

FBI: Workers Hid Scheme to Sell Russia Electronics

By [The Moscow Times](#)

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Evidence being gathered at Arc Electronics last week. The firm's ex-procurement director was denied bail Friday. **David J. Phillip**

HOUSTON — An FBI agent testified Friday that employees at a Houston company were coached to hide information about the cutting-edge microelectronics the firm was buying from U.S. manufacturers and later illegally reselling to Russian military and intelligence agencies.

U.S. authorities have arrested Alexander Fishenko, owner of Arc Electronics, and seven of his employees, including Alexander Posobilov, who was the company's director of procurement. They are accused of being involved in a scheme to illicitly sell military technology to Russia starting in 2008.

U.S. Magistrate Judge George Hanks Jr. denied bail for Posobilov, 58, following a detention hearing Friday. Hanks agreed with prosecutors that Posobilov, a Russian immigrant who later

became a U.S. citizen, was a flight risk.

A detention hearing for Fishenko and three of his workers was postponed until Wednesday. Two employees will have their hearings Tuesday. One employee was granted bail of \$250,000 on Friday.

During Friday's detention hearing, FBI agent Crosby Houpt testified about e-mail exchanges and phone conversations Posobilov had in which he discussed how to forge invoices to hide from U.S. manufacturers where the equipment Arc Electronics was buying from them was ending up.

Authorities say the microelectronics sold by Arc could have a wide range of military uses, including radar and surveillance systems, weapons guidance systems and detonation triggers.

One e-mail exchange from August 2011 showed Posobilov lying to a U.S. manufacturer, telling a representative of that company that equipment Arc Electronics was buying was for a fishing boat navigation system, Crosby said.

"Mr. Posobilov knew the parts were for the Russian Navy," the FBI agent said.

Richard Kuniansky, Posobilov's attorney, suggested that there was no direct evidence that showed any of the electronics Arc sold ended up in Russian military equipment. He also tried to portray his client as a humble man who earned a "meager salary."

Fishenko, 46, is accused of scheming to purposely evade strict export controls for cutting-edge microelectronics, of operating inside the U.S. as an unregistered agent of the Russian government, and of money laundering. Fishenko's attorney, Eric Reed, said he plans to review the charges against his client with a critical eye.

The Russian Foreign Ministry, in a statement, noted that the defendants are not charged with espionage.

According to court documents, Fishenko was born in Kazakhstan and graduated from a technical institute in St. Petersburg before coming to America in 1994.

In his initial asylum application, Fishenko stated he had no prior military experience, but elsewhere he claimed to have served in a Soviet military intelligence unit in Berlin in the 1980s, according to court records.

For the last four years, Fishenko lived with his family in a two-story, four-bedroom home and was a stranger to his neighbors and unknown to leaders in Houston's Russian community of more than 100,000 residents.

Fishenko filed paperwork with the Texas Secretary of State to form a for-profit corporation with his Houston business, Arc Electronics, in 2001. His company proved to be successful, earning him about \$50 million in gross revenue since 2002.

But authorities say those profits came illegally as Fishenko sent hundreds of shipments to Russia containing thousands of electronics, lying to U.S. manufacturers and suppliers about who would be using this technology.

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