



U.S. Customs and Border Protection

August 17, 2017

PUBLIC VERSION

EAPA Cons. Case Number: 7191

Brooklyn Knights Trading Inc.
3701 Conshohocken Ave., Apt. 415
Philadelphia, PA 19131-5507

Garment Cover Supply LLC
707 E Colonial Drive, Suite B110
Orlando, FL 32803-4663

Casa USA Inc.
970 E 236th Street
Carson, CA 90745-6233

Nice Guy Trading Inc.
99 Wall Street, Suite 1165
New York, NY 10005-4301

GL Paper Distribution, LLC
1840 Coral Way, PMB 4-1076
Miami, FL 33145-2748

Newtown Supply NY Inc.
4840 65th Street
Woodside, NY 11377-5809

Subcos Percha De Metal Factory
8715 Garvey Ave.
Rosemead, CA 91770

Masterpiece Supply Ltd.
5708 Mission Street
San Francisco, CA 94112-4209

Re: Notice of initiation of investigation and interim measures taken as to certain importers of wire hangers from Malaysia concerning evasion of the antidumping duty order on Wire Garment Hangers from the People's Republic of China

To Whom it May Concern:

This letter is to inform you that U.S. Customs and Border Protection ("CBP") has commenced a formal investigation under Title IV, Section 421 of the Trade Facilitation and Trade Enforcement Act of 2015, commonly referred to as the Enforce and Protect Act ("EAPA"), for the following companies: Brooklyn Knights Trading Inc. ("Brooklyn Knights"), Garment Cover Supply LLC ("Garment Cover"), Casa USA Inc. ("Casa USA"), Nice Guy Trading Inc. ("Nice Guy"), GL Paper Distribution LLC ("GL Paper"), Newtown Supply NY Inc. ("Newtown Supply"), Subcos Percha De Metal Factory ("Subcos Percha"), and Masterpiece Supply Ltd. ("Masterpiece Supply") (collectively the "Companies" or "Importers"). Specifically, CBP is investigating whether the Companies have evaded the antidumping duty order on steel wire garment hangers from the People's Republic of China ("China"), A-570-918, with their entries of merchandise into the United States. *See* Notice of Antidumping Duty Order: Steel Wire Garment Hangers from the People's Republic of China," 73 Fed. Reg. 58111 (Oct.6, 2008). Because evidence on the record establishes reasonable suspicion that each named importer has entered steel wire

garment hangers into the United States through evasion, CBP has taken the interim measures described below against each importer. Finally, CBP is consolidating the eight investigations for each importer into a single consolidated investigation, referenced as “EAPA Cons. Case Number 7191.”

Period of Investigation

Pursuant to 19 C.F.R. §165.2, entries covered by an EAPA investigation are those “entries of allegedly covered merchandise made within one year before the receipt of an allegation ...” Entry is defined as an entry for consumption, or withdrawal from warehouse for consumption, of merchandise in the customs territory of the United States.” M&B Metal Products Company (“M&B Metal”) filed its eight separate allegations on April 16, 2017. On April 21, 2017, CBP acknowledged receipt of the properly filed allegations.¹ Therefore, the entries covered by the consolidated investigation are those that entered for consumption, or withdrawals from warehouse for consumption, from April 21, 2016, through the pendency of this investigation.

Initiation

On May 12, 2017, the Trade Remedy Law Enforcement Directorate (TRLED) within CBP’s Office of Trade initiated eight investigations under EAPA, determining that the allegation submitted by M&B Metal reasonably suggested evasion of antidumping duties. M&B Metal alleged that these companies were importing Chinese origin steel wire garment hangers into the United States that were transshipped through Malaysia. For shipments in 2016 and 2017, M&B Metal alleged that the Companies had imported through the following Malaysian manufacturers as follows:²

	Malaysian Shipper/Manufacturer 2016	Malaysian Shipper/Manufacturer 2017
Brooklyn Knights	Genius Hanger Manufacturer Sdn. Bhd. Martmetal Industries Sdn. Bhd.	Genius Hanger Manufacturer Sdn. Bhd. Martmetal Industries Sdn. Bhd.
Garment Cover	Not declared.	Not declared.
Casa USA	Genius Hanger Manufacturer Sdn. Bhd.	Genius Hanger Manufacturer Sdn. Bhd.
Nice Guy	None.	Genius Hanger Manufacturer Sdn. Bhd. Martmetal Industries Sdn. Bhd.
GL Paper	None.	Pole Econ Industries (MY) Sdn. Bhd. Genius Hanger Manufacturer Sdn. Bhd.

