



U.S. Customs and
Border Protection

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VIA EMAIL

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RE: Notice of Initiation of Investigation Taken as to Tiana International LLC concerning Evasion of the Antidumping and Countervailing Duty Orders on Glycine from the People's Republic of China - EAPA Case Number 7395

Dear Counsel and/or Representatives for 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), for Tiana International LLC (Tiana International). CBP is investigating whether Tiana International has evaded the antidumping duty (AD) order A-570-836¹ on glycine from the People's Republic of

¹ See *Glycine from the People's Republic of China: Antidumping Duty Order*, 60 Fed. Reg. 16,116 (Dep't Commerce, Mar. 29, 1995). The scope of the AD order covers glycine of all purity levels. In a 2002 scope ruling, the Department of Commerce ("Commerce") determined that all glycine further processed or "purified" from Chinese-origin technical grade, or "crude," glycine in a third country and exported to the United States is subject to the AD order on glycine from China. Based on Commerce's determination, glycine of any purity level originating from China is subject to the AD order. Furthermore, refining or further processing in a third country of glycine of any purity level originating from China will not exclude the merchandise from the AD order. See Memorandum from Barbara E. Tillman to Joseph A. Spetrini, Deputy Assistant Secretary for Import Administration, "Final Scope Ruling; Antidumping Duty Order on Glycine from the People's Republic of China (A-570-836); (Watson Industries Inc.);" (May 3, 2002).

China (China) and the countervailing duty (CVD) order C-570-081² on glycine from China. Because evidence reasonably suggests that Tiana International entered covered merchandise for consumption into the customs territory of the United States through evasion, CBP is issuing a formal notice of investigation.

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 before the receipt of an allegation....” Entry is defined as an “entry, or withdrawal from warehouse for consumption, of merchandise in the customs territory of the United States.”³ CBP acknowledged receipt of the properly filed EAPA allegation against Tiana International on November 27, 2019.⁴ The entries covered by the investigation are those entered for consumption, or withdrawn from warehouse for consumption, from November 27, 2018 through the pendency of this investigation.⁵

Initiation

Pursuant to 19 CFR 165.15(a), the Trade Remedy Law Enforcement Directorate (TRLED) within CBP’s Office of Trade initiated an investigation under EAPA on December 18, 2019, based on an allegation submitted by GEO Specialty Chemicals, Inc. (GEO) concerning evasion of AD and CVD duties by Tiana International.⁶ GEO, a manufacturer of glycine in the United States, alleges that Tiana International evaded AD order A-570-836 and CVD order C-570-081 by importing into the United States Chinese-origin glycine that was transshipped through India.⁷ Specifically, GEO alleges that Tiana International is transshipping Chinese glycine through India through two Indian suppliers, Studio Disrupt and Kumar Industries, and their respective affiliates. Below is a detailed description of the two transshipment schemes.

Transshipment Channel One

GEO alleges that during the past year, Indian company Crest Remedies imported glycine from various Chinese glycine producers into India, which a related company, Studio Disrupt, then exported as Indian-origin glycine to Tiana International.⁸ To support its assertion, GEO provides Indian import data from [] showing Crest Remedies’ imports into India of glycine from China and U.S. import data from [] demonstrating Studio Disrupt’s exports of

² See *Glycine from India and the People’s Republic of China: Countervailing Duty Orders*, 84 Fed. Reg. 29,173 (Dep’t Commerce, Jun. 21, 2019). The scope of the CVD order covers glycine at any purity level or grade. *Id.*, at 29,174.

³ See 19 USC 1517(a)(4); see also 19 CFR 165.1.

⁴ See email entitled, “Receipt of EAPA Case No. 7395: Allegation of Transshipment of Chinese Glycine through India” (Nov. 27, 2019).

⁵ See 19 CFR 165.2.

⁶ See CBP Memorandum, “Initiation of Investigation for EAPA Case Number 7395” (Dec. 18, 2019) (Initiation).

⁷ See GEO’s EAPA allegation, “Revision of September 11, 2019 Evasion Allegation Against Tiana International LLC Under Title IV, Section 421 of the Trade Facilitation and Trade Enforcement Act” (Nov. 19, 2019) (Allegation). As a U.S. producer of glycine, GEO meets the definition of an interested party that may file an EAPA allegation pursuant to 19 C.F.R. 165.1(2).

⁸ See Allegation at 4-6.

glycine to Tiana International.⁹ GEO maintains that neither Studio Disrupt nor Mulji Mehta, another Indian entity related to both Studio Disrupt and Crest Remedies, is identified as an Indian manufacturer of glycine.¹⁰ Thus, GEO avers that Studio Disrupt must be obtaining glycine from another entity.¹¹

To support the claim that Crest Remedies and Mulji Mehta are affiliated, GEO provides publicly available information showing that one of Crest Remedies' directors, Sanjay Girdharilal Mirani, serves as a director of another Indian company, Antop Hill Warehousing Co. Ltd. (Antop Hill), and is listed as the landlord on a lease with Crest Remedies for an office in the Antop Hill complex.¹² Another director of Antop Hill, Viraj Mehta, is the current chief executive officer (CEO) of Mulji Mehta Pharma.¹³ GEO also submits information obtained by a private investigator establishing that Mulji Mehta has several small administrative offices (approximately 150 to 200 square feet) in the Antop Hill complex where no production or warehousing activities were taking place.¹⁴

The private investigator also reported that Crest Remedies' address in the Antop Hill complex (as listed in the Indian import data from []) is located near several Mulji Mehta offices and consists of a small administrative office (about 400 square feet) where no manufacturing, warehousing, or distribution activities were observed.¹⁵ Since Crest Remedies and Mulji Mehta maintain offices in the Antop Hill complex and the directors of both companies serve as directors of Antop Hill, GEO alleges that the two companies are not operating independently. Rather, GEO contends that Crest Remedies and Mulji Mehta are colluding to transship Chinese glycine through India to the United States to evade AD/CVD duties, based on the large volumes of glycine imported into, and exported to the United States from, the Antop Hill complex.

