

Chinese professors among 6 charged with economic espionage

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Department of Justice logo(Photo: Matt Slocum, AP)

WASHINGTON —Two Chinese professors, who for years worked as engineers in the USA, are among six Chinese nationals accused by federal prosecutors of economic espionage sponsored by their home government in the alleged theft of radio frequency filter technology developed by two U.S. companies.

The professors, who attended the University of Southern California, allegedly obtained the trade secret information — designed in part to limit interference in mobile phone reception and other devices — as part of a "long-running effort" to benefit universities and companies controlled by the Chinese government.

Tianjin University professor Hao Zhang, 36, was arrested Saturday in Los Angeles shortly after stepping off a plane from China. Fellow professor Wei Pang, 35, and four other alleged co-conspirators are believed to be in China.

According to the 32-count indictment, Pang and Zhang met during their doctoral studies in electrical engineering at USC. While at the university, the two conducted research related to the acoustic technology that was funded by the U.S. Defense Advanced Research Projects Agency, known as DARPA.

Shortly after earning their doctorates in 2005, Pang was employed as an engineer in Colorado for Avago Technologies, while Zhang went to work for Skyworks Solutions Inc., in Massachusetts, the two companies that developed the proprietary trade information.

The so-called FBAR technology is primarily used in mobile devices, filtering incoming and outgoing wireless signals. In addition to the consumer uses, FBAR technology has numerous applications for military and defense communications.

According to the indictment, the professors and other co-conspirators prepared a business plan in 2006 and 2007 and began soliciting Chinese universities and other interests, in an effort to begin manufacturing the technology in China.

In 2008, according to the indictment, Tianjin University officials traveled to San Jose to meet with Pang, Zhang and other co-conspirators, ultimately agreeing to support the professors in setting up a fabrication plant in China. The professors, meanwhile, continued to work with their respective U.S. companies while coordinating their activities with the Chinese university.

The following year, according to federal prosecutors, Pang and Zhang resigned from their U.S. companies and accepted professorships with Tianjin University where a joint venture, ROFS Microsystem, was formed to mass produce the filter technology.

Included in the 30-page indictment was a stream of emails allegedly containing the companies' proprietary information that was shared among the suspects.

In one 2007 exchange, Pang jokingly proposed the name "Clifbaw" for their new Chinese venture. Asked to explain the meaning, Pang allegedly referenced the stolen material in his response: "China lift BAW technology—Clifbaw. haha."

"The defendants leveraged their access to and knowledge of sensitive U.S. technologies to illegally obtain and share U.S. trade secrets with the PRC for economic advantage," said Assistant Attorney General John Carlin, who oversees the Justice Department's National Security Division. "Economic espionage imposes great costs on American businesses, weakens the global marketplace and ultimately harms U.S. interests worldwide."

David Johnson, the FBI's top agent in San Francisco, said the suspects' alleged conduct represented "a methodical and relentless effort by foreign interests to obtain and exploit sensitive and valuable U.S. technology."

"Complex foreign-government sponsored schemes, such as the activity identified here, inflict irreversible damage to the economy of the United States and undercut our national security," Johnson said.

Representatives of Avago and Skyworks could not be reached for comment Tuesday.

Zhang made a brief court appearance late Monday in Los Angeles before he was moved to San Jose where the case is being prosecuted.

http://www.usatoday.com/story/news/nation/2015/05/19/china-espionage-technology/27570735/