¹ M&B Metal’s allegation documentation was identical in each EAPA filing, and pertained to each of the eight importers. Hereinafter, M&B Metal’s allegation will be referred to in the singular; all references to “allegation” are a reference to all eight allegations.

² On June 15, 2017, M&B Metal submitted additional information to support its allegation, which linked additional alleged Malaysian manufacturers with the eight importers in these cases. See MB Allegation Addendum, at 2 and Add. Exh. 1 (Jun. 15, 2017). For example, the addendum linked Wiron Hanger Industries Sdn. Bhd. with importer Newtown Supply. The addendum also linked Semesta Industri Enterprise with importer Masterpiece Supply. However, because that information was not submitted in the allegation and after our decision to initiate, those are not listed on the table above.

Newtown Supply	None.	Genius Hanger Manufacturer Sdn. Bhd.
Subcos Percha	Roland Gensteel Industrial Refine Manufacture Industries Sdn. Bhd.	Refine Manufacture Industries Sdn. Bhd. Semesta Industri Enterprise
Masterpiece Supply	None.	Roland Gensteel Industrial

The allegation outlines several factors supporting the initiation of the investigations. First, summarizing U.S. import statistics, M&B Metal alleged that imports of hangers from Malaysia increased more than 3,000 percent from 2013 to 2014 and doubled in 2015, an increase of 422 million hangers. *See* MB Allegation, at 4 (Apr. 17, 2017). During the same time period, M&B Metal claimed that imports of hangers from China decreased by over 900 million hangers, close to a 1000 percent decline. This change coincided with “high dumping rates {being} imposed on Chinese hangers due to successive administrative reviews by the U.S. Department of Commerce.” *Id.* Hence, M&B Metal concluded that “rampant transshipping of Chinese hangers to avoid applicable antidumping duties” was occurring. *Id.*

In support of these statements, M&B Metal submitted Dataweb Reports on hangers from Malaysia and China and a listing of cash deposit rates for steel wire garment hangers from China. *See id. at* Exhs. 3-4, 6. Specifically, M&B Metal linked all eight U.S. importers to imports of hangers from Malaysian shippers/manufacturers using Datamyne Reports on hanger shipments from Malaysia:

- M&B Metal provided shipping data showing that Brooklyn Knights began importing hangers into the United States from Genius Hanger Manufacturer Sdn. Bhd. (“Genius Hanger”) and Martmetal Industries Sdn. Bhd. (Martmetal) in March 2015. *See id. at* 21 and Exh. 27. From April 1, 2016 through March 31, 2017, Brooklyn Knights imported 213,999,500 hangers from these two Malaysian shippers. *See id. at* 21, and Exh. 30. In M&B Metal’s view, Chinese producer, Hangzhou Qingqing Mechanical Co., Ltd. (“Qingqing”), and exporter, Hangzhou Yingqing Material Co., Ltd. (Yingqing), were the actual manufacturers/shippers of these hangers because the phone number listed on the bills of lading for Brooklyn Knight’s shipments matched that of R&X Industries. The General Manager for R&X Industries is Hang Ren, who was also the U.S. sales director for Qingqing and Vice President Operations for Yingqing. *See id. at* 20-21.
- During 2015, Garment Cover imported hangers from nine Malaysian shippers, including Martmetal, Genius Hanger, and Clothra Manufacturing Industries Sdn. Bhd (Clothra). *See id. at* 22, and Exh. 27. All of the hanger shipments from Malaysia to Garment Cover had the shipping codes “ORET or “BGPL.” Beginning in April 2015, Garment Cover stopped appearing as a named importer for hangers from Malaysia (with the exception of shipments from Clothra). *See id. at* Exh. 46. Instead, after that time confidential shipments of hangers from Malaysia, shown as “Not Declared,” began appearing in public import data with the shipping code “ORET.” None of the other U.S. importers identified by M&B Metal as importing hangers from Malaysia between 2014 and 2016 used this shipping code – only Garment Cover. Thus, in M&B Metal’s view, most, if not all of the “Not Declared” shipments of hangers from Malaysia were actually imported by

