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RE: Notice of initiation of investigation and interim measures taken as to N&M Hangers LLC; Direco International LLC; PNJ Import, Inc.; LGA Trading Inc.; Chungwha Prince Group Corporation; WHL International Inc; Wah Hing Lee Investment, Inc.; SK Supply Corp.; KS Supply; and Leco Supply concerning evasion of the antidumping and countervailing duty orders on steel wire garment hangers from Vietnam

To the Counsel and Representatives of the above-referenced Entities:

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). Specifically, CBP is investigating whether N&M Hangers LLC (N&M Hangers); Direco International LLC (Direco); PNJ Import, Inc. (PNJ Import); LGA Trading Inc. (LGA Trading); Chungwha Prince Group Corporation (Chungwha); WHL International Inc. (WHL International); Wah Hing Lee Investment, Inc. (Wah Hing Lee); SK Supply Corp. (SK Supply); KS Supply; and Leco Supply (collectively, the Importers) have evaded the antidumping (AD) and countervailing (CVD) duty orders A-552-812 and C-552-813 on steel wire garment hangers (hangers) from the Socialist Republic of Vietnam (Vietnam)¹ when importing hangers into the United States. Because evidence on the record establishes a reasonable suspicion that the Importers have entered merchandise into the United States through evasion, CBP has imposed interim measures.

Period of Investigation

Pursuant to 19 CFR 165.2, entries covered by an EAPA investigation are those “entries of allegedly covered merchandise made within one year prior to 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.”² On October 2, 2019, M&B Metal Products Company, Incorporated (M&B), a domestic manufacturer of steel wire garment hangers, filed a revised EAPA allegation through counsel.³ CBP acknowledged receipt of the

¹ See *Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Antidumping Duty Order*, 78 FR 8105 (February 5, 2013) (*Vietnam AD Order*). See also *Certain Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Countervailing Duty Order*, 78 FR 8107 (February 5, 2013) (*Vietnam CVD Order*).

² See 19 CFR 165.1.

³ See Letter from M&B, “EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: N&M Hangers LLC,” dated October 2, 2019 (N&M Hangers Allegation); Letter from M&B,

properly filed allegations against N&M Hangers, Direco, PNJ Import, LGA Trading, Chungwha, WHL International, Wah Hing Lee, SK Supply, KS Supply, and Leco Supply on October 3, 2019.⁴ These ten investigations are now consolidated as discussed further below, and the entries covered by the consolidated investigation are those entered for consumption, or withdrawn from warehouse for consumption, from October 3, 2018, through the pendency of this investigation.⁵ In addition, and at its discretion, CBP may investigate other entries of such covered merchandise.⁶

Initiation

On October 25, 2019, the Trade Remedy Law Enforcement Directorate (TRLED) within the CBP Office of Trade initiated investigations under EAPA as the result of allegations submitted by M&B, as to evasion of AD/CVD duties by N&M Hangers, Direco, PNJ Import, LGA Trading, Chungwha, WHL International, Wah Hing Lee, SK Supply, KS Supply, and Leco Supply.⁷ M&B alleges that information available to it reasonably suggests N&M Hangers,

“EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: Direco International LLC,” dated October 2, 2019 (Direco Allegation); Letter from M&B, “EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: PNJ Import, Inc.,” dated October 2, 2019 (PNJ Import Allegation); Letter from M&B, “EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: LGA Trading Inc.,” dated October 2, 2019 (LGA Trading Allegation); Letter from M&B, “EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: Chungwha Prince Group Corporation,” dated October 2, 2019 (Chungwha Allegation); Letter from M&B, “EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: WHL International Inc.,” dated October 2, 2019 (WHL International Allegation); Letter from M&B, “EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: Wah Hing Lee Investment, Inc.,” dated October 2, 2019 (Wah Hing Lee Allegation); Letter from M&B, “EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: SK Supply Corp.,” dated October 2, 2019 (SK Supply Allegation); Letter from M&B, “EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: KS Supply,” dated October 2, 2019 (KS Supply Allegation); and Letter from M&B, “EAPA Duty Evasion Allegation concerning Steel Wire Garment Hangers Imported from Laos—Importer: Leco Supply,” dated October 2, 2019 (Leco Supply Allegation).

