

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. : Crim No. 04-
 :
 TERRY TENGFANG LI and : 18 U.S.C. §§ 371, 1956;
 NEI-CHIEN CHU : 18 U.S.C. §§ 2, 982;
 a/k/a "Pearl Li" : 50 U.S.C. §§ 1702, 1705(b);
 : 50 U.S.C. App. § 2410(b);
 : 15 C.F.R. §§ 736, 742, 764, 774

INDICTMENT

The Grand Jury in and for the District of New Jersey,
sitting at Newark, charges:

COUNT ONE: THE CONSPIRACY

1. At all times relevant to this Indictment:

(a) Universal Technology, Incorporated ("UTI"), in Mount Laurel, Burlington County, New Jersey, operated as a high-technology export company; UTI was established for the express purpose of acquiring technology for government entities in the People's Republic of China ("PRC").

(b) Defendant TERRY TENGFANG LI ("Terry Li") was UTI's president. In this capacity, defendant TERRY LI directed UTI's business and provided final approval of shipments, purchases and sales.

(c) Defendant NEI-CHIEN CHU, a/k/a "Pearl Li" ("Pearl Li"), the wife of defendant TERRY LI, was UTI's chief executive

officer, registered agent and sole director. In this capacity, defendant PEARL LI supervised UTI's business and approved shipments, purchases and sales.

(d) The items described herein as "Restricted Items" were designated by the Department of Commerce, Bureau of Industry and Security, as export-controlled items which, for national security reasons, could not be exported to the PRC without express authorization in the form of an export license. Each of these Restricted Items was listed on the Commerce Control List set forth in Part 774 of the Export Administration Regulations (Title 15, Code of Federal Regulations, Sections 730 to 774) and was classified under the Export Control Classification Number ("ECCN") 3A001. These Restricted Items were controlled for national security reasons for export to the PRC as well as other countries because of their use in a wide variety of civilian and military applications, including defense weapons systems, such as military radar, smart weapons, electronic warfare and communications.

(e) "Shipper's Export Declarations" as referred to herein were export control documents as defined in Section 772.1 of the Export Administration Regulations.

(f) The Ministry of Information Industry ("MII") was the PRC's primary defense industrial organization responsible for both civilian and military electronics and communications

technology. As such, the MII sought to help the PRC achieve certain defense modernization goals by acquiring Restricted Items from the United States.

(g) Within the MII was the China Electronics Technology Group Corporation ("CETGC"), which was comprised of Member Research Institutes located throughout the PRC. The Research Institutes researched, developed, and produced a wide variety of electronics and communications technology, for both civilian and military use. Among these research institutes were the 14th Research Institute and the 20th Research Institute.

(h) Specialties of the 14th Research Institute (the "14th R.I.") included military radar technology and satellite systems, military command-control communications, military computers and intelligence systems, and basic research in stealth technology.

(i) Specialties of the 20th Research Institute (the "20th R.I.") included military radio-navigation technology, aircraft landing systems, military communications equipment and global positioning systems.

2. On or about May 14, 2001, the U.S. Department of Commerce, Bureau of Industry and Security, identified the 20th Research Institute (also known as the Xian Research Institute of Navigation Technology ("XRINT")) as an entity which posed an unacceptable risk in the development of weapons of mass

destruction or missiles used to deliver weapons of mass destruction. Consequently, at all times relevant to this Indictment, exports to the 20th Research Institute were subject to even greater licensing restrictions than other exports to the PRC.

3. Beginning at least as early as in or about December 1999, and continuing to in or about July 2004, in Burlington County, in the District of New Jersey and elsewhere, defendants:

TERRY TENGFANG LI and
NEI-CHIEN CHU, a/k/a "Pearl Li",

did knowingly and willfully conspire and agree with each other and with others to commit offenses against the United States, namely:

- (a) to export and cause to be exported from the United States to the PRC Restricted Items, without having first obtained the requisite export license from the Department of Commerce, and with knowledge that the Restricted Items were destined for and would be used for the benefit of the PRC, contrary to the Export Administration Act, Title 50, United States Code, Appendix, Section 2401, *et seq.*, and regulations promulgated thereunder, including the Export Administration Regulations, Title 15, Code of Federal Regulations, Sections 736.2(b), 742.4, 764.2, 764.3(b)(2) and 774.1; Title 50, United

