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Jul 19 2023  
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CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA  
BY s/ dmartinez DEPUTY

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s/ scottweede

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

June 2022 Grand Jury

UNITED STATES OF AMERICA,  
Plaintiff,

v.

JINCHAO WEI,  
aka Patrick Wei,  
Defendant.

Case No. '23 CR1471H

I N D I C T M E N T

Title 18, U.S.C., Sec. 794(c) - Conspiracy to Communicate, Deliver, or Transmit Defense Information to Aid a Foreign Government; Title 18, U.S.C., Sec. 794(a) - Communicate, Deliver, or Transmit Defense Information to Aid a Foreign Government; Title 22, U.S.C., Sec. 2778(b)(2) and (c) and Title 22, C.F.R., Secs. 121.1, 127.1 and 127.3 - Conspiracy to Export Defense Articles Without a License; Title 22, U.S.C., Sec. 2778(b)(2) and (c) and Title 22, C.F.R., Secs. 121.1, 127.1 and 127.3 - Export of Defense Articles Without a License; Title 18, U.S.C. Sec. 2 - Aiding and Abetting; Title 18, U.S.C., Secs. 794(d) and 981(a)(1)(C), Title 22, U.S.C., Sec. 401, and Title 28, U.S.C., Sec. 2461(c) - Criminal Forfeiture

The grand jury charges:

INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment, unless otherwise indicated:



1 clearance, access rights, and a need to know before accessing the above-  
2 referenced documents. If a U.S. sailor had a need to know, he would  
3 first need to apply to his supervisor explaining his need for access.  
4 His supervisor would verify his need for access and then request that  
5 the relevant U.S. Navy command grant the requesting sailor access.

6 5. Defendant JINCHAO WEI had a duty to protect national defense  
7 information and received training on the proper handling of U.S.  
8 government classified, and controlled unclassified, information. In or  
9 about February 2022, which is the same month that the criminal conduct  
10 described herein began, defendant JINCHAO WEI received  
11 counterintelligence and threat awareness and reporting training, which  
12 specifically warned him that foreign adversaries might try to recruit  
13 him through, among other avenues, social media and blogs, and instructed  
14 him to promptly report any recruitment attempts.

15 6. Defendant JINCHAO WEI maintained a U.S. security clearance and  
16 was eligible to access material classified up to and including the SECRET  
17 level.

18 7. Conspirator A, whose identity is known to the Grand Jury, was  
19 an intelligence officer working on behalf of the People's Republic of  
20 China ("PRC").

21 8. Defendant JINCHAO WEI was not authorized to disclose national  
22 defense information to Conspirator A. Nevertheless, defendant JINCHAO  
23 WEI entered into a handler/asset relationship with Conspirator A. In or  
24 about February 2022, when defendant JINCHAO WEI's espionage activities  
25 with Conspirator A began, defendant JINCHAO WEI told another U.S. Navy  
26 sailor that he had been asked to spy for the PRC.

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1 9. Throughout this relationship, defendant JINCHAO WEI provided  
2 Conspirator A with information regarding the defense and weapons  
3 capabilities of U.S. Navy ships, potential vulnerabilities of these  
4 ships, and information related to ship movement. The unauthorized  
5 disclosure of this national defense information could place the national  
6 security of the United States, and the safety of defendant JINCHAO WEI's  
7 fellow U.S. Navy sailors, in jeopardy.

8 THE ARMS EXPORT CONTROL ACT AND THE  
9 INTERNATIONAL TRAFFIC IN ARMS REGULATIONS

10 10. In furtherance of the national security and foreign policy  
11 interests of the United States, the export of defense-related articles  
12 was regulated by the Arms Export Control Act, Title 22, United States  
13 Code, Section 2778 ("AECA"). Section 2778(a) authorized the President  
14 of the United States to control the import and export of defense articles  
15 and to establish a United States Munitions List ("USML"), which  
16 identified and defined the defense articles subject to those controls.  
17 Section 2778(b) provided that any person engaged in the business of  
18 manufacturing or exporting any defense article shall register with the  
19 government. Section 2778(c) established criminal penalties for any  
20 willful violation of Section 2778 or any rule or regulation thereunder.