⁴ See October 3, 2019, Receipt Notification Emails to Kimberly Young and Frederick Waite of Vorys, Sater, Seymour, and Pease LLP for EAPA Allegations 7357 (N&M Hangers), 7358 (Direco), 7359 (PNJ Import), 7361 (LGA Trading), 7362 (Chungwha), 7364 (WHL International), 7365 (Wah Hing Lee), 7368 (SK Supply), 7369 (KS Supply), and 7370 (Leco Supply), respectively.

⁵ See 19 CFR 165.2.

⁶ *Id.*

⁷ See Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7357 – N&M Hangers LLC,” dated October 25, 2019 (N&M Hangers Initiation); Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7358 – Direco International LLC,” dated October 25, 2019 (Direco Initiation); Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7359 – PNJ Import, Inc.,” dated October 25, 2019 (PNJ Import Initiation); Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7361 – LGA Trading Inc.,” dated October 25, 2019 (LGA Trading Initiation); Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7362 – Chungwha Prince Group Corporation,” dated October 25, 2019 (Chungwha Initiation); Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7364 – WHL International Inc.,” dated October 25, 2019 (WHL International Initiation); Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7365 – Wah Hing Lee Investment, Inc.,” dated October 25, 2019 (Wah Hing Lee Initiation);

Direco, PNJ Import, LGA Trading, Chungwha, WHL International, Wah Hing Lee, SK Supply, KS Supply, and Leco Supply evaded the *Vietnam AD* and *CVD Orders* by importing hangers transshipped through Laos People’s Democratic Republic (Laos).⁸

M&B alleges that Truong Hong Development Multidisciplinary Group Ltd. (Truong Hong) shipped hangers to N&M Hangers from Laos.⁹ Truong Hong, formerly known as Truong Hong Lao-Viet Joint Stock Company, was formed in Laos in 2008 by Dung Xuan Toan, a Vietnamese national who is also the current manager/director of Truong Hong.¹⁰ M&B asserts that, according to its business registration documents, Truong Hong’s four main business activities include construction, trading services, industrial crops, and export of wood products. M&B notes that, under “trading services,” Truong Hong’s website specifies “hangers of clothing exports”—but does not claim to produce or manufacture hangers.¹¹

M&B alleges while Truong Hong manufactures some hangers, it does not have the production capacity to manufacture the volume of hangers it currently exports to the United States.¹² M&B asserts information obtained by its foreign market researcher indicates that Truong Hong’s business location in Laos only employs [] workers during the day and []¹³ The facility has [] forming machines but only [] of the machines are []¹⁴ M&B states that the facility produces [] container of hangers per month on average, and that a container holds [] cartons of hangers.¹⁵ According to *Datamyne*, Truong Hong was responsible for shipping 376 containers of hangers from Laos to the United States between July 2018 and June 2019—an average of 30 containers per month.¹⁶ M&B estimates that Truong Hong would need [] machines for a [] work week to produce at the reported volumes of hangers shipped from Laos to the United States.¹⁷ To support its allegation of transshipment further, M&B submitted trade data it obtained from USITC Dataweb indicating that Vietnam accounted for 487 million hangers imported into the United States in 2012.¹⁸ Shipments of hangers from Laos to the United States increased just as imports from Vietnam decreased significantly. Imports from China increased from 934 million

Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7368 – SK Supply Corp.,” dated October 25, 2019 (SK Supply Initiation); Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7369 – KS Supply,” dated October 25, 2019 (KS Supply Initiation); and Memorandum to Regina Walton, Acting Director, Enforcement Operations Division, “Initiation of Investigation for EAPA Case Number 7370 – Leco Supply,” dated October 25, 2019 (Leco Supply Initiation).

⁸ See N&M Hangers Allegation, Direco Allegation, PNJ Import Allegation, LGA Trading Allegation, Chungwha Allegation, WHL International Allegation, Wah Hing Lee Allegation, SK Supply Allegation, KS Supply Allegation, and Leco Supply Allegation.

