



Department of Justice

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District of Massachusetts

FOR IMMEDIATE RELEASE
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CHINESE NATIONAL CHARGED IN MASSACHUSETTS WITH ILLEGAL EXPORTS OF SENSITIVE TECHNOLOGY TO CHINA

BOSTON – A Chinese national in Massachusetts on business was arrested for illegally supplying U.S. origin parts to end-users in China in violation of U.S. export laws.

Qiang Hu, aka Johnson Hu, 47, was charged in a complaint with conspiracy to violate the Export Administration Regulations and the International Emergency Economic Powers Act. The complaint, originally filed on May 18, 2012, was unsealed after Hu's arrest at his hotel in North Andover, Mass., yesterday.

The complaint alleges that Hu has been the sales manager at MKS Instruments Shanghai Ltd. (MKS-Shanghai) since 2008. MKS-Shanghai is the Shanghai sales office of MKS Instruments Inc. (MKS), which is headquartered in Andover, Mass. Hu's employment gave him access to MKS manufactured parts, including export-controlled pressure-measuring sensors (manometer types 622B, 623B, 626A, 626B, 627B, 722A and 722B), which are commonly known as pressure transducers. Pressure transducers are export controlled because they are used in gas centrifuges to enrich uranium and produce weapons-grade uranium.

The complaint alleges that beginning in 2007, Hu and others caused thousands of MKS pressure transducers worth millions of dollars to be exported from the United States and delivered to unauthorized end-users using export licenses that were fraudulently obtained from the U.S. Department of Commerce.

The complaint alleges that Hu and his co-conspirators used two primary means of deception to export the pressure transducers. First, the conspirators used licenses issued to legitimate MKS business customers to export the pressure transducers to China, and then caused the parts to be delivered to other end-users who were not themselves named on the export licenses or authorized to receive the parts. Second, the conspirators obtained export licenses in the name of a front company and then used these fraudulently obtained licenses to export the parts to China, where they were delivered to the actual end-users.

MKS is not a target of the government's investigation into these matters.

Hu remains in custody, and is scheduled for a detention hearing on May 31, 2012, at 11 a.m. If convicted, he faces a maximum sentence of 20 years in federal prison to be followed by up to three years of supervised release and a \$1 million fine.

U.S. Attorney for the District of Massachusetts Carmen M. Ortiz; Richard DesLauriers, Special Agent in Charge of the FBI, Boston Field Office; Bruce M. Foucart, Special Agent in Charge of U.S. Immigration and Customs Enforcement's Office of Homeland Security Investigations in Boston; and John J. McKenna, Special Agent in Charge of the U.S. Department of Commerce, Office of Export Enforcement, Boston Field Office made the announcement today. The case is being prosecuted by Assistant U.S. Attorneys William D. Weinreb and B. Stephanie Siegmann in the U.S. Attorney's Office for the District of Massachusetts's Antiterrorism and National Security Unit.

The details contained in the complaint are allegations. The defendant is presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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