



Department of Justice

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**CHINESE NATIONAL CHARGED WITH ECONOMIC ESPIONAGE INVOLVING
THEFT OF TRADE SECRETS FROM LEADING AGRICULTURAL COMPANY
BASED IN INDIANAPOLIS**

WASHINGTON - Kexue Huang, aka John, 45, has been arrested and charged in a 17-count indictment with economic espionage intended to benefit a foreign government and instrumentalities, and interstate and foreign transportation of stolen property, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division and U.S. Attorney Timothy M. Morrison for the Southern District of Indiana.

Huang was arrested on July 13, 2010, in Westborough, Mass., by FBI agents, and today made his initial appearance in U.S. District Court for the Southern District of Indiana. According to the indictment, Huang is a Chinese national who was granted legal permanent resident status in the United States. The indictment alleges that Huang, formerly of Carmel, Ind., misappropriated and transported trade secrets and property to the People's Republic of China (PRC) while working as a research scientist at Dow AgroSciences LLC (Dow). While he was employed at Dow, he then directed university researchers in the PRC to further develop the Dow trade secrets. He also allegedly applied for and obtained grant funding that was used to develop the stolen trade secrets.

"Economic espionage robs our businesses and inventors of hard-earned, protected research, and is particularly harmful when the theft of these ideas is meant to benefit a foreign government," said Assistant Attorney General Lanny A. Breuer of the Criminal Division. "The protection of trade secrets and all intellectual property is vital to the economic success of our country, and our leadership in innovation. We will continue to bring charges under the Economic Espionage Act wherever supported by the evidence."

"Complex cases like this one, where the challenge of highly technical evidence is compounded by geography, require extraordinary cooperation and flexibility between all components of the investigation," said U.S. Attorney Timothy M. Morrison. "We had that here."

According to the indictment, Dow is a leading agricultural company that provides agrochemical and biotechnology products. Since approximately 1989, Dow has made substantial investments in research and development to produce a class of organic insect control and management products. A proprietary fermentation process has been used to develop these organic insecticides.

According to the indictment, Huang was employed as a Dow research scientist from early 2003 until Feb. 29, 2008. As a Dow employee, Huang signed an agreement that outlined his obligations in handling confidential information, including trade secrets, and prohibited him from disclosing any confidential information without Dow's consent. Dow employed several layers of security to preserve and maintain confidentiality and to prevent unauthorized use or disclosure of its trade secrets.

In December 2008, Huang allegedly published an article without Dow's authorization through Hunan Normal University (HNU) in the PRC, which contained Dow trade secrets. The article allegedly was based on work supported by grants from the National Natural Science Foundation of China (NSFC), a foreign instrumentality of the PRC. Huang also allegedly directed individuals associated with HNU to conduct research at their laboratories on Dow trade secrets. The indictment also alleges that beginning in March 2008, after leaving Dow, Huang applied for and ultimately received grants from NSFC which he used to develop Dow trade secrets.

The indictment also alleges that beginning as early as September 2007, Huang directed research in the PRC on Dow confidential information, including trade secrets, which he was assigned to research in the course of his Dow employment. In addition, the indictment alleges that Huang sought information about manufacturing facilities in the PRC that would allow him and others to compete in the same market as Dow.

Huang faces a maximum of 15 years in prison and a \$500,000 fine on each of the 12 counts of economic espionage. He faces 10 years in prison and a \$250,000 fine on each of the five counts of transportation of stolen property.

The case is being prosecuted by Assistant U.S. Attorney Cynthia J. Ridgeway of the U.S. Attorney's Office for the Southern District of Indiana as well as Assistant U.S. Attorney Mark L. Krotoski and Trial Attorney Evan C. Williams of the Criminal Division's Computer Crime and Intellectual Property Section (CCIPS). The National Security Division provided assistance in this matter. The investigation is being conducted by the FBI. Significant assistance in the case has also been provided by the CCIPS Cybercrime Lab.

The charges contained in the indictment are merely allegations, and the defendant is presumed innocent until proven guilty.

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