⁹ See N&M Hangers Allegation at 3. Because the nature of the evidence submitted by M&B is identical across all ten allegations, the summary from the N&M Hangers Allegation is representative of all ten allegations.

¹⁰ *Id.* at 5 and Exhibit 4.

¹¹ *Id.* at 6 and Exhibits 4 and 5.

¹² *Id.* at 7.

¹³ *Id.* at 7 and Exhibit 4.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.* at 7 and Exhibit 6.

¹⁷ *Id.* at 8 and Exhibit 7.

¹⁸ *Id.* at 4 and Exhibit 3.

hangers in 2012 to over 1 billion hangers in 2013 and then dropped to 637 million in 2014 and just 95 million in 2015. By 2018, imports from China had fallen to just 26 million and imports from Vietnam were less than 2 million, but imports from Laos had surged to 266 million hangers.¹⁹ Based on these general import trends, the high dumping rates imposed on Vietnamese and Chinese hangers resulting from AD/CVD orders, and the affirmative duty evasion findings in two previous EAPA investigations involving Chinese hangers being transshipped from Thailand and Malaysia,²⁰ M&B asserts that the significant increase in imports of hangers from Laos was likely due to transshipping of Vietnamese and/or Chinese hangers to avoid applicable antidumping and countervailing duties.

Initiation Assessment

TRLED 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.”²¹ 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 covered merchandise.”²² Thus, the allegation must reasonably suggest not only that merchandise subject to an AD and/or CVD 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 AD and/or CVD cash deposits or other security.

The allegations pertaining to all ten importers contained identical types of evidence and reasonably suggest that covered merchandise has entered into the customs territory of the United States by means of evasion, and that N&M Hangers, Direco, PNJ Import, LGA Trading, Chungwha, WHL International, Wah Hing Lee, SK Supply, KS Supply, and Leco Supply may have been importing such merchandise. The market research report, Truong Hong’s corporate registration giving no indication of manufacturing metal products, and M&B’s estimates on necessary production equipment/labor to achieve Truong Hong’s export capacity reasonably suggest that Truong Hong’s facility in Laos is incapable of manufacturing hangers at the reported volumes of exports from Laos to the United States. These items, combined with the surge in Laotian hangers exports to the United States and the trade data showing the Importers source their U.S. imports from Truong Hong, reasonably suggest that the Importers may be transshipping Vietnamese-origin hangers through Laos to the United States. Consequently, TRLED initiated investigations pursuant to 19 USC 1517 (b)(1) and 19 CFR 165.15.²³

¹⁹ *Id.*

²⁰ See EAPA Case Number 15135/7175: Eastern Trading NY Inc. (August 14, 2017) and EAPA Consolidated Case Number: 7191 (March 15, 2018).

²¹ See 19 CFR 165.15(b); see also 19 USC 1517(b)(1).

²² See 19 CFR 165.1; see also 19 USC 1517(a)(5)(A).

²³ See N&M Hangers Initiation, Direco Initiation, PNJ Import Initiation, LGA Trading Initiation, Chungwha Initiation, WHL International Initiation, Wah Hing Lee Initiation, SK Supply Initiation, KS Supply Initiation, and Leco Supply Initiation.

Interim Measures

Not later than 90 calendar days after initiating an investigation under EAPA, TRLED will decide based on the record of the investigation if there is reasonable suspicion that merchandise covered by the AD/CVD orders was entered into the United States through evasion. If reasonable suspicion exists, CBP will impose interim measures pursuant to 19 USC 1517(e) and 19 CFR 165.24. As explained below, CBP is imposing interim measures because there is reasonable suspicion that N&M Hangers, Direco, PNJ Import, LGA Trading, Chungwha, WHL International, Wah Hing Lee, SK Supply, KS Supply, and Leco Supply entered covered merchandise into the customs territory of the United States through evasion by means of transshipment through Laos.²⁴

CF-28 Responses and Analysis

On November 4, 5, and 6, 2019, as part of the EAPA investigation process, CBP issued a CBP Form 28, Request for Information (CF-28) to all ten importers. CBP requested each importer to demonstrate the production process from raw material inputs to the finished product with supporting documentation: invoices for all raw materials, including mill test certification from wire supplier and/or manufacturer; transportation documents from manufacturer of wire to Truong Hong; factory production records including stamped time cards; description of all equipment used in the production of hangers; and the corporate history of the manufacturer, Truong Hong.

