

## **AFFIDAVIT**

### **I. INTRODUCTION**

I, James E. Gaylord, being duly sworn, hereby depose and state the following:

1. I am a Special Agent ("SA") for the Federal Bureau of Investigation ("FBI") in Santa Ana, California, and have been so employed for twenty years. I received training at the FBI Academy in Quantico, Virginia. For the last fifteen years, I have primarily worked on counterintelligence investigations, including those involving the People's Republic of China ("PRC"). I have attended training on various aspects of counterintelligence investigations, including those relating to the PRC, with the FBI both in Quantico and other locations. Based on my experience and training, I am familiar with efforts used to collect government information. Prior to my employment with the FBI, I was a law clerk for three years. I graduated from Loyola Law School in 1984 with a juris doctorate.

### **II. THE PURPOSE OF THE AFFIDAVIT**

2. This affidavit is made in support of a complaint and arrest warrants charging the following individuals with violations of 18 U.S.C. § 641 (theft of government property), 18 U.S.C. § 371 (conspiracy), 18 U.S.C. § 2314 (transportation of stolen goods) and 18 U.S.C. § 2 (aiding and abetting):

a. CHI MAK, aka Jack Mak, aka Taichi Mak, aka Daichi

Mak, aka Dazhi Mai ("CHI");

b. TAI WANG MAK, aka Taihong Mak, aka Daihong Mak, aka Dahong Mai ("TAI");

c. REBECCA LAIWAH CHIU, aka Rebecca Mak, aka Laiwa Chu, aka Lihua Zhao, aka Meihua Zhao ("REBECCA"); and

d. FUK HEUNG LI, aka Fuk Heung Li Mak, aka Flora Mak aka Flora Li ("FUK").

### **III. PREMISES TO BE SEARCHED**

3. This affidavit is further made in support of applications for search warrants for the following premises:

a. The residence of CHI and REBECCA located at 8261 Blandwood Road, Downey, California ("Subject Premises 1"). The premises are further described in Attachment A-1, which is incorporated by reference herein;

b. The residence of TAI and FUK located at 1629 South Fremont Avenue, Alhambra, California ("Subject Premises 2"). The premises are further described in Attachment A-2, which is incorporated by reference herein;

c. The workspace of CHI located at L-3/SPD Technologies/ Power Systems Group, 901 East Ball Road, Anaheim, California ("Subject Premises 3"). The premises are further described in Attachment A-3, which is incorporated by reference herein;

d. A silver 2002 Toyota Celica, VIN JTDDY32T720054305, registered to TAI ("Subject Premises 4"). The premises are

further described in Attachment A-4, which is incorporated by reference herein;

e. A black 2001 Audi A6, VIN WAUZL64B21N105038, registered to TAI ("Subject Premises 5"). The premises are further described in Attachment A-5, which is incorporated by reference herein;

f. A blue 1998 Plymouth Voyager, VIN 2P4FP25B2WR774840, registered to CHI ("Subject Premises 6"). The premises are further described in Attachment A-6, which is incorporated by reference herein;

g. A brown 1988 Oldsmobile Cutlass, VIN 2G3AJ513XJ9387607, registered to CHI ("Subject Premises 7"). The premises are further described in Attachment A-7, which is incorporated by reference herein;

h. A dark blue 2004 Mercedes two-door, VIN WDBTJ65J84F120127, registered to DCFS Trust LSR, and used by TAI. ("Subject Premises 8"). With respect to Subject Premises 8, I know from surveillance reports that TAI MAK recently bought the car and that TAI MAK and FUK LI have been seen driving the Mercedes. I believe that the registration just has not been changed to reflect the new ownership. The premises are further described in Attachment A-8, which is incorporated by reference herein;

i. Any and all luggage and hand carried items in the

possession of, or baggage checked by, TAI MAK, at Los Angeles International Airport, on or about October 28-29, 2005 ("Subject Premises 9"). The premises are further described in Attachment A-9, which is incorporated by reference herein; and

j. Any and all luggage and hand carried items in the possession of, or baggage checked by, FUK, at Los Angeles International Airport, on or about October 28-29, 2005 ("Subject Premises 10"). The premises are further described in Attachment A-10, which is incorporated by reference herein.

4. It is requested that the authorization to search the Subject Premises include: all rooms, attics, basements, and all parts within, and surrounding grounds, trash containers, garages, storage rooms or outbuildings of any kind, attached or unattached, located on the premises that are under the control of the occupants of these locations, as well as any other vehicles found to be within the curtilage of the Subject Premises.

