



## Revised Counterfeit Integrated Circuits Indictment

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This Safety Advisory is being revised to clarify that the Department of Justice indictment, discussed below, does not state or allude that counterfeit parts sold by VisionTech to companies procuring for BAE Systems Technology Solutions & Services, Canberra, Alstom, Raytheon Missile Systems, Northrop Grumman, or MVP Micro, Inc., were ever delivered to those companies or that the counterfeit integrated circuits made it into their products.

### PURPOSE

This Safety Advisory is issued to provide information related to the Department of Justice indictment ([see Reference below](#)) 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. 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 **bearing counterfeit marks of the following companies:**

- Intel
- Samsung
- Linear Technologies
- Cypress
- Infineon
- Phillips
- Analog Devices
- Texas Instruments
- National Semiconductor Corporation/NSC
- NEC
- Altera
- Motorola
- Advanced Micro Devices/AMD
- STMicroelectronics
- NSC
- Maxim

- Xilinx
- Mitel
- Intersil
- Nippon Electric Company/NEC

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.

**On November 19, 2010, the Administrator for VisionTech pled guilty in U.S. District Court in Washington, DC, to charges of conspiracy, aiding and abetting in connection with the sale of counterfeit integrated circuits.**

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 fulfillment of a purchase by Canberra for the production of the Falcon 5000 hand-held portable nuclear identifier, which is designed to determine if a radiation source is present.

We have learned that Canberra placed an order for ICs with its approved vendor SMT Corporation of Sandy Hook, Connecticut. SMT purchased parts from VisionTech. After SMT inspected the ICs, the parts were deemed counterfeit and failed inspection. The counterfeit parts were never shipped to Canberra or installed into the Falcon 5000. SMT sent the confiscated parts to the Department of Homeland Security in Tampa, Florida, in May 2009.



## 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.
- Contact their supplier to confirm if they, or their sub-suppliers, procure from VisionTech.
- Report any discoveries involving the receipt of ICs from VisionTech in the Occurrence Reporting and Processing System (ORPS).

## REFERENCES

- Data Collection Sheet 1613, *U.S. Department of Justice Indictment of VisionTech Components Relative to Counterfeit Integrated Circuits*;
- Government-Industry Data Exchange Program database;
- Department of Justice Press Release on the VisionTech indictment:  
[http://www.justice.gov/usao/dc/Press\\_Releases/2010%20Archives/September/10-233.pdf](http://www.justice.gov/usao/dc/Press_Releases/2010%20Archives/September/10-233.pdf)
- **Department of Justice Press Release on the VisionTech guilty plea:**  
[http://www.justice.gov/usao/dc/Press\\_Releases/2010%20Archives/November/10-322.pdf](http://www.justice.gov/usao/dc/Press_Releases/2010%20Archives/November/10-322.pdf)

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Signed by

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