N&M Hangers

CBP issued a CF-28 Request of Information to N&M Hangers requesting information on entry number []6276 with an entry date of []. N&M Hangers' CF-28 response includes purchase invoices for [], [] and []; a list of one month's payroll; certificate of origin issued by the [] dated []; and a production capacity summary.²⁵

We note the following discrepancies. The production capacity summary in N&M Hangers' response indicates Truong Hong has [] machines in the [] section,²⁶ while Direco's CF-28 response stated that there are [] machines are in the [] section.²⁷ The production capacity summary in N&M Hangers' response indicates [] people in the [] section, while the monthly payroll for workers in [] section lists [] people. The discrepancies, while minor, cast doubt on the accuracy of the information that Direco and N&M Hangers have provided. ASEAN customs declaration for [] with a diameter of [] dated [] and []

²⁴ See 19 CFR 165.24(a).

²⁵ See N&M Hanger's CF-28 Response dated November 22, 2019.

²⁶ See *Id.*

²⁷ See Direco's CF-28 Response dated December 2019.

[] dated [] are duplicated in Direco's CF-28 response and several other importers as noted below.²⁸

An analysis of CBP data indicates that while N&M Hangers' had imports of HTS [] from [] through [] from Truong Hong with country of origin Laos, the company also had imports of [] pieces of hangers from Truong Hong with country of origin Vietnam in [].

Direco

In response to CBP's CF-28, Direco provided information on entry number []8129 with date of entry [] on December 8, 2019.²⁹ We note the following discrepancies. In its CF-28 response at Exhibit 3, Direco submitted Truong Hong's list of equipment dated [] listing a total of [] pieces of equipment and indicating that approximately [] workers are utilized in the production process as of June 1, 2019. At Exhibit 6 of its CF-28 response, Direco provided an introduction letter from Truong Hong dated [] that the company has been producing steel wire garment hangers since []. However, the foreign market research in M&B's allegation, indicated that Truong Hong was incorporated [].³⁰ The foreign market research included a description of a site visit conducted on behalf of M&B. The researcher observed that only [] employees were working during [], and while there were [] on site, only [] machines were in use at the time.³¹ The foreign market research stated that [] that the monthly output of Truong Hong's facility was approximately []. This is in stark contrast to the truck bill provided in Direco's CF-28 response, which indicates that [] – 40 foot containers were transported from the facility during the month of [].³² As noted below, information provided by several other importers has similar discrepancies.

An analysis of CBP data indicates that Direco imported HTS [], [] through [] from Truong Hong with country of origin Laos, but the company also had imports with country of origin Vietnam from Truong Hong during that period. Specifically, Direco imported [] pieces in [], [] pieces in [], and [] pieces in [].

PNJ Import

In response to the CF-28, PNJ Import provided information on entry number []6205 with date of entry [] on November 25, 2019.³³ PNJ Import submitted the ASEAN

²⁸ See *Id.*

²⁹ *Id.*

³⁰ See Direco Allegation at Exhibit 4. See also the allegations of the nine importers at Exhibit 4.

³¹ *Id.*

³² See Direco's CF-28 Response at Exhibit 4. See also N&M Hangers' CF-28 Response, the truck bill lists [], PNJ Import's CF-28 Response the truck bill lists [], LGA International's CF-28 Response dated November 25, 2019, the truck bill lists [].

³³ See PNJ Import's CF-28 Response dated November 25, 2019.

custom declaration for [] dated [] and [] dated []. These documents are identical to those submitted by N&M Hangers and Direco.³⁴ PNJ Import submitted copies of the list for monthly payroll for workers in the [] dated [], which are identical to those found in Direco's CF-28 response.³⁵ PNJ Import failed to provide transportation documents, container load plans, factory production records, a description of all equipment and production capacity, and any corporate information of the manufacturer.

