

E-ALERT | International Trade Controls

August 20, 2013

CHINESE NATIONAL PLEADS GUILTY TO ATTEMPTED EXPORT OF CARBON FIBER WITHOUT LICENSE

On August 19, 2013, a Chinese national, Ming Suan Zhang, [pleaded guilty](#) in a New York federal court to attempting to export large quantities of high-tech carbon fiber from the United States to China without license, in violation of the International Emergency Economic Powers Act (“IEEPA”). The carbon fiber, which was not authorized for export to China without a license issued by the U.S. Department of Commerce’s Bureau of Industry and Security (“BIS”), was allegedly for use in an experimental fighter jet being developed by the Chinese military. Zhang was arrested upon his arrival at a meeting with an undercover agent whom Zhang believed would provide him with a sample of the fiber, which he planned to ship to China to verify its authenticity. The meeting was arranged after Zhang allegedly told the undercover agent that he urgently needed the fiber in connection with a test flight of the Chinese fighter jet. Zhang faces a maximum sentence of 20 years in prison and a \$1 million fine.

The Export Administration Regulations (“EAR”), which are administered by BIS under the authority of the IEEPA, regulate exports from the U.S. of “dual-use” commodities, equipment, and other physical goods, as well as technology and technical information, that have both military and commercial applications. In some cases dual-use items and technology subject to EAR control may not be exported without authorization in the form of a license issued by BIS. The purpose of the EAR is to restrict the export of items and technology that could make a significant contribution to a foreign country’s military potential or nuclear proliferation, or are otherwise detrimental to the foreign policy or national security of the United States. Under the IEEPA and the EAR, it is a crime to, among other things, willfully export or attempt to export from the United States any item or technology subject to EAR control without a required license. The carbon fiber Zhang attempted to export to China was subject to EAR control, and not authorized for export to China without a license.

Zhang will be sentenced on November 15, 2013. The case is *U.S. v. Zhang*, case number 1:12-cr-00666, in the U.S. District Court for the Eastern District of New York.

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If you have any questions concerning the material discussed in this client alert, please contact the following members of our international trade controls group:

Eric Carlson	86.10.5910.0503	ecarlson@cov.com
Peter Flanagan	202.662.5163	pflanagan@cov.com
Corinne Goldstein	202.662.5534	cgoldstein@cov.com
Peter Lichtenbaum	202.662.5557	plichtenbaum@cov.com
Kimberly Strosnider	202.662.5816	kstrosnider@cov.com
David Addis	202.662.5182	daddis@cov.com
Stephen Bartenstein	202.662.5618	sbartenstein@cov.com

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