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CENTRAL DISTRICT OF CALIFORNIA
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
October, 2007 Grand Jury

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
DONGFAN "GREG" CHUNG,)
)
Defendant.)

No. SA ~~08-00024~~ **SA CR 08 - 00024**

I N D I C T M E N T
[18 U.S.C. § 371: Conspiracy;
18 U.S.C. § 1831(a) (1), (3):
Economic Espionage; 18 U.S.C.
§ 951: Acting as Agent of
Foreign Government Without
Prior Notification to
Attorney General; 18 U.S.C.
§ 1512(b) (3): Obstruction of
Justice; 18 U.S.C. § 1001:
False Statements; 18 U.S.C.
§ 1834: Criminal Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

A. BACKGROUND

At all times relevant to this Indictment:

1. DONGFAN "GREG" CHUNG ("defendant CHUNG") resided in
Orange County, in the Central District of California.

////

GWS:IAW:gws

1 2. The Boeing Company ("Boeing"), headquartered in Chicago,
2 Illinois, was a company that designed and manufactured commercial
3 and military aircraft, rotorcraft, electronic and defense
4 systems, missiles, satellites, launch vehicles, and advanced
5 information and communication systems. As a major service
6 provider to the National Aeronautics and Space Administration
7 ("NASA"), Boeing operated the Space Shuttle and International
8 Space Station. The company also provided numerous military and
9 commercial airline support services. Boeing had facilities in
10 many cities, including Huntington Beach, California. The
11 products of Boeing were sold and shipped, and were intended to be
12 sold and shipped, in interstate and foreign commerce.

13 3. Rockwell International ("Rockwell") was a company that
14 designed and manufactured aircraft and spacecraft. Rockwell had
15 facilities in many cities, including Downey, California. The
16 products of Rockwell were sold and shipped, and were intended to
17 be sold and shipped, in interstate and foreign commerce. In or
18 about December 1996, Boeing acquired Rockwell's defense and space
19 businesses, including the Rockwell facility in Downey,
20 California.

21 4. In or around 1996, Boeing began work on a project to
22 upgrade the radar and communications system on the United States
23 Space Shuttle. Boeing developed a phased-array antenna that
24 would be placed on the Space Shuttle to facilitate
25 communications. Only Boeing employees who worked in the Space
26 Shuttle program, or otherwise had a need to know, were given
27 access to this technology.

28 5. The following documents belonged to Boeing, and

1 contained Boeing's trade secrets on the research and development
2 and processes for the phased-array antenna:

3 a. Item Change Analyses for MCR 18849 ("Shuttle Phased-
4 Array Document One").

5 b. "Boeing Phased-array Antenna Internal Research and
6 Development, Option for Orbiter Communications Upgrades, March
7 26, 1999," marked "Boeing Proprietary" ("Shuttle Phased-Array
8 Document Two").

9 c. ROM For Cost of Cooling Phased Array Antenna documents
10 ("Shuttle Phased-Array Document Three").

11 d. "Boeing Phased-array Antenna Internal Research and
12 Development, Option for Orbiter Communications Upgrades, May
13 1999," marked "Boeing Proprietary" ("Shuttle Phased-Array
14 Document Four").

15 6. The Delta IV is a next-generation booster rocket that is
16 designed to launch manned space vehicles. The Delta IV requires
17 an umbilical cord mechanism, called a Tail Service Mast ("TSM"),
18 to feed liquid nitrogen fuel and liquid oxygen to the aft engine
19 section of the rocket upon takeoff. Only Boeing employees who
20 worked in the Delta IV program, or otherwise had a need to know,
21 were given access to this technology.

22 7. The following documents belonged to Boeing, and
23 contained Boeing's trade secrets on the Delta IV umbilical
24 release system:

25 a. "Delta IV/EELV Common Booster Core (CBC) Tail Service
26 Mast (TSM) Overview," dated September 1998, marked "Boeing North
27 America Proprietary" ("Delta IV Document One"). The Delta IV
28 Document One included information regarding the specific location

1 on the launch pad of each of six TSMs; where and how the
2 umbilical hoses connect to the rocket; a description of the
3 assembly housing of the TSM; operations for backup systems; how
4 to install the TSM and its preparation, setup, and operation;
5 umbilical test plan overview; and electrical requirements.

