



**U.S. Department of Justice**

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FOR IMMEDIATE RELEASE

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**TAIWAN BUSINESSMAN SENTENCED TO 24 MONTHS FOR CONSPIRING TO  
VIOLATE U.S. LAWS PREVENTING PROLIFERATION OF  
WEAPONS OF MASS DESTRUCTION**

CHICAGO – Assistant Attorney General for National Security John P. Carlin; U.S. Attorney Zachary T. Fardon of the Northern District of Illinois; Special Agent in Charge Robert J. Holley of the FBI's Chicago Office; Special Agent in Charge Gary Hartwig of U.S. Immigration and Customs Enforcement, Homeland Security Investigations (ICE-HSI) in Chicago; and Acting Special Agent in Charge David Nardella of the U.S. Department of Commerce's Bureau of Industry and Security, Office of Export Enforcement of the Chicago Field Office announced today that a former resident of Taiwan, who the United States has linked to the supply of weapons manufacturing machinery to North Korea, was sentenced today to serve 24 months in federal prison by U.S. District Court Judge Charles R. Norgle of the Northern District of Illinois. The defendant, Hsien Tai Tsai, 69, pleaded guilty in October 2014, admitting that he conspired with others to interfere with and obstruct U.S. regulations that seek to disrupt the proliferation of weapons of mass destruction. When imposing sentence, Judge Norgle credited Tsai for the substantial assistance he provided, and would continue to provide, to the government in its investigation of weapons of mass destruction proliferators. Tsai, also known

as Alex Tsai, was arrested in May 2013 in Tallinn, Estonia, and was later extradited to the United States, where he remains in federal custody.

“Aggressive enforcement of U.S. laws targeting those who supply goods, services, or other support to proliferators of weapons of mass destruction is vital to ensuring global safety,” stated Zachary T. Fardon, United States Attorney, after the sentence was announced. “As this case demonstrates, companies and individuals who seek to evade these laws will confront an international law enforcement community working cooperatively and effectively to stem these threats,” said U.S. Attorney Fardon.

“Hsien Tai Tsai violated a critical sanctions regime and undermined and interfered with U.S. efforts to disrupt North Korea's weapons of mass destruction and advanced weapons programs,” said Assistant Attorney General Carlin. “These sanctions are meant to raise the cost for WMD proliferators to do business and deter others from proliferating by denying them access to our financial and commercial systems. This prosecution makes clear that we will use all of our tools to identify and arrest WMD proliferators and to disrupt their efforts to undermine our country's security. I'd like to thank all who helped with this investigation and prosecution.”

According to court documents, Tsai was associated with at least three companies based in Taiwan – Global Interface Company Inc., Trans Merits Co. Ltd., and Trans Multi Mechanics Co. Ltd. – that purchased and then exported, and attempted to purchase and then export, from the United States and other countries machinery used to fabricate metals and other materials with a high degree of precision.

In January 2009, under Executive Order 13382, which sanctions proliferators of weapons of mass destruction and their supporters, the Treasury Department's Office of Foreign Assets

Control (OFAC) designated Tsai, Global Interface and Trans Merits as proliferators of weapons of mass destruction, isolating them from the U.S. financial and commercial systems and prohibiting any person or company in the United States from knowingly engaging in any transaction or dealing with them. At that time, the Treasury Department said that Tsai was designated because he provided, or attempted to provide, financial, technological, or other support for, or goods or services in support of, the Korea Mining Development Trading Corporation, which the Treasury Department has stated is North Korea's premier arms dealer and main exporter of goods and equipment related to ballistic missiles and conventional weapons. Additionally, Tsai had been involved in shipping items to North Korea that could be used to support North Korea's advanced weapons program. After the OFAC designations, Tsai and others continued to conduct business together, but attempted to hide Tsai's and Trans Merit's involvement in those transactions by conducting business under different company names, including Trans Multi Mechanics. Later, in 2013, Trans Multi Mechanics was also designated by OFAC.

In pleading guilty, Tsai admitted that he was involved in multiple commercial and financial transactions to undermine the sanctions against WMD proliferations, including the purchase of a Bryant center hole grinder from a U.S. company based in suburban Chicago, and exported it to Taiwan in 2009 using the company Trans Multi Mechanics. A Bryant center hole grinder is a machine tool used to grind a center hole, with precisely smooth sides, through the length of a material. Tsai also admitted having a role in Trans Merits' transactions involving LED road lights and an oil pump, and using third parties to wire transfer funds to the United States.

The case was investigated by the FBI, ICE-HSI and the U.S. Department of Commerce's Bureau of Industry and Security, Office of Export Enforcement, with assistance provided by the Justice Department's Office of International Affairs. The Estonian Internal Security Service and the Estonian Prosecutor's Office cooperated with the United States. The case was prosecuted by Assistant U.S. Attorney Brian Hayes of the Northern District of Illinois and Trial Attorney Brandon L. Van Grack of the Justice Department's National Security Division.

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