



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, MARCH 13, 2008
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BUSINESSMAN PLEADS GUILTY TO SUPPLYING INDIAN GOVERNMENT WITH CONTROLLED TECHNOLOGY

WASHINGTON, D.C. — The owner of an international electronics business has pleaded guilty to a one-count criminal information arising from a conspiracy to illegally export controlled microprocessors and electronic components to government entities in India that participate in the development of ballistic missiles, space launch vehicles, and fighter jets.

The guilty plea was announced today by Kenneth L. Wainstein, Assistant Attorney General for National Security; Jeffrey A. Taylor, U.S. Attorney for the District of Columbia; Joseph Persichini, Jr., Assistant Director in Charge, FBI Washington Field Office; Darryl W. Jackson, Assistant Secretary for Export Enforcement, U.S. Department of Commerce, and Julie Myers, Department of Homeland Security Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE).

Parthasarathy Sudarshan, 47, a resident of Simpsonville, South Carolina, entered his guilty plea earlier today in U.S. District Court for the District of Columbia before the Honorable Ricardo Urbina to the felony charge of conspiracy to violate the International Emergency Economic Powers Act and the Export Administration Regulations; and to violate the Arms Export Control Act and the International Traffic in Arms Regulations. The Honorable Ricardo Urbina is scheduled to sentence Sudarshan on June 16, 2008.

“The defendant participated in a clandestine network that circumvented our export laws and put sophisticated technology in the hands of foreign companies that were listed as end-users of concern for proliferation reasons,” stated U.S. Attorney Taylor. “With this prosecution, the defendant will no longer be able to make a profit at the expense of our national security. This case also demonstrates the priority our government has placed on combating such networks.”

“By fraudulently acquiring and shipping controlled missile technology overseas, this defendant violated both our federal law and our national security. It is fitting that he stands convicted and faces a serious penalty for his criminal conduct,” said Assistant Attorney General Wainstein.

According to court documents filed by the government, Sudarshan did business as Cirrus Electronics (“Cirrus”) and held himself out to be Cirrus’ CEO, Managing Director,

and President and Group Head. Cirrus has offices in Simpsonville, South Carolina, Singapore, and Bangalore, India.

Among the recipients of U.S. technology in this case were the Vikram Sarabhai Space Centre (VSSC), an enterprise within the Department of Space of the Government of India, and Bharat Dynamics, Ltd. (BDL), an enterprise within the Ministry of Defence of the Government of India.

The U.S. government has determined that VSSC participates in India's space launch vehicle program and that BDL participates in India's development and production of ballistic missiles. As such, both VSSC and BDL are on the Department of Commerce's Entity List and exports of U.S.-origin commodities to these entities are restricted and require prior authorization in the form of a license from the Department of Commerce.

Between 2002 and 2006, Sudarshan acquired electrical components with applications in missile guidance and firing systems in the United States for VSSC and BDL. In particular, in the case of at least two U.S. vendors, Sudarshan and others at Cirrus provided the U.S. companies with fraudulent certificates that claimed that the end-users of these electrical components were non-restricted entities in India, when, in fact, the items were for VSSC. There were no export licenses for any of the shipments to VSSC and BDL. To further conceal from the U.S. government that goods were going to entities in India on the Department of Commerce Entity List, Sudarshan would route the products through its Singapore office and then send the packages on to India.

In addition to supplying VSSC and BDL with components, Sudarshan acquired microprocessors for the Tejas, a fighter jet under development in India. The microprocessors were necessary for the navigation and weapons systems of the Tejas. Because the microprocessors are on the U.S. Munitions List, the State Department must license any export of the products. On two occasions in 2004 and 2006, Cirrus caused the shipment of a total of 500 microprocessors to the Aeronautical Development Establishment, an enterprise within the Ministry of Defence of the Government of India that was responsible for the development of the Tejas. There were no licenses for these shipments.

"Today's plea illustrates the FBI's commitment to ensure the safety and security of our nation's citizens and our country's protected national security information and technology," said FBI Assistant Director in Charge Persichini. "The FBI also recognizes the invaluable investigative assistance provided by the Department of Commerce Office of Export Enforcement."

"One of the highest enforcement priorities of Commerce's Bureau of Industry and Security is ensuring that dual-use items don't end up in dangerous hands," said Commerce Assistant Secretary Jackson. "The Department of Commerce's Entity List puts exporters on notice regarding end-users that are of proliferation concern. This case demonstrates that we will take action against those exporters who evade our export control system."

“The customs laws of the United States are in place to ensure that sensitive technologies do not fall into the wrong hands. When exporters skirt the law or cover up their activities to fill their own pockets, they do so at the expense of national security. We will aggressively pursue these cases and see that those who violate export regulations are prosecuted to the full extent of the law,” said Homeland Security Assistant Secretary Myers.

In announcing today’s guilty plea, Assistant Attorney General Wainstein, U.S. Attorney Taylor, FBI Assistant Director in Charge Persichini, Commerce Assistant Secretary Jackson, and ICE Assistant Secretary Myers praised FBI Special Agents Russell Nimmo, Julie Hendrix, James Walker, Charles E. Price II, Reed Wilson and FBI Supervisory special agent Raymond Lyons; Department of Commerce Special Agents Philip Kuhn, and Jody Bankins; and Immigration and Customs Enforcement Special Agents David Hepler and Christopher Malone:

They also thanked Assistant U.S. Attorney Max Cauthen of the District of South Carolina and Trial Attorney Clifford I. Ronos of the Counterespionage Section of the Justice Department’s National Security Division for their assistance with the case. Lastly, they commended Assistant U.S. Attorneys Jay I. Bratt and Anthony Asuncion, who are prosecuting the case.

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