6 b. "Common Booster Core (CBC) Tail Service Mast (TSM)
7 Overview," dated September 1998, marked "Boeing Proprietary"
8 ("Delta IV Document Two"). The Delta IV Document Two contained a
9 detailed overview of design and test requirements, design
10 verification procedures, design schematics, functional overview,
11 and implementation of hardware, as well as information on how the
12 quick release mechanism and backup umbilical release systems
13 work.

14 8. The C-17 Globemaster III ("C-17") is a strategic
15 airlifter manufactured by Boeing and used by the United States
16 Air Force, British Royal Air Force, the Royal Australian Air
17 Force, and the Canadian Forces Air Command. The C-17 is used for
18 rapid delivery of troops and cargo to military bases. In
19 addition to manufacturing the aircraft, Boeing provides
20 competitive testing and maintenance services for the C-17. Only
21 Boeing employees who worked in the C-17 program, or otherwise had
22 a need to know, were given access to this technology.

23 9. The following documents belonged to Boeing, and
24 contained Boeing's trade secrets regarding the C-17 aircraft:

25 a. "Durability and Damage Tolerance - Session 6, C-17 D&DT
26 and Force Management Requirements" ("C-17 Document One"). The C-
27 17 Document One is part of a training series for Boeing C-17
28 analysts and designers, and describes in detail how, when, and

1 what to inspect throughout the lifetime of the C-17 aircraft.

2 b. "Durability and Damage Tolerance - Session 8, Lessons
3 Learned from Full Scale Durability Test," marked "Not for General
4 Distribution" ("C-17 Document Two"). The C-17 Document Two is
5 part of a training series for Boeing C-17 analysts and designers,
6 and describes in detail the full scale C-17 durability and
7 tolerance damage testing set up requirements, testing results,
8 explanation of findings, measures taken to rectify findings, and
9 disassembly of the test article.

10 10. From in or around July 1973 to on or about September 5,
11 2002, defendant CHUNG was employed by Rockwell at its facility in
12 Downey, California, and, when Rockwell was acquired by Boeing, by
13 Boeing at its Huntington Beach facility, as a stress analyst on
14 the forward fuselage section of the Space Shuttle.

15 11. From in or around March 2003 to on or about September
16 11, 2006, defendant CHUNG was employed by Boeing at its
17 Huntington Beach facility as a contractor working in the Space
18 Shuttle program.

19 12. At no time during his employment at Boeing did
20 defendant CHUNG work in the Delta IV or C-17 programs.

21 13. From in or around July 1973 to on or about September 5,
22 2002, defendant CHUNG held a secret clearance at Rockwell and
23 Boeing. As a condition of his employment at Rockwell and Boeing
24 and his secret clearance, defendant CHUNG was required to report
25 any foreign travel, contacts with foreign officials, and any
26 planned use or disclosure of company information in a foreign
27 country.

28 14. On or about September 5, 2002, defendant CHUNG signed

1 an "Employee Action Notification" agreement with Boeing in which
2 he stated that he would not use or disclose without authorization
3 any proprietary, confidential, or trade secret information
4 belonging to Boeing or any Boeing customer or supplier.

5 15. On or about September 5, 2002, just prior to his
6 retirement from Boeing, defendant CHUNG signed a statement
7 declaring that he had returned to Boeing "all documents, computer
8 software or databases, and other materials or items which at the
9 time of the termination of my employment were in my possession,
10 custody or control by virtue of my employment with Boeing."

11 16. On or about January 29, 2004, defendant CHUNG signed a
12 "Code of Conduct" acknowledgment with Boeing in which he agreed
13 that he read, understood, and was in compliance with Boeing's
14 Code of Conduct and would continue to comply.

15 17. On or about January 17, 2005, defendant CHUNG signed a
16 "Non-Employee Code of Conduct" acknowledgment with Boeing in
17 which he agreed that he would follow all restrictions on the use
18 and disclosure of information, including following all
19 requirements for protecting information belonging to Boeing.

