



## NEWS RELEASE

**Thomas P. O'Brien**

United States Attorney  
Central District of California

---

For Immediate Distribution

January 12, 2008

Thom Mrozek, Public Affairs Officer  
(213) 894-6947  
[thom.mrozek@usdoj.gov](mailto:thom.mrozek@usdoj.gov)  
[www.usdoj.gov/usao/cac](http://www.usdoj.gov/usao/cac)

### **VP OF LA-AREA COMPANY CHARGED WITH EXPORTING RESTRICTED INTEGRATED CIRCUITS TO CHINA**

The vice president of a Hacienda Heights company made his initial appearance in federal court this afternoon after being arrested over the weekend on charges of exporting high-tech integrated circuits to China in violation of the International Emergency Economic Powers Act (IEEPA).

William Chai-Wai Tsu, 61, a resident of Beijing, was taken into custody by federal agents Saturday afternoon at the Commerce Casino. According to court documents, Tsu illegally shipped at least 200 of the sophisticated integrated circuits to China. At this afternoon's hearing, a United States Magistrate Judge scheduled Tsu's formal arraignment for February 2. Tsu will remain in federal custody pending a bond hearing Thursday. If convicted of the export violation alleged in a criminal complaint filed in United States District Court in Los Angeles, the naturalized U.S. citizen faces a maximum sentence of up to 20 years in prison.

Federal investigators executed a search warrant Saturday morning at a Hacienda Heights home Tsu allegedly used to receive business-related shipments and correspondence for a company called Cheerway, Inc. During the search, agents seized computer equipment, financial documents and other suspected controlled items believed to be linked to the case.

Under the IEEPA, the U.S. government bars the export of sensitive technology and equipment to certain countries. The integrated circuits involved in this investigation are considered a "dual use" item, meaning they have potential

military applications. As such, their export to China would require advance permission from the U.S. Department of Commerce.

Tsu's arrest is the result of an investigation initiated late last year by agents from the Department of Commerce and the Federal Bureau of Investigation. The investigation into Tsu also involved agents from U.S. Immigration and Customs Enforcement (ICE) and the Defense Criminal Investigative Service (DCIS). The FBI and Department of Commerce opened the probe after receiving a lead on Tsu's activities from their counterparts in San Jose, California.

"The Department of Commerce's Office of Export Enforcement is responsible for the enforcement of U.S. export control laws," said Anthony Levey, special agent in charge of the Department's Los Angeles Field Office. "This investigation shows the need to continue the halt of illegal procurement of items that have the potential to damage our national security. This case is an excellent example of the multi-agency EAGLE Task Force keeping sensitive technology out of dangerous hands."

According to court documents, Tsu, who serves as vice president of Cheerway, purchased the circuits from a San Jose-based distributor. Tsu allegedly told representatives of the distributor that he was not exporting the parts. Investigators say the miniscule circuits, which measure only one-eighth of an inch square, have a variety of potential applications, including use in sophisticated communications and military radar systems.

"This case demonstrates the effective cooperation between the FBI and its federal partners in our joint effort to protect the national security of the United States from the illegal export of sensitive technology," said Salvador Hernandez, assistant director in charge of the FBI's Los Angeles Field Office.

Robert Schoch, special agent in charge for the ICE Office of Investigations in Los Angeles, stated: "This case is another stellar example of the ongoing joint federal effort to combat the illegal export of sensitive U.S. technology. ICE will continue to work with its law enforcement partners to prevent technology like this from falling into the hands of those who might seek to harm America or its interests."

This case is the product of an investigation by the recently created Export and Anti-proliferation Global Law Enforcement (EAGLE) Task Force. The counter-proliferation task force was recently created by the United States Attorney's Office for the Central District of California in conjunction with federal law enforcement agencies to jointly investigate and combat the illegal exports of arms and sensitive technologies. Members of the EAGLE Task Force include the U.S. Department of Commerce, Bureau of Industry and Security, Office of Export and Enforcement; ICE; the FBI; U.S. Customs and Border Protection; the Diplomatic Security Service and the Transportation Security Administration.

Release No. 09-003