21 11. The United States Department of State, through the Directorate  
22 of Defense Trade Controls ("DDTC"), implemented these statutory  
23 provisions by adopting the International Traffic in Arms Regulations  
24 ("ITAR"), Title 22, Code of Federal Regulations, Parts 120 et seq. These  
25 regulations established the USML and required an export license for the  
26 export of any items on the USML. "Defense articles," as that term is  
27 used in Title 22, United States Code, Section 2778(b)(2) and the ITAR,



1 means items, including technical data, designated for placement on the  
2 USML as weapons, weapons systems, aircraft, surface vessels of war,  
3 associated equipment, and other implements of war.

4 12. With limited exceptions for the closest military allies of the  
5 United States, a person or entity seeking to export from the United  
6 States designated "defense articles" on the USML must receive a license  
7 or other approval from the DDTC.

8 13. At no time did defendant JINCHAO WEI obtain a license from the  
9 DDTC.

10 **Count 1**

11 14. Paragraphs 1 to 13 are restated and realleged as if set forth  
12 herein.

13 15. Beginning in or about February 2022, and continuing through  
14 the present, within the Southern District of California, and elsewhere,  
15 defendant JINCHAO WEI, aka Patrick Wei, and Conspirator A, did knowingly  
16 and unlawfully conspire together and with each other and with others,  
17 known and unknown to the grand jury, to communicate, deliver, and  
18 transmit to a foreign government, to wit, the Government of the People's  
19 Republic of China, and representatives, officers, agents, employees,  
20 subjects, and citizens thereof, directly and indirectly, documents,  
21 sketches, plans, notes, and information relating to the national defense  
22 of the United States, with intent and reason to believe that such  
23 documents, sketches, plans, notes, and information were to be used to  
24 the injury of the United States and to the advantage of a foreign nation,  
25 namely, the Government of the People's Republic of China.

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**Manner and Means of the Conspiracy**

16. Defendant JINCHAO WEI and Conspirator A used the following manner and means, among others, to communicate, deliver, and transmit documents, sketches, plans, notes, and information relating to the national defense of the United States to the Government of the People's Republic of China:

- a. Defendant JINCHAO WEI and Conspirator A used multiple internet-based encrypted methods to communicate;
- b. Conspirator A tasked defendant JINCHAO WEI with PRC collection priorities and collection of the type of U.S. military information Conspirator A was interested in receiving, including national defense information;
- c. Conspirator A instructed defendant JINCHAO WEI to gather non-public U.S. military information, including national defense information and told him that original documents were preferred;
- d. Conspirator A instructed defendant JINCHAO WEI not to discuss their relationship and to destroy evidence regarding the nature of their relationship and their activities;
- e. Defendant JINCHAO WEI surreptitiously gathered national defense information for Conspirator A, accessing restricted U.S. Navy computer systems to gather such national defense information;
- f. Defendant JINCHAO WEI transmitted and attempted to transmit to Conspirator A documents, sketches, plans, notes, and other information relating to the national

1 defense, specifically, technical data present in manuals  
2 and other documents for the U.S.S. Essex LHD amphibious  
3 assault ship and other LHD amphibious assault ships,  
4 which were closely held and conspicuously marked with  
5 warnings that the documents contained technical data  
6 subject to export controls and that unauthorized export  
7 of that technical data could subject the exporter to  
8 severe criminal penalties; and

- 9 g. Conspirator A paid defendant JINCHAO WEI in exchange for  
10 the national defense information and export-controlled  
11 documents that defendant JINCHAO WEI provided to  
12 Conspirator A.

13 **Overt Acts in Furtherance of the Conspiracy**

14 17. In furtherance of the conspiracy and to achieve the objects  
15 thereof, defendant JINCHAO WEI and Conspirator A committed and caused  
16 to be committed the following overt acts, among others, in the Southern  
17 District of California and elsewhere:

- 18 a. Between on or about February 14, 2022, and February 15,  
19 2022, Conspirator A contacted defendant JINCHAO WEI, and  
20 requested information available to defendant JINCHAO WEI  
21 as an enlisted service member of the U.S. Navy.
- 22 b. On or about February 15, 2022, defendant JINCHAO WEI and  
23 Conspirator A discussed deleting communications  
24 involving the two of them to avoid detection by  
25 authorities.
- 26 c. On or about February 18, 2022, Conspirator A requested  
27 that defendant JINCHAO WEI pass information to  
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1           Conspirator A about ships moored at Naval Base San Diego,  
2           including photographs and videos.