States Code, Sections 1702 and 1705(b); Executive Order No. 13222, dated August 17, 2001; and Executive Notice dated August 7, 2003, entitled "Continuation of Emergency Regarding Export Control Regulations" (extending Executive Order No. 13222);

- (b) to make materially false and misleading representations, statements and certifications to the Department of Commerce, for the purpose of and in connection with effecting exports, re-exports and other activities subject to the Export Administration Regulations, specifically by falsely stating, and causing others to falsely state, in Shipper's Export Declarations that the contents of its shipments were limited to items for which no export license was required, when in fact defendants TERRY LI and PEARL LI knew that the shipments contained items that could not be exported to the PRC without a license from the Department of Commerce, contrary to the Export Administration Act, Title 50, United States Code, Appendix, Section 2401, *et seq.*, and regulations promulgated thereunder, including the Export Administration Regulations, Title 15, Code of

Federal Regulations, Sections 736.2(b), 742.4, 764.2(e) and (g)(1)(iii), 764.3(b)(2) and 774.1; Title 50, United States Code, Sections 1702 and 1705(b); Executive Order No. 13222, dated August 17, 2001; and Executive Notice dated August 7, 2003, entitled "Continuation of Emergency Regarding Export Control Regulations" (extending Executive Order No. 13222); and

- (c) to knowingly and willfully transport, transmit and transfer monetary instruments and funds, totaling approximately \$724,000, to places in the United States, including bank accounts in New York and New Jersey, from and through places outside the United States, including the PRC and elsewhere, with the intent to promote the carrying on of specified unlawful activity, namely violations of the Export Administration Act, Title 50, United States Code, Appendix, Section 2401, *et seq.*, and regulations promulgated thereunder, including the Export Administration Regulations, Title 15, Code of Federal Regulations, Sections 730 to 744, contrary to Title 18, United States Code, Sections 1956(a)(2)(A) and 1956(c)(7)(D).

OBJECT OF THE CONSPIRACY

4. It was a principal object of the conspiracy that defendants TERRY LI and PEARL LI sought to obtain money by exporting restricted items in the United States and shipping them to the PRC.

MANNER AND MEANS OF THE CONSPIRACY

5. It was part of the conspiracy that defendants TERRY LI and PEARL LI established UTI for the purpose of facilitating the acquisition and illegal export of Restricted Items to the PRC.

6. It was a further part of the conspiracy that importers located in the PRC and government-controlled entities in the PRC requested that defendants TERRY LI and PEARL LI obtain and ship various Restricted Items to the PRC.

7. It was a further part of the conspiracy that defendants TERRY LI and PEARL LI located and obtained various export restricted items from distributors in the United States. Among the restricted items obtained were monolithic dual eight-bit digital-to-analog converters, static random access memory chips, and digital signal processors, all of which: had military as well as civilian applications; were classified under ECCN 3A001; and were prohibited from export to the PRC without an export license from the Department of Commerce.

8. It was a further part of the conspiracy that defendants

TERRY LI and PEARL LI shipped these items, and caused them to be shipped, to the PRC.

9. It was a further part of the conspiracy that defendants TERRY LI and PEARL LI did not apply for or obtain the requisite licenses from the Department of Commerce to ship these items to the PRC.

10. It was a further part of the conspiracy that defendants TERRY LI and PEARL LI concealed their illegal exports by making, and causing others to make, false statements in Shipper's Export Declarations to disguise the nature of the items being shipped.

11. It was a further part of the conspiracy that defendants TERRY LI and PEARL LI set up various bank accounts in the United States to receive payments for these shipments.

12. It was a further part of the conspiracy that defendants TERRY LI and PEARL LI sent approximately twenty-two illegal shipments of Restricted Items to the PRC, without the required licenses from the Department of Commerce, for a total value of approximately \$500,000.

13. It was a further part of the conspiracy that defendants TERRY LI and PEARL LI received payment from entities within the PRC for these and other shipments, including wire transfers totaling approximately \$724,000 to UTI accounts at the Bank of China in New York, New York, which accounts were controlled by defendants TERRY LI and PEARL LI.

14. It was a further part of the conspiracy that defendants TERRY LI and PEARL LI used some of the proceeds from these wire transfers to purchase additional Restricted Items which defendants TERRY LI and PEARL LI then exported to the PRC without obtaining the required export license from the Department of Commerce.

