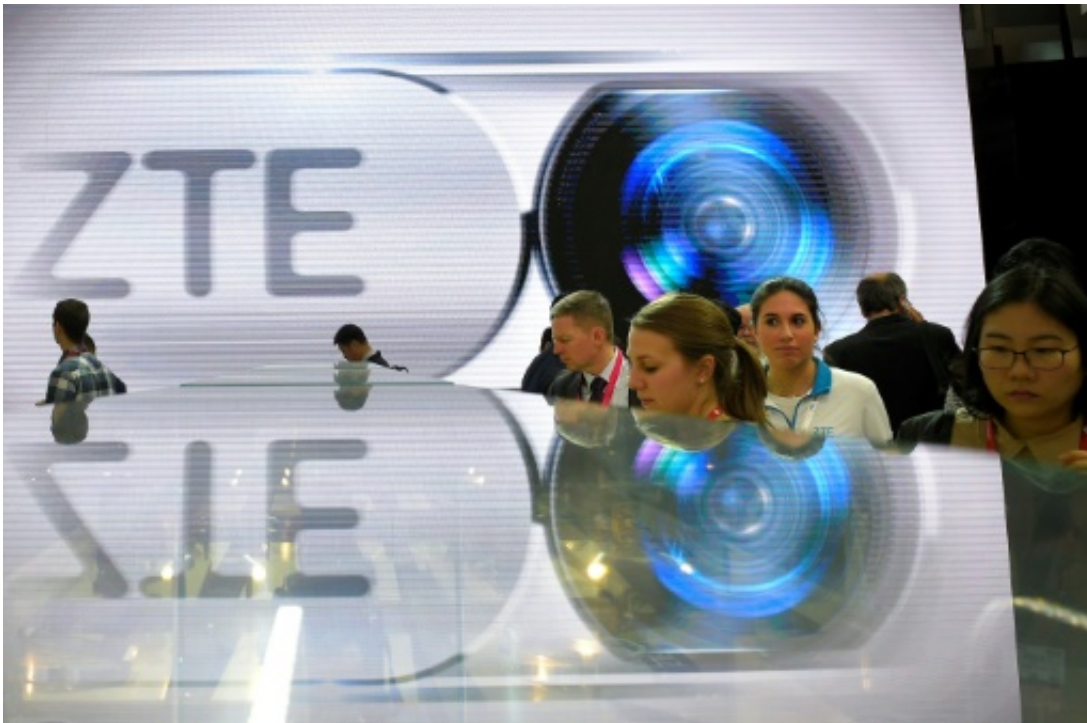


China's ZTE pleads guilty to violating US sanctions on Iran, N.Korea

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ZTE has pleaded guilty to conspiring to unlawfully export, obstruction of justice and making a false statement

Chinese telecom giant ZTE has pleaded guilty in a US court to violating US export controls by selling goods to Iran and North Korea over several years.

The move is the final step in the case's resolution which the US

government announced March 7 in which it slapped \$1.2 billion in fines on the [company](#), the largest criminal penalty in US history in an export control case, although there have been larger fines involving financial firms.

ZTE pleaded guilty to conspiring to unlawfully export, obstruction of justice and making a false statement, the US Justice Department said Wednesday.

The company will immediately pay \$892 million, while another \$300 million in penalties are suspended for seven years.

From January 2010 to March 2016, the company shipped \$32 million in US cellular network equipment to Iran, and made 283 shipments of cell phones to North Korea, with the full knowledge of the highest levels of company management, officials said.

ZTE used third-party companies to hide the [export](#) of US components to the sanctioned countries, and then hid the information by "sanitizing databases" with information on the sales; deleting of emails of those employees involved in the scrubbing of records; and requiring employees with information about the illegal exports to sign non-disclosure agreements.

The five-year US government investigation into ZTE's actions violating restrictions on exports to sanctioned countries was first revealed in March 2016.

Export privileges for ZTE—China's largest publicly traded telecom company, and the fourth largest in the world—are subject to denial for seven years if any aspect of this deal is not met.

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