

Taiwanese Firm Raided After Shipping Machines To North Korea

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Taiwanese investigators raided a local company after it shipped banned machinery to North Korea via a Chinese firm with ties to Pyongyang's military, a Taiwanese official said Tuesday.

The owner of the Taiwanese company, Ho Li Enterprises, said that two computer-controlled machine tools used in the manufacture of engines were shipped to North Korea earlier this year, but said he was unaware he had broken the law. Huang Ting-chou said that his company's premises were raided in July by Taiwanese law enforcement officials acting on a tip from the U.S. government.

A Taiwanese law enforcement official confirmed the shipment and raid had taken place but did not discuss U.S. involvement. The de facto American Embassy in Taiwan declined to comment on the claim.

The raid took place as the Obama administration was working on a new set of sanctions against North Korea that were unveiled last month, targeting the assets of individuals, companies and organizations allegedly linked to support for its nuclear program.

North Korea has repeatedly tried to circumvent international strictures designed to stymie its production of missiles and nuclear material and other weapons of mass destruction.

Taiwanese companies are no strangers to sanction-busting attempts. In early 2009, Shanghai's Roc-Master Manufacture & Supply Company ordered pressure gauges with possible nuclear weapons applications from Taiwan's Heli-Ocean Technology Co. Ltd. Using backdated purchase orders, the Chinese company had Heli-Ocean ship them to Iran. The transaction violated international sanctions on exporting sensitive equipment to Tehran, which many in the international community suspect is trying to make nuclear weapons.

In an interview with The Associated Press, Huang said the machine tools were originally ordered "more than a year ago" but were shipped only after Ho Li's Chinese client, Dandong Fang Lian Trading Co. Ltd. in northeastern China's Liaoning province, was able to pay for them. While acknowledging that the tools ended up in North Korea, he said he had no idea how they would be used or why they would appear on any list of sanctioned items.

The North Korean machine tool deal was first reported Tuesday in Taiwan's Liberty Times newspaper.

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A Taiwanese official, speaking on condition of anonymity because he is not authorized to deal with the press, said that the machine tool shipment violated international sanctions and Taiwanese trade laws. He did not identify the items in question or specify why they violated sanctions.

The official works for the Taipei branch of the Ministry of Justice's Investigation Bureau — roughly equivalent to the Federal Bureau of Investigation in the United States.

He said that Dandong Fang Lian is managed by a North Korean national with an unspecified connection to the North Korean military, and that the machine tools had ended up in the country's Sinuiju region, across the Yalu River from Dandong. Sinuiju is the funnel for most Chinese goods entering North Korea.

"Ho Li sold two machine tools ... without reporting to the authorities that the equipment was really going to North Korea," the official said. "We became aware of the violation and when we raided Ho Li in late July we found e-mails and money transfer documents to prove our case."

Huang said that Dandong Fang Lian specializes in diesel engines and power generators, and that while he had done business with the company before, this was his first venture with them in the machine tool sector.

"I am cooperating with the government in its investigations," he said.

Neither Ho Li nor Dandong Fang Lian appears on an American list of sanctioned companies.

The Taiwanese official declined to confirm Huang's assertion that an American tip led to the raid on Ho Li's premises. The American Institute in Taiwan — the de facto U.S. Embassy on the island — said it would not comment on specific cases but emphasized it cooperates closely with the island on enforcing export controls and stemming the proliferation of weapons of mass destruction.

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