5. As further described below, there is probable cause to believe that CHI, TAI, REBECCA, and FUK have engaged in the theft of government property, in violation of 18 U.S.C. §§ 641 and 2, and have conspired to transport stolen goods, in violation of 18 U.S.C. § 371 and 18 U.S.C. § 2314. Furthermore, there is probable cause to believe that evidence relating to those crimes will be found at the Subject Premises.

6. Choicepoint records indicate that CHI and his wife,

REBECCA, own 8261 Blandwood Road, Downey, California, Subject Premises 1. I received a roster of employees and a schematic of their workstations from L-3/SPD Technologies/Power Systems Group and verified that CHI is employed as a Principal Support Engineer by Power Paragon, a subsidiary of L-3/SPD Technologies/Power Systems Group, located at Subject Premises 3. In addition I confirmed CHI's employment at Power Paragon by checking payroll tax records of the California Employment Development Department. I reviewed ICE files for CHI and learned that he was born in the People's Republic of China ("PRC") and was naturalized as a United States Citizen in Los Angeles on June 21, 1985. I reviewed a report of a monitored telephone conversation between CHI and his older sister that indicated that she had just returned from the PRC and had taken care of matters for TAI and CHI and had both of their deeds. My understanding of the call is that CHI and TAI own property in the PRC. I reviewed a report of another monitored phone call between CHI and a person in Hong Kong in which CHI asked about housing prices in Hong Kong and said that he wanted to purchase a house or condominium in Hong Kong to live in. I reviewed reports of other electronic surveillance which indicate that CHI is planning to retire in March 2006.

7. Choicepoint records indicate that TAI and his wife, FUK, own 1629 South Fremont Avenue, Alhambra, California, Subject

Premises 2. Based on a trash search of Subject Premises 2, I learned that TAI is the Broadcast and Engineering Director for Phoenix North American Chinese Channel ("Phoenix"). I have talked with other agents involved in the investigation who have conducted surveillance on TAI and have followed him from his residence at Subject Premises 2 to Phoenix. I reviewed immigration files for TAI and learned that he is a Chinese citizen who entered the United States in Los Angeles on May 22, 2001, and is a Lawful Permanent Resident of the United States.

8. REBECCA is the wife of CHI. I reviewed the immigration file for REBECCA, formerly a Chinese citizen, who was naturalized in Los Angeles on June 20, 1985. In her naturalization application, REBECCA wrote that she had worked as an electrical engineer. Based on my discussions with agents who have conducted surveillance on Subject Premises 1, REBECCA currently appears to be unemployed, spending the majority of her time at Subject Premises 1.

9. FUK is the wife of TAI. I reviewed the immigration file for FUK and learned that she is a citizen of the PRC who entered the United States in Los Angeles on May 22, 2001. FUK is currently a Lawful Permanent Resident of the United States.

10. I make this affidavit based on my experience and training and based on personal knowledge and information that I have received from my participation in this investigation. This

affidavit is offered for the sole purpose of establishing probable cause for a warrant to arrest CHI, TAI, REBECCA, and FUK, and to execute search warrants at the Subject Premises, and does not set forth all of the facts of this investigation.

**IV. SCHEDULE OF EVIDENCE TO BE SEIZED**

11. A list of the specific items to be seized from the Subject Premises is set forth in Attachment B and is incorporated herein by reference. Based on my training and experience, as detailed above, there is probable cause to believe that items listed in Attachment B will be found at Subject Premises A-1 through A-10 .

**V. APPLICABLE STATUTES**

12. Section 641 of Title 18 provides, in pertinent part, as follows:

Whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another, or without authority, sells, conveys or disposes of any record, voucher, money, or thing of value of the United States or of any department or agency thereof, or any property made or being made under contract for the United States or any department or agency thereof . . .

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Shall be fined under this title or imprisoned not more than ten years, or both. . . .

13. Section 2 of Title 18 provides that whoever aids, abets, counsel, and induces the commission of an offense is punishable as a principal.

14. Section 371 provides criminal penalties for those who conspire to commit an offense against the United States provided that one or more of such persons acted to effect the object of the conspiracy.

15. Section 2314 provides in pertinent part:

Whoever transports, transmits, or transfers in interstate or foreign commerce any goods, wares, merchandise, securities or money, of the value of \$5,000 or more, knowing the same to have been stolen, converted or taken by fraud [shall be fined or imprisoned or both.]

