to people who provided it with technology.

A Chinese-American engineer faces charges of stealing valuable technology from General Electric, sneaking it out hidden in a picture of the sunset to take to China, the US Justice Department said.

A federal judge on Thursday ordered that Xiaoqing Zheng, 56, be released Friday on \$100,000 bond and placed under electronic monitoring while surrendering his passport, according to the United States Attorney's Office for the Northern District of New York.

Zheng, a US citizen also believed to have Chinese nationality, had been arrested Wednesday by the FBI, which also searched his home. The agency allegedly found, among other things, a handbook detailing "resources" Beijing would grant to individuals providing certain technologies, court documents say.

Zheng's arrest comes as President Donald Trump intensifies his trade war with Beijing, largely over complaints the country steals US technology or

obliges American companies to share know-how in exchange for doing business in China.

Trump imposed punishing tariffs on tens of billions in Chinese imports and plans more to ratchet up the pressure on Beijing to correct the pervasive industrial espionage.

General Electric said Thursday it had been cooperating with the FBI for "some time" on the case.

"At GE, we aggressively protect and defend our intellectual property and have strict processes in place for identifying these issues and partnering with law enforcement," a spokesman said.

Working for Chinese competitors

US investigators said Zheng may have begun stealing thousands of files containing GE's industrial secrets as far back as 2014, according to court documents.

And Zheng worked for or owned Chinese companies dealing in the same technologies produced by GE Power, which produces and markets energy generation techniques around the world, the FBI found.

"The GE proprietary technologies on which Zheng works would have economic value to any of GE's business competitors," FBI Special Agent MD McDonald said in an affidavit.

GE monitored Zheng as he allegedly transferred files containing turbine technology to his personal email account while hiding the data within the binary code of a digital photograph of a sunset, a process known as "steganography," according to McDonald.

Following a search of Zheng's home in Niskayuna, New York, FBI agents said they retrieved the

reward handbook and a passport showing five trips to China in the past two years.

FBI agents questioned Zheng on Wednesday and say he acknowledged taking GE's proprietary information using steganography on around five to 10 occasions.

Charged with a single count of theft of trade secrets, Zheng faces a maximum of 10 years in prison and a fine of \$250,000 as well as three years of supervised release, although punishments are frequently imposed at less than that.

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