CBP data indicates that PNJ Imports imported HTS [] and HTS [] from [] through [] from Truong Hong with country of origin Laos, and also imported from [] with the country of origin Vietnam, *i.e.*, [] pieces in [] and [] pieces in [].

LGA Trading

CBP requested information from LGA Trading on entry number []4422 with date of entry []. LGA Trading submitted its response on November 22, 2019.³⁶ LGA Trading provided an ASEAN customs declaration for steel wire hangers dated [] but it failed to provide sales documentation, such as purchase orders, invoices, and payments to Truong Hong. The importer provided the monthly payroll list for Truong Hong's [], all dated []. However, the production of the hangers allegedly took place during the month of []. LGA Trading failed to provide documentation for raw material purchases, transportation documents such as bill of lading, factory production records, description and inventory of equipment, and a description of the manufacturer's corporate history.

Chungwha

CBP requested information from Chungwha on entry number []4239 with date of entry []. Chungwha provided an ASEAN customs declaration for steel wire hangers dated [] but failed to provide any sales documentation, *e.g.*, purchase orders, invoices, and payments to Truong Hong. Chungwha also submitted an ASEAN customs declaration for [] dated [] and [] dated []. The importer provided the monthly payroll list for the [], all dated []. However, the production of the hangers allegedly took place during the month of []. Chungwha failed to provide transportation documents such as bill of lading, container load plans, factory production records, and a description and inventory of equipment, and a description of the manufacturer's corporate history.³⁷

³⁴ See N&M Hanger's CF-28 Response and Direco's CF-28 Response.

³⁵ See Direco's CF-28 Response at Exhibit 4.

³⁶ See LGA Trading's CF-28 Response dated November 22, 2019.

³⁷ See Chungwha's CF-28 Response dated November 06, 2019.

CBP data shows Chungwha had imports of HTS [] from Truong Hong with country of origin Laos from [] through [], however it also had imports of HTS [] from Truong Hong with country of origin Vietnam, *i.e.*, [] pieces in [] and [] pieces in [].

WHL International

CBP requested information from WHL International on entry number []9886 with date of entry []. WHL International submitted its response on November 28, 2019.³⁸ WHL International provided similar documentation as the other importers did, *i.e.*, ASEAN customs declaration, monthly payroll for various sections of the facility, a truck bill listing [] dated [], certificate of origin, product quality inspection for [] dated [], and bill of lading dated []. CBP issued a follow-up request asking for an explanation on discrepancies on the product quality-inspection documents. Specifically, the product quality-inspection document was for [], while the ASEAN customs declaration was for a steel product that has different grade [] that Truong Hong purchased from [] listed as HTS [].³⁹ CBP also requested that WHL explain the difference between the wire transfer amount of [] and the entered value on the Form 7501 and invoice [].

WHL International provided a partial response on December 12, 2019, stating that the wrong product quality inspection document was sent and the actual grade for the [] and that it would request the correct certificate from the manufacturer.⁴⁰ As of this notification, CBP has not received the corrected certificate. Additionally, a bill of lading included in the WHL Supplemental Response had a different date than the bill of lading WHL submitted in its Initial Response. The “shipped on board” date is [] on the bill of lading in WHL Initial Response, but the “shipped on board” date is now [] on the bill of lading in the WHL Supplemental Response. To explain the discrepancy in its declaration of value, WHL provided a debit note with ocean freight charges for []; however, WHL International did not explain the connection between the debit note, ocean freight charge, and the original documentation. As with the original request for production records, the WHL Supplemental Response is deficient and does not provide all of the requested information.

Wah Hing Lee

CBP requested information from Wah Hing Ling for entry number []0173 with an entry date of []. Wah Hing Lee submitted a response on November 30, 2019.⁴¹ Similar to responses from other importers, Wah Hing Lee provided ASEAN customs declarations for

³⁸ See WHL International’s CF-28 Response dated November 28, 2019 (WHL Initial Response).

³⁹ *Id.*

⁴⁰ See WHL International’s supplemental CF-28 Response dated December 19, 2019 (WHL Supplemental Response).