## **VI. PROBABLE CAUSE**

### **A. Overview**

16. Based on my participation in this investigation I know the following information. As set forth below, CHI is employed as a Principal Support Engineer by Power Paragon, a subsidiary of L-3/SPD Technologies/Power Systems Group ("Power Paragon"). In 1996, CHI was granted a secret clearance thereby providing him access to classified Navy technology through his employment at Power Paragon. As part of his employment, CHI is the lead project engineer on a research project involving Quiet Electric Drive ("QED") propulsion for use on United States Navy warships.



QED is an extremely sensitive project. According to the Office of Naval Research, Department of the Navy, the technology developed in the QED program is considered by the Navy to be Significant Military Equipment and therefore banned from export to countries specifically denied by the U.S. State Department, including the PRC. I have been informed that the technology is covered by security caveat "NOFORN, Distribution Schedule D" and that designation restricts dissemination of the material to foreign entities, agents or interests, and the material can be released only to Department of Defense contractors and its employees. QED technology is being developed by Power Paragon under a contract with the U.S. Navy, which owns the technology. By virtue of his employment, CHI also has access to other valuable material belonging to the government such as technical records, schematics and other documents bearing a stamp or notation restricting dissemination. The sensitive technical material, including research and development information, and the QED technology referenced herein is valued far in excess of \$5,000.

17. As further set forth below, investigation has shown that CHI transferred information concerning QED and other projects belonging to the government from his workplace to his home. Once there, CHI copied such information onto CDs and delivered them to his brother, TAI. TAI encrypted the

information with the assistance of another. TAI has made arrangements to travel with the encrypted CDs to the PRC. TAI and FUK are scheduled to leave the United States with the information on encrypted CDs on October 28, 2005, for Hong Kong continuing on to Guangzhou in the PRC. In a monitored phone call between TAI and a person he plans to meet in the PRC ("Recipient"), TAI and the Recipient used what appear to be code words when speaking. REBECCA, the wife of CHI, assisted CHI in copying the information onto CDs and delivering them to TAI. FUK, the wife of TAI, has discussed with TAI the encrypting of the CDs and will be traveling with him to China to deliver the CDs to the Recipient in the PRC.

#### **B. Background of the Investigation**

18. Recently the FBI began collecting information that CHI MAK, TAI MAK and REBECCA CHIU were possibly stealing sensitive government-owned information from Power Paragon. Based on that information the FBI opened an investigation of the three individuals and their associates. As part of that investigation, numerous surveillance techniques have been employed, including court-authorized electronic surveillance. As a result of these surveillance and other investigative techniques, the FBI learned of CHI MAK's theft of government property and the plans to deliver the material to the Recipient in the PRC, as set forth below.

### **C. Theft of Government Property**

19. I have reviewed reports and talked with FBI surveillance personnel. The following information was obtained through observations using surveillance techniques. When referencing a conversation, I have summarized the essence of the discussion and indicated in parentheses my understanding of the conversation based on my experience and training and my participation in this investigation:

- a. On or about February 7, 2005, two lists were recovered from the trash of CHI's residence (Subject Premises 1). The documents were torn up into small pieces. The documents were reassembled and translated. I reviewed the translations, and saw the following: (1) one document was machine-printed in Chinese, and contained instructions to join more associations and participate in more seminars with special subject matters. The document contained a directive to compile the special conference material on a disk, which would later produce meaningful research. The document then lists a number of military technologies that were sought, including: space-based electromagnetic intercept system, space-launched magnetic levitational platform, electromagnetic artillery system, submarine torpedoes, electromagnetic launch system, and aircraft carrier

electronic systems, among others. (2) The second document was hand printed in Chinese and contained the following nine related technologies: water jet propulsion; ship submarine propulsion technology, non-air reliant; power system configuration technology, weapons standardization, modularization; early warning technologies, command and control systems technology, defense against nuclear attack technology; permanent electromagnetic motor, overall solution for shipboard power system; shipboard internal and external communications systems; establishment of high frequency, self-linking, satellite communications; submarine: HF transient launch technology; and DDX [next generation destroyer]. I have reports of surreptitious searches of CHI's residence (Subject Premises 1) and know that documents pertaining to a number of the technologies listed on both documents were found in the residence.