15. It was a further part of the conspiracy that defendant TERRY LI acted as an organizer, leader, manager and supervisor of the criminal activity, and defendant PEARL LI acted as a manager and supervisor of the criminal activity. For example, defendants TERRY LI and PEARL LI: provided direction and instructions to coconspirators during the course of and in furtherance of the conspiracy; exercised control and authority over co-conspirators who participated in the scheme while under their employ, including hiring and supervising those individuals; established UTI and bank accounts used in furtherance of the conspiracy; made all final decisions regarding the illegal export activities; and received a larger share of the proceeds from the illegal activities than other co-conspirators.

16. This conspiracy involved five or more participants.

OVERT ACTS

17. In furtherance of the conspiracy and to effect the objects thereof, defendants TERRY LI and PEARL LI committed and

caused to be committed the following overt acts in Burlington County, in the District of New Jersey and elsewhere:

(a) On or about February 12, 2004, defendant TERRY LI sent a facsimile to an individual in the PRC, confirming that the individual had received an illegal export from UTI and requesting payment for that export.

(b)-(w) On or about the dates set forth below, defendants TERRY LI and PEARL LI shipped and caused to be shipped the following national-security controlled Restricted Items to the PRC, without applying for or obtaining an export license, knowing that such license was required:

OVERT ACT	APPROX. SHIPMENT DATE	RESTRICTED ITEMS SHIPPED	DESTINATION	APPROX. PURCHASE PRICE
(b)	December 2, 1999	Analog Devices AD678TD/883 12-Bit AD Converter; and TI SMJ320C25GBM Digital Signal Processor	Xian, PRC	\$2,024 \$2,973
(c)	2000	Intel M2732 UV Erasable PROM	PRC	\$11,839
(d)	January 10, 2000	TI SMJ320C25GBM Digital Signal Processor	20 th R.I., Xian, PRC	\$6,875
(e)	June 23, 2000	Analog Devices AD678TD/883 12 Bit AD Converter; and Analog Devices AD7537UQ Dual 12 Bit DAC	Beijing, PRC	\$5,966 \$2,388

OVERT ACT	APPROX. SHIPMENT DATE	RESTRICTED ITEMS SHIPPED	DESTINATION	APPROX. PURCHASE PRICE
(f)	July 21, 2000	TI SMJ320C25GBM/5962-8861901XA; and TI SMJ320C30GBM/5962-9052605MXA; and TI SMJ320C50GFAM/5962-9455803 QXA	Xian, PRC	\$10,241 \$14,520 \$24,578
(g)	October 3, 2000	SMJ320C50GFAM/5962-9455803QXA	20 th R.I., Xian, PRC	\$4,682
(h)	March 14, 2001	Analog Devices AD673SD/883 8 bit AD signal converter; and Analog Devices AD558TD/883B 8 bit DAC	Xian, PRC	\$5,620 \$3,157
(i)	October 29, 2001	CY7C199-15DMB SRAM; CY7C199-25DMB/35DMB SRAM; and TI SMJ320C25GBM (DSPS)	20 th R.I., Xian, PRC	\$528 \$1,050 \$5,397
(j)	November 25, 2002	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Xian, PRC	\$35,072
(k)	January 14, 2003	Analog Devices AD7528SQ Digital to Analog Converters	20 th R.I., Xian, PRC	\$475
(l)	March 6, 2003	Analog Devices AD673SD/883 8 Bit AD signal converter	20 th R.I., Xian, PRC	\$1,485
(m)	March 19, 2003	Aeroflex/UTMC ACT-S512K32N-017P7Q SRAM	Shenzhen, PRC	\$13,406
(n)	May 20, 2003	Cypress CY7C199-20LMB SRAM	20 th R.I., Xian, PRC	\$10,042
(o)	July 21, 2003	Analog Devices AD 10242TZ/883B 12 Bit AD Converter	Shanghai, PRC	\$59,700
(p)	August 6, 2003	TI 5962-9466903QXC Digital Signal Processor	14 th R.I., Nanjing, PRC	\$26,304

OVERT ACT	APPROX. SHIPMENT DATE	RESTRICTED ITEMS SHIPPED	DESTINATION	APPROX. PURCHASE PRICE
(q)	October 22, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$15,624
(r)	November 4, 2003	Integrated Device Technology IDT 7132LA55L48B SRAM	Shenzhen, PRC	\$2,276
(s)	November 6, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$15,624
(t)	December 13, 2003	Analog Devices AD573SD/883 10 Bit AD signal converter	20 th R.I., Xian, PRC	\$1,034
(u)	December 23, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$127,596
(v)	December 29, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$84,196
(w)	February 25, 2004	IDT 7133LA70GB SRAM	PRC	\$2,792

In violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH TWENTY-THREE:
EXPORTS IN VIOLATION OF THE EXPORT ADMINISTRATION ACT

1. Paragraphs 1, 2, and 4 through 17 of Count One are realleged and incorporated herein.

2. On or about the Shipment Dates below, in Burlington County, in the District of New Jersey and elsewhere, defendants:

TERRY TENGFANG LI and
NEI-CHIEN CHU, a/k/a "Pearl Li",

did knowingly and willfully export and cause to be exported from the United States to the PRC the Restricted Items set forth below, without having first obtained the requisite export license from the Department of Commerce, and with knowledge that the Restricted Items were destined for and would be used for the benefit of the PRC.

COUNT	APPROX. SHIPMENT DATE	RESTRICTED ITEMS SHIPPED	DESTINATION	APPROX. PURCHASE PRICE
COUNT 2	December 2, 1999	Analog Devices AD678TD/883 12-Bit AD Converter; and TI SMJ320C25GBM Digital Signal Processor	Xian, PRC	\$2,024 \$2,973
COUNT 3	2000	Intel M2732 UV Erasable PROM	PRC	\$11,839
COUNT 4	January 10, 2000	TI SMJ320C25GBM Digital Signal Processor	20 th R.I., Xian, PRC	\$6,875

COUNT	APPROX. SHIPMENT DATE	RESTRICTED ITEMS SHIPPED	DESTINATION	APPROX. PURCHASE PRICE
COUNT 5	June 23, 2000	Analog Devices AD678TD/883 12 Bit AD Converter; and Analog Devices AD7537UQ Dual 12 Bit DAC	Beijing, PRC	\$5,966 \$2,388
COUNT 6	July 21, 2000	TI SMJ320C25GBM/5962-8861901XA; and TI SMJ320C30GBM/5962-9052605MXA; and TI SMJ320C50GFAM/5962-9455803 QXA	Xian, PRC	\$10,241 \$14,520 \$24,578
COUNT 7	October 3, 2000	SMJ320C50GFAM/5962-9455803QXA	20 th R.I., Xian, PRC	\$4,682
COUNT 8	March 14, 2001	Analog Devices AD673SD/883 8 bit AD signal converter; and Analog Devices AD558TD/883B 8 bit DAC	Xian, PRC	\$5,620 \$3,157
COUNT 9	October 29, 2001	CY7C199-15DMB SRAM; CY7C199-25DMB/35DMB SRAM; and TI SMJ320C25GBM (DSPS)	20 th R.I., Xian, PRC	\$528 \$1,050 \$5,397
COUNT 10	November 25, 2002	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Xian, PRC	\$35,072
COUNT 11	January 14, 2003	Analog Devices AD7528SQ Digital to Analog Converters	20 th R.I., Xian, PRC	\$475
COUNT 12	March 6, 2003	Analog Devices AD673SD/883 8 Bit AD signal converter	20 th R.I., Xian, PRC	\$1,485
COUNT 13	March 19, 2003	Aeroflex/UTMC ACT-S512K32N-017P7Q SRAM	Shenzhen, PRC	\$13,406
COUNT 14	May 20, 2003	Cypress CY7C199-20LMB SRAM	20 th R.I., Xian, PRC	\$10,042
COUNT 15	July 21, 2003	Analog Devices AD 10242TZ/883B 12 Bit AD Converter	Shanghai, PRC	\$59,700

COUNT	APPROX. SHIPMENT DATE	RESTRICTED ITEMS SHIPPED	DESTINATION	APPROX. PURCHASE PRICE
COUNT 16	August 6, 2003	TI 5962-9466903QXC Digital Signal Processor	14 th R.I., Nanjing, PRC	\$26,304
COUNT 17	October 22, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$15,624
COUNT 18	November 4, 2003	Integrated Device Technology IDT 7132LA55L48B SRAM	Shenzhen, PRC	\$2,276
COUNT 19	November 6, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$15,624
COUNT 20	December 13, 2003	Analog Devices AD573SD/883 10 Bit AD signal converter	20 th R.I., Xian, PRC	\$1,034
COUNT 21	December 23, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$127,596
COUNT 22	December 29, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$84,196
COUNT 23	February 25, 2004	IDT 7133LA70GB SRAM	PRC	\$2,792

In violation of the Export Administration Act, Title 50, United States Code, Appendix, Section 2401, *et seq.*, and regulations promulgated thereunder, including the Export Administration Regulations, Title 15, Code of Federal Regulations, Sections 736.2(b), 742.4, 764.2, 764.3(b)(2) and 774.1; Title 50, United States Code, Sections 1702 and 1705(b); Executive Order No. 13222, dated August 17, 2001; and Executive Notice dated August 7, 2003, entitled "Continuation of Emergency Regarding Export Control Regulations" (extending Executive Order No. 13222); and Title 18, United States Code, Section 2.

