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## NEWS RELEASE

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FOR IMMEDIATE RELEASE  
**February 29, 2008**  
Docket #: 2:08-CR-00042-EJG

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### **MAN PLEADS GUILTY TO STEALING TRADE SECRETS FROM LOCAL COMPANY TO SELL TO FOREIGN GOVERNMENTS**

#### *Trade Secrets Involved Military Technology*

SACRAMENTO—United States Attorney McGregor W. Scott announced today that ALLEN W. COTTEN, 53, of El Dorado Hills, pleaded guilty today before United States District Judge Edward J. Garcia to theft of trade secrets.

This case is the product of an extensive investigation by the Federal Bureau of Investigation and the Department of Commerce Bureau of Industry and Security.

According to Assistant United States Attorney Anne Pings, who prosecuted the case, the defendant admitted in court that beginning in February 2004, while employed at Genesis Microwave, Incorporated, in El Dorado Hills, he stole items including plans, designs, specifications and mechanical parts, and hardware for the manufacture and testing of detector logarithmic video amplifiers (DLVAs) and successive detection logarithmic video amplifiers (SDLVAs), which are components used in microwave technologies. The military applications of these technologies include enhancing navigation and guidance capabilities, radar jamming, electronic countermeasures, and the ability to locate and pinpoint enemy signals during warfare. The designs that the defendant downloaded from Genesis computers were the property of the Genesis company and had been developed by Genesis engineers to include a design that was confidential.

Continuing until February 2006, COTTEN sold and offered for sale to foreign governments and foreign military contractors DLVAs and SDLVAs made using the confidential Genesis plans. According to COTTEN's own admissions, as corroborated by evidence seized by the FBI, the total amount of actual or intended sales to these companies was approximately \$250,000.

The detection, investigation, and prosecution of illicit attempts to acquire controlled United States technology is a central focus of the Department of Justice. To that end, in September 2007, the Department undertook an Export Enforcement Initiative to harness the various export control or proliferation-related assets in the law enforcement and intelligence communities, and bring them to bear on this issue. As part of that effort, the U.S. Attorney's Office for the Eastern District of California and other federal agencies, including the FBI, Immigration and Customs Enforcement (ICE), and investigators from the armed services and the Department of the Defense, NASA, and the Department of Commerce, have formed an Export Enforcement Task Force to investigate and prosecute cases involving the theft or

illegal export of sensitive technology.

Dennis Baker, FBI Assistant Special Agent in Charge who oversees the Sacramento Division's National Security Branch said, "The FBI is wholly committed to investigating those cases that involve espionage, sabotage or subversive activities related to foreign counterintelligence matters."

"Strict controls must be maintained over technology used in military applications. Allen Cotten's actions violated the trust placed in him by both his employer and the American people," stated United States Attorney Scott.

The defendant is scheduled to be sentenced by Judge Garcia on May 16, 2008 at 10:00 a.m. The maximum statutory penalty for a violation of this provision is 10 years imprisonment and a fine of \$250,000. The actual sentence, however, will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

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