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Two Chinese Nationals Arrested in Los Angeles for Shipping Restricted Nvidia AI Chips to China

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— Categories: Crime



Two Chinese nationals have been arrested in Los Angeles for allegedly orchestrating a scheme to illegally export restricted AI chips developed by Nvidia Corporation to China. The charges were announced by the U.S. Department of Justice (DOJ), marking a significant development in ongoing efforts to protect sensitive American technology from unauthorized foreign transfers.

According to court filings, Chuan Geng and Shiwei Yang, both associated with California-based logistics company ALX Solutions, coordinated a series of illegal shipments over the past three years. The shipments involved high-performance Nvidia GPUs, including the H100 and RTX 4090 models. These chips are restricted under U.S. export control laws due to their advanced capabilities and potential military applications.

The DOJ alleges that the pair intentionally concealed the chips' final destination by routing exports through Singapore and Malaysia. Authorities say this method was used to disguise the end users in mainland China. Investigators also traced payments back to firms based in both Hong Kong and China, raising further concerns over the true beneficiaries of the exported technology.

In one case, a single shipment valued at more than \$28 million was addressed to a fake company in Singapore. Officials say this act of deliberate misrepresentation was part of a broader pattern aimed at skirting U.S. regulations. Neither Geng nor Yang held the necessary licenses required to export restricted AI hardware.

The arrests were made in Los Angeles, where both suspects are now being held. If convicted, they face up to 20 years in federal prison. Prosecutors have underscored the seriousness of the charges, emphasizing the potential national security risks tied to unauthorized access to advanced U.S. computing technology.

The case highlights growing concerns in Washington over foreign actors' misuse of American-made AI chips. In response to rising geopolitical tensions, the U.S. has tightened restrictions on the export of high-end computing components, particularly to countries considered potential security threats.

The Justice Department has not indicated whether further arrests are expected, but the case underscores the ongoing challenges in monitoring global tech shipments. With logistics hubs like Singapore and Malaysia being used to reroute sensitive equipment, authorities are increasingly scrutinizing export documentation and payment trails.