

US imposes \$300mn penalty on Seagate over Huawei shipments

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An exterior view of a Seagate office in Fremont, California.

US authorities on Wednesday imposed a \$300 million penalty on Seagate Technology, to resolve alleged violations of export controls related to selling hard disk drives to Huawei Technologies, the

Commerce Department said.

The manufacturer was involved in the shipment of hard disk drives valued over \$1.1 billion to Huawei entities despite US controls.

The violations, according to the Commerce Department, took place between August 2020 and September 2021.

In 2019, the US added Huawei and some of its affiliates to a trade blacklist that imposed licensing requirements on exports, re-exports and transfers of goods.

The Bureau of Industry and Security (BIS) also introduced controls in 2020 over certain foreign-made items to "better address the continuing threat" by Huawei to US national security and foreign policy interests.

"Even after Huawei was placed on the Entity List for conduct inimical to our [national security](#), and its competitors had stopped selling to them due to our foreign direct product rule, Seagate continued sending hard disk drives to Huawei," said Assistant Secretary for export enforcement Matthew Axelrod in a statement.

"Today's action is the consequence: the largest stand-alone administrative resolution in our agency's history," he added, referring to the BIS.

Despite the controls in 2020 imposed by BIS, Seagate said it would continue doing business with Huawei, the Commerce Department noted.

" Seagate did so despite the fact that its only two competitors had stopped selling HDDs (hard disk drives) to Huawei, resulting in Seagate becoming Huawei's sole source provider," the department added.

According to the bureau's investigation, Seagate was involved in the shipment of more than 7.4 million [hard disk drives](#) without authorization.

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