3           d.    On or about February 22, 2022, Conspirator A requested  
4           that defendant JINCHAO WEI provide information regarding  
5           the maintenance cycle aboard U.S. Navy ships, including  
6           his Wasp class LHD, which defendant JINCHAO WEI said  
7           would be viewed as spying and affect his pending  
8           application for U.S. Citizenship.

9           e.    On or about February 23, 2022, defendant JINCHAO WEI and  
10          Conspirator A agreed to use a second encrypted  
11          communication application.

12          f.    On or about March 7, 2022, Conspirator A instructed  
13          defendant JINCHAO WEI to send photographs and other  
14          material obtained through his service in the U.S. Navy  
15          through a particular secure communication application.

16          g.    On or about March 13, 2022, defendant JINCHAO WEI sent  
17          multiple photographs and videos of the U.S.S. Essex to  
18          Conspirator A.

19          h.    On or about April 21, 2022, defendant JINCHAO WEI advised  
20          Conspirator A of the sea taskings and current location  
21          of various U.S. Navy LHDs.

22          i.    Between on or about April 23, 2022, and April 26, 2022,  
23          defendant JINCHAO WEI and Conspirator A discussed the  
24          importance of electro mechanics on Chinese type 075  
25          amphibious assault ships and aircraft carriers.

26          j.    On or about May 15, 2022, defendant JINCHAO WEI listed  
27          the defensive weapons aboard the U.S.S. Essex for  
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1           Conspirator A, and disclosed what he believed was a weak  
2           point of the U.S.S. Essex.

3           k.    On or about May 18, 2022, Conspirator A sent money to  
4           defendant JINCHAO WEI and congratulated WEI for being  
5           granted U.S. Citizenship.

6           l.    On or about June 5, 2022, defendant JINCHAO WEI sent to  
7           Conspirator A approximately 30 technical and mechanical  
8           manuals that contained export control warnings on them  
9           and which detailed the operation of multiple systems  
10          aboard LHDs and similar ships, including power, steering,  
11          aircraft and deck elevators, as well as damage and  
12          casualty controls.

13          m.   On or about June 6, 2022, Conspirator A advised that 10  
14          of the export-restricted manuals proved useful, and that  
15          Conspirator A had not seen those manuals before defendant  
16          JINCHAO WEI sent them to Conspirator A.

17          n.   Between on or about June 10, 2022, through June 11, 2022,  
18          Conspirator A transferred \$5,000 to defendant JINCHAO WEI  
19          as compensation for transmitting the 30 export-restricted  
20          technical and mechanical manuals related to the operation  
21          of LHDs and similar ships.

22          o.   On or about June 13, 2022, Conspirator A and defendant  
23          JINCHAO WEI agreed to not speak with others about what  
24          they are doing and delete any online connection between  
25          them.

26          p.   On or about June 14, 2022, Conspirator A requested  
27          defendant JINCHAO WEI pass information available to  
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- 1 u. On or about September 30, 2022, Conspirator A transferred  
2 money to defendant JINCHAO WEI.
- 3 v. On or about October 8, 2022, defendant JINCHAO WEI sent  
4 to Conspirator A national defense information, to wit,  
5 documents about the U.S.S. Essex from at least one manual  
6 that contained export control, distribution, and  
7 destruction warnings and that related to damage control,  
8 the layout and location of certain departments and  
9 berthing quarters aboard the ship, weapons systems, and  
10 other topics.
- 11 w. On or about October 9, 2022, Conspirator A requested any  
12 information defendant JINCHAO WEI could obtain on the  
13 U.S. Navy's LHD lightning carrier and other amphibious  
14 combat concepts, and defendant JINCHAO WEI agreed to do  
15 so.
- 16 x. On or about October 26, 2022, Conspirator A transferred  
17 money to defendant JINCHAO WEI.
- 18 y. On or about November 13, 2022, defendant JINCHAO WEI  
19 advised that he would be receiving specialized fire  
20 training and offered and agreed to pass detailed  
21 information about the training to Conspirator A.
- 22 z. On or about November 24, 2022, Conspirator A transferred  
23 money to defendant JINCHAO WEI.
- 24 aa. On or about December 1, 2022, defendant JINCHAO WEI  
25 passed technical and mechanical manuals that contained  
26 export control warnings to Conspirator A related to the  
27 U.S.S. Essex.