20 18. On or about January 13, 2006, defendant CHUNG signed
21 Boeing's "Code of Conduct Acknowledgment," in which he agreed
22 that he would follow all restrictions on the use and disclosure
23 of information, including following all requirements for
24 protecting information belonging to Boeing.

25 B. THE OBJECT OF THE CONSPIRACY

26 19. Paragraphs One through Eighteen are hereby re-alleged
27 and incorporated by reference as if set forth in full herein.

28 20. Beginning on a date unknown to the Grand Jury and

1 continuing until on or about September 11, 2006, in Orange
2 County, within the Central District of California, and elsewhere,
3 defendant CHUNG, together with others known and unknown to the
4 Grand Jury, knowingly combined, conspired, and agreed to:

5 a. knowingly and without authorization appropriate, take,
6 carry away, and conceal trade secrets belonging to Boeing; and

7 b. knowingly possess trade secrets belonging to Boeing
8 while knowing the same to have been stolen or appropriated,
9 obtained or converted without authorization;

10 intending and knowing that the offenses would benefit a foreign
11 government, namely the People's Republic of China ("PRC"), or
12 instrumentalities or agents thereof, in violation of Title 18,
13 United States Code, Sections 1831(a)(1) and (3).

14 C. MANNER AND MEANS OF THE CONSPIRACY

15 21. The objects of the conspiracy were carried out, in
16 part, as follows:

17 a. In the past, defendant CHUNG was sent requests by
18 officials and agents of the government of the PRC for information
19 relating to the United States Space Shuttle, and military and
20 civilian aircraft, and helicopters.

21 b. In response to these requests, defendant CHUNG, using
22 his access as an engineer at Rockwell and Boeing, took, without
23 authorization, documents containing trade secrets from Rockwell
24 and Boeing and concealed them in his home.

25 c. The documents taken by defendant CHUNG from Rockwell and
26 Boeing matched requests for specific types of technology
27 contained in letters and tasking lists sent to defendant CHUNG in
28 the past by officials of the PRC. Defendant CHUNG took the

1 documents with the intent to benefit the government of the PRC by
2 providing the information in the documents to the government of
3 the PRC.

4 d. Defendant CHUNG traveled to the PRC to deliver lectures
5 on technology involving the United States Space Shuttle and other
6 programs, and to meet with officials and agents of the government
7 of the PRC. Defendant CHUNG did not report to Rockwell or Boeing
8 his travel to the PRC, his contacts with PRC officials, or the
9 fact that he gave lectures involving Rockwell and Boeing
10 technology in the PRC.

11 D. REQUESTS TO DEFENDANT CHUNG FROM PRC OFFICIALS FOR AMERICAN
12 TECHNOLOGY

13 22. Defendant received requests from officials of the PRC
14 to provide American technology to the PRC. The discussion of
15 these requests included the following:

16 a. Defendant CHUNG sent an undated letter to Professor Chen
17 Lung Ku at Harbin Institute of Technology in the PRC. Defendant
18 CHUNG wrote that he had sent via sea freight three sets of
19 manuals dealing with flight stress analysis. Defendant CHUNG
20 wrote: "I don't know what I can do for the country. Having been
21 a Chinese compatriot for over thirty years and being proud of the
22 achievements by the people's efforts for the motherland, I am
23 regretful for not contributing anything." The letter concluded
24 with defendant CHUNG asking if there were any other materials he
25 could provide. Defendant CHUNG wrote, "I would like to make an
26 effort to contribute to the Four Modernizations of China."

27 b. Defendant CHUNG received a letter dated September 9,
28 1979, from Professor Chen Lung Ku in the PRC stating that Ku had

1 received "all three types" of information defendant CHUNG had
2 sent. Ku wrote: "We are all moved by your patriotism. You have
3 spent so much time to reorganize the notes from several years
4 ago; copying and finding the information that could be needed by
5 us, and you have actively put in your efforts towards the Four
6 Modernizations of the Motherland. Your spirit is an
7 encouragement and driving force to us. We'd like to join our
8 hands together with the overseas compatriots in the endeavor for
9 the construction of our great socialist motherland."

