



# Department of Justice

United States Attorney Michael J. Sullivan  
District of Massachusetts

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## FORMER INTEL EMPLOYEE INDICTED FOR STEALING MORE THAN \$1 BILLION OF TRADE SECRETS

BOSTON, MA - A Worcester man was charged today in federal court with wire fraud and the theft of over \$1 billion worth of trade secrets.

United States Attorney Michael J. Sullivan and Warren T. Bamford, Special Agent in Charge of the Federal Bureau of Investigation - Boston Field Division, announced today that **BISWAMOHAN PANI**, age 33, of Worcester, was charged in an Indictment with the theft of trade secrets from Intel, where **PANI** had worked in Hudson, MA, and wire fraud in connection with downloading highly confidential documents from Intel in California. The Indictment adds four new counts of wire fraud to the single count of trade secret theft previously charged against **PANI** in a Complaint filed August 28, 2008. None of the evidence seized from **PANI** indicates that he had disclosed or used Intel's information by the time that the FBI searched his residence on July 1, 2008, as described in the affidavit filed in support of the Complaint.

The Complaint affidavit had alleged that **PANI** and his wife were both employed by Intel. **PANI**'s wife was transferred from Intel's California location to join her husband in Massachusetts. She accepted the transfer on May 29, 2008, and within hours, **PANI** resigned from Intel.

The Indictment alleges that **PANI** told Intel that he would use up his one-and-a-half weeks of accrued vacation until his termination date, which he set as June 11, 2008. **PANI** remained on Intel's payroll through June 11, 2008. **PANI** said that he would use his vacation to help his wife move and to investigate potential new employment at a hedge fund.

The Indictment further alleges that unbeknownst to Intel, **PANI** had been offered a job at Advanced Micro Devices, Inc. ("AMD"), a major competitor of Intel, in late March 2008, and had begun employment at AMD on June 2, 2008. Also unbeknownst to Intel at the time, **PANI** had started downloading Intel's trade secrets and confidential and proprietary information while he was on his "vacation" from Intel, still on Intel's payroll, but after he had started working for AMD. From June 8 through June 11, 2008, **PANI** remotely accessed Intel's computer system numerous times and downloaded 13 "top secret" (according to Intel's classification system) Intel documents, along with other confidential and proprietary information. **PANI** accessed and downloaded a document explaining how the encrypted documents could be reviewed when not connected to Intel's computer system. **PANI** also backed up the downloaded files to an external

hard drive for access after he left Intel.

The Indictment also alleges that on June 13, 2008, two days after his last day as an Intel employee, **PANI** attempted to access Intel's computer network again, and on July 1, 2008, **PANI** possessed at his residence eight Intel documents that Intel had classified as confidential, secret, and top secret

According to the Indictment, the trade secret information that **PANI** downloaded and possessed was worth over \$1 billion in research and development costs, and included mission-critical details about Intel's processes for designing its newest generation of microprocessors.

Notwithstanding the downloads and documents at his residence, during his exit interview on June 11th, **PANI** acknowledged his confidentiality obligations and falsely told Intel that he had returned all of Intel's property, including any documents or computer data.

The Indictment alleges that AMD neither requested the information that **PANI** had downloaded and kept from Intel, nor knew that **PANI** had taken or would take this information. Nevertheless, the Indictment continues, **PANI** planned to use this information to advance his career at AMD or elsewhere by drawing on it when the opportunity arose, whether with his employer's knowledge or not.

The earlier Complaint affidavit stated that **PANI** had admitted to federal agents that he had downloaded Intel's files. **PANI** claimed that he had not intended to harm Intel, but rather he had wanted to review Intel's information out of curiosity and an intent to give them to his wife once she began working at Intel's Massachusetts facility. According to the affidavit, **PANI's** wife would not have worked with these files in her new Intel job, and was assigned to a project which had no correlation to the files that were seized from **PANI's** residence.

If convicted, **PANI** faces up to 10 years of imprisonment on the trade secret charge, and an additional 20 years on each of the wire fraud counts, 3 years of supervised release per count, a fine on each count of \$250,000 or twice the gain or loss, restitution to Intel, and forfeiture.

Both Intel and AMD have assisted the investigation, which is being conducted by the Federal Bureau of Investigation - Boston Field Division. It is being prosecuted by Assistant United States Attorneys Scott L. Garland and Adam J. Bookbinder, of Sullivan's Computer Crimes and Intellectual Property Unit.

The details in the Indictment, the Complaint, and the Complaint affidavit 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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