COUNTS TWENTY-FOUR THROUGH THIRTY-SIX:
FALSE STATEMENTS IN VIOLATION OF THE EXPORT ADMINISTRATION ACT

1. Paragraphs 1, 2, and 4 through 17 of Count One are realleged and incorporated herein.

2. On or about each of the Shipment Dates below, in Burlington County, in the District of New Jersey and elsewhere, defendants:

TERRY TENGFANG LI and
NEI-CHIEN CHU, a/k/a "Pearl Li",

did knowingly and willfully make materially false and misleading representations, statements and certifications to the Department of Commerce for the purpose of and in connection with effecting exports, re-exports and other activities subject to the Export Administration Regulations, specifically by falsely stating, and causing others to falsely state, in Shipper's Export Declarations that the contents of shipments were limited to items for which no export license was required, when in fact defendants TERRY LI and PEARL LI knew that the shipments contained items that could not be exported to the PRC without a license from the Department of Commerce.

COUNT	APPROX. SHIPMENT DATE	RESTRICTED ITEMS SHIPPED	DESTINATION	APPROX. PURCHASE PRICE
COUNT 24	December 2, 1999	TI SMJ320C25GBM Digital Signal Processor	Xian, PRC	\$2,973
COUNT 25	July 21, 2000	TI SMJ320C25GBM/5962-8861901XA; and TI SMJ320C30GBM/5962-9052605MXA; and TI SMJ320C50GFAM/5962-9455803 QXA	Xian, PRC	\$10,241 \$14,520 \$24,578
COUNT 26	October 3, 2000	SMJ320C50GFAM/5962-9455803QXA	20 th R.I., Xian, PRC	\$4,682
COUNT 27	March 14, 2001	Analog Devices AD558TD/883B 8 bit DAC	Xian, PRC	\$3,157
COUNT 28	October 29, 2001	CY7C199-15DMB SRAM; CY7C199-25DMB/35DMB SRAM; and TI SMJ320C25GBM (DSPS)	20 th R.I., Xian, PRC	\$528 \$1,050 \$5,397
COUNT 29	November 25, 2002	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Xian, PRC	\$35,072
COUNT 30	January 14, 2003	Analog Devices AD7528SQ Digital to Analog Converters	20 th R.I., Xian, PRC	\$475
COUNT 31	March 19, 2003	Aeroflex/UTMC ACT-S512K32N-017P7Q SRAM	Shenzhen, PRC	\$13,406
COUNT 32	May 20, 2003	Cypress CY7C199-20LMB SRAM	20 th R.I., Xian, PRC	\$10,042
COUNT 33	October 22, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$15,624
COUNT 34	November 6, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$15,624
COUNT 35	December 23, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$127,596

COUNT	APPROX. SHIPMENT DATE	RESTRICTED ITEMS SHIPPED	DESTINATION	APPROX. PURCHASE PRICE
COUNT 36	December 29, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	14 th R.I., Nanjing, PRC	\$84,196

In violation of the Export Administration Act, Title 50, United States Code, Appendix, Section 2401, *et seq.*, and regulations promulgated thereunder, including the Export Administration Regulations, Title 15, Code of Federal Regulations, Sections 736.2(b), 742.4, 764.2(e) and (g)(1)(iii), 764.3(b)(2) and 774.1; Title 50, United States Code, Sections 1702 and 1705(b); Executive Order No. 13222, dated August 17, 2001; and Executive Notice dated August 7, 2003, entitled "Continuation of Emergency Regarding Export Control Regulations" (extending Executive Order No. 13222); and Title 18, United States Code, Section 2.