Garment Cover. The “Not Declared” shipments continued in 2016 and 2017, accounted for 108,292,500 hangers from April 1, 2016 to March 31, 2017. *See id.* at Exh. 30.

- Casa USA imported hangers into the United States from Genius Hanger beginning in May 2015. From April 1, 2016 to March 31, 2017, it imported 53 containers of hangers equating to 39,736,500 individual hangers. *See id.* at 24, and Exhs. 27 and 30. Notably, between December 2015 and June 2016, Casa USA also imported hangers from Subcos Percha, a named importer of hangers from Malaysia in these investigations. *See id.* at 24, and Exh. 42.
- Nice Guy began importing hangers into the United States from Malaysian shippers Genius Hanger and Martmetal in January 2017. *See id.* at 25, and Exh. 29. Nice Guy imported 46 containers of hangers from these two companies, equating to 35,814,500 hangers, despite having an inactive status in the records of the New York Department of State since October 26, 2016. *See id.* at 25, and Exh. 51.
- GL Paper began importing hangers into the United States from Malaysian shippers, Genius Hanger and Pole Econ Industries (“Pole Econ”), in February 2017. *See id.* at 25. Citing corporate information, M&B Metal found this notable because GL Paper’s “first shipment of hangers from Malaysia ... was in ... the same month that Garment Cover filed for voluntary dissolution in Florida.” *See id.* at 26, and Exh.48. M&B Metal noted that in under two months, GL Paper imported 28,207,500 hangers from the two Malaysian companies using the same shipping codes as Garment Cover. *See id.* at 25-26, and Exh. 29.
- Newtown Supply began importing hangers from Malaysia in 2017, importing over 10 million hangers from Genius Hanger from January to March, 2017. *See id.* at 26, and Exh. 29.
- Subcos Percha began importing hangers from Malaysia in 2016, and from April 2016 to March 2017 imported over 6 million hangers from Malaysian shippers Refine Manufacture (“Refine”), Roland Gensteel (“Roland”), and Semesta. *See id.* at 26, and Exhs. 28 and 30. Between May 2015 and June 2016, Subcos Percha was also identified by three U.S. importers as a shipper of hangers from the Dominican Republic. *See id.* at 26, and Exh. 42. One of those importers was Casa USA, indicated above, who between December 2015 and June 2016 imported hangers from Subcos Percha.
- Masterpiece began importing hangers from Malaysia in 2014 and continued to do so throughout 2015. *See id.* at 27, and Exhs. 26-27. During that time, Masterpiece imported from over 10 Malaysian shippers, including Genius Hanger, Martmetal and Clothra. According to the shipping data, Masterpiece did not import hangers in 2016; however, starting on March 14, 2017, it began importing again from a new shipper, Semesta Industrie Enterprise (“Semesta”). *See id.* at 27-28, and Exh. 29. According to the data, this one import from Semesta accounted for 680,000 hangers alone.

In further support of its allegation, M&B Metal commissioned foreign market research in Malaysia, including both the collection of corporate information and physical inspection of reported business locations for: Martmetal; Genius Hanger; Roland; Clothra, and Refine. *See id.* at 5-8 and 15-19. M&B Metal alleged the corporate documents revealed a “web of interconnected entities – by virtue of common shareholders and directors ... and a pattern of evasive corporate activities.” *Id.* at 6. For instance, Mr. Chor-Yeow Kang, the individual who registered Genius Hanger, Martmetal and Clothra, lists the same two shareholders for the three

