

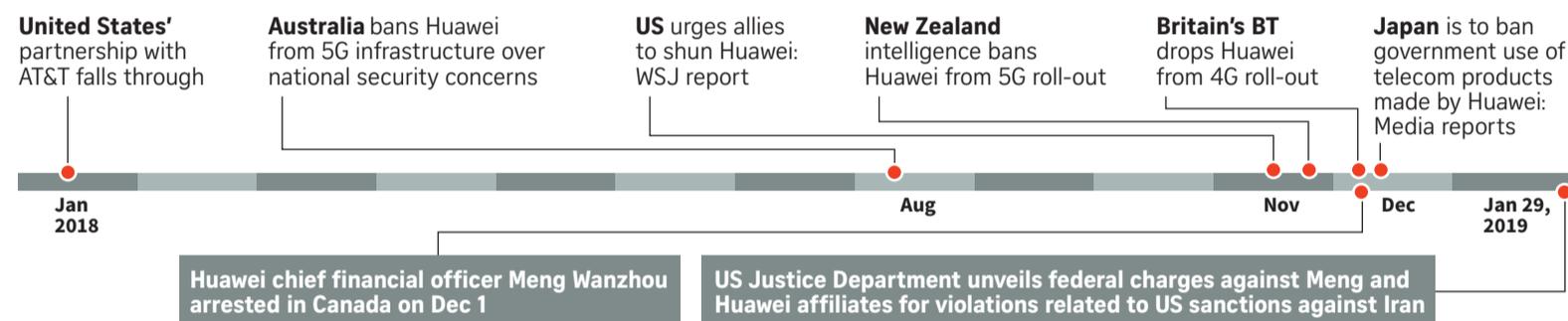
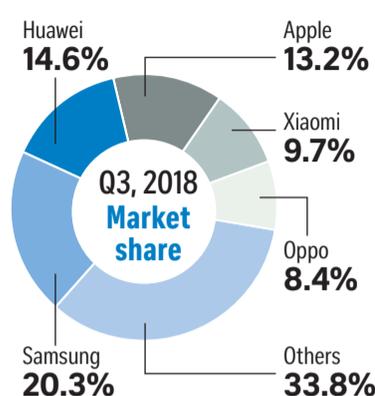
Huawei under pressure



Pro-Behing protesters in Hong Kong calling for the release of Huawei's Meng Wanzhou yesterday.

Recent global growth

By smartphone market share



US prosecutors have charged Huawei and its chief financial officer Meng Wanzhou with 13 counts of trade secret theft and bank fraud, among other crimes. Here is a look at some of the alleged evidence disclosed:



Meng Wanzhou



Offered cash for trade secrets

- Huawei had a formal programme to reward employees who successfully stole confidential information from other companies, said prosecutors.
- Employees posted what they stole on an internal Huawei website, or sent an encrypted e-mail to a special e-mail mailbox.
- Monthly bonuses were awarded to employees who had the most valuable stolen information, and the top three regions with the most valuable information were eligible for biannual bonuses.
- Two days after the formal policy was put in place, the director of human resources at Huawei USA e-mailed employees informing them that such behaviour was illegal in the United States.



Tried to steal a rival's robot

- Huawei coveted T-Mobile's robotic testing system Tappy, which touches phones in ways that simulate how people use their phones and tests the responsiveness, performance and stability of a phone's user interface. Tappy's use led to higher phone quality and fewer customers returning the wireless phones which T-Mobile sold, said prosecutors.
- Huawei was building its own phone-testing robot, known as xDeviceRobot, and wanted Tappy's technology to improve it.
- T-Mobile, however, claimed Tappy as its intellectual property and did not want to sell it to phone manufacturers like Huawei, because Huawei also supplied phones to T-Mobile's competitors.
- After being rebuffed, Huawei executives schemed over e-mails – which prosecutors obtained – to send a company engineer in May 2013 to T-Mobile's headquarters in Seattle to sneak into the lab where Tappy was located.
- The engineer was twice let into the lab by Huawei USA employees who had limited access to it, but was discovered by T-Mobile employees and told to leave both times.

- Another Huawei USA employee later stole one of the Tappy robot arms but returned it after the theft was discovered, claiming he had found it in his bag.



Covered up trade secret thefts

- After the Tappy theft attempts were discovered, Huawei assured an internal company investigation, and falsely told T-Mobile, that its employees had acted on their own in isolated incidents.
- Prosecutors said that in reality, their actions had been directed by Huawei and were part of a months-long drive to steal technical information about Tappy.



Defrauded banks to evade sanctions

- Huawei and its chief financial officer Meng Wanzhou repeatedly lied to several banks and the US government that Huawei no longer controlled its affiliate in Iran, Skycom, even though it did.
- Meng herself personally made a presentation in August 2013 to a bank executive, lying repeatedly about the relationship between Huawei and Skycom.
- This led US banks, which are generally prohibited from processing transactions related to Iran, to unknowingly break the law by continuing to provide banking services to Huawei.
- One bank cleared more than US\$100 million worth of Skycom-related transactions through the US between 2010 and 2014.



Covered up bank fraud

- Huawei tried to obstruct the US government's investigation into its bank fraud by making efforts to move witnesses who knew about Skycom to China, beyond US jurisdiction. It also concealed and destroyed Skycom evidence located in the US.