



**United States Attorney's Office  
Eastern District of Michigan**

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## **PRESS RELEASE**

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[www.justice.gov/usao/mie/index.html](http://www.justice.gov/usao/mie/index.html)**

### **Chinese National Pleads Guilty to Stealing Ford Trade Secrets**

Former Ford employee, Xiang Dong Yu, aka Mike Yu, 49, of Beijing, China, pleaded guilty today in federal court to two counts of theft of trade secrets, announced Barbara L. McQuade, United States Attorney for the Eastern District of Michigan. McQuade was joined in the announcement by Andrew G. Arena, Special Agent in Charge of the FBI.

According to the plea agreement in this case, Yu was a Product Engineer for the Ford Motor Company from 1997 to 2007 and had access to Ford trade secrets, including Ford design documents. In December 2006, Yu accepted a job at the China branch of a U.S. company. On the eve of his departure from Ford and before he told Ford of his new job, Yu copied some 4,000 Ford documents onto an external hard drive, including sensitive Ford design documents. Included in those documents were system design specifications for the Engine/Transmission Mounting Subsystem, Electrical Distribution system, Electric Power Supply, Electrical Subsystem and Generic Body Module, among others. Ford spent millions of dollars and decades on research, development, and testing to develop and continuously improve the design specifications set forth in these documents. The majority of the design documents copied by the defendant did not relate to his work at Ford. On December 20, 2006, the defendant traveled to the location of his new employer in Shenzhen, China, taking the Ford trade secrets with him. On January 2, 2007, Yu emailed his Ford supervisor from China and informed him that he was leaving Ford's employ.

The plea agreement further states that in November 2008, the defendant began working for Beijing Automotive Company, a direct competitor of Ford. On October 19, 2009, the defendant returned to the United States, flying into Chicago from China.

Upon his arrival, the defendant was arrested on a warrant issued upon the indictment in this case. At that time, the defendant had in his possession his Beijing Automotive Company laptop computer. Upon examination of that computer, the FBI discovered that forty-one Ford system design specifications documents had been copied to the defendant's Beijing Automotive Company work computer. The FBI also discovered that each of those design documents had been accessed by the defendant during the time of his employment with Beijing Automotive Company.

Under the plea agreement, Yu faces a sentence of between 63-78 months' imprisonment based on an agreed loss amount of more than \$50 million and less than \$100 million and a fine of up to \$150,000. The agreement also provides that Yu will be deported from the United States after completing any term of incarceration.

"We will vigilantly protect the intellectual property of our U.S. automakers, who invest millions of dollars and decades of time in research and development to compete in a global economy," McQuade said. "Those who do not play by the rules will be brought to justice."

Special Agent Arena stated, "Michigan, as well as the rest of the United States, is significantly impacted by the auto industry. Theft of trade secrets is a threat to national security and investigating allegations involving theft of trade secrets is a priority for the FBI. The FBI will continue to aggressively pursue these cases."

Yu remains in federal custody and is scheduled to be sentenced on February 23, 2011 at 10:00 a.m..

The investigation of this case had been conducted by the Federal Bureau of Investigation. This case is being prosecuted by Assistant U.S. Attorney Cathleen Corken.