- b. On or about October 18, 2005, FUK told TAI that she had made travel arrangements and that they both would be leaving on October 28th and returning on November 12th.
- c. Thereafter, on or about the same date, FUK told TAI that she had booked airline tickets and that the return date would be November 9<sup>th</sup>. TAI then called a person

in the PRC to tell him of TAI's arrival date in the PRC. In that phone call, TAI advised that he would be traveling with his wife and an "assistant." Based on the fact that only two tickets appear to have been purchased, I believe the reference to an "assistant" is a code word that means that TAI would be bringing desired information to the Recipient in the PRC.

- d. On or about October 25, 2005, the FBI recovered a document discarded from Subject Premises 2, the Alhambra residence of TAI and FUK. The document contained a flight number for Cathay Pacific Airlines departing Los Angeles International at 11:59 p.m. on October 28, 2005. The ultimate destination for the traveler was listed as Guangzhou. (Guangzhou is in the PRC).
- e. Further investigation has revealed that TAI will be met in Guangzhou at the airport by the Recipient.
- f. On or about October 20, 2005, TAI told FUK that CHI is definitely nervous about "it." FUK instructed TAI not to "carry them" because "those are kind of heavy." TAI replied that he knew and that "it" was "only disks." FUK asked "doesn't he know how to do it?". TAI explained, "He has to give it to me to do it, it's on my notebook, he definitely has to give it to me, he

can't do it". FUK reminded that "he has to give us the papers." TAI corrected, "No, he has to give me a disk, but I still have to take his disk and then have it encrypted on . . . [my computer notebook]. . . They don't have . . . over there . . . . Only the IBM . . . which I took from the second floor can do it. But he must give me the disk." TAI discussed how in the past CHI would separate reporting by tearing off a couple of pages at a time. FUK observed that the pages were non-consecutive and that he "can't just give one half of it and not giving [sic] the other half." FUK then commented "Don't bother with him [CHI], he's just doing/reporting his job." During the conversation, TAI repeated several times that CHI and REBECCA were "very nervous."

- g. On or about October 21, 2005, while at work at Power Paragon, Subject Premises 3, CHI placed numerous items, including what appeared to be computer disks, into his briefcase. Thereafter, CHI departed Subject Premises 3.
- h. On or about October 21, 2005, CHI told TAI that he had been busy and that his project at work was moving smoothly. TAI told CHI that he (TAI) is going back to Hong Kong next week. CHI asked what date he would be

leaving. TAI indicated next Friday (meaning October 28). TAI also advised that he (TAI) will "swing by" mainland China. Upon hearing this, CHI said, "Good. It will be beneficial to meet," (meaning he would meet with TAI). In discussing the reason for the trip, TAI spoke in a hesitant manner, stating that it was for business and other reasons. TAI reiterated that he had earlier tried to reach CHI. Both CHI and TAI agreed to meet at 11:30 or 12:00 on Sunday (October 23). At the end of the conversation, CHI said he will be there, and "perhaps I will bring you something."

- h. On or about October 22, 2005, CHI worked on his laptop at home (Subject Premises 1).
- i. On or about October 23, 2005, CHI said "the stuff is from 2005." REBECCA replied "it'll take a long time to read it . . . We haven't read it yet." CHI advised REBECCA that "The original is in my office [Subject Premises 3]. I can take it home and then take it back." CHI then mentioned to REBECCA "three CD's" and "make copies of them." CHI indicated that he will take "them to him/her." REBECCA reminded CHI that the "things" that CHI is asking him (TAI) to take "are certainly against the law." Based on my experience and training, and my participation in this investigation, I

believe that "the stuff from 2005" refers to the most current QED research information in CHI's possession. I believe that REBECCA expressed concern that they will be unable to read the information before giving it to TAI. I believe that CHI's reference to taking "it" home and "back" refers to his ability to retrieve the QED and other sensitive information from work (Subject Premises 3) at any time. Later in the conversation, CHI mentioned that the first presenter was from the Navy Academy. I believe this refers to material presented by a Naval officer at a conference CHI attended in 2005.

- j. On or about October 23, 2005, CHI told REBECCA that "Everything is in it." CHI stated, "P is a protection document" and CHI explained that other people cannot open a PDF.
- k. On or about October 23, 2005, while loading computer files, CHI told REBECCA that he and a fellow engineer from Power Paragon had given a presentation to the American Society of Naval Engineers in Philadelphia in July 2005. REBECCA said that the recipients of the CDs could read the entire paper. CHI advised that it takes a lot of writing and time to prepare these "three pieces" (referring to the three CD's). REBECCA replied



"Of course. Do you think it's easy? Those who receive them would have to spend a lot of time. Otherwise they can't handle them." I believe that REBECCA was referring to the large amount of information on the CDs that they were preparing to send to China.