10 c. Defendant CHUNG received a letter dated February 7,
11 1985, from Qinan Chen in the PRC. Chen was the Deputy Director,
12 Technical Import Department, China National Aero Technology
13 Import and Export Corporation ("CATIC"), in the PRC. The letter
14 set forth the following "items for your consideration" for
15 lectures defendant CHUNG planned to give during an upcoming trip
16 to China: (1) "The entire process of the aircraft's fatigue life
17 and its major links"; (2) "The static strength and principles of
18 fatigue design when designing new aircraft"; (3) "The formulation
19 of a fatigue test plan"; and (4) "The determination of a
20 helicopter's rotor wings, blades, and propeller hub's load." The
21 letter concluded by asking defendant CHUNG for a more detailed
22 outline of what he intended to present and what his travel dates
23 to China would be.

24 d. Defendant CHUNG wrote a letter dated March 18, 1985, to
25 Qinan Chen in the PRC thanking Chen for arranging defendant
26 CHUNG's travel to the PRC, and stated it would be a "real
27 pleasure" to go to China and have a technology exchange.
28 Defendant CHUNG wrote that he had been working on aircraft

1 structural design for more than twenty years, and also had
2 experience in spacecraft design. Defendant CHUNG listed the
3 topics he proposed covering during his trip to China: (1) "Static
4 force analysis of spacecraft's forward fuselage"; (2) "Finite
5 element analysis of space aircraft's forward fuselage"; (3)
6 "Brief introduction on surface insulation tile of a spacecraft";
7 and (4) "Stress analysis."

8 e. Defendant CHUNG wrote an undated letter to Qinan Chen in
9 the PRC that listed topics defendant CHUNG had prepared for
10 lectures in the PRC: (1) "Flight General Design"; (2) "Flight
11 Fatigue Life Analysis"; (3) "Space Shuttle Forward Fuselage
12 Structure and Static Analysis Principles and Methods"; (4) "Space
13 Shuttle Forward Fuselage Finite Element Analysis"; and (5) "Space
14 Shuttle Heat Resistant Tiles, Brief Introduction and Stress
15 Analysis." Defendant CHUNG wrote that he would be arriving in
16 Beijing on June 24, 1985, and asked Qinan Chen to arrange the
17 technology exchange.

18 f. Defendant CHUNG wrote an undated letter to Qinan Chen in
19 which defendant CHUNG acknowledged receiving a letter dated April
20 8, 1985, from Chen. Defendant CHUNG wrote that he had tried to
21 send a detailed outline of his lecture topics in an April 16
22 letter to Chen, and that the letter was supposed to be hand-
23 delivered to Chen in the PRC by defendant CHUNG's brother-in-law
24 but never was. In response to Chen's request for more details
25 regarding defendant CHUNG's lectures, defendant CHUNG wrote: (1)
26 "Flight Life"; (2) "Helicopter Structure Design"; (3) "Flight
27 Life Analysis"; (4) "Static Analysis"; (5) "Fatigue Life"; and
28 (6) "F-15 Jet Fighters." Defendant CHUNG wrote that he would

1 leave for China on June 23, 1985.

2 g. Defendant CHUNG wrote a letter dated April 26, 1985, to
3 Qinan Chen stating that the "Space Shuttle information was
4 classified secret" and was "completely separate from static
5 structure analysis." Defendant CHUNG wrote that he had only
6 partial information on helicopter structure design because the
7 information was controlled by the Department of Defense.
8 Defendant CHUNG wrote that he had not worked on helicopters for a
9 long time, but based on the information he still had, "the
10 overall picture could still be explored." Referring to the Space
11 Shuttle and helicopter topics, defendant CHUNG wrote that he was
12 still doing preparation work on the fatigue/flight life and
13 static analysis issues. Defendant CHUNG wrote that he had,
14 considered Chen's request for information on Flight Life and
15 Helicopter Design Structure. Defendant CHUNG wrote that he could
16 still provide as much as he knew, and that he had worked on the
17 fatigue life of helicopter analysis and the F-15 fighter.

