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Southern District of New York*

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**SMUGGLER OF UNITED STATES MILITARY EQUIPMENT
PLEADS GUILTY**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that YEN CHING PENG, a/k/a "Yen-Po Peng," a/k/a "Alex Peng," pleaded guilty today in Manhattan federal court to charges of smuggling United States military equipment to Taiwan. PENG, a Taiwanese citizen, had unsuccessfully fought extradition from the Hong Kong Special Administrative Region in China on these charges, and was extradited in August 2008. United States District Judge ROBERT P. PATTERSON, JR., accepted PENG's guilty plea. According to the Indictment to which he pleaded, other court documents, and PENG's statements during his guilty plea proceeding:

PENG, a resident of Taiwan, solicited from an undercover agent a list of specified military equipment that PENG was interested in purchasing. Among the items on this list were (a) infrared laser aiming devices, which mount on military rifles and project on the rifle's target a laser beam invisible to the naked eye but visible with military night vision goggles; (b) thermal weapon sights, which mount on military rifles and facilitate target acquisition and surveillance in low-light conditions by detecting and visually displaying heat sources; and (c) a fighter pilot's helmet and its associated technology, which permits a fighter pilot to accurately direct onboard weapons against enemy targets while performing high-G (subject to high levels of acceleration) aircraft maneuvers. These items are manufactured for military use (primarily under contract with the Department of Defense) and law enforcement agencies, and are items listed on the United States Munitions List as items that cannot be exported without a license issued by the United States Department of State.

PENG, while in Taiwan, purchased over the Internet several infrared laser aiming devices from the undercover agent in New York, and specifically paid an additional fee to the undercover so that the lasers would be exported without the

required license. In addition, PENG requested that the undercover agent falsify on required declaration forms the contents of the packages shipped, and on several occasions, PENG requested that the agent deliver military lasers to PENG's associate PETER LIU in Queens, New York, for later delivery to PENG by LIU, again using falsified declarations of the items shipped.

PENG also ordered from the undercover a fighter pilot's helmet -- specifically, a Joint Helmet Mounted Cueing System. PENG directed the undercover agent to dismantle the helmet, deliver part of it to LIU, and ship part of it to PENG in Taiwan. On December 6, 2007, following PENG's instructions, the undercover agent delivered part of the dismantled helmet to LIU in New York, New York, representing to LIU that the helmet had been stolen. LIU took possession of the helmet from the undercover agent.

On December 11, 2007, PENG was arrested in Hong Kong and LIU was arrested in New York, New York. PENG was extradited to the United States on August 18, 2008.

PENG pleaded guilty to one count of conspiracy to commit export smuggling and the unlicensed export of Munitions List items, and four counts of unlicensed export of Munitions List items. PENG faces a maximum prison sentence of five years on the conspiracy charge, and ten years on each of the export violation charges.

PENG, 32, is scheduled to be sentenced before Judge PATTERSON on March 24, 2009 at 4:00 p.m.

LIU was sentenced by Judge PATTERSON in August 2008 to 30 months in prison, following a guilty plea.

Mr. DASSIN praised the investigative work of the Department of Homeland Security's United States Immigration and Customs Enforcement and the United States Defense Criminal Investigative Service. Mr. DASSIN also thanked the Hong Kong Customs and Excise Department for their assistance in the operation.

The prosecution is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorneys WILLIAM J. STELLMACH and MARIA DOUVAS are in charge of the prosecution.