



# Department of Justice

**United States Attorney Benjamin B. Wagner  
Eastern District of California**

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## **CHINESE NATIONAL PLEADS GUILTY TO ARMS EXPORT CONTROL ACT VIOLATIONS**

WASHINGTON – Bo Cai, 28, a Chinese national, pleaded guilty in the U.S. District Court for the District of New Mexico this afternoon to violating the Arms Export Control Act and the International Traffic in Arms Regulations (ITAR) by scheming illegally to export defense articles with military application to the People’s Republic of China. The guilty plea was announced by Damon P. Martinez, U.S. Attorney for the District of New Mexico and Dennis A. Ulrich, II, Special Agent in Charge of Homeland Security Investigations (HSI) in El Paso, Texas.

Bo Cai entered a guilty plea to a three-count superseding indictment charging him and his cousin, Wentong Cai, 29, a Chinese national in the United States on a student Visa, with a scheme illegally to export sensors primarily manufactured for sale to the U.S. Department of Defense for use in high-level applications, such as line-of-sight stabilization and precision motion control systems. The Arms Export Control Act and the ITAR prohibit the export of defense-related materials from the United States without obtaining a license or written approval from the U.S. Department of State.

In announcing the guilty plea, U.S. Attorney Damon P. Martinez said, “It is a top priority for the Justice Department and the District of New Mexico to protect our national security and our technology from disclosure to foreign governments. This prosecution demonstrates the federal law enforcement community’s commitment to safeguarding our nation’s military secrets by keeping America’s critical technology from falling into the wrong hands.”

HSI Special Agent in Charge Dennis A. Ulrich, II, said, “One of HSI’s highest priorities is to prevent illicit procurement networks from illegally obtaining U.S. military products, sensitive dual-use technology, weapons of mass destruction (WMD), or chemical, biological, radiological and nuclear materials. This investigation reflects the outstanding efforts of HSI and its partner agencies in protecting American ingenuity and sensitive military hardware. HSI will continue to aggressively investigate this type of crime and bring those individuals who pose a threat to the world’s security to justice.”

In his plea agreement, Bo Cai admitted that from March 2012 to Dec. 2013, he conspired illegally to export sensors from the United States to China without first obtaining the required

export license. According to the plea agreement, in March 2012, Bo Cai, who was then employed by a technology company in China, embarked on an illegal scheme to smuggle sensors out of the United States to China for one of his customers despite knowledge that the sensors could not be exported without a license and that the United States did not issue licenses to export the sensors to China. Bo Cai enlisted Wentong Cai to acquire the sensors under the ruse that he planned to use the sensors at Iowa State University where he was a graduate microbiology student.

Court filings indicate that the investigation of this case began in Oct. 2013, when an undercover HSI agent responded to Wentong Cai's overtures. After negotiations by telephone and email, Bo Cai and Wentong Cai traveled to New Mexico in Dec. 2013, where they obtained a sensor from undercover HSI agents and developed a plan for smuggling the sensor out of the United States to China. On Dec. 11, 2013, Bo Cai was arrested at an airport in Los Angeles, Calif., as he was preparing to board a flight to China after the sensor was discovered concealed in a computer speaker in his luggage.

At sentencing, Bo Cai faces a statutory maximum penalty of 20 years in prison on the Arms Export Control Act charge, ten years in prison on the smuggling charge, and five years on the conspiracy charge. Under the terms of his plea agreement, Bo Cai will be deported after completing his prison sentence. He remains in custody pending his sentencing hearing, which has yet to be scheduled.

Wentong Cai was arrested in Iowa and was transferred to the District of New Mexico in Jan. 2014. He has entered a not guilty plea to the charges in the superseding indictment and remains in federal custody pending trial, which currently is scheduled to begin on Aug. 18, 2014. Charges in indictments are merely accusations and defendants are presumed innocent unless found guilty beyond a reasonable doubt.

The Albuquerque office of HSI led the investigation of this case with assistance from the U.S. Air Force Office of Special Investigations, the Defense Security Service, HSI in Iowa and Los Angeles, Calif., and the FBI. Iowa State University cooperated throughout with HSI's investigation. Assistant U.S. Attorneys Dean S. Tuckman and Fred J. Federici of the District of New Mexico are prosecuting the case with assistance from Deputy Chief Deborah Curtis and Trial Attorney David Recker of the Justice Department's National Security Division, Counterespionage Section, the U.S. Attorney's Office for the Central District of California and the U.S. Attorney's Office for the Southern District of Iowa.

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