companies, himself and Chuah Kok Teng. Mr. Kang registered a total of 7 Malaysian companies purportedly engaged in the production and distribution of hangers, including Semesta in addition to Genius Hanger, Martmetal and Clothra. *Id.* Another individual, Mr. Sian-Hwa Lim, who was also a director for a company in which Mr. Kang was a shareholder, registered another 4 companies in Malaysia for the same purpose, including Pole Econ, Refine, and Roland (the latter two of which share the same two shareholders). *Id.* at 6-7. Several of the companies were registered on the same date, and Mr. Kang and Mr. Lim each had a company with a sales manager in common. *Id.* and Exh. 10. Further, Mr. Lim was the owner and on the board of Winsbridge Industries, described as an international trading and logistics company registered in Malaysia. *See id.* at 17. Another Winsbridge Industries employee described the company on her LinkedIn profile as specializing in “international logistics, worldwide customs clearance, and transshipment/transloading ...” *See id.* at 17-18, and Exh. 38. Moreover, Winsbridge Industries was also a shipper of hangers to Garment Cover in 2015, and listed as a shipper on other master bills of lading for shipments of hangers to the United States in 2016. *See id.* at 18, and Exh. 40. Consequently, in M&B Metal’s view, based on the corporate information it collected, a “small group of individuals in Malaysia had established a web of shell companies for the purpose of transshipping to the United States.” *See id.* at 19.

In addition to providing information on how the group of companies are interconnected, M&B Metal pointed out that most of the companies were simple shell companies, set up, and then within four to 16 months shut down. None of the companies reported having any assets or revenue. *Id.* For instance, M&B Metal highlighted the following:

- Despite shipping hangers from Malaysia during 2015-2016, Genius Hanger and Martmetal both reported to the Malaysian Government that they were dormant, and had never commenced business operations or dealt in foreign currency transactions. *See id.* at 8-11, and Exhs. 23-24. Yet combined, these two companies exported 335 shipments of hangers to the United States in calendar year 2015 and an additional 89 shipments during the first quarter of 2016 alone. *See id.* and Exhs. 27-28.
- In its latest available financial statements as of March 31, 2016, Genius Hanger’s only reported asset was cash equivalent to USD \$0.45, and it reported no revenues. *See id.* at Exh. 23. However, it made 192 shipments of hangers to the United States in 2015, along with 36 in the first quarter of 2016.
- Martmetal also reported no revenue for the twelve prior months in its March 31, 2016 financial statements, while it made 143 shipments of hangers to the United States in 2015, along with an additional 53 in the first quarter of 2016. Martmetal reported the same amount of assets as Genius Hanger, USD \$0.45. *See id.* at Exh. 24.
- Roland was in the process of “striking off” its formal business registration with the Malaysian Government in 2016. *See id.* at 12. In the application to terminate its registration, the company’s director asserted the company had never commenced business, nor did it intend to. Moreover, Roland reported no assets or revenues in its financial statements for the fiscal year ending March 31, 2016. *See id.* at Exh. 25.
- Semesta was incorporated in August 2016, and as of the date of the allegation, had not yet reported any financial data for the fiscal year ending in March 31, 2017. Its available corporate records described the company as a producer of ceramic and porcelain products, and did not mention wire hangers. *See id.* at 14, and Exh. 57. In early 2017, it

had shipped 1.4 million hangers to 2 importers: Subcos Percha and Masterpiece. *See id.* at Exh. 29.

- Pole Econ and Refine were registered in April 2016 by Lim Swa Hwa, and had not yet reported any financial data for the fiscal year ended in March 2017. *See id.* at 13, and Exhs. 20 and 21. According to the import data, Pole Econ had shipped to only one U.S. importer: GL Paper. All shipments to GL Paper occurred since February 6, 2017, and amounted to over 27 million hangers during that time. *See id.* at 13, and Exh. 29. Similarly, only one US importer had imported from Refine: Subcos Percha. From April 2016 to March 2017, Subcos Percha had imported over 4.7 million hangers from Refine. *See id.* at 13, and Exh. 30.

Hence, according to M&B Metal, in light of the large quantity of hangers exported by the Malaysian companies and lack of revenue and assets, the companies were in reality shell companies set up and then shut down for the sole purpose of transshipping hangers to the United States.

