

Apple Employee Stole Electric Car Secrets for Chinese Firm in Silicon Valley Crime Free-For-All

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Engineer was arrested as he was about to board flight to China

Prosecutors say he admitted downloading files to wife's laptop

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A former [Apple Inc.](#) engineer was arrested on charges of stealing driverless car secrets for a Chinese startup after he passed through the security checkpoint at San Jose International Airport to board a flight to China.

Xiaolang Zhang was accused by U.S. prosecutors of downloading files containing proprietary information as he prepared to leave the iPhone maker in April and start work for Guangzhou-based [Xiaopeng Motors](#), according to a criminal complaint filed Monday in federal court in San Jose, California.

A hardware engineer for Apple's autonomous vehicle development team, Zhang was granted access to confidential company databases, according to the complaint. After he took paternity leave he told Apple in April he was moving back to China to work at Xmotors. Apple grew more suspicious after seeing his increased network activity and visits to the office before he resigned, according to the complaint.

Zhang admitted to the [Federal Bureau of Investigation](#) that he downloaded Apple driverless technology files to his wife's laptop to have continued access to them, according to the complaint. He was arrested July 7.

The charges against Zhang echo civil claims that Waymo, Alphabet Inc.'s driverless unit, leveled against Uber Technologies Inc. and engineer Anthony Levandowski. While the lawsuit [settled](#), a

criminal investigation of Levandowski's alleged trade secret theft from Google remains unresolved.

Waymo-Uber Trial Puts Spotlight on Tech's Age-Old Talent War

The U.S. Treasury Department plans to heighten scrutiny of Chinese investments in sensitive U.S. industries under an emergency law. The crackdown is aimed at China's investment in new-energy vehicles, robotics and aerospace, interests the Trump administration has viewed as a threat to economic and national security, according to people familiar with the plans.

Apple's self-driving car project is a rare initiative by the company that has played out in the public eye over the past few years. In 2015, Apple executives approved a plan to build a self-driving, electric vehicle to take on Tesla Inc. and the Detroit auto industry. Apple hired more than 1,000 engineers.

However, about two years ago, Apple scaled back its plans to build a physical vehicle and has since had a team working on the underlying self-driving software and sensor technology. The self-driving space is exceptionally competitive, with dozens of companies across the world trying to take the lead in the burgeoning field.

Apple has dozens of cars equipped with its software on the road today, but it's still unclear how Apple's reliability stacks up against other industry titans like Uber Technologies Inc. and Google's Waymo division. Apple plans to use its robocar technology on special Volkswagen vans to transport employees between offices. Apple hasn't said how or if it will eventually release its technology to consumers.

About 5,000 of Apple's more than 135,000 full-time employees are disclosed on the car project. Out of

those, roughly 2,700 workers have access to one or more Apple databases containing information about the project, according to the complaint.

The majority of Zhang's network activity "consisted of both bulk searches and targeted downloading copious pages of information from the various confidential database applications," according to the complaint. Prosecutors accuse him of downloading engineering schematics, and technical manuals and reports.

"Apple takes confidentiality and the protection of our intellectual property very seriously," company spokesman Tom Neumayr said in an email. "We're working with authorities on this matter and will do everything possible to make sure this individual and any other individuals involved are held accountable for their actions."

Tamara Crepet, a federal public defender who is initially representing Zhang, didn't immediately respond to a phone call seeking comment.

The case is U.S.A. v. Zhang, 18-cr-70919, U.S. District Court, Northern District of California (San Jose).

(Updates with Waymo litigation in fifth paragraph.)