1 bb. On or about January 9, 2023, defendant JINCHAO WEI spoke  
2 with Conspirator A, who instructed defendant JINCHAO WEI  
3 to pass information about the overhaul and upgrades to  
4 the U.S.S. Essex, and directed defendant JINCHAO WEI to  
5 film blueprints with a cellphone, stressing the  
6 importance of passing information about any modifications  
7 to the flight deck.

8 cc. On or about January 11, 2023, Conspirator A transferred  
9 money to defendant JINCHAO WEI.

10 dd. On or about January 21, 2023, Conspirator A offered to  
11 fly defendant JINCHAO WEI and his mother to China in  
12 order for defendant JINCHAO WEI and Conspirator A to meet  
13 in person.

14 ee. On or about February 1, 2023, Conspirator A transferred  
15 money to defendant JINCHAO WEI.

16 ff. On or about February 5, 2023, defendant JINCHAO WEI  
17 advised Conspirator A that LHDs, including the U.S.S.  
18 Essex, are the Navy's transportation tool for United  
19 States Marines, and listed several repairs underway for  
20 the U.S.S. Essex, as well as mechanical problems for  
21 another LHD that would affect the other ship's ability  
22 to deploy as previously scheduled.

23 gg. From on or about February 27, 2023, through on or about  
24 June 7, 2023, Conspirator A made multiple transfers of  
25 money to defendant JINCHAO WEI, totaling approximately  
26 \$2,100.

27 All in violation of Title 18, United States Code, Section 794(c).

Count 2

18. The allegations contained in paragraphs 1 through 18 are realleged and incorporated as if fully set forth in this paragraph.

19. Beginning in or about August 2022, and continuing through in or about October 2022, within the Southern District of California, and elsewhere, defendant JINCHAO WEI, aka Patrick Wei, did knowingly and unlawfully communicate, deliver, and transmit to a foreign government, to wit, the People's Republic of China, and representatives, officers, agents, employees, subjects, and citizens thereof, directly and indirectly, documents, writings, sketches, notes, and information relating to the national defense of the United States, that is technical data present in manuals and other documents for the U.S.S. Essex LHD amphibious assault ship and other LHD amphibious assault ships, with intent and reason to believe that such documents and information were to be used to the injury of the United States and to the advantage of a foreign nation; in violation of Title 18, United States Code, Sections 794(a) and 2.

Count 3

20. The allegations contained in paragraphs 1 through 20 are realleged and incorporated as if fully set forth in this paragraph.

21. Beginning in or about February 2022, and continuing through the present, within the Southern District of California, and elsewhere, defendant JINCHAO WEI, aka Patrick Wei, and Conspirator A, did knowingly and unlawfully conspire together and with each other and with others, known and unknown to the grand jury, to willfully export technical data related to defense articles from the United States to the People's Republic of China without first having obtained the required licenses

1 from DDTC; in violation of Title 22, United States Code,  
2 Sections 2778(b)(2) and (c), and Title 22, Code of Federal Regulations,  
3 Sections 121.1, 127.1, and 127.3.

4 **Manner and Means of the Conspiracy**

5 22. Defendant JINCHAO WEI and Conspirator A used the following  
6 manner and means, among others, to export technical data related to  
7 defense articles from the United States to the People's Republic of  
8 China without first having obtained the required licenses from DDTC:

- 9 a. Defendant JINCHAO WEI and Conspirator A used multiple  
10 internet-based encrypted methods to communicate;
- 11 b. Conspirator A tasked defendant JINCHAO WEI with  
12 collection priorities and the type of U.S. military  
13 information Conspirator A was interested in receiving;
- 14 c. Conspirator A instructed defendant JINCHAO WEI to gather  
15 U.S. military information that was not public and told  
16 him that original documents were preferred;
- 17 d. Conspirator A instructed defendant JINCHAO WEI not to  
18 discuss their relationship and to destroy evidence  
19 regarding the nature of their relationship and their  
20 activities;
- 21 e. Defendant JINCHAO WEI surreptitiously gathered export-  
22 controlled information concerning the U.S. Navy for  
23 Conspirator A, using his phone to take photographs and  
24 his access to restricted computer systems to gather  
25 information;
- 26 f. Defendant JINCHAO WEI exported controlled technical  
27 information concerning defense articles related to the  
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1 U.S. Navy to Conspirator A, who he knew lived in China,  
2 without obtaining the required licenses or approval from  
3 the U.S. State Department; and