Finally, M&B Metal provided summaries of the physical site visits its foreign market researcher conducted to the reported addresses for five of the purported Malaysian manufacturers. Of particular interest, M&B metal discovered that:

- The addresses reported for Martmetal and Genius Hanger (two addresses were reported for each Malaysian company visited) were actually addresses of different companies, including a car radiator repair shop, a manufacturer of latex rubber gloves, a steel wire manufacturer, and a manufacturer of household plastic storage containers. *See id.* at 15, and Exhs. 31-32.
- One of the addresses each for Clothra, Refine, and Roland were either empty or abandoned lots, or in one case the lot number did not exist at all. Other addresses reported for these purported manufacturers belonged to different companies, including an engineering company, a manufacturer of metal valves, pipes and fittings, and a manufacturer of steel fabric and wire mesh. *See id.* at 16, and Exhs. 33-35.

According to M&B Metal, the fact none of the Malaysian companies its foreign market researcher visited existed was further proof that the companies were not legitimately engaged in the physical production of hangers.³

CBP will initiate an investigation if it determines that “[t]he information provided in the allegation ... reasonably suggests that the covered merchandise has been entered for consumption into the customs territory of the United States through evasion.” See 19 C.F.R. §165.15(b). Evasion is defined as “the entry of covered merchandise into the customs territory of the United States for consumption by means of any document or electronically transmitted data or information, written or oral statement, or act that is material and false, or any omission that is material and that results in any cash deposit or other security or any amount of applicable antidumping or countervailing duties being reduced or not being applied with respect to the merchandise.” See 19 C.F.R. §165.1. Thus the allegation must reasonably suggest not only that

³ M&B Metal explained it could not visit the sites reported for certain companies (*i.e.*, Pole Econ and Semesta) because they were identified as shippers after the foreign market researcher had already completed this part of M&B Metal’s investigation. *See Allegation*, at 16.

merchandise subject to an antidumping duty or countervailing order was entered into the United States by the importer alleged to be evading, but that such entry was made by a material false statement or act, or material omission, that resulted in the reduction or avoidance of applicable antidumping duty or countervailing duty cash deposits or other security.

Evidence supporting M&B Metal's allegation of transshipment of steel wire garment hangers reasonably suggests that the merchandise was entered through evasion by a material false statement or act, or material omission that resulted in the reduction or avoidance of applicable AD cash deposits or other security. M&B Metal provided import data showing that each of the Companies in this investigation imported merchandise from Malaysia. *See* MB Allegation at Exhs. 27-30. Further, M&B Metal provided corporate and financial documents to support its assertion that the importers' Malaysian suppliers are part of a group of "interconnected entities" whose registrants have established several companies in Malaysia to transship hangers to the United States. For example, Genius Hanger, a claimed Malaysian supplier, which M&B Metal linked to seven out of the eight Companies, had shipped millions of hangers between 2014 and 2017 but reported no assets or revenue on its financial statements during the same period. However, if Genius Hanger was manufacturing millions of hangers, significant assets and revenue would be expected. Similarly, Martmetal and Roland, among others, also had no notable reported assets.

Finally, M&B Metal's site visit findings reasonably suggest that several of the companies purportedly producing and shipping hangers to the U.S. importers, including Genius Hanger and Refine, were not physically engaged in manufacturing and were "nothing more than paper companies established as part of an elaborate scheme to avoid and evade the payment of duties on hangers made in China." *See id.* at 15. For the forgoing reasons, TRLED determined on May 12, 2017, that the allegation reasonably suggests that covered merchandise entered the customs territory of the United States through evasion, pursuant to 19 USC §1517(b)(1), and therefore, initiated investigations for these eight importers.

Interim Measures

Interim measures apply because CBP determined that there is reasonable suspicion that each importer in this investigation entered covered merchandise into the customs territory of the United States through evasion. *See* 19 C.F.R. §165.24(a). After initiation of the investigations, CBP issued a CBP Form (CF)28 to each importer on either May 25 or 31, 2017. From each importer, CBP requested information relating to the origin of the hangers for a single entry during the period of investigation, including full production records, a factory profile, the number of employees, production capacity, and equipment used. CBP also asked the importers to provide photographs of the manufacturing equipment and export documentation. Five out of the eight importers responded to the CF28s. CBP received no responses from Brooklyn Knights, Garment Cover, or Subcos Percha, even after following up with their brokers.

