

U.S. CRACKS DOWN ON CHINESE TELECOM GIANT: The Chinese telecommunications firm ZTE is back in the Trump administration's crosshairs after the Commerce Department's Bureau of Industry and Security discovered that it lied about taking steps to punish senior employees involved in selling products containing U.S. content to Iran and North Korea.

Those sales, which put ZTE in violation of U.S. sanctions and export controls, landed the company on a so-called Entity List - which designates foreign companies that are subject to specific additional licensing requirements - while President Barack Obama was still in office. Last year, Commerce Secretary Wilbur Ross levied a \$1.19 billion fine on the firm - the largest penalty the U.S. has ever levied in an export control case - for its violations. The company also agreed at the time to a seven-year suspended denial of export privileges, an option that the U.S. could activate if the company committed any additional violations.

On Monday, after BIS officials learned that ZTE had "misled" the agency about reprimanding its own employees, Commerce activated that denial of privileges, a move that will bar U.S. companies from doing business with ZTE and exporting parts and materials to the firm for up to seven years. The action could lead to the disruption of potentially billions of dollars in business with major U.S. suppliers like Qualcomm and Microsoft.

"ZTE misled the Department of Commerce," Ross said. "Instead of reprimanding ZTE staff and senior management, ZTE rewarded them. This egregious behavior cannot be ignored."