



NATIONAL RECONNAISSANCE OFFICE

Office of Inspector General
14675 Lee Road
Chantilly, VA 20151-1715



10 September 2019

MEMORANDUM FOR DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
PRINCIPAL DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
DEPUTY DIRECTOR, NATIONAL RECONNAISSANCE OFFICE
DIRECTOR, SYSTEMS ENGINEERING DIRECTORATE
DIRECTOR, MISSION OPERATIONS DIRECTORATE

SUBJECT: (U) Summary Report of Investigation: Wire Fraud,
Trafficking in Counterfeit Goods and Trafficking in
Counterfeit Military Goods (Case Number 16-0037-I)

(U//~~FOUO~~) The National Reconnaissance Office (NRO) Office of
Inspector General (OIG) initiated an investigation based on
information alleging [redacted] an employee of [redacted]
[redacted] engaged in the purchasing and selling of counterfeit
integrated circuits. The attached Summary Report of Investigation
(SROI) details the investigation results.

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(U//~~FOUO~~) OIG investigation reports are to be read only by the
individuals to whom the OIG provides them, or to whom the OIG
specifically authorizes their release. If there are other persons who
you believe require access as part of their official duties, please
let us know, and we will promptly review your request. Questions
regarding this summary report may be directed to [redacted]
[redacted] (secure) or to the undersigned at
[redacted] (secure).

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Attachment:
(U) Summary Report of Investigation
(Case Number 16-0037-I) ~~(S//TK//REL/LES)~~

cc: General Counsel
Director, Office of Security and
Counterintelligence



UNCLASSIFIED//~~FOUO~~ when separated
from document

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SUBJECT: (U) Summary Report of Investigation: Wire Fraud, Trafficking
in Counterfeit Goods and Trafficking in Counterfeit Military
Goods (Case Number 16-0037-I)

OIG/ 10 Sep 19

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DISTRIBUTION:

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Director, Mission Operations Directorate
Director, Systems Engineering Directorate
General Counsel
Director, Office of Security and Counterintelligence

*(U) National Reconnaissance Office
Office of Inspector General*

[Redacted]

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(U) SUMMARY REPORT OF INVESTIGATION

(U) (16-0037-I)

10 September 2019

(U) Section A – Subject:

1. ~~(U//FOUO)~~ Full Name: [Redacted]

AIN: N/A

SSN: [Redacted]

Employer: [Redacted]

[Redacted]

Current Contract Number: N/A

Job Title: [Redacted]

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[Redacted]

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(U) Section B – Predication:

2. (U//LES) On 29 October 2015, the National Reconnaissance Office (NRO) Office of Inspector General (OIG) initiated an investigation [redacted]

[redacted] based on information obtained through [redacted] which revealed that [redacted] appeared to purchase and resell counterfeit integrated circuits (ICs). The information indicated [redacted] purchased the ICs from China and resold them directly to the United States military, Department of Defense (DoD) contractors, aerospace contractors, and various commercial business segments. The information obtained [redacted] disclosed that [redacted] actions potentially violated 18 U.S.C. § 2320, *Trafficking in Counterfeit Goods*, and 18 U.S.C. § 2320 (a) (3), *Trafficking in Counterfeit Military Goods*.

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(U) Section C – Investigative Findings:

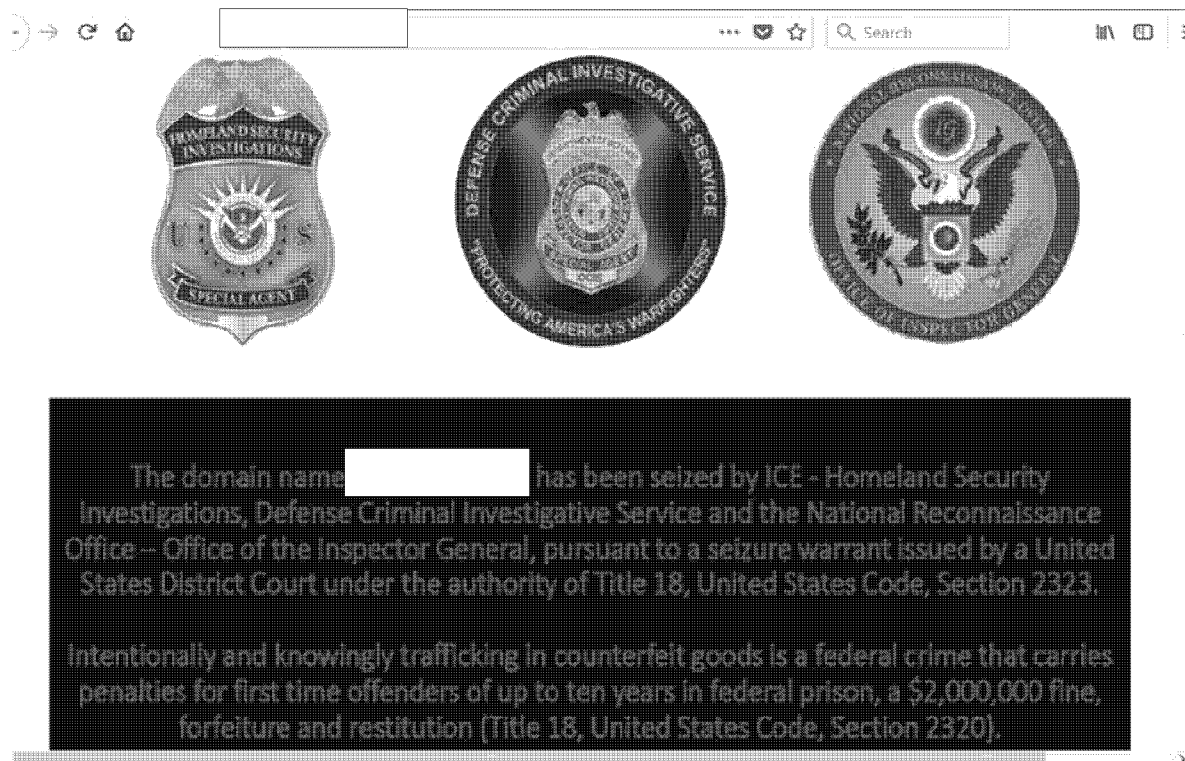
[Large redacted area]

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(U) Section D – Conclusion:

7. (U//~~FOUO~~) The United States Attorney’s Office, Central District of California, prosecuted the case. On 1 May 2018, [redacted] was charged in a 30-count indictment by a Federal Grand Jury with Wire Fraud (18 U.S.C. § 1343), Trafficking in Counterfeit Goods (18 U.S.C. § 2320) and Trafficking in Counterfeit Military Goods (18 U.S.C. §2320 (a) (3)). The image below illustrates the warning banner placed on the [redacted] website subsequent to the indictment.

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(U) Image is unclassified

8. (U//~~FOUO~~) On 17 January 2019, [redacted] entered into a guilty plea on four counts stemming from the indictment. On 30 May 2019, [redacted] was sentenced to 46 months in Federal prison, ordered to pay \$144,000 in restitution, fined \$400, and received 36 months of Supervised Release upon completion of his prison sentence. Separately, on 14 May 2018, the [redacted] from Government contracting and from directly or indirectly receiving the benefits of Federal assistance programs. The [redacted] debarment actions are in process. This investigation is closed.¹

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¹ (U//~~FOUO~~) Neither [redacted] nor his company had any direct affiliation with the NRO. Therefore, no actions were required of the Office of Security and Counterintelligence or the Office of Contracts.

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