1. On October 23, 2005, FBI surveillance personnel observed CHI MAK at Subject Premises 1 insert compact disks into his laptop computer, download information from the CDs, remove the original CDs, insert new CDs and copy information onto the new CDs. This activity took place between approximately 9:00 a.m. and 11:00 a.m. REBECCA asked CHI about the disks he was copying. As she asked the question, the closed circuit television showed REBECCA standing behind CHI and pointing to the laptop. CHI told REBECCA that "these CD's are all about programs." (I know from my experience investigating national security cases, that in the defense contracting industry, the term "program" refers to a Department of Defense project.) In further conversation, CHI indicated that one of the CDs contained material written by Paragon staff and concerns programs. CHI advised that a particular CD probably is a P (protected) disk which contains QED. A reference was also made to "the most recent one . . .

the carrier program."

- m. On or about October 23, 2005, at approximately 11:13 a.m., CHI and REBECCA arrived at TAI's Alhambra residence, Subject Premises 2. At approximately 11:39 a.m., CHI and REBECCA, along with TAI and his family (FUK, his son and daughter) departed TAI's residence.
- n. On or about October 24, 2005, TAI asked someone to buy three or four CD's that can be recorded. TAI stated "I need to do something when I get home tonight." That day, CHI asked TAI if everything was ready to go. TAI replied, "Not quite."
- o. On October 25, 2005, someone indicated to TAI that he was helping him (TAI) work on the disks, but needed the small disk to do it. The person asked where TAI put the small disk. TAI replied that it was in a white envelope, which was inside the first drawer of his night stand, the night stand near where he sleeps. The person said he didn't see the envelope, but saw a disk which wasn't inside an envelope. TAI advised that was the disk. (The "small disk" referred to above is likely a device used to unlock the computer or encrypt the data. Both are used as security features.)
- p. On or about October 25, 2005, TAI asked the person where he was, and the person indicated he was on his

way back (possibly to the home). TAI said "I saw that your computer up there kept on spinning." I believe TAI is referring to the IBM notebook he told FUK was on the second floor and is the only one which may be used to encrypt his CDs. (I interpret the statement to mean that the computer was either still copying information or experiencing a writing error.) The person said it was because he was burning a disk for TAI. TAI said he knew, that he needed to click "OK" or something. The person said he would come back and take care of it.

20. Based on the foregoing, I believe there is probable cause to believe that CHI, TAI, REBECCA, and FUK, have committed violations of 18 U.S.C. § 641 (theft of government property), 18 U.S.C. § 2 (aiding and abetting); 18 U.S.C. § 371 (conspiracy), and 18 U.S.C. § 2314 (transportation of stolen goods in interstate and foreign commerce).

21. Based on the discussions between TAI and FUK in which FUK told TAI that she had made plane reservations to depart on October 28 for China, TAI's phone call to a PRC contact informing him of TAI's arrival date in Guangzhao, PRC, on October 30, TAI's discussion with CHI telling him that they had made the travel arrangements, and the discovery of the travel itinerary to China found in the trash search of TAI's residence (Subject Premises 2), I believe that TAI and FUK are planning to leave the United

States with the encrypted CDs on the night of October 28, 2005.

## **VII. PROBABLE CAUSE BY SEARCH LOCATION**

### **A. Subject Premises 1**

22. As set forth above, there is probable cause to believe that Subject Premises 1, the residence of CHI and REBECCA, contains evidence of the theft of government property. In particular, surveillance has shown CHI taking computer disks from Power Paragon when he was leaving work. In addition, surveillance of CHI's e-mail traffic shows that he e-mailed documents from his computer at Power Paragon to his computer at Subject Premises 1. Some of the e-mails intercepted contained photographs of the QED system and reports concerning the QED system. In addition, surreptitious searches of Subject Premises 1 revealed stacks of documents pertaining to defense programs and documents bearing notations restricting dissemination stored in the residence.

### **B. Subject Premises 2**

23. As set forth above, there is probable cause to believe that Subject Premises 2, the residence of TAI and FUK, contains evidence of the theft of government property. In particular, surveillance has shown that TAI encrypted the CDs at Subject Premises 2. Surveillance reports indicate that FUK questioned TAI why CHI could not encrypt the CDs himself. TAI explained to FUK, in essence, that he must use his IBM computer notebook to

encrypt the disks that CHI will give to TAI. Conversations further indicate that the actual encryption occurred at Subject Premises 2. Based on these statements, there is probable cause to believe that evidence pertaining to the theft of government property will be found at Subject Premises 2.

