
Coalition for Enforcement of Antidumping And Countervailing Duty Orders

FOR IMMEDIATE RELEASE

U.S. Importer of Chinese-made Garment Hangers Arrested and Charged with Fraud, Smuggling and Money Laundering Related to Evasion of Antidumping Duties

WASHINGTON, D.C. (August 5, 2010) – Members of the [Coalition for Enforcement of Antidumping and Countervailing Duty Orders](#), including the U.S. wire garment hangers industry, have been working closely with U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE) to identify instances of illegal evasion of U.S. trade laws. Today, the Coalition is able to announce that an importer of steel wire garment hangers has been arrested and charged with fraud, smuggling, and money laundering in connection with bringing Chinese-made hangers into the United States via a third country and then falsely claiming a country of origin other than China. Conviction of these felonies carries a maximum term of imprisonment between five and 20 years per count, plus substantial monetary fines and the payment of applicable dumping duties.

Each member of the Coalition successfully petitioned the U.S. Government for relief from unfairly traded imports and received antidumping and/or countervailing duty orders. However, schemes to avoid the application of these orders, including instances of misclassification, mislabeling, and transshipment of the products covered by these orders, began to surface soon after the orders were put in place. For example, the Coalition believes that a substantial portion of the hangers imported into the United States today are Chinese hangers that have been transshipped through third countries, such as Vietnam, Taiwan, and Korea, in violation of the dumping order against China.

Other members of the Coalition have uncovered similar evidence of instances where products manufactured in a country under order have been transported to a third country where the products are repacked or relabeled and then shipped to the United States as products of the third country. Another common evasion scheme involves subjecting the goods to minor or insignificant alterations or assembly operations in third countries. These goods are then falsely identified as a product of the third country in blatant circumvention of the dumping order. All of these activities violate U.S. law, and complicit importers – like the one mentioned above – can face felony charges with significant fines, duties, and prison sentences.

These evasion schemes deprive U.S. companies of the remedies proscribed by law and result in reduced sales and lost jobs for American workers. Further, there is growing evidence that these illegal schemes are being used against other U.S. industries, further threatening jobs and the U.S. economy. The Coalition intends to continue documenting instances of violations of the U.S. trade laws and providing this evidence to CBP and ICE for similar enforcement actions.

The following companies are members of the Coalition: M&B Metal Products (Leeds, Alabama), Vulcan Threaded Products (Pelham, Alabama), Leggett & Platt, Incorporated (Carthage, Missouri), Mid Continent Nail (Poplar Bluff, Missouri), American Spring Wire Company (Bedford Heights, Ohio) Insteel Industries (Mt. Airy, North Carolina), John Maneely Company (Beachwood, Ohio), Geo Specialty Chemicals (Lafayette, Indiana), and SSW Holding Company (Elizabethtown, Kentucky). They are American manufacturers of steel wire garment hangers, steel threaded rod, uncovered innerspring units, nails, prestressed concrete steel wire strand, circular welded carbon quality steel line pipe, glycine, and kitchen appliance shelving and racks. All of these products are subject to antidumping and/or countervailing duty orders.

CONTACTS:

Wendy Watson
Associate General Counsel
Leggett & Platt, Incorporated
(417) 358-8131, ext. 2441

Patrick Gallagher
Fahlgren Mortine Public Relations
Phone: (216) 298-4617
Cell: (216) 233-7473
Email: pat.gallagher@fahlgren.com