

# Chinese firm accused of stealing US software

The Associated Press

MADISON, Wisconsin (AP) — China's largest wind turbine company and three people are accused of trade secrets from a U.S. software company, the Justice Department announced Thursday.

An indictment handed up in Wisconsin alleges Sinovel Wind Group and the three individuals stole proprietary wind turbine software technology from Devens, Mass.-based AMSC, formerly known as American Superconductor Inc., cheating the American company out of more than \$800 million.

It alleges the defendants stole software that was developed in Wisconsin by downloading it from an AMSC computer in Middleton, Wis., to a computer in Austria.

None of the individual defendants is in custody. The Justice Department said two of them are Sinovel employees who live in China, while one who now lives in Serbia formerly worked for an AMSC subsidiary in Austria.

The indictment charges Sinovel; Su Liying, 36, the deputy director of Sinovel's research and development department; Zhao Haichun, 33, a technology manager for Sinovel; and Dejan Karabasevic, 40, a former employee of AMSC Windtec GmbH, an AMSC subsidiary in Klagenfurt, Austria; with one count each of conspiracy to commit trade secret theft, theft of trade secrets and wire fraud.

Sinovel officials did not immediately respond to an email seeking comment.

AMSC issued a statement calling on the Obama administration and Congress to re-evaluate the U.S. trade relationship with China. It said the stolen software was used in four Sinovel turbines that have been installed in Massachusetts.

"The fact that Sinovel has exported stolen American intellectual property from China back into the United States — less than 40 miles from our global headquarters — shows not only a blatant disrespect for intellectual property but a disregard for international trade law," Daniel McGahn, AMSC's president and CEO, said in a news release.

McGahn said more than 500 AMSC employees around the world have lost their jobs because of Sinovel's actions.

AMSC said it filed four civil actions against Sinovel in China in March 2011 after the company abruptly broke several contracts, and that it asked Chinese police to bring criminal cases against Sinovel and some of its employees after it discovered the theft a few months later, all without any apparent success.

"The allegations in this indictment describe a well-planned attack on an American

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business by international defendants — nothing short of attempted corporate homicide," John Vaudreuil, the U.S. attorney for the western district of Wisconsin, said in a news release.

According to the indictment, the AMSC software was designed to regulate the flow of electricity from wind turbines to electrical grids and to keep wind turbines operational when there is a temporary dip in the flow of electricity in the grid.

If convicted, Sinovel faces a maximum penalty on each count of five years of probation and fines on each count of up to \$1.6 billion, the Justice Department said. Su, Zhao and Karabasevic each face a maximum penalty of five years in prison on the conspiracy charge, 10 years in prison for theft of a trade secret and 20 years in prison for wire fraud.

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