### **C. Subject Premises 3**

24. As set forth above, Subject Premises 3 is the work space of CHI at Power Paragon. Investigation, as described herein, has revealed that CHI uses his employment to obtain QED technology and other sensitive national security information. CHI uses his workstation at Power Paragon to collect the information he has been tasked to provide to the PRC. In an intercepted conversation, CHI advised REBECCA that he would take certain material from his office to his home and return the material to his workplace. Furthermore, CHI uses his work computer to transmit sensitive information by e-mail to his home. In addition, based on my review of recorded telephone conversations, I know that CHI places "recruitment calls" from his work telephone at Power Paragon. In these "recruitment calls" CHI attempts to gather information from contacts in fields related to his tasking. CHI's workstation contains stacks of technical documents, including reports, schematics, and conference papers.

**D. Subject Premises 4 through 8**

25. Each of the Subject Premises 4 through 8 are either owned by or used by CHI, REBECCA, TAI, and FUK. Based on my experience and training and my participation in this investigation, I know that people engaged in intelligence gathering such as described herein utilize their vehicles to transport and gather sensitive information. For instance, on or about October 23, 2005, CHI used Subject Premises 7 to transport the CD's to TAI at TAI's residence. Given that suspects believe that they enjoy a measure of privacy in their personally owned or operated vehicles, it is my experience that evidence of criminal conduct is likely to be found in such vehicles.

**VIII. REQUEST FOR AUTHORIZATION FOR NIGHTTIME SEARCH**

\_\_\_\_26. Pursuant to Rule 41(e)(2)(B) of the Federal Rules of Criminal Procedure, good cause exists for execution of the arrest and search warrants at night. Based on my experience and training, I believe the targets are foreign intelligence operatives. I know that foreign intelligence officers receive training in avoiding arrest and establishing pre-planned escape routes in the event their operations are discovered. In my experience, such plans can be put in place by a signal, such as a simple word or telephone call, or can be an agreement made in advance that if one member, such as a courier, is discovered, other operatives will immediately execute their escape plans. In

this case, the arrest of one or more of the targets could alert the others, leading to their flight. Discussions among CHI, TAI, and their wives show both the knowledge of the illegality of their plan, as well as the fact that they are extremely nervous about being caught.

27. In addition, if word of the arrest of one of the targets became known to the others, that could lead to the swift destruction of evidence. In this case, that evidence will include electronically stored data on CDs and computers, as well as encryption devices. That type of evidence could be destroyed or made otherwise irretrievable without detection by agents posted outside the Subject Premises awaiting daylight.

28. The arrests of TAI and FUK must take place at LAX before the targets' departure (currently scheduled for 11:59 p.m.) on Friday, October 28, to ensure that the disks containing the government property are retrieved before they can leave the country. Because the arrests of TAI and FUK must take place at night, an unreasonable risk exists that word will reach the other targets, who may then flee or destroy evidence, before search warrants could be executed on Saturday morning. Rule 41(e)(2)(B) provides that warrants shall be served during the daytime (6:00 a.m. to 10:00 p.m.), unless good cause exists to execute the warrants at night. In this case, because I believe the targets are foreign intelligence agents who likely have escape plans in

place, and who are already worried about being caught, I believe good cause exists to authorize nighttime execution to avoid the destruction of evidence and the escape of the targets.

**IX. COMPUTER DATA**

29. Based upon my training, experience and information related to me by agents and others involved in the forensic examination of computers, I know that computer data can be stored on a variety of systems and storage devices including hard disk drives, floppy disks, compact disks, magnetic tapes, thumb drives, and memory chips. I also know that during the search of the premises it is not always possible to search computer equipment and storage devices for data for a number of reasons, including the following:

- a. Searching computer systems is a highly technical process which requires specific expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type of computer, software application or operating system that is being searched.
- b. Searching computer systems requires the use of precise,



scientific procedures which are designed to maintain the integrity of the evidence and to recover "hidden," erased, compressed, encrypted or password-protected data. Computer hardware and storage devices may contain "booby traps" that destroy or alter data if certain procedures are not scrupulously followed. Since computer data is particularly vulnerable to inadvertent or intentional modification or destruction, a controlled environment, such as a law enforcement laboratory, is essential to conducting a complete and accurate analysis of the equipment and storage devices from which the data will be extracted.