4 g. Conspirator A paid defendant JINCHAO WEI in exchange for  
5 the information and documents that defendant JINCHAO WEI  
6 provided to Conspirator A.

7 **Overt Acts in Furtherance of the Conspiracy**

8 23. In furtherance of the said conspiracy and to achieve the  
9 objects thereof, defendant JINCHAO WEI and Conspirator A committed and  
10 caused to be committed, among others, the overt acts alleged in  
11 paragraphs 17(a) to 17(gg) above.

12 All in violation of Title 22, United States Code, Section 2778(b)(2)  
13 and (c), and Title 22, Code of Federal Regulations, Sections 121.1,  
14 127.1, and 127.3.

15 **Count 4**

16 24. The allegations contained in paragraphs 1 through 25 are  
17 realleged and incorporated as if fully set forth in this paragraph.

18 25. On or about October 8, 2022, within the Southern District of  
19 California, and elsewhere, defendant JINCHAO WEI, aka Patrick Wei, did  
20 willfully export from the United States to the People's Republic of  
21 China export-controlled technical data related to defense articles on  
22 the U.S.S. Essex, to wit, a weapons control systems manual for LHD  
23 amphibious assault ships, without first obtaining the required license  
24 or written approval from the U.S. State Department; in violation of  
25 Title 22, United States Code, Section 2778(b)(2) and (c), Title 22, Code  
26 of Federal Regulations, Sections 121.7, 127.1, and 127.3, and Title 18,  
27 United States Code, Section 2.

CRIMINAL FORFEITURE

1  
2 26. The allegations contained in Counts 1 through 4 of this  
3 Indictment are realleged and by their reference fully incorporated  
4 herein for the purpose of alleging forfeiture to the United States of  
5 America pursuant to the provisions of Title 18, United States Code,  
6 Sections 794(d) and 981(a)(1)(C), Title 22, United States Code,  
7 Section 401, and Title 28, United States Code, Section 2461(c).

8 27. Upon conviction of the one and more of the offenses alleged  
9 in Counts 1 and 2, defendant JINCHAO WEI, aka Patrick Wei, shall forfeit  
10 to the United States, pursuant to Title 18, United States Code,  
11 Section 794(d)(1), any property, real and personal, constituting and  
12 derived from any proceeds obtained directly and indirectly as a result  
13 of the violations, and all property used and intended to be used in any  
14 manner and part to commit and to facilitate the commission of the  
15 violations.

16 28. Upon conviction of one and more of the offenses alleged in  
17 Counts 3 and 4 and pursuant to Title 18, United States Code,  
18 Section 981(a)(1)(C), Title 22, United States Code, Section 401, and  
19 Title 28, United States Code Section 2461(c) defendant JINCHAO WEI,  
20 aka Patrick Wei, shall forfeit to the United States all property  
21 constituting, and derived from, any proceeds the defendant obtained,  
22 directly and indirectly, as the result of the offenses and all arms and  
23 munitions of war, and all commodities and technology which is intended  
24 to be and was being exported in violation of law.

25 29. If any of the forfeitable property described above in  
26 paragraphs 27 and 28, as a result of any act or omission of the defendant;

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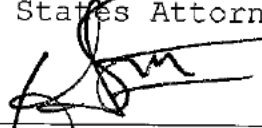
- 1 a. cannot be located upon the exercise of due diligence;
- 2 b. has been transferred or sold to, or deposited with, a
- 3 third party;
- 4 c. has been placed beyond the jurisdiction of the Court;
- 5 d. has been substantially diminished in value; or
- 6 e. has been commingled with other property which cannot be
- 7 subdivided without difficulty; it is the intent of the United States,
- 8 pursuant to Title 28, United States Code, Section 2461(c) which
- 9 incorporates the provisions of Title 21, United States Code,
- 10 Section 853(p), to seek forfeiture of any other property of the defendant
- 11 up to the value of the forfeitable property described above.

