Chinese professor stole hard drive secrets for Huawei, US government charges

Enlarge / Visitors check out new Huawei smartphones at the 2019 IFA home electronics and appliances trade fair Berlin.
Sean Gallup/Getty Images

reader comments

96 with 58 posters participating, including story author

Share this story

A Chinese computer science professor named Bo Mao is facing wire fraud charges after he was arrested last month by US authorities.

The document formally charging Mao in Brooklyn federal court charges that he conspired to “defraud a company headquartered in the Northern District of California.” Other court filings, including a criminal complaint filed in a Texas federal court last month, help fill in the details. As Reuters first reported, Mao is accused of stealing trade secrets from a startup called CNEX Labs on behalf of Chinese telecommunications giant Huawei.

The prosecution is the latest effort by the Trump administration to punish Huawei for alleged industrial espionage. In January, the US government indicted Huawei after employees attempted to steal proprietary information about a T-Mobile robot used to test mobile phones.

Huawei blasted the US government for what it viewed as a

biased pattern of prosecutions. “US federal prosecutors are charging forward with CNEX’s allegations” even though a civil trial resulted in no damages against Huawei, the company noted in a statement to Reuters.

Feds say Mao stole secrets for Huawei

Huawei and CNEX have been fighting in court for years. One of the startup’s co-founders, Yiren Huang, started CNEX just days after quitting his job at Huawei. Huawei sued Huang in 2017 over alleged trade secret theft. CNEX countered with accusations of its own. The legal battle between the two firms ended in a draw this summer, with a jury finding that neither side owed damages.

But Mao now faces criminal prosecution for allegedly helping Huawei steal trade secrets. Mao allegedly convinced CNEX to ship him a prototype of one of its products, a controller board for solid-state drives. Mao promised not to reverse-engineer the board or provide details about it to third parties. But the government charges that Mao did exactly that.

Mao is a professor at Xiamen University in China, but he is also listed as a research associate or postdoc on the website of Hong Jiang, a professor at the University of Texas – Arlington.

In an August complaint filed in a Texas federal court, an FBI agent charges that Mao worked with “Professor 1” at a “Texas University” to obtain device samples from a “victim company.” The complaint notes that “Company 1” made a $100,000 gift to “the Texas University” to allow “Professor 1” to study “Enforcing Xth Percentile Latency and Throughput SLOs under Consolidated Datacenter Resources.”

Hong Jiang lists a research project with that exact title on

his university home page, with Futurewei—a subsidiary of Huawei—listed as the sponsor.

The FBI says that it obtained email records showing that Mao and Huawei conferred regularly as Mao attempted to reverse engineer the CNEX device.

https://arstechnica.com/?p=1564163