

# Chinese National Allegedly Exported Devices with Military Applications to China

Additional charges were filed on Tuesday, Oct. 30, 2018, against a Chinese national in connection with violating export laws by conspiring with, among others, employees of an entity affiliated with the People's Liberation Army (PLA) in China to illegally export U.S. origin goods to China.

Shuren Qin, a Chinese national residing in Wellesley, was charged in a superseding indictment yesterday with conspiracy to defraud the United States, smuggling, money laundering and making false statements to government officials. These charges are in addition to previous charges filed, including conspiracy to commit export violations, visa fraud, and conspiracy to defraud the United States. Qin was released on conditions pending trial.

According to court documents, Qin was born in the People's Republic of China and became a lawful permanent resident of the United States in 2014. Qin operates several companies in China, including a company called LinkOcean Technologies, which imports goods and technology with underwater and marine applications to China from the United States, Canada and Europe. The indictment alleges that Qin communicated with and received taskings from entities affiliated with the PLA, including Northwestern Polytechnical University (NWPU), a Chinese military research institute, to obtain items used for anti-submarine warfare. In 2001, the Department of Commerce designated NWPU on its Entity List because of the national security risks NWPU poses to the United States. As described in the indictment, NWPU has worked closely with the PLA on the

advancement of its military capabilities.

Between approximately July 2015 and December 2016, it is alleged that Qin exported at least 60 hydrophones (devices used to detect and monitor sound underwater) from the United States to NWPU without obtaining the required export licenses from the Department of Commerce. Qin and his company, LinkOcean, did so by concealing from the U.S. manufacturer of the hydrophones that NWPU was the true end-user and by causing false end-user information to be filed with the U.S. Government. In addition, on four separate occasions in connection with the export of hydrophones to NWPU, Qin allegedly engaged in money laundering by transferring or causing the transfer of more than \$100,000 from Chinese bank accounts to bank accounts located in the United States with the intent to promote and facilitate his unlawful export scheme.

In 2014, it is alleged that Qin engaged in visa fraud in connection with his application to become a lawful permanent U.S. resident by falsely certifying that he was not seeking to “engage in export control violations or other unlawful activity” when, in fact, he engaged in numerous violations of U.S. export laws between 2012 and 2018 both in China and in the United States. Qin has also been charged with making false statements to government agents on two occasions regarding LinkOcean’s customers and its export activities. Specifically, the indictment alleges that during an interview with Customs and Boarder Protection (CBP) Officers in November 2017, Qin stated that he only exported instruments that attach to a buoy. However, Qin allegedly exported remotely-operated side scan sonar systems, unmanned underwater vehicles, unmanned surface vehicles, robotic boats, and hydrophones. The items that Qin failed to disclose to, and concealed from, CBP during this interview have military applications, and several of these items were delivered to military end-users in China. For instance, Qin exported a U.S.-manufactured remotely-operated

side scan sonar system to a PLA Troop in November 2015. Qin also lied to investigators during an interview on or about June 21, 2018, when he stated that he did not have any customers on the Department of Commerce's Entity List. In fact, the indictment alleges that Qin and LinkOcean had at least two such customers.

The charge of conspiring to violate U.S. export laws provides for a sentence of no greater than 20 years in prison, three years of supervised release and a fine of \$1 million. The charge of visa fraud provides for a sentence of no greater than 10 years in prison, three years of supervised release and a fine of \$250,000. The charge of conspiring to defraud the United States provides for a sentence of no greater than five years in prison, three years of supervised release, and a \$250,000 fine. The charge of making false statements provides for a sentence of no greater than five years in prison, three years of supervised release, and a \$250,000 fine. The charge of money laundering provides for a sentence of no greater than 20 years in prison, five years of supervised release, and a \$500,000 fine. The charge of smuggling provides for a sentence of no greater than 10 years in prison, three years of supervised release, and a \$250,000 fine. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Andrew Lelling; Peter C. Fitzhugh, Special Agent in Charge of the Homeland Security Investigation, Boston Field Office; Leigh Alistair-Barzey, Special Agent in Charge of the Defense Criminal Investigative Service, Northeast Field Office; William Higgins, Acting Special Agent in Charge of the Department of Commerce, Office of Export Enforcement, Boston Field Office; Harold H. Shaw, Special Agent in Charge of the Federal Bureau of Investigation, Boston Field Division; and Leo Lamont, Special Agent in Charge of the Naval Criminal Investigative Service, Northeast Field Office made the announcement today. Assistant

U.S. Attorney B. Stephanie Siegmann, Chief of Lelling's National Security Unit, and Assistant U.S. Attorney Jason Casey, also of National Security Unit, are prosecuting the case.

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