Each CF28 response identified the Malaysian manufacturer of its covered entry and provided combinations of the following: shipper registration certificates and manufacturing licenses; company profiles; production charts and records; electricity bills; purchase orders; invoices; proofs of payment; certificates of origin; and bills of lading. The CF28 responses varied in the exact documents provided. However, all but for one of the responses provided a detailed company profile listing the Malaysian manufacturer's type of equipment, number of employees,

volume of hangers produced per year and/or sales per year, its export markets, company contact information, and its address in Malaysia. Further, these same four also provided pictures of the various types of equipment at these alleged manufacturers' locations in Malaysia.

Subsequent to issuing the CF28s, CBP conducted site visits in Malaysia from July 26 to July 28, 2017, to verify the information provided in the CF28 responses and the allegation. CBP prioritized site-visits to those alleged manufacturers that had recently shipped to multiple U.S. importers and ensured that each U.S. importer had imported from at least one of the manufacturers visited. CBP was accompanied by Royal Malaysian Customs (RMC), who facilitated with the site visits. The findings from these visits summarized in the following chart:

Shipper/ Manufacturer	Address Visited	Importer matched to: (public import data⁴)	CBP Findings
Genius Hanger Address 1	Lot 19, Jalan Perusahaan 2 Kawasan Perindustrian Beranang 43700 Beranang Selangor Darul Ehsan West Beranang	Brooklyn Knights Casa USA Newtown Supply Masterpiece Supply GL Paper Nice Guy	RCI Wire Tech was operating at this location and had been since 2009.
Genius Hanger Address 2	Lot 1027, Lengkok Perindustrian Bukit Minyak 1 Kawasan Perindustrian Bukit Minyak 14100 Simpang Ampat, Penang	Brooklyn Knights Casa USA Newtown Supply Masterpiece Supply GL Paper Nice Guy	EE-LIAN Enterprise, a plastic household goods producer, was operating at this location and had been since 2010.
Martmetal Address 1	Lot 9, Pesiaran Kelebang, IGB Industrial Estate Jalan Kuala Kangsar 31200 Ipoh, Perak	Brooklyn Knights Garment Cover Nice Guy Masterpiece Supply	Perniagaan Radiator Leang, a car radiator repair shop, operating at this location since 2011.

⁴ See MB Allegation at Exhs. 27-30.

Martmetal Address 2	Plot 821, Jalan Matang Matang Industrial Area 34750 Taiping, Perak	Brooklyn Knights Garment Cover Nice Guy Masterpiece Supply	Comfort Rubber Gloves, a rubber and latex glove manufacturer, was operating at this location and had been since 1993.
Pole Econ Address 1	Lot 11, Lorong Asas Jaya 19 Kawasan Industri Ringan Asas Jaya 14000 Bukit Mertajam Penang	GL Paper	Address did not exist.
Pole Econ Address 2	Lot 99A, Lorong Iks Juru 5 Taman Ind. Juru Simpang Ampat Penang	GL Paper	Address did not exist.
Wiron	Lot 15, Lorong Asas Jaya 19 Kawasan Industri Asas Jaya 14000 Seberang Penang	Newtown Supply	Address did not exist.
Semesta	Lot 141, Jalan 3, Kawasan Perusahaan Sungai Lalang 08000 Sungai Petani Kedah	Masterpiece Supply Subcos Percha	The address was an empty/ abandoned lot before June 2017 when a new owner started construction on a new facility.

