

Reuters Quotes Partner Eric McClafferty on Potential Consequences for ZTE Corp in Criminal Inquiry

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Reuters quoted partner **Eric McClafferty** on the potential consequences of the FBI's criminal investigation into the illegal sale of U.S. computer products to Iran by the Chinese company ZTE Corp, the world's fifth-biggest telecommunications equipment maker. "While it can be difficult for the U.S. government to claim jurisdiction over foreign companies," the article reports, "authorities have some leverage." This includes restricting companies' ability to trade with the United States, for example those companies on the Specifically Designated Nationals List. Mr. McClafferty points out that once on such a list "U.S. companies won't do business with you. U.S. banks won't do business with you... That's kind of a club that the agencies use to get non-U.S. companies to pay U.S. civil penalties."