

Racketeering and Trade Secret Theft Added to List of Charges Against China's Huawei

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On February 13, 2020, federal prosecutors filed a 16-count superseding indictment against Huawei Technologies Co., a China-based telecommunications equipment manufacturer, and several of its subsidiaries. The indictment adds racketeering and conspiracy to steal trade secret charges to the [ongoing criminal prosecution of Huawei](#) and its subsidiaries in the Eastern District of New York. Two of the Huawei subsidiary defendants have also been indicted on similar charges pending in the Western District of Washington.

The superseding indictment in the New York case alleges that, among other things, Huawei misappropriated trade secret information and other non-public intellectual property from six U.S. based technology companies. According to the Department of Justice's press release, Huawei allegedly undertook a decades-long campaign to steal intellectual property related to robotics, internet router source code, and cellular antenna technology. The indictment alleges that Huawei employed a variety of techniques to gain access to trade secret information such as entering into confidentiality agreements only to violate them, recruiting employees of victim companies, and using proxies such as a professor at a Chinese research institute who was secretly hired to reverse engineer technology.

The charges filed against Huawei and its subsidiaries reflect the Department of Justice's recent efforts to combat economic espionage perpetrated by Chinese actors. Since the launch of the Department's [China Initiative](#) in November 2018, several Chinese companies and individuals have been prosecuted for theft of trade secrets. Consistent with this initiative, the [Director of the FBI recently announced](#) that there are more than 1,000 open investigations into China's attempted theft of U.S. technology.

TIP: These new charges represent a further escalation of DOJ's efforts, including a new use of DOJ's powerful RICO prosecutorial tool in connection with trade secret theft.

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