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US government indicts Huawei, magnifying uncertainty in global supply chains

By Sascha Matuszak

In the most recent action against Huawei Technologies Co Ltd, the United States Department of Justice charged the company with conspiracy to violate the Racketeer Influenced and Corrupt Organizations Act. ^[1]The indictment alleges decades-long widespread efforts by Huawei to steal intellectual property and to do business with Iran and North Korea, both sanctioned by the U.S., the European Union and the United Nations. The indictment also describes a pattern of obstruction and misinformation practiced by employees of Huawei to ward off investigations and obscure any illegal activities:

“As part of the scheme to establish and operate the business of HUAWEI and its parents, global affiliates and subsidiaries in the United States and elsewhere, and to avoid interference in their scheme by U.S. governmental bodies or other private actors, HUAWEI, HUAWEI DEVICE USA and FUTUREWEI repeatedly made material misrepresentations as to the misappropriation and subsequent commercial use of intellectual property, as well as other criminal activity, including the nature and extent of business in high-risk jurisdictions such as Iran, to U.S. governmental bodies from whom HUAWEI, HUAWEI DEVICE USA and FUTUREWEI sought regulatory authorization that would help grow the IP Defendants’ U.S.-based business.”^[2]

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