c. The volume of data stored on many computer systems and storage devices will typically be so large that it will be highly impractical to search for data during the execution of the physical search of the premises. A single megabyte of storage space is the equivalent of 500 double-spaced pages of text. A single gigabyte of storage space, or 1,000 megabytes, is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing fifteen gigabytes of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 7.5 million pages of data, which, if printed out, would completely fill a 10' x 12' x 10' room to the ceiling.

d. Computer users can attempt to conceal data within computer equipment and storage devices through a number of methods, including the use of innocuous or misleading filenames and extensions. For example, files with the extension ".jpg" often are image files; however, a user can easily change the extension to ".txt" to conceal the image and make it appear that the file contains text. Computer users can also attempt to conceal data by using encryption, which means that a password or device, such as a "dongle" or "keycard," is necessary to decrypt the data into readable form. In addition, computer users can conceal data within another seemingly unrelated and innocuous file in a process called "steganography." For example, by using steganography a computer user can conceal text in an image file which cannot be viewed when the image file is opened. Therefore, a substantial amount of time is necessary to extract and sort through data that is concealed or encrypted to determine whether it is evidence, contraband or instrumentalities of a crime.

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**X. CONCLUSION**

30. Based upon the above-stated facts, there is probable cause to support a complaint and arrest warrants for CHI MAK, TAI MAK, REBECCA CHIU, and FUK LI for violations of 18 U.S.C. §§ 641, 2, 371, and 2314 and to believe that the Subject Premises contain evidence of such criminal violations.

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James E. Gaylord  
Special Agent, FBI

Subscribed and sworn to  
before me this \_\_\_\_ day  
of October, 2005.

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UNITED STATES MAGISTRATE JUDGE

**ATTACHMENT A-1**

**Subject Premises 1**

The premises located at 8261 Blandwood Road, Downey, California, is further described as being a tan-colored, single-story, wood frame house with an attached single-car garage, with an asphalt shingle roof. The numbers 8261 appear on curb and mailbox in front of the house. The house is located on the northeast side of Blandwood Road.

**ATTACHMENT A-2**

**Subject Premises 2**

The premises located at 1629 South Fremont Avenue, Alhambra, California, is further described as blue-colored, two-story house with a detached two-car garage with a bonus room above the garage. The numbers 1629 appear on the curb and on the front of the house to the right of the front door. The house is located on the west side of Fremont Avenue.

## **ATTACHMENT A-3**

### **Subject Premises 3**

The premises described as the workspace of CHI MAK, located at L-3/SPD Technologies/Power Systems Group, 901 East Ball Road, Anaheim, California, is further described as a light gray, stand-alone, two-story, industrial building set off of the north side of Ball Road. There is a green stripe across the top of the building. The southern wall of the building has a red painted ball with "L-3" printed inside it, and the numbers "901" on the wall. The workplace of CHI MAK is a cubicle located inside the building. It is accessed by entering the main entrance of the building, and turning left into the engineering section. CHI MAK's workspace is located to the right. CHI MAK's cubicle has his name attached to the outer wall of the cubicle.

**ATTACHMENT A-4**

**Subject Premises 4**

The premises is described as a silver 2002 Toyota Celica, VIN JTDDY32T720054305, registered to TAI MAK, California license number 4VND060.

**ATTACHMENT A-5**

**Subject Premises 5**

The premises is described as a black 2001 Audi A6, VIN WAUZL64B21N105038, California license number TWMAK, registered to TAI MAK.



**ATTACHMENT A-6**

**Subject Premises 6**

The premises is described as a blue 1998 Plymouth Voyager, VIN 2P4FP25B2WR774840, California License number 4CMC081, registered to CHI MAK.

**ATTACHMENT A-7**

**Subject Premises 7**

The premises is described as a brown 1988 Oldsmobile Cutlass, VIN 2G3AJ513XJ9387607, California license number 3BUG288, registered to CHI MAK.

**ATTACHMENT A-8**

**Subject Premises 8**

The premises is described as a dark blue 2004 Mercedes two-door, VIN WDBTJ65J84F120127, California license number 5HZL926, registered to DCFS Trust LSR and driven by TAI MAK.