18 h. Defendant CHUNG received a letter from Qinan Chen dated
19 May 13, 1985, on CATIC letterhead. In the letter, Chen
20 acknowledged receiving a letter from defendant CHUNG dated April
21 17, 1985, which contained an outline of technology exchange
22 topics. Qinan Chen suggested that defendant CHUNG include as
23 topics conventional aircraft design, including fatigue life, and
24 the design of aircraft and armed helicopters that defendant CHUNG
25 had worked on. Chen wrote that they could still use the material
26 defendant CHUNG was planning to present on spacecraft. Chen
27 wrote that defendant CHUNG should give any material for delivery
28 to the PRC to defendant CHUNG's brother-in-law as it was "more

1 convenient that way."

2 i. Defendant CHUNG wrote a letter to Qinan Chen dated May
3 27 in which defendant CHUNG acknowledged receiving Chen's letter
4 of May 13. Defendant CHUNG wrote that another lecture topic was
5 attached: "General Aircraft Design and Fatigue Life." Defendant
6 CHUNG wrote that he would deliver the lectures in Chinese,
7 although some technical terms would be expressed in English.

8 j. Defendant CHUNG traveled to the PRC on June 24, 1985, to
9 give lectures on aircraft and spacecraft technology at
10 government-controlled universities and aircraft manufacturers in
11 the PRC.

12 k. Defendant CHUNG received a list of questions from the
13 Nan Chang Aircraft Company in the PRC dated July 14, 1985, which
14 included the following requests for information: (1) "Please
15 introduce in detail how to determine the safety life and damage
16 tolerance for the life conceptual design and operating procedure
17 of an aircraft or part thereof"; (2) "Should non-failure
18 probability and confidence level be considered for the actual
19 measurement of the flight load spectrum? U.S. military
20 specification recommends using mainly average spectrum, what is
21 the basis of this recommendation?"; (3) "How does the U.S.
22 perform flight measurement and compiling of the tail load
23 spectrum? Please introduce in detail"; (4) "For aircraft life
24 estimation by the aircraft companies in the U.S., what are the
25 few commonly used engineering approaches?"; (5) "What are the
26 differences in determining the aircraft life for large civil
27 aircraft vs. military fighter planes?"; (6) "Introduce procedures
28 and implementation processes for aircraft maintenance and

1 inspection outlines. Specific contents and frequency for
2 inspections, monitoring technology for major parts under stress";
3 (7) "What is the purpose of adding a spacer in the design (such
4 as Boeing 707 airplanes) for the butt joint on the wing?"; (8)
5 "How many types of loaded flights are used for the fatigue test
6 of small fighter planes? What are the percentages for the mobile
7 loading and the non-symmetrical loading? When performing loading
8 test, are the sequences of the loading random or are they derived
9 manually?"; and (9) "What approaches are used in the U.S. to
10 determine the helicopter's life? Is the safety life, fail-safe
11 or damage-tolerance approach being used to assure flight safety?
12 What is the application?"

13 1. Defendant CHUNG wrote a letter dated December 31, 1985,
14 to "Chief Engineer Feng" of the Nan Chang Aircraft Company.
15 Defendant CHUNG wrote that after returning to the United States,
16 he gradually began collecting "the manuals." The manuals
17 referred to were two manuals from North American Aviation, a
18 division of Rockwell: one manual was for use in the design of the
19 F-100, X-15, and B-70 aircraft, and the second manual addressed
20 aircraft fatigue. Another of the twenty-seven manuals dealt with
21 S-N curves, which graphically depict how long an object, such as
22 a jet fighter's plexiglass canopy, will last before it fails over
23 a period of time under repeated stress loads. The other twenty-
24 four manuals were from Rockwell's B-1 Bomber Division. The
25 letter stated that the "lack of serial numbers on the [B-1]
26 manuals was [because they were] scheduled for printing but not
27 executed. There was no revision after the [initial] manual's
28 publishing." The twenty-four manuals on the B-1 included a cover

1 page with the following restriction:

2 Possession of this publication is restricted to the
3 engineering personnel of Rockwell International Aerospace
4 Divisions. Its disclosure to organizations other than
5 Rockwell International or selected federal agencies is
6 prohibited.

7 Defendant CHUNG wrote that he had difficulty mailing the manuals
8 or finding someone to take them to China. Defendant CHUNG wrote
9 that he sent the manuals to China through Education Consul Zhen
10 Lan Zhao of the PRC Consulate in San Francisco. Defendant CHUNG
11 wrote that Education Consul Zhao would give the manuals to
12 Manager Chen, and that Feng could get the manuals from Chen.