In short, CBP discovered that none of the manufacturers existed at any of the addresses listed in the official registration documents, financial statements, or the CF28 responses. The addresses were either occupied by other businesses, did not exist at all, or in one case had been an empty lot before construction of a new building began on the lot in June 2017. The on-site verification teams inquired of business owners or adjacent land occupants present at the various locations about the existence of any wire hanger manufacturing in the area. However, none were aware of any wire hanger manufacturing occurring within the respective vicinities. Further, none even recognized the names of any of the purported owners of the hanger manufactures. CBP took photos at each location, none of which matched the photos of equipment or facilities provided to CBP as part of the CF28 responses. For those it could, CBP verified that the electricity bills provided in the CF28 responses were inconsistent with electricity bills issued to the companies present at the locations. In one instance, the electricity bill provided in a CF28 response listed a Plot number no longer covered by a meter. According to the business owner, the electricity company had removed the meter from that plot years earlier. RCI Wire Tech, plausibly a wire hanger manufacturer given its name, was located at one of the addresses provided for Genius Hanger. However, the building and lot were largely vacant, and the interior did not match any of

the photos provided for Genius Hanger as part of a CF28 response. There was no signage for Genius Hanger at this location.

Total lack of any hanger production in Malaysia at any of the addresses reported for these manufacturers provides reasonable suspicion that the hangers imported in these investigations were not manufactured in Malaysia, but actually transshipped from China through Malaysia. The results of these on-site visits support CBP's finding of reasonable suspicion that the importers entered merchandise into the United States through evasion.

In addition to the Malaysian site visits are the links between at least one importer in this investigation and R&X Industries LLC ("R&X Industries"), a company who is implicated in another transshipment scheme of wire hangers from the same Chinese companies. In EAPA Case Number 7175/15135, CBP found substantial evidence that Eastern Trading NY, Inc. ("Eastern Trading") evaded the payment of antidumping duties by importing Chinese-origin hangers that were transshipped through Thailand by Everbright Clothes Hanger (Thailand) Co., Ltd. (Everbright). *See* Notice of Final Determination of Evasion EAPA Case 7175 (Aug. 14, 2017) (available at <http://www.cbp.gov/trade/trade-enforcement/tftea/enforce-and-protect-act-eapa/notices-determination>). In submissions provided to CBP during the course of that investigation, Eastern Trading claimed no knowledge of the duty evasion scheme involving its imports of hangers. Instead, it alleged that R&X Industries, Hang Ren, and Everbright had orchestrated the whole transshipment scheme [

]. *See* Initial Investigation of Evasion of the Antidumping Order on Steel Wire Garment Hangers Jian Hua Liang a.k.a. James Liang Eastern Trading NY Inc. EAPA Cases No: 15135 (June 5, 2017); Opposition by Eastern Trading NY Inc. to Written Argument from M&B Metal Products Inc. (July 11, 2017); and Amended Opposition by Eastern Trading to Written Argument from M&B Metal Products Inc. (July 24, 2017). The phone number and email contact listed on some of Eastern Trading's bills of lading covering its shipments of hangers belonged to R&X Industries and Hang Ren, respectively. *See Letter from CBP regarding Notice of initiation of an investigation and interim measures taken as to Eastern Trading NY Inc. concerning a reasonable suspicion as to evasion of the antidumping duty order on Steel Wire Garment Hangers from the People's Republic of China*, at 3 (Dec. 13, 2016) (available at <http://www.cbp.gov/trade/trade-enforcement/tftea/enforce-and-protect-act-eapa/notices-action>). Further, Eastern Trading provided payment information and other documentation to support its claim of the involvement of R&X Industries and Hang Ren. We have placed this information on the record of this investigation because at least one importer in the instant investigation is also connected with R&X Industries.

Brooklyn Knights' phone number and contact email listed on its ocean bills of lading matched the phone number of R&X Industries and email of Hang Ren. *See* Allegation, at 20 (Apr. 17, 2017). Further, R&X Industries described itself as the "industry leader of the wire hanger business in China and Thailand," and Hang Ren, its General Manager, also held the U.S. Sales Director and Vice President of Operations positions for a Chinese producer and exporter of wire hangers, namely Hangzhou Qingqing Mechanical Co. Ltd. (Qingqing) and Hangzhou Yingqing Material Co., Ltd. (Yingqing). *Id.* at 21. In light of Eastern Trading's admission that a coordinated transshipment scheme was being led by R&X Industries and Hang Ren, this is additional evidence supporting CBP's reasonable suspicion that Brooklyn Knights imported hangers that were transshipped through Malaysia.

