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M&B Metal Products Company, Inc. Applauds U.S. Customs' Final Determination That Imported Garment Hangers from Thailand Evaded the Payment of Lawful Dumping Duties

U.S. Customs and Border Protection (CBP) has announced that imports of steel wire garment hangers from Thailand were actually made in China and transshipped through Thailand in order to evade applicable U.S. dumping duties. CBP reached this conclusion after a thorough investigation following receipt of an evasion allegation submitted by M&B Metal Products Company, Inc. (dba M&B Hangers) of Leeds, Alabama.

This is the first investigation completed by CBP under the new Enforce and Protect Act (EAPA), which was passed by Congress last year to provide enhanced procedures for CBP to investigate instances of duty evasion and to permit the active participation of U.S. producers and importers in such proceedings.

In the Thailand case, CBP found that Eastern Trading NY, Inc. of Brooklyn, New York, imported Chinese-made garment hangers and claimed that they were a product of Thailand when, in fact, these hangers were transshipped from China through Thailand in order to evade dumping duties of 187.25%. As part of its EAPA investigation, CBP conducted an on-site inspection of Eastern Trading's supplier in Thailand, Everbright Clothes Hanger (Thailand) Co., Ltd., and found that the company was incapable of producing the quantity of garment hangers that it exported to Eastern Trading. CBP also examined Everbright's financial statements which confirmed that the company did not have the requisite property, plant, or equipment in Thailand to manufacture the volume of garment hangers exported to Eastern Trading. Finally, CBP obtained data that allowed it to trace Eastern Trading's imported garment hangers back through Thailand to their actual sources in China.

During the course of CBP's investigation, Eastern Trading implicated others in the fraudulent scheme to evade the payment of dumping duties. Specifically, Eastern Trading told CBP that R&X Industries LLC of New York, New York, had set up the duty evasion scheme and, in particular, that the General Manager of R&X Industries, Mr. Hang Ren, had played an instrumental role in the illegal scheme. CBP's investigation revealed that the General Manager of R&X Industries also acted as the U.S. sales director of a Chinese garment hanger producer (Hangzhou Qingqing Mechanical Co., Ltd.) and as the vice president of its affiliated Chinese exporter (Hangzhou Yingqing Material Co., Ltd.).

As the result of CBP's final evasion determination in this investigation, Eastern Trading's entries of Chinese hangers from Thailand will be assessed dumping duties of 187.25%. Further, CBP announced that it will pursue additional enforcement actions, as appropriate, which could include penalty proceedings by CBP and a civil or criminal investigation by U.S. Immigration and Customs Enforcement (ICE).

M&B is grateful for the diligence and professionalism of CBP in conducting this duty evasion investigation, which involved collecting and reviewing extensive records, conducting inspections and interviews in Thailand, and pursuing numerous lines of inquiry to stop the transshipment of Chinese hangers through Thailand. M&B also gratefully acknowledges the close cooperation between CBP and the U.S. Department of Commerce, which provided CBP with invaluable support and information during this EAPA investigation.

For more information concerning this determination, or more information about EAPA, please go to <https://www.cbp.gov/trade/trade-enforcement/tftea/enforce-and-protect-act-eapa/notices-final-determination>