Woman pleads guilty in illegal export to Pakistan

NEDRA PICKLER - Associated Press - Associated Press

A San Francisco-area suburbanite pleaded guilty Tuesday to conspiring to ship material for a Pakistani nuclear reactor after initially denying she was behind any scheme contributing to the proliferation threat.

Xun Wang, a former managing director of PPG Paints Trading Co. of Shanghai, admitted her guilt Tuesday before a federal judge in Washington. She also reached a $200,000 settlement with the Commerce Department and agreed to cooperate with investigators.

PPG Paints Trading also pleaded guilty in December. The company and its parent, Pittsburgh-based PPG Industries Inc., paid nearly $4 million in fines and restitution.

Wang, a Chinese citizen and lawful U.S. permanent resident, was accused of conspiring to send high-performance epoxy coatings to the Chashma II nuclear reactor run by the Pakistan Atomic Energy Commission. She admitted helping send three shipments of the coatings from the United States to Pakistan through a third-party distributor in China without the required license from the Commerce Department.

Some U.S. experts say there is evidence Pakistan is building a plant near Chashma II to turn spent fuel from the reactor into weapons grade plutonium for the country's expanding nuclear arsenal.

The criminal charge carries a penalty of up to five years in prison and a $250,000 fine. Her plea before U.S. District Judge Emmet Sullivan allows her to escape more serious charges she was facing that could have carried up to 65 years in prison.

Wang, a 51-year-old from Hillsborough, Calif., was arrested at Atlanta's Hartsfield-Jackson airport this summer as she and her family were headed to Italy to celebrate her oldest daughter's graduation from prep school before starting Princeton.

Her lawyers initially argued that charges against her were "technical," that she was at worst peripherally involved in the scheme and that the case involved paint, not any threat to American security or nuclear proliferation.

Wang, who has a doctorate in physics from the University of California, Santa Cruz, and her husband ran their own paint import-export business. The couple, who have two daughters, sold it to PPG Industries in 2006 for more than $17 million, and the U.S. company hired her to run its wholly-owned Chinese subsidiary.

A short time later, prosecutors say, the U.S. government rejected an application from PPG for a license to sell paint to an unnamed government-owned Chinese company, for use on the steel lining of the containment area of Chashma II. So PPG

officials said the coatings were to be used at a nuclear power plant in China, where exports don't require a license from the Commerce Department.

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