COUNTS THIRTY-SEVEN THROUGH FORTY-SIX: MONEY LAUNDERING

1. Paragraphs 1, 2, and 4 through 17 of Count One are realleged and incorporated herein.

2. On or about the Wire Transfer Dates set forth below, in Burlington County, in the District of New Jersey and elsewhere, defendants:

TERRY TENGFANG LI and
NEI-CHIEN CHU, a/k/a "Pearl Li",

did knowingly transport, transmit and transfer, and attempt to transport, transmit and transfer monetary instruments and funds, in the Wire Transfer Amounts set forth below, to a place in the United States, including bank accounts in New York and New Jersey, from and through a place outside the United States, including the PRC and elsewhere, with the intent to promote the carrying on of specified unlawful activity, namely violations of the Export Administration Act, Title 50, United States Code, Appendix, Section 2401, *et seq.*, and regulations promulgated thereunder, including the Export Administration Regulations, Title 15, Code of Federal Regulations, Sections 730 to 744.

COUNT	APPROX. SHIPMENT DATE	RESTRICTED ITEMS SHIPPED	WIRE TRANSFER DATE	TOTAL WIRE TRANSFER AMOUNT
COUNT 37	December 2, 1999	TI SMJ320C25GBM Digital Signal Processor	January 4, 2000	\$17,659
COUNT 38	July 21, 2000	TI SMJ320C25GBM/5962-8861901XA; and TI SMJ320C30GBM/5962-9052605MXA; and TI SMJ320C50GFAM/5962-9455803 QXA	August 31, 2000	\$109,999
COUNT 39	March 14, 2001	Analog Devices AD558TD/883B 8 bit DAC	May 22, 2000	\$22,165
COUNT 40	October 3, 2000	SMJ320C50GFAM/5962-9455803QXA	November 16, 2000	\$11,605
COUNT 41	October 29, 2001	CY7C199-15DMB SRAM; CY7C199-25DMB/35DMB SRAM; and TI SMJ320C25GBM (DSPS)	June 24, 2002	\$105,332
COUNT 42	November 25, 2002	TI SMJ320C40GFM50 Floating-Point Military DSP	May 27, 2003	\$35,072
COUNT 43	January 14, 2003	Analog Devices AD7528SQ Digital to Analog Converters	November 17, 2003	\$33,768
COUNT 44	March 19, 2003	Aeroflex/UTMC ACT-S512K32N-017P7Q SRAM	July 17, 2003	\$135,056
COUNT 45	May 20, 2003	Cypress CY7C199-20LMB SRAM	November 4, 2003	\$10,405
COUNT 46	October 22, 2003; November 6, 2003; December 23, 2003; and December 29, 2003	TI SMJ320C40GFM50 Floating-Point Military DSP	April 27, 2004	\$243,040

In violation of Title 18, United States Code, Sections

1956(a)(2)(A), 1956(c)(7)(D), and 2.

FORFEITURE ALLEGATION

1. Paragraphs 1, 2, and 4 through 17 of Count One are realleged and incorporated herein.

2. As the result of committing one or more of the money laundering offenses in violation of Title 18, United States Code, Section 1956, alleged in Counts Thirty-Seven through Forty-Six of this Indictment, defendants:

TERRY TENGFANG LI and
NEI-CHIEN CHU, a/k/a "Pearl Li",

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982, all property, real and personal, involved in the money laundering offenses, and all property traceable to such property, including but not limited to the following:

(a) MONEY JUDGMENT: A sum of money equal to approximately \$724,000 in United States currency, representing the amount of proceeds obtained as a result of the money laundering offenses set forth herein; and

(b) BANK ACCOUNTS: All United States currency funds or other monetary instruments credited to the following bank account numbers:

(i) account number 5051-4028-120-001, held in the name of UTI, at Bank of China, 410 Madison Avenue, New York, New York 10017;

- (ii) account number 5011-4028-120-001, held in the name of UTI, at Bank of China, 410 Madison Avenue, New York, New York 10017;
- (iii) account number 4393006942, held in the name of UTI, at Fleet Bank, 5701 Horatio Street, Utica, New York; and
- (iv) account number 4268009044, held in the name of UTI, at Fleet Bank, 5701 Horatio Street, Utica, New York.

3. If any of the forfeitable property described above, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to Title 18,
United States Code Section 982(b), to seek forfeiture of any
other property of defendants TERRY TENGFANG LI and
NEI-CHIEN CHU, a/k/a "Pearl Li", up to the value of the above
forfeitable property.

A TRUE BILL

FOREPERSON

CHRISTOPHER J. CHRISTIE
United States Attorney