⁴¹ See Wah Hing Lee’s CF-28 Response dated November 30, 2019.

steel wire hangers dated [], [] dated [], [] dated [], certificate of origin, and a list of the monthly payroll for various sections dated []. Like WHL International, Wah Hing Lee submitted a production quality-inspection certificate for [] dated [], a different steel product, with different grade.⁴² Also, the introduction letter provided by [], the General Director of Truong Hong dated [] is not current.

CBP data indicates Wah Hing Lee imported HTS [] from Truong Hong with country of origin Laos from [] through [], and also imported HTS [] from Truong Hong with country of origin Vietnam, *i.e.*, [] pieces in [].

SK Supply

CBP requested information from SK Supply for entry number []9799 with an entry date of []. SK Supply submitted a response pertaining to KS Supply on December 4, 2019.⁴³ SK Supply failed to respond to CBP's request with respect to entry number []9799.

KS Supply

CBP requested information for entry number []0265 with an entry date of []. KS Supply submitted a response on December 4, 2019. KS Supply provided similar documentation as other importers such as ASEAN customs declaration for steel wire hangers, [], [], certificate of origin, and the payroll for various work sections dated []. KS Supply failed to provide mill test certificates for raw materials, sales documentation such as purchase order, invoices, and full production records such as work orders, description of production equipment, transportation documents, bill of lading, container load plans, and corporate history of manufacturer.

Leco Supply

CBP requested from Leco Supply information for entry number []8400 date of entry []. Leco Supply submitted its response on December 2, 2019.⁴⁴ Leco Supply provided similar documentation as other importers such as ASEAN customs declaration for steel wire hangers, [], [], certificate of origin, and the payroll for various work sections dated []. Leco Supply failed to provide mill test certificates for raw materials, sales documentation such as purchase order, invoices, and full production records such as work orders, description of production equipment, transportation documents, bill of lading, container load plans, and corporate history of manufacturer.

Other Record Evidence

⁴² *Id.*

⁴³ See SK Supply's CF-28 Response dated December 4, 2019.

⁴⁴ See Leco Supply's CF-28 Response dated December 2, 2019.

An analysis of CBP data indicates there is a general pattern of import behavior from the ten importers that supports M&B’s allegation. As each successive AD/CVD order was implemented, the importers shifted the importation of hangers to a different country. In [], the Importers imported approximately \$[] and [] hangers from China. The *China AD Order*⁴⁵ was published on October 6, 2008, and that year the Importers imported approximately \$[] and [] pieces of hangers from Vietnam, while previously the Importers had [] imported hangers from Vietnam. Similarly, the Importers shifted to Laos before the *Vietnam AD* and *CVD Orders* were published on February 5, 2013. In 2012, the Importers imported \$[] and [] pieces of hangers claiming the country of origin Laos, [].⁴⁶

In its CF-28 responses, Direco submitted a letter of introduction from Truong Hong dated [], stating that the factory has the capacity to produce [] containers of hangers per month.⁴⁷ According to CBP’s estimates, [] containers a month equates to approximately [] pieces of hangers a month, [] pieces of hangers a year.⁴⁸ CBP data indicates that the Importers imported from Truong Hong with country of origin Laos, [] pieces of hangers in 2014, [] pieces in 2015, [] pieces in 2016, [] pieces in 2017, [] in 2018, and [] pieces in 2019. The Importers imported more than Truong Hong’s alleged capacity by [] percent in 2014, [] percent in 2015, [] percent in 2016, [] percent in 2017, [] percent in 2018, and [] percent in 2019.⁴⁹

[

]. As of this notification, [

].⁵⁰

In summary, CBP was unable to corroborate the Importers’ claims that the hangers they imported were manufactured in Laos. As discussed above, the Importers submitted documents with multiple deficiencies in their CF-28 responses.

Enactment of Interim Measures

Because of the reasons stated above, TRLED finds that reasonable suspicion exists that the hangers that the Importers imported into the United States from Laos were manufactured in Vietnam. Each of the importer’s failure to submit information to CBP demonstrating that the merchandise was

⁴⁵ See *Notice of Antidumping Duty Order: Steel Wire Garment Hangers from the People’s Republic of China*, 73 FR 58111 (October 6, 2008) (*China AD Order*).