13 m. Defendant CHUNG received a letter dated May 25, 1986,
14 from Gu Weihao of the PRC's Ministry of Aviation and the China
15 Aviation Industry Corporation, which referred to a recent visit
16 by Gu Weihao to the United States where he met with defendant
17 CHUNG and his wife. The letter stated that Gu Weihao did not
18 receive defendant CHUNG's December 31, 1985, letter (referenced
19 above) until March 1986, as it was hand-carried. The letter
20 referred to the B-1 manuals that defendant CHUNG sent, but stated
21 that Chen had not received them yet. Gu Weihao wrote that he or
22 Chen would write to CHUNG to let him know when the manuals
23 arrived. Gu Weihao wrote:

24 Currently I am doing research and exploration work. I would
25 like to push the damage tolerance one step further, to
26 achieve the standards of dependability and durability as
27 soon as possible. I hope you can advise us in the area
28 often.

1 n. Gu Weihao wrote a letter to defendant CHUNG dated May 2,
2 1987. The letter stated that China was in the process of
3 developing trunkline airplanes of 150 seats, and developing a
4 space shuttle orbiter. Gu Weihao asked defendant CHUNG to
5 provide assistance on technical issues for those programs. The
6 letter referred to previous information provided by defendant
7 CHUNG, and stated that defendant CHUNG would be paid for his
8 efforts. Gu Weihao wrote that arrangements would be made for
9 defendant CHUNG to get the money out of the PRC. Gu Weihao asked
10 defendant CHUNG to come to Guangzhou in the PRC where Gu Weihao
11 would arrange a meeting with colleagues in a place that was
12 "safe." The letter suggested "cover stories" for travel to the
13 PRC, including an invitation from an art institute to defendant
14 CHUNG's wife, an artist, to visit the PRC. Defendant CHUNG could
15 then use the cover of traveling with his wife as an excuse to
16 come to the PRC. Gu Weihao wrote that passing information to the
17 PRC through another engineer in the United States named Chi Mak
18 was "faster and safer." The letter concluded by stating, "It is
19 your honor and China's fortune that you are able to realize your
20 wish of dedicating yourself to the service of your country."

21 o. Defendant CHUNG received a letter from Gu Weihao dated
22 April 12, 1988. The letter stated that Chi Mak's wife, Rebecca,
23 was in China and had told Gu that the Maks and Chungs had a good
24 relationship. Gu Weihao wrote of the recent formation of PRC's
25 Ministry of Aeronautics and Astronautics and that high-tech
26 development would be placed in "full gear." Gu Weihao requested
27 the help of "the foreign country" and asked defendant CHUNG to
28 provide information on "advanced technologies." Gu Weihao wrote

1 that under the new ministry the goals would be "greatly expanded"
2 and told defendant CHUNG that there was no need to limit the
3 "scope of those proposals" discussed by defendant CHUNG and Gu
4 Weihao when Gu Weihao was in the United States. Gu Weihao wrote
5 that it was faster and safer to send information through Chi Mak.
6 The letter concluded by stating "please ask Mrs. Mak for the
7 remaining issues. I am finishing my letter here."

8 E. OVERT ACTS

9 23. In furtherance of the conspiracy, and to accomplish its
10 objects, defendant CHUNG, together with others known and unknown
11 to the Grand Jury, committed and caused others to commit the
12 following overt acts, among others, in Orange County, in the
13 Central District of California, and elsewhere:

14 a. On or about April 6, 2001, defendant CHUNG traveled to
15 the PRC where he delivered lectures on the United States Space
16 Shuttle.

17 b. On or about September 26, 2002, defendant CHUNG traveled
18 to the PRC at the invitation of the PRC government to attend
19 National Day celebrations as a delegate.

20 c. On or about December 27, 2003, defendant CHUNG traveled
21 to the PRC.