In addition, CBP has been trying to identify the physical location of Brooklyn Knights in the United States. The address it listed in formal entry documentation was []. The CF28 request sent to that address was returned with a hand written message indicating Brooklyn Knights did not exist at that address. An updated address for Brooklyn Knights of [] was provided to CBP by its surety. DHS personnel visited the address and discovered that this address did not exist because the suite number was invalid. As of the date of this notice, CBP does not have an accurate address for Brooklyn Knights. The false addresses for Brooklyn Knights, coupled with the false addresses provided for its foreign manufacturers, and linkage to R&X Industries further supports a determination of reasonable suspicion that it is part of this transshipment scheme and imported hangers into the United States through evasion.

In summary, the Malaysian site visits by CBP during which no hanger production was discovered for manufacturers covering imports by all eight importers supports CBP's finding of reasonable suspicion that each importer entered covered merchandise into the customs territory of the United States through evasion. In addition, the links of Brooklyn Knights to R&X Industries and its owner Hang Ren, and Everbright, all of which are entities tied to another transshipment scheme, provides additional evidence for a finding a reasonable suspicion.

Entries under this investigation for Brooklyn Knights, Garment Cover, Casa USA, Nice Guy, GL Paper, Newtown Supply, Subcos Percha, and Masterpiece Supply that entered the United States as not subject to antidumping duties, have been rate-adjusted to reflect that they are subject to the antidumping order on steel wire garment hangers from China and cash deposits are owed. In addition, "live entry" is required for all future imports of each of the named importers, meaning that all entry documents and duties are required to be provided before cargo is released by CBP into the stream of U.S. commerce. CBP will reject any entry summaries and require a refile for those that are within the entry summary reject period; suspend the liquidation for any entry that has entered on or after May 12, 2017, the date of initiation of these investigations; as well as extend the period for liquidation for all unliquidated entries that entered before that date. *See* 19 C.F.R. §165.24(b)(1)(i) and (ii). For any entries that have liquidated and for which CBP's reliquidation authority has not yet lapsed, CBP will reliquidate those entries accordingly. CBP will also be evaluating the continuous bonds for each of the named importers to determine their sufficiency. Finally, CBP may pursue any additional enforcement action, as provided by law, consistent with 19 U.S.C. §1517(h).

Consolidation of the Investigations

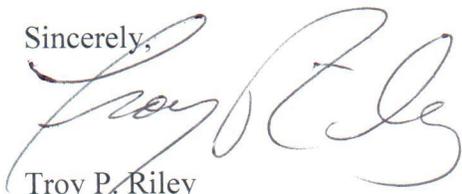
CBP is consolidating the eight investigations on each importer into a single investigation covering all eight importers. The new consolidated case number will be EAPA Consol. Case No. 7191, and a single administrative record will be maintained.

At its discretion, CBP may consolidate multiple allegations against one or more importers into a single investigation, pursuant to 19 C.F.R. §165.13(b), which stipulates that:

The factors that CBP may consider {in consolidating multiple allegations} include, but are not limited to, whether the multiple allegations involve: 1) relationships between the importers; 2) similarity of covered merchandise; 3) similarity of AD/CVD orders; and 4) overlap in time periods for entries of covered merchandise.

In these investigations, all eight importers imported steel wire garment hangers, from Malaysia, covered by a single antidumping duty order. Moreover, each imported covered hangers during the period of investigation. Further, each importer, as demonstrated in the table above, imported from the same small group of Malaysian manufacturers, most of which CBP conducted on site visits for and determined did not exist. Further, most of these importers have imported from Genius Hanger in the prior few years, which CBP confirmed did not exist. *See* MB Allegation at Exh. 2. Because factors warranting consolidation are present in these investigations, CBP is consolidating them and providing this notice pursuant to 19 C.F.R. §165.13(c).

Sincerely,

A handwritten signature in black ink, appearing to read "Troy P. Riley". The signature is fluid and cursive, with a large, stylized initial "T" and "R".

Troy P. Riley
Executive Director
Trade Remedy & Law Enforcement Directorate
Office of Trade