**ATTACHMENT A-9**

**Subject Premises 9**

The premises are described as any and all luggage and hand carried items in the possession of, or baggage checked by, TAI MAK, at Los Angeles International Airport, on October 28-29, 2005.

**ATTACHMENT A-10**

**Subject Premises 10**

The premises are described as any and all luggage and hand carried items in the possession of, or baggage checked by, FUK LI, at Los Angeles International Airport, on October 28-29, 2005.

## **ATTACHMENT B**

### **Items to be Seized**

A. All documents relating to any research or development programs being conducted for the United States government, and any of its departments, agencies, or military branches.

B. All documents relating to the collection, delivery, and transmission of any research or development information having a potential military application, including technical reports, schematics, handwritten notes, memoranda, and conference reports.

C. All documents bearing a stamp or notation that restricts the dissemination of such documents.

D. All documents, including photographs, related to the identity of any other persons connected to the obtaining or receipt of any information described in Item A and/or Item B.

E. All cellular telephones, pagers, and telephone bills for all telephones and pagers belonging to, or used by, CHI MAK, TAI MAK, REBECCA CHIU, and FUK LI.

F. All calendars, diaries, address books, phone books, appointment books, day planners, and rolodexes belonging to CHI MAK, TAI MAK, REBECCA CHIU, and FUK LI.

G. All documents relating to travel by CHI MAK, TAI MAK, REBECCA CHIU, and FUK LI, including credit card statements, accommodation receipts, tickets, air travel receipts, and itineraries.

H. Any equipment used in the encrypting or duplicating electronically stored information.

I. Safe deposit box keys or records;

J. Safes (a safe may be seized if it cannot be opened on the search premises to determine whether its contents may be seized as an item or items listed herein, but must be returned within 30 days unless otherwise ordered by the court);

K. As used above, the terms records, documents, programs, applications or materials includes records, documents, programs, applications or materials, in any language, created, modified or

stored in any form.

L. In searching for data capable of being read, stored or interpreted by a computer, law enforcement personnel executing this search warrant will employ the following procedure:

1. Upon securing the premises, law enforcement personnel trained in searching and seizing computer data (the "computer personnel") will make an initial review of any computer equipment and storage devices to determine whether these items can be searched on-site in a reasonable amount of time and without jeopardizing the ability to preserve the data.

2. If the computer personnel determine it is not practical to perform an on-site search of the data within a reasonable amount of time, then the computer equipment and storage devices will be seized and transported to an appropriate law enforcement laboratory for review. The computer equipment and storage devices will be reviewed by appropriately trained personnel in order to extract and seize any data that falls within the list of items to be seized set forth herein.

3. In searching the data, the computer personnel may examine all of the data contained in the computer equipment and storage devices to view their precise contents and determine whether the data falls within the items to be seized as set forth herein. In addition, the computer personnel may search for and attempt to recover "deleted," "hidden" or encrypted data to determine whether the data falls within the list of items to be seized as set forth herein.

4. If the computer personnel determine that the data does not fall within any of the items to be seized pursuant to this warrant or is not otherwise legally seized, the government will return these items within a reasonable period of time not to exceed 60 days from the date of execution of the warrant. If the government needs additional time to determine whether the data falls within any of the items to be seized pursuant to this warrant, it must obtain an extension of the time period from the Court within the original sixty day period.

5. In order to search for data that is capable of being read or interpreted by a computer, law enforcement personnel will need to seize and search the following items, subject to the procedures set forth above:

a. Any computer equipment and storage device capable of being used to commit, further or store evidence of the offense listed above;

b. Any computer equipment used to facilitate the transmission, creation, display, encoding or storage of data, including word processing equipment, modems, docking stations, monitors, printers, plotters, encryption devices, and optical scanners;

c. Any magnetic, electronic or optical storage device capable of storing data, such as floppy disks, hard disks, tapes, thumb drives, CD-ROMs, CD-R, CD-RWs, DVDs, optical disks, printer or memory buffers, smart cards, PC cards, memory calculators, electronic dialers, electronic notebooks, and personal digital assistants;

d. Any documentation, operating logs and reference manuals regarding the operation of the computer equipment, storage devices or software.

e. Any applications, utility programs, compilers, interpreters, and other software used to facilitate direct or indirect communication with the computer hardware, storage devices or data to be searched;

f. Any physical keys, encryption devices, dongles and similar physical items that are necessary to gain access to the computer equipment, storage devices or data; and

g. Any passwords, password files, test keys, encryption codes or other information necessary to access the computer equipment, storage devices or data.