12 All pursuant to Title 18, United States Code, Sections 794(d) and  
13 981(a)(1)(C), Title 22, United States Code, Section 401, and Title 28,  
14 United States Code, Section 2461(c).

15 DATED: July 19, 2023.

16 A TRUE BILL:  
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19 RANDY S. GROSSMAN  
20 United States Attorney

21 By:   
22 FRED SHEPPARD  
23 JOHN PARMLEY  
Assistant U.S. Attorneys

24 ADAM BARRY  
25 Trial Attorney  
National Security Division



UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
June 2023 Grand Jury

UNITED STATES OF AMERICA,  
Plaintiff,  
v.  
WENHENG ZHAO,  
aka "Thomas Zhao,"  
Defendant.

CR 2:23-cr-00372-RGK

I N D I C T M E N T

[18 U.S.C. § 371: Conspiracy; 18 U.S.C. § 201(b)(2)(C): Receiving a Bribe by a Public Official; 18 U.S.C. § 981(a)(1)(C), 28 U.S.C. § 2461(c): Forfeiture Allegations]

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

At times relevant to this Indictment:

1. The United States Navy was a branch of the United States Department of Defense whose mission was to protect Americans at sea by, among other things, recruiting, training, equipping, organizing, and delivering combat-ready Naval forces to maintain security through sustained forward presence.

2. Defendant WENHENG ZHAO was a public official who swore an oath to faithfully discharge his duties as a Petty Officer in the United States Navy.

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1 nations; and anti-terrorism and force protection for personnel and  
2 construction projects.

3 8. Naval Construction Group 1 ("NCG-1") prepared Pacific Fleet  
4 NCF units to implement construction in support of Combatant  
5 Commanders and warfighter requirements. NCG-1 was located onboard  
6 Naval Base Ventura County ("NBVC") in Port Hueneme, California,  
7 within the Central District of California.

8 9. Naval Mobile Construction Battalion 3 ("NMCB-3") was part  
9 of NCG-1 and was based in Ventura County in Port Hueneme, California,  
10 within the Central District of California. NMCB-3 provided  
11 engineering and construction support to naval and joint forces around  
12 the world.

13 10. NBVC was a United States naval installation located in  
14 Ventura County, within the Central District of California. NBVC was  
15 administered and secured by the Department of Defense and had  
16 operating facilities at Point Mugu, Port Hueneme, and San Nicolas  
17 Island, all located within the Central District of California. NBVC  
18 was strategically located near the Point Mugu Sea Range, which was  
19 the largest instrumented sea range in the world. The sea range  
20 supported both developmental and operational test and evaluation of  
21 missiles, free-fall weapons, and electronic warfare systems.

22 11. Naval Auxiliary Landing Field San Clemente Island ("San  
23 Clemente Island") was a United States naval installation in Los  
24 Angeles County, within the Central District of California. San  
25 Clemente Island was administered and secured by the Department of  
26 Defense. San Clemente Island was the U.S. Navy's only remaining live  
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1 fire range and supported the research and development of many of the  
2 Navy's weapons systems.

3 12. Defendant WENHENG ZHAO was enlisted in the United States  
4 Navy as a Petty Officer Second Class, and served as a Construction  
5 Electrician in NMCB-3, NCG-1. As a Petty Officer in the U.S. Navy,  
6 ZHAO was responsible for, among other things, installing, repairing,  
7 and servicing electrical equipment on U.S. military installations.  
8 As part of his official duties, among other responsibilities,  
9 defendant ZHAO was: (1) required to protect controlled unclassified  
10 information ("CUI")<sup>1</sup> and information related to the United States  
11 Navy's operational security ("OPSEC"); (2) not allowed to disseminate  
12 to unauthorized individuals CUI and information related to the United  
13 States Navy's OPSEC; and (3) required to report suspicious incidents,  
14 including attempts by non-Navy personnel to elicit sensitive  
15 operational information.

16 13. Defendant ZHAO maintained a U.S. security clearance and was  
17 eligible to access material up to and including the SECRET level.

