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BUREAU OF INDUSTRY AND SECURITY

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**BIS ISSUES CHARGING LETTER AGAINST CHINESE COMPANY
FAR EAST CABLE FOR VIOLATING U.S. EXPORT CONTROLS RELATED
TO SHIPMENTS TO IRAN**

WASHINGTON, D.C. –Bureau of Industry and Security (BIS) Office of Export Enforcement (OEE) Director John Sonderman issued an administrative Charging Letter against Far East Cable on July 29, 2022, alleging violations of the Export Administration Regulations (EAR) for causing, aiding and/or abetting violations of the EAR. From September 2014 to January 2016, Far East Cable served as a cutout between the Zhongxing Telecommunications Equipment Corporation (“ZTE”), which was under investigation by the U.S. Government for EAR violations at the time, and Iranian telecommunications companies. The Charging Letter is publicly available [here](#).

The Charging Letter alleges that Far East Cable signed contracts with ZTE and Iranian telecommunications companies to deliver U.S.-origin equipment to Iran as part of an effort to conceal and obfuscate ZTE’s Iranian business from U.S. investigators. BIS is charging Far East Cable with 18 violations of the EAR.

In March 2017, ZTE pleaded guilty for its conduct related to these charges and broader violations of U.S. export controls. ZTE paid a combined penalty of \$1.19 billion in criminal and administrative fines at the time.

“This action reflects the Commerce Department’s commitment to enforce our laws vigorously against those involved in a scheme to disguise the true parties to a transaction” said **Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod**. “We have no tolerance for companies that subvert our rules – either on their own behalf or on behalf of others.”

“As alleged, Far East Cable acted as a cutout for ZTE, facilitating ZTE shipments to Iran at the very time ZTE knew it was under investigation for the exact same conduct” said **OEE Director John Sonderman**. “Far East Cable engaged in serious conduct as part of the attempt to conceal the activity from U.S. investigators. These charges should send a strong message to any company contemplating facilitating violations on behalf of another.”

The public may submit confidential enforcement tips via the BIS website:
<https://www.bis.doc.gov/index.php/component/rsform/form/14?task=forms.edit>,
or by calling the Enforcement Hotline at 1-800-424-2980.

For more information, visit www.bis.doc.gov.

A Charging Letter is merely the means by which administrative enforcement proceedings are initiated pursuant to the EAR, and the respondent is entitled to contest the violations and allegations therein, as part of the adjudicative procedures set forth in Part 766 of the Regulations. Administrative enforcement proceedings under the EAR currently are adjudicated by administrative law judges employed by the U.S. Coast Guard.