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Two California Residents Charged with Smuggling Advanced Nvidia AI Chips to China

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– Categories: Breaking News



Two Chinese nationals residing in California have been charged with illegally exporting high-end artificial intelligence (AI) chips to China, violating U.S. export control laws. The U.S. Department of Justice (DOJ) announced the arrests of Chuan Geng and Shiwei Yang, both 28, for allegedly transferring tens of millions of dollars' worth of restricted semiconductors, including the Nvidia H100, to China without required federal licenses.

According to an affidavit filed with the criminal complaint, Geng, of Pasadena, and Yang, of El Monte, operated a company named ALX Solutions. The company was established in 2022, shortly after the U.S. government implemented broad export restrictions aimed at

curbing China's access to advanced technologies critical to military development. The Department of Commerce requires specific licensing for the export of such sensitive items.

From October 2022 to July 2025, ALX Solutions is accused of illegally exporting AI chips and related technology to China, funneling shipments through transshipment hubs in Southeast Asia. At least 20 shipments were reportedly routed through freight forwarding companies in Singapore and Malaysia, countries often used as intermediary destinations in efforts to circumvent export controls, according to the affidavit.

The DOJ also stated that ALX Solutions received a \$1 million payment from a China-based company in January 2024, in addition to other funds from companies located in Hong Kong and mainland China. These payments were not made by the listed freight forwarding firms, suggesting a direct relationship with end-users in restricted regions.

Federal records show that from August 2023 to July 2024, ALX purchased more than 200 Nvidia H100 chips from Super Micro Computer, a server manufacturer based in San Jose, California. In one example cited in the investigation, ALX declared a \$28.5 million shipment to a customer in Singapore. However, a U.S. export control officer could not confirm the chips reached the destination, and the listed recipient company was not found at the provided address.

The Nvidia H100 is one of the most advanced AI chips currently available and is widely used for training large language models and performing complex computational tasks. Due to its capabilities, the H100 falls under strict export controls.

A spokesperson for Nvidia (short for Nvidia Corporation) emphasized the company's commitment to regulatory compliance, stating, "We primarily sell our products to well-known partners who help us ensure that all sales comply with U.S. export control rules." The company also warned that diverted products are not eligible for service, support, or updates.

Super Micro (short for Super Micro Computer, Inc.) issued a separate statement affirming its adherence to all U.S. export control regulations and noted it would not comment on ongoing legal proceedings, though it cooperates fully with government investigations.

The DOJ confirmed that both suspects appeared in federal court in Los Angeles earlier this week. Geng, identified as a U.S. permanent resident, was released on a \$250,000 bond. Yang, who has reportedly overstayed her visa, remains in custody with a detention

hearing scheduled for August 12. Legal representatives for the defendants have not responded to media inquiries.

The case underscores the heightened scrutiny and enforcement efforts surrounding advanced technology exports, particularly amid ongoing geopolitical tensions and national security concerns.