18 14. These Introductory Allegations are incorporated into each  
19 count of this Indictment.  
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22 <sup>1</sup> CUI is a distinct category of information that, while not  
23 classified, is subject to safeguarding procedures and dissemination  
24 controls. Executive Order 13556 "establishes an open and uniform  
25 program for managing information that requires safeguarding or  
26 dissemination controls" for CUI. All U.S. Government agencies are  
27 required to develop and implement protective measures, conduct  
28 regular training, and establish sanctions and reporting requirements  
for the misuse or disclosure of CUI. 32 CFR § 2002. The Department  
of Defense ("DoD") implemented Executive Order 13556 via DoD  
Instruction 5200.48, which mandates the requirements for marking,  
handling, and disseminating CUI; implements reporting and training  
requirements for DoD components; and addresses the misuse of CUI.

COUNT ONE

[18 U.S.C. § 371]

15. The Introductory Allegations of this Indictment are re-alleged and fully incorporated here by reference.

OBJECT OF THE CONSPIRACY

16. Beginning in about August 2021 and continuing to at least May 2023, in Ventura and Los Angeles Counties, within the Central District of California, and elsewhere, defendant ZHAO conspired with Conspirator A, and others known and unknown to the Grand Jury, to engage in a corrupt scheme whereby defendant ZHAO collected and transmitted to Conspirator A sensitive U.S. military information, including documents marked CUI, information concerning U.S. Navy OPSEC, and photographs and videos of restricted areas on NBVC, and San Clemente Island, in exchange for money provided by Conspirator A, in violation of Title 18, United States Code, Section 201(b)(2)(C).

MANNER AND MEANS OF THE CONSPIRACY

17. The object of the conspiracy was carried out as follows:

a. Defendant ZHAO and Conspirator A used multiple internet-based encrypted methods to communicate.

b. Conspirator A instructed defendant ZHAO to collect and transmit to Conspirator A sensitive, non-public information related to the activities of the United States Navy, including sensitive operational information.

c. Conspirator A instructed defendant ZHAO not to discuss their relationship and to destroy evidence regarding defendant ZHAO's communications with Conspirator A and defendant ZHAO's collection and

1 transmission to Conspirator A of sensitive non-public information  
2 related to the activities of the United States Navy.

3 d. Conspirator A offered and provided to defendant ZHAO,  
4 and defendant ZHAO accepted and received from Conspirator A, money,  
5 in return for violating his official duties as a Petty Officer in the  
6 United States Navy by collecting, photographing, recording, and  
7 transmitting to Conspirator A sensitive, non-public information  
8 related to the activities of the United States Navy.

9 e. In return for money and other items of value,  
10 defendant ZHAO: (1) surreptitiously gathered CUI and other sensitive  
11 material related to the United States Navy's OPSEC, including  
12 training and critical infrastructure information; (2) transmitted and  
13 attempted to transmit to Conspirator A OPSEC information and CUI  
14 documents in violation of his duties as a Petty Officer; and  
15 (3) entered restricted military and naval installations and took  
16 photographs and videos of United States Navy non-public and sensitive  
17 information and activities.

18 f. By means of the above-described conduct and in  
19 exchange for the above-described acts and omissions in violation of  
20 his official duties, defendant ZHAO received payments from  
21 Conspirator A totaling at least approximately \$14,866.76 USD from  
22 approximately November 1, 2021 through approximately March 28, 2023.

23 OVERT ACTS

24 18. On or about the following dates, in furtherance of the  
25 conspiracy and to accomplish its object, defendant ZHAO and  
26 Conspirator A committed, and caused others to commit, the following  
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1 overt acts, among others, within the Central District of California,  
2 and elsewhere:

3 Overt Act No. 1: On or about August 12, 2021, Conspirator A  
4 instructed defendant ZHAO to gather information about a "large scale"  
5 military exercise in the Indo-Pacific region. Specifically,  
6 Conspirator A asked for the "specific plan" and details regarding the  
7 locations and timing of U.S. Naval force movements, and information  
8 about various military topics such as, among others, amphibious  
9 landing, distributed maritime operations, and logistics support.

10 Overt Act No. 2: On or about August 13, 2021, on San Clemente  
11 Island, defendant ZHAO took a photograph of a "Large Scale Exercise  
12 2021 Pacific NCF CONOPS" diagram that was marked "CUI."