22 d. On September 11, 2006, defendant CHUNG possessed a
23 numbered list in Chinese handwriting. The items on the list were
24 aircraft design manuals, fatigue design manuals, materials
25 manuals, S-N curve manuals, military specifications user manuals,
26 fighter-jet structural details design manuals, Space Shuttle
27 design manuals and information on the Space Shuttle's
28 environmental conditions, the Space Shuttle's heat-resistant tile

1 design and material composition process, life-span
2 extension/reliability analysis of United States fighters and
3 airborne equipment, and S-N curves for fighter plane cabin
4 plexiglass and cabin canopy.

5 e. On September 11, 2006, defendant possessed and concealed
6 in his home, without authorization from Boeing, the Shuttle
7 Phased-Array Document One.

8 f. On September 11, 2006, defendant possessed and concealed
9 in his home, without authorization from Boeing, the Shuttle
10 Phased-Array Document Two.

11 g. On September 11, 2006, defendant possessed and concealed
12 in his home, without authorization from Boeing, the Shuttle
13 Phased-Array Document Three.

14 h. On September 11, 2006, defendant possessed and concealed
15 in his home, without authorization from Boeing, the Shuttle
16 Phased-Array Document Four.

17 i. On September 11, 2006, defendant possessed and concealed
18 in his home, without authorization from Boeing, the Delta IV
19 Document One.

20 j. On September 11, 2006, defendant possessed and concealed
21 in his home, without authorization from Boeing, the Delta IV
22 Document Two.

23 k. On September 11, 2006, defendant possessed and concealed
24 in his home, without authorization from Boeing, the C-17 Document
25 One.

26 l. On September 11, 2006, defendant possessed and concealed
27 in his home, without authorization from Boeing, the C-17 Document
28 Two.

1 COUNTS TWO THROUGH NINE

2 [18 U.S.C. § 1831(a) (1), (3)]

3 24. Paragraphs One through Twenty-three are hereby re-
4 alleged and incorporated by reference as if set forth in full
5 herein.

6 25. On or about September 11, 2006, in Orange County, in
7 the Central District of California, defendant CHUNG, intending
8 and knowing that the offense would benefit a foreign government,
9 namely the People's Republic of China, and its instrumentalities
10 and agents, possessed and concealed without authorization in his
11 home the following trade secrets belonging to Boeing, knowing
12 them to have been appropriated, obtained, and converted without
13 authorization:

14

| COUNT | TRADE SECRET |
|----------|-------------------------------------|
| 15 Two | Shuttle Phased-Array Document One |
| 16 Three | Shuttle Phased-Array Document Two |
| 17 Four | Shuttle Phased-Array Document Three |
| 18 Five | Shuttle Phased-Array Document Four |
| 19 Six | Delta IV Document One |
| 20 Seven | Delta IV Document Two |
| 21 Eight | C-17 Document One |
| 22 Nine | C-17 Document Two |

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COUNT TEN

[18 U.S.C. § 951]

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3 26. Paragraphs One through Twenty-three are hereby re-
4 alleged and incorporated by reference as if set forth in full
5 herein.

6 27. Beginning on a date unknown and continuing to on or
7 about September 11, 2006, in Orange County, within the Central
8 District of California, and elsewhere, defendant CHUNG knowingly
9 acted in the United States as an agent of a foreign government,
10 namely the People's Republic of China, knowing that he had not
11 given prior notification to the Attorney General of the United
12 States, in violation of 18 U.S.C. § 951.

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COUNT ELEVEN

[18 U.S.C. § 1512(b)(3)]

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3 28. On or about September 11, 2006, in Orange County,
4 within the Central District of California, defendant CHUNG
5 corruptly persuaded another person, namely his son, Shane Chung,
6 with the intent to hinder, delay, and prevent the communication
7 to a law enforcement officer by Shane Chung of information
8 relating to the commission and possible commission of a Federal
9 offense. Defendant CHUNG told his son that FBI agents would be
10 interviewing him and that he should tell the agents that he could
11 not remember anything about a meeting in Beijing in 1985 attended
12 by defendant CHUNG, Shane Chung, and Gu Weihao, an official with
13 China's Ministry of Aviation and the China Aviation Industry
14 Corporation.

