

STATEMENT
COUNTERFEITING CONVICTION HIGHLIGHTS
NEED FOR E-WASTE EXPORT REFORMS

Counterfeit electronics sold for use in B-1 bomber, other U.S. military technology

The owner of a California-based electronics company [pleaded guilty](#) earlier this year to selling counterfeit semiconductor chips with fake branding that ended up in U.S. military systems, including a classified weapons system. The counterfeits were pulled from electronic waste (e-waste) – used or discarded chips – then altered by Chinese counterfeiters to appear like new semiconductors and sold to defense contractors.

In his plea agreement, Rogelio Vasquez of PRB Logics Corporation also admitted that in 2016 he acquired counterfeit integrated circuits from China, also processed from e-waste, and sold them into the U.S. defense supply chain believing they would be used in the B-1 Lancer Bomber military aircraft.

"Counterfeit and bogus parts that don't meet specifications pose a threat because of their potential failure or substandard performance," said Nick Hanna, U.S. Attorney for the Central District of California. "Some of the counterfeit parts in this case were installed in military applications, which means the trafficking of these circuits posed a threat to national security." (See [statement](#) by the U.S. Immigration and Customs Enforcement)

The case highlights how counterfeits created from e-waste remain a threat to our national security. The problem: The U.S. remains one of only a handful of countries that allow unregulated export of our e-scrap. Laden with toxic materials, e-waste also poses a global environmental threat when exported to developing countries that lack adequate controls to protect water and air as well as worker safety.

The [Coalition for American Electronics Recycling](#) (CAER) has led the drive for export policies that solve these problems by requiring domestic recycling of untested, non-working electronics that fuel counterfeiting. Key initiatives:

- [Secure E-waste Export and Recycling Act \(SEERA\)](#). CAER spearheaded introduction of this bipartisan legislation that proposed adding untested, nonworking e-waste to a list of materials restricted from export under the Export Control Reform Act of 2018 due to national security concerns related to counterfeiting.
- **Department of Commerce Inquiry**. CAER and our member companies [provided comments](#) to regulations proposed by the Bureau of Industry and Security (BIS) that would strengthen U.S. government oversight of discarded electronic waste exports due to national security concerns. The proposed regulations, now under consideration by BIS, embody many of SEERA's provisions.

CAER includes more than 150 companies and supporting members operating more than 300 facilities in 37 states and Puerto Rico and the District of Columbia. For more information, visit the CAER website at americanerecycling.org