⁴⁶ U.S. Department of Commerce published its preliminary finding on August 2012. See *Steel Wire Garment Hangers From the Socialist Republic of Vietnam: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 77 FR 46044 (August 2, 2012).

⁴⁷ See Direco’s CF-28 Response at Exhibit 6.

⁴⁸ According to the documents the Importers submitted, one []; therefore, as a sample, Direco’s invoice of [] pieces multiplied by [] containers equals [] pieces per month. See *Id.* at Exhibit 2.

⁴⁹ See CBP data.

⁵⁰ See Memorandum to the File, “Additional Information,” dated January 27, 2020.

produced in Laos, combined with the information provided by the allegor and CBP data regarding the Importers' import trends, creates an objective basis for CBP to reasonably conclude that the hangers imported by each importer into the United States were produced in Vietnam, and thus are subject to AD/CVD duties.

As interim measures, CBP is directing all unliquidated entries subject to this investigation be rate-adjusted in accordance with the AD/CVD order on hangers from Vietnam and that AD/CVD cash deposits are owed. Additionally, "live entry" will be required for all future imports by N&M Hangers, Direco, PNJ Import, LGA Trading, Chungwha, WHL International, Wah Hing Lee, SK Supply, KS Supply, and Leco Supply of covered merchandise, meaning that all entry documents and duties must be provided before cargo is released by CBP into U.S. commerce. CBP will reject any entry summaries that do not comply with live entry and require refiling of entries that are within the entry summary rejection period; suspend the liquidation for any entry that has entered on or after October 25, 2019, the date of initiation for the investigation incorporated into this consolidated investigation (*see below*); and extend the period for liquidation for all unliquidated entries that entered before that date.⁵¹ CBP will also evaluate the continuous bonds for N&M Hangers, Direco, PNJ Import, LGA Trading, Chungwha, WHL International, Wah Hing Lee, SK Supply, KS Supply, and Leco Supply to determine their sufficiency, among other measures, as needed. Finally, CBP may pursue additional enforcement actions, as provided by law, consistent with 19 USC 1517(h).

Consolidation of the Investigations

TRLED is consolidating the ten investigations on N&M Hangers, Direco, PNJ Import, LGA Trading, Chungwha, WHL International, Wah Hing Lee, SK Supply, KS Supply, and Leco Supply into a single investigation covering all ten importers. The new consolidated case number will be EAPA Consolidated Case No. 7357, 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 CFR 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 of entries of covered merchandise.

In these investigations, all ten importers are alleged to have entered suspected Vietnamese-origin hangers from Vietnam, covered by the same AD/CVD order. The entries for the importers in question fall within a common period of investigation. Moreover, all ten importers have a single common manufacturer/exporter. Because factors warranting consolidation are present in these investigations, CBP is consolidating them and providing this notice pursuant to 19 CFR 165.13(c). We note that the deadlines for the consolidated investigation will be set from the date of initiation of all of the allegations, which is October 25, 2019.⁵²

For any future submissions or factual information to CBP pursuant to this consolidated EAPA investigation, please provide a business confidential version and public version to CBP. In addition,

⁵¹ See 19 CFR 165.24(b)(1)(i) and (ii).

⁵² See, e.g., 19 CFR 165.13(a).

please also provide a public version to the email addresses of the parties identified at the top of this notice.⁵³

Should you have any questions regarding this investigation, please feel free to contact us at eapallegations@cbp.dhs.gov. Please include “EAPA Cons. Case Number 7357” in the subject line of your email. Additional information on this investigation, including the applicable statute and regulations, may be found on CBP’s EAPA website, <https://www.cbp.gov/trade/trade-enforcement/tftea/enforce-and-protect-act-eapa>.

Sincerely,

Victoria Cho

Victoria Cho
Acting Director, Enforcement Operations Division
Trade Remedy & Law Enforcement Directorate
CBP Office of Trade

⁵³ See 19 CFR 165.4, 165.23(c), and 165.26.