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<https://www.justice.gov/opa/pr/texas-man-pleads-guilty-conspiring-illegally-export-radiation-hardened-integrated-circuits>

FOR IMMEDIATE RELEASE

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Texas Man Pleads Guilty to Conspiring to Illegally Export Radiation Hardened Integrated Circuits to Russia and China

Peter Zuccarelli, 62, of Plano, Texas pleaded guilty today to conspiring to smuggle and illegally export from the U.S., radiation hardened integrated circuits (RHICs) for use in the space programs of China and Russia, in violation of the International Emergency Economic Powers Act (IEEPA).

Acting Assistant Attorney General for National Security Dana J. Boente and Acting U.S. Attorney Brit Featherston for the Eastern District of Texas made the announcement. The plea was entered before U.S. Magistrate Judge Kimberly Priest-Johnson.

Zuccarelli pleaded guilty to engaging in a conspiracy to smuggle and illegally export from the U.S. items subject to IEEPA, without obtaining licenses from the Department of Commerce. According to the allegations contained in the Information filed against Zuccarelli and statements made in court filings and proceedings, including today's guilty plea:

Between approximately June 2015 and March 2016, Zuccarelli and his co-conspirators agreed to illegally export RHICs to China and Russia. RHICs have military and space applications, and their export is strictly controlled.

In furtherance of the conspiracy, Zuccarelli's co-conspirator received purchase orders from customers seeking to purchase RHICs for use in China's and Russia's space programs. Zuccarelli received these orders from his co-conspirator, as well as payment of approximately \$1.5 million to purchase the RHICs for the Chinese and Russian customers. Zuccarelli placed orders with U.S. suppliers, and used the money received from his co-conspirator to pay the U.S. suppliers. In communications with the U.S. suppliers, Zuccarelli certified that his company, American Coating Technologies was the end user of the RHICs, knowing that this was false. Zuccarelli received the RHICs he ordered from U.S. suppliers, removed them from their original packaging, re-packaged them, falsely declared them as "touch screen parts," and shipped them out of the U.S. without the required licenses. He also attempted to export what he believed to be RHICs. In an attempt to hide the conspiracy from the U.S. government, he created false paperwork and made false statements.

At sentencing, Zuccarelli faces a maximum statutory term of five years imprisonment and a maximum fine of \$250,000. The maximum statutory sentence is prescribed by Congress and is provided here for informational purposes. If convicted of any offense, the defendant's sentence will be determined by the court after considering the advisory Sentencing Guidelines and other statutory factors. A sentencing hearing will be scheduled after the completion of a presentence investigation by the U.S. Probation Office.

This case is being investigated by the Dallas and Denver Offices of the Department of Homeland Security, Homeland Security Investigations; the FBI; the Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement; and the Department of Defense, Defense Criminal Investigative Service. This case is being prosecuted by the U.S. Attorney's Office for the Eastern District of Texas together with the Counterintelligence and Export Control Section of the Justice Department's National Security Division.