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Department of Justice

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Thursday, August 31, 2017

U.S. Nuclear Engineer Sentenced to 24 Months in Prison for Violating the Atomic Energy Act

Szuhsiung Ho, aka Allen Ho, 66, a naturalized U.S. citizen born in Taiwan, was sentenced today to 24 months in prison and one year of supervised release. Ho was also ordered to pay a \$20,000 fine. The defendant pleaded guilty in January 2017 to conspiracy to unlawfully engage or participate in the production or development of special nuclear material outside the U.S., without the required authorization from the U.S. Department of Energy (DOE), in violation of the Atomic Energy Act.

Acting Assistant Attorney General for National Security Dana J. Boente, U.S. Attorney Nancy Stallard Harr of the Eastern District of Tennessee and Special Agent in Charge Renae McDermott of the FBI's Knoxville Field Division made the announcement.

"Today, Allen Ho is being held accountable for enlisting U.S.-based nuclear experts to provide assistance in developing and producing special nuclear material in China for a Chinese state-owned nuclear power company. He did so without the required authorization from the U.S. Department of Energy," said Acting Assistant Attorney General Boente. "Prosecuting those who unlawfully facilitate the acquisition of sensitive nuclear technology by foreign nations continues to be a top priority of the National Security Division."

"The U.S. Attorney's office is committed to working to ensure that sensitive and controlled technology is not illegally obtained and exported from the United States," said U.S. Attorney Harr. "Violations of our export control laws will be aggressively prosecuted in the Eastern District of Tennessee."

"Theft of our nuclear technology by foreign adversaries is of paramount concern to the FBI. Along with our local, state and federal partners, we will aggressively investigate those who seek to steal our technology for the benefit of foreign governments," said Special Agent in Charge McDermott.

An April 2016 indictment charged Ho; China General Nuclear Power Company (CGNPC), the largest nuclear power company in China and Energy Technology International (ETI), a Delaware corporation with these offenses. At the time of his indictment, Ho was a nuclear engineer, employed as a consultant by CGNPC and was also the owner of ETI. CGNPC specialized in the development and manufacture of nuclear reactors and was controlled by China's State-Owned Assets Supervision and Administration Commission.

According to documents filed in the case, beginning in 1997 and continuing through April 2016, Ho conspired with others to engage or participate in the development or production of special nuclear material in China, without specific authorization to do so from the U.S. Secretary of Energy, as required by law. He assisted CGNPC in procuring U.S.-based nuclear engineers to assist CGNPC and its subsidiaries with designing and manufacturing certain components for nuclear reactors more quickly by reducing the time

and financial costs of research and development of nuclear technology. In particular, Ho sought technical assistance related to CGNPC's Small Modular Reactor Program; CGNPC's Advanced Fuel Assembly Program; CGNPC's Fixed In-Core Detector System; and verification and validation of nuclear reactor-related computer codes.

Under the direction of CGNPC, Ho also identified, recruited and executed contracts with U.S.-based experts from the civil nuclear industry who provided technical assistance related to the development and production of special nuclear material for CGNPC in China. Ho and CGNPC also facilitated the travel to China and payments to the U.S.-based experts in exchange for their services.

This case was investigated by the FBI, Tennessee Valley Authority-Office of the Inspector General, DOE-National Nuclear Security Administration and U.S. Immigration and Customs Enforcement Homeland Security Investigations, with assistance from other agencies. Assistant U.S. Attorneys Charles E. Atchley Jr. and Bart Slabbekorn of the Eastern District of Tennessee, and Trial Attorney Casey T. Arrowood of the Counterintelligence and Export Control Section and Attorney Jeffrey M. Smith of the Appellate Unit in the National Security Division prosecuted this case.

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