COUNT TWELVE

[18 U.S.C. § 1001]

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3 29. On or about April 6, 2006, in Orange County, within the
4 Central District of California, in a matter within the
5 jurisdiction of the Executive Branch of the Government of the
6 United States, specifically, the Federal Bureau of Investigation,
7 defendant CHUNG knowingly and willfully made materially false,
8 fictitious, and fraudulent statements and representations. More
9 specifically, defendant CHUNG claimed that he had reported to the
10 Boeing Security Office all of his travels to the PRC while in the
11 employment of Boeing, when, in truth and in fact, as defendant
12 CHUNG then well knew, he had not reported to the Boeing Security
13 Office his travels to the PRC while in the employment of Boeing.
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COUNT THIRTEEN

[18 U.S.C. § 1001]

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3 30. On or about September 11, 2006, in Orange County,
4 within the Central District of California, in a matter within the
5 jurisdiction of the Executive Branch of the Government of the
6 United States, specifically, the Federal Bureau of Investigation,
7 defendant CHUNG knowingly and willfully made materially false,
8 fictitious, and fraudulent statements and representations. More
9 specifically, defendant CHUNG said he had traveled to the PRC
10 only in 1985 and 2000, when, in truth and in fact, as defendant
11 CHUNG then well knew, defendant CHUNG had traveled to the PRC in
12 1985, 2001, 2002, and 2003.

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COUNT FOURTEEN

[18 U.S.C. § 1001]

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3 31. On or about September 11, 2006, in Orange County,
4 within the Central District of California, in a matter within the
5 jurisdiction of the Executive Branch of the Government of the
6 United States, specifically, the Federal Bureau of Investigation,
7 defendant CHUNG knowingly and willfully made materially false,
8 fictitious, and fraudulent statements and representations. More
9 specifically, defendant CHUNG claimed he received permission from
10 his supervisor at Boeing, Bill Novak, to take work documents home
11 from Boeing, when, in truth and in fact, as defendant CHUNG then
12 well knew, he had never received permission from Novak to take
13 work documents home from Boeing.

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COUNT FIFTEEN

[18 U.S.C. § 1834]

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3 32. The allegations contained in Counts One through Nine of
4 this Indictment are hereby re-alleged and incorporated by
5 reference for the purpose of alleging forfeiture pursuant to
6 Title 18, United States Code, Section 1834.

7 33. Upon conviction of any of the offenses in violation of
8 Title 18, United States Code, Section 1831 set forth in Counts
9 One through Nine of this Indictment, defendant CHUNG shall
10 forfeit to the United States of America, pursuant to Title 18,
11 United States Code, Section 1834:

12 a. Any property constituting, or derived from, any proceeds
13 obtained, directly or indirectly, as the result of the offenses;
14 and

15 b. Any property used, or intended to be used, in any manner
16 or part, to commit or facilitate the commission of the offenses.

17 c. A sum of money equal to the total value of the property
18 described in Paragraph Thirty-two (a)-(b).

19 The property to be forfeited includes, but is not limited to:

20 Parcel 2 in the City of Orange, County of Orange, State of
21 California, according to Parcel Map No. 83 751 filed in book 181
22 pages 44 and 45 of Parcel Maps, records of said Orange County,
23 California, APN 093-270-57.

24 34. Pursuant to Title 21, United States Code, Section
25 853(p), as incorporated by Title 18, United States Code, Section
26 1834(b), defendant CHUNG shall forfeit substitute property, up to
27 the value of the total amount described in Paragraph Thirty-two

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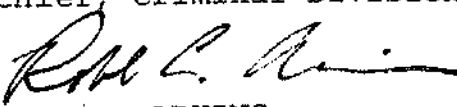
1 (a)-(b), if, as the result of any act or omission of said
2 defendant, said property, or any portion thereof, cannot be
3 located upon the exercise of due diligence; has been transferred,
4 sold to or deposited with a third party; has been placed beyond
5 the jurisdiction of the court; has been substantially diminished
6 in value; or has been commingled with other property that cannot
7 be divided without difficulty.

8
9 A TRUE BILL

10
11 Foreperson

12 THOMAS P. O'BRIEN
13 United States Attorney

14 CHRISTINE C. EWELL
15 Assistant United States Attorney
16 Chief, Criminal Division

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18 ROBB C. ADKINS
19 Assistant United States Attorney
20 Chief, Santa Ana Branch Office
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