

## Counterfeit Integrated Circuits Indictment

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### PURPOSE

This Safety Advisory is issued to provide information related to the Department of Justice indictment of a company for importing and selling counterfeit integrated circuits to the U.S. Navy, military contractors, and others.

### BACKGROUND

On September 14, 2010, the Department of Justice unsealed an indictment against VisionTech Components. Companies related to VisionTech are Infuture Inc., Infuture Electronics, and Carz, Inc. The indictment charges VisionTech with selling counterfeit military and commercial-grade integrated circuits (ICs) to the U.S. Navy, defense contractors, and other industry. VisionTech is alleged to have imported these counterfeit components from China and Hong Kong. VisionTech is also charged with advertising name-brand, trademark-protected ICs on its website ([www.visiontechcomponents.com](http://www.visiontechcomponents.com)) which lists manufacturers such as Philips, Samsung, Intel, Texas Instruments, Motorola, Cypress, IBM, Infineon, National Semiconductor, and many more.

Other charges include falsifying conformance certificates, trafficking of counterfeit goods, conspiracy and mail fraud.

VisionTech sold to companies procuring for BAE Systems Technology Solutions & Services, Canberra, Alstom, Raytheon Missile Systems, and Northrop Grumman. They also sold ICs to MVP Micro, Inc. (MVP). In 2009, MVP owners pleaded guilty to selling counterfeit ICs as well.

The integrated circuits were intended for various applications such as the production and repair of A9 (missile) circuit card assemblies; production of ship-based antenna equipment used to determine an airplane's identification and intentions while in

flight; ballistic missile defense applications; and for an application in controllers of high-speed trains.

The indictment also claims that counterfeit Altera Corporation ICs were sold to a company in Connecticut for the production of the Falcon 5000 hand-held portable nuclear identifier, which is designed to determine if a radiation source is present.

### REASON FOR CONCERN

The Office of Health, Safety and Security wants the DOE complex to be aware of safety concerns and the potential to receive substandard components containing counterfeit circuits. Although difficult to uncover, fake ICs can cause system failures, disable hardware, allow computer hacking, and degrade safety-significant structures at DOE facilities.

### ACTIONS

Sites throughout the DOE Complex should:

- Review their procurement documents to ensure their site has not procured integrated circuits from VisionTech Components and companies related to VisionTech (Infuture Inc., Infuture Electronics, and Carz, Inc.)
- Review their procurement documents to ensure their site has not procured Falcon 5000 hand-held portable nuclear identifiers from the Altera Corporation.
- Contact their supplier to confirm if they, or their sub-suppliers, procure from VisionTech and companies related to VisionTech (Infuture Inc., Infuture Electronics, and Carz, Inc.) or Altera.
- Report any discoveries involving the receipt of ICs from VisionTech or Altera in the Occurrence Reporting and Processing System (ORPS).
- Visit VisionTech Components website to view the manufacturer list of ICs that have the

potential to be counterfeit.

## REFERENCE

Data Collection Sheet 1613, *U.S. Department of Justice Indictment of VisionTech Components Relative to Counterfeit Integrated Circuits*; Government-Industry Data Exchange Program database

Questions regarding this Safety Advisory can be directed to Sharon Brown (HS-32) at (202) 586-6377 or e-mail [sharon.brown@hq.doe.gov](mailto:sharon.brown@hq.doe.gov).

Signed by \_\_\_\_\_

William H. Roege  
Director  
Office of Corporate Safety Analysis  
Office of Health, Safety and Security

