

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No.
 :
 v. : 18 U.S.C. § 371
 :
 SWISS TECHNOLOGY, INC. : INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Background

1. At all times relevant to this Information:
 - a. Defendant SWISS TECHNOLOGY, INC. ("SWISS TECH") was a company located in Clifton, New Jersey, that manufactured parts and other equipment, including pursuant to contracts with the United States Department of Defense.
 - b. There was an equipment and parts manufacturing company located in the People's Republic of China (the "PRC Company").
 - c. An individual was employed by defendant SWISS TECH (the "Employee"). The Employee communicated with the PRC Company on behalf of and at the direction of defendant SWISS TECH.

The Arms Export Control Act

2. Pursuant to the Arms Export Control Act, 22 U.S.C. § 2778, et. seq., in furtherance of the security and foreign policy of the United States of America, the President was authorized to control the import and export of defense articles.

The President also was authorized to designate those items which shall be considered defense articles and placed on the United States Munitions List ("USML").

3. Defense articles are controlled for export from the United States under specific United States Department of State ("State Department") regulations.

4. Defense articles, as that term is used in 22 U.S.C. § 2778(b)(2) and in 22 C.F.R. § 127.1(a)(1), means items and technical data designated for placement on the USML, and can include weapons, weapons systems, munitions, and other implements of war.

5. Persons engaged in the export of defense articles covered by the USML must be registered with the State Department, Directorate of Defense Trade Controls, and must apply for and receive a valid license or other approval to export defense articles from the United States.

The Conspiracy

6. From in or about at least August 2004 to in or about July 2009, in Passaic County, in the District of New Jersey, and elsewhere, defendant

SWISS TECHNOLOGY, INC.

did knowingly and willfully conspire and agree with others to export and cause to be exported, from the United States to the People's Republic of China, defense articles without first obtaining from the State Department a license or written approval

for such exports, contrary to Title 22, United States Code, Section 2778(b)(2), Title 22, Code of Federal Regulations, Section 127.1(a)(1), and Title 22, Code of Federal Regulations, Section 127.1(d).

Objects of the Conspiracy

7. The objects of the conspiracy were:

a. to export defense articles, including equipment and specification drawings, from the United States to the PRC Company in the People's Republic of China without obtaining a license from the U.S. State Department, Directorate of Defense Trade Controls;

b. to use the PRC Company to manufacture parts that defendant SWISS TECH was under contract to manufacture for the United States Department of Defense, or for which defendant SWISS TECH intended to contract with the United States Department of Defense;

c. to profit and enrich conspirators by obtaining the financial benefits of lower manufacturing costs provided by the PRC Company; and

d. to conceal the prohibited activities from detection by the United States Government.

Means and Methods of the Conspiracy

8. It was part of the conspiracy that defendant SWISS TECH entered into contracts with the United States Department of Defense whereby defendant SWISS TECH agreed to manufacture

certain defense articles and other equipment pursuant to Department of Defense specifications, in exchange for payment.

9. It was a further part of the conspiracy that after defendant SWISS TECH entered into a contract with the Department of Defense, defendant SWISS TECH and others would send or cause to be sent defense articles, including specification drawings and parts samples, to the PRC Company, so that the PRC Company could manufacture defense articles and other parts for defendant SWISS TECH.

10. It was a further part of the conspiracy that after receiving the defense articles and other parts from the PRC Company, defendant SWISS TECH would ship the defense articles and other parts to the Department of Defense, purporting that defendant SWISS TECH had manufactured those defense articles and parts in conformance with its contracts with the Department of Defense.

Overt Acts

11. In furtherance of the conspiracy and to effect its unlawful objects, defendant SWISS TECH and its co-conspirators committed and caused to be committed the following overt acts in the District of New Jersey and elsewhere:

a. On or about June 8, 2005, defendant SWISS TECH, through the Employee, caused to be sent to the PRC Company specifications for production of pins for the bipod assembly used with the M249 machine gun, despite knowing the above item was

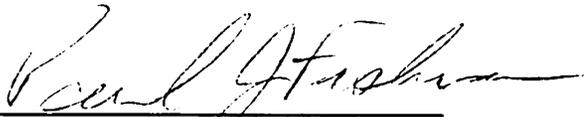
export controlled.

b. On or about June 8, 2005, defendant SWISS TECH, through the Employee, caused to be sent to the PRC Company specifications for production of bushings for the barrel assembly used with the M249 machine gun, despite knowing the above item was export controlled.

c. On or about March 7, 2007, defendant SWISS TECH, through the Employee, caused to be sent to the PRC Company specifications for production of a pin for a bolt carrier assembly used with an M16 rifle or M4 rifle.

d. On or about December 3, 2007, defendant SWISS TECH, through the Employee, caused to be sent to the PRC Company specifications for production of washers for the barrel assembly for the M249 machine gun.

In violation of Title 18, United States Code, Section 371.



PAUL J. FISHMAN
United States Attorney

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PAUL J. FISHMAN

U. S. ATTORNEY

NEWARK, NEW JERSEY

ZAHID N. QURAIISHI

ASSISTANT U. S. ATTORNEY

(973) 645-2909