13 Overt Act No. 3: On or about August 14, 2021, Conspirator A  
14 instructed defendant ZHAO on how to surreptitiously send the  
15 requested materials to Conspirator A.

16 Overt Act No. 4: On or about August 14, 2021, defendant ZHAO  
17 sent the photograph of a "Large Scale Exercise 2021 Pacific NCF  
18 CONOPS" diagram to Conspirator A and stated "transmission completed .  
19 . . large scale exercises 2021 on our side."

20 Overt Act No. 5: On or about August 14, 2021, in response to  
21 defendant ZHAO's question of why Conspirator A needed this  
22 information for maritime economic research, Conspirator A instructed  
23 defendant ZHAO to provide the requested information so that  
24 Conspirator A could use it to inform investment decisions.

25 Overt Act No. 6: On or about August 16, 2021, on San Clemente  
26 Island, defendant ZHAO took 12 photographs of computer screens that  
27 displayed operational orders of military training exercises.







1           Overt Act No. 22:    On or about February 27, 2023, defendant  
2 ZHAO received and accepted a ¥3,500 CNY (approximately \$502.84 USD)  
3 payment from Conspirator A.

4           Overt Act No. 23:    On or about March 28, 2023, defendant ZHAO  
5 received and accepted a ¥3,500 CNY (approximately \$508.66 USD)  
6 payment from Conspirator A.

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COUNT TWO

[18 U.S.C. § 201(b)(2)(C)]

19. The Introductory Allegations of this Indictment are re-  
alleged and fully incorporated here by reference.

20. From on or about November 1, 2021 to on or about March 28,  
2023, in Ventura and Los Angeles Counties, within the Central  
District of California, and elsewhere, defendant ZHAO, a public  
official, namely, a Petty Officer of the United States Navy  
responsible for, among other duties, protecting United States Navy  
sensitive, CUI marked, and OPSEC information, directly and  
indirectly, corruptly received, accepted, and agreed to receive and  
accept something of value, namely, Chinese Yuan Currency, in return  
for being induced to do an act and omit doing an act in violation of  
his official duties. Specifically, defendant ZHAO corruptly received  
and accepted payments totaling approximately \$14,866.76 USD from  
Conspirator A, an intelligence officer working on behalf of the PRC,  
in exchange for gathering documents, photographs, videos, and  
information containing sensitive, CUI marked, and United States Navy  
OPSEC details and providing them to Conspirator A. Such conduct  
violated defendant ZHAO's duties and responsibilities as a Petty  
Officer, including the duty to protect sensitive, CUI marked, and  
OPSEC United States Navy documents and information.

FORFEITURE ALLEGATION

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

21. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), in the event of the defendant's conviction of the offenses set forth in any of Counts 1 and 2 of this Indictment.

22. The defendant, if so convicted, shall forfeit to the United States of America the following:

a. All right, title, and interest in any and all property, real or personal, constituting, or derived from, any proceeds traceable to the offenses; and

b. To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

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1           23. Pursuant to Title 21, United States Code, Section 853(p),  
2 as incorporated by Title 28, United States Code, Section 2461(c), the  
3 defendant, if so convicted, shall forfeit substitute property, up to  
4 the value of the property described in the preceding paragraph if, as  
5 the result of any act or omission of the defendant, the property  
6 described in the preceding paragraph or any portion thereof

7 (a) cannot be located upon the exercise of due diligence; (b) has  
8 been transferred, sold to, or deposited with a third party; (c) has  
9 been placed beyond the jurisdiction of the court; (d) has been  
10 substantially diminished in value; or (e) has been commingled with  
11 other property that cannot be divided without difficulty.

12                                 A TRUE BILL

13  
14   /S/\_\_\_\_\_  
15   Foreperson

16 E. MARTIN ESTRADA  
17 United States Attorney

18 

19 DAVID T. RYAN  
20 Assistant United States Attorney  
21 Chief, Terrorism and Export  
22 Crimes Section

22 ANNAMARTINE SALICK  
23 CHRISTINE M. RO  
24 KATHRYNNE N. SEIDEN  
25 SARAH E. GERDES  
26 Assistant United States Attorneys  
27 Terrorism and Export Crimes  
28 Section