Regarding affiliation between Studio Disrupt and Mulji Mehta, GEO avers that publicly available information indicates that Studio Disrupt is headed by Viraj Mehta (the CEO of Mulji Mehta Pharma) and has the same address in the Antop Hill complex as one of the Mulji Mehta companies.¹⁶ In addition, GEO submits information obtained by a private investigator, who visited the address listed for Studio Disrupt in the [] data (which differs from the Antop Hill address) and found that it is an apartment located in a residential area with no manufacturing facilities.¹⁷ According to GEO, this is evidence that Studio Disrupt operates out of the same warehousing complex as Crest Remedies and Mulji Mehta, and that Studio Disrupt and Mulji Mehta are affiliated since both companies share the same CEO.

⁹ *Id.* at Exhibits 1-2.

¹⁰ *Id.* at 6-9 and Exhibits 3-4.

¹¹ *Id.* at 7.

¹² *Id.* at 7 and Exhibits 6, 7 and 8.

¹³ *Id.* at 7 and Exhibits 9 and 10.

¹⁴ *Id.* at 7 and Exhibit 11.

¹⁵ *Id.* at 7 and Exhibits 2 and 12.

¹⁶ *Id.* at 8-9 and Exhibit 14.

¹⁷ *Id.* at 8 and Exhibits 1 and 13.

Transshipment Channel Two

GEO alleges that Tiana International also imports glycine from its affiliate, Kumar Industries, an Indian exporter of glycine to the United States.¹⁸ Based on U.S. import data from [], GEO claims that Tiana International imported glycine from Kumar Industries during the past year.¹⁹

GEO argues that the owners of Tiana International and its affiliate Kumar Industries have a long history of involvement in the transshipment of Chinese glycine. In 2012, the Department of Commerce found that two Indian companies had circumvented the AD order on glycine from China.²⁰ GEO asserts that one of those two companies, AICO Laboratories India Ltd. (AICO), was and still appears to be owned in large part by members of the Chopra family, including Amit Bherulal Chopra, Vivek Bherulal Chopra, and Bherulal Lalchand Chopra.²¹ GEO avers that members of the Chopra family are now involved in Tiana International and Kumar Industries: Amit Chopra heads Tiana International, Vivek Chopra is the CEO of Kumar Industries and Bherulal Chopra is Kumar Industries' original founder.²² GEO contends that Kumar Industries is also affiliated with Rakon Industries, which previously imported Chinese glycine into India, and Rudraa International, an Indian company that exports glycine to the United States.²³

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.”²⁴ 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.”²⁵ 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.

In assessing the totality of circumstances and evidence provided in the allegation, TRLED found that the allegation reasonably suggests that Tiana International has engaged in attempts to evade AD order A-570-836 and CVD order C-570-081. First, information in the allegation reasonably suggests that Tiana International imported glycine into the United States from Studio Disrupt, an Indian company that does not appear to be a manufacturer of glycine, but rather, part of scheme to transship Chinese glycine through India for export to the United States. The relevant

¹⁸ *Id.* at 9 and Exhibit 20.

¹⁹ *Id.* at Exhibit 21.

²⁰ *Id.* at 9, citing *Glycine From the People's Republic of China: Final Partial Affirmative Determination of Circumvention of the Antidumping Duty Order*, 77 Fed. Reg. 73,426 (Dec. 10, 2012).

²¹ *Id.* at 9 and Exhibit 18

²² *Id.* at 9 and Exhibits 19, 22 and 23.

²³ *Id.* at 9-10 and Exhibits 16, 20, 24, 25, and 26.

²⁴ See 19 USC 1517(b)(1); see also 19 CFR 165.15(b).

²⁵ See 19 CFR 165.1 (setting forth the definition of “evasion”); see also 19 USC 1517(a)(5)(A).

information includes: Crest Remedies' imports of glycine into India from various Chinese manufacturers; overlapping directorships between Crest Remedies and Mulji Mehta and between Mulji Mehta and Studio Disrupt; the fact that Crest Remedies, Mulji Mehta, and Studio Disrupt maintain offices in the same complex, yet none of these offices is large enough to be a glycine manufacturing site or to store the volume of Crest Remedies' imports of Chinese glycine; and Studio Disrupt's address (as listed in the U.S. import data) is an apartment located in a residential area with no manufacturing facilities. Second, information in the allegation reasonably suggests that Tiana International also imported glycine into the United States from its affiliate Kumar Industries, which, in turn, is affiliated with another Indian company, AICO, that previously was found to have circumvented the AD order on glycine from China. Therefore, TRLED concluded that the allegation reasonably suggests that Tiana International may have entered covered merchandise into the customs territory of the United States by means of evasion. Consequently, TRLED initiated an investigation pursuant to 19 USC 1517(b)(1).²⁶

CF-28 Responses

After initiation of this EAPA investigation, CBP issued Customs Form 28 (CF-28) to Tiana International for an entry made during the period of investigation of glycine shipped from India by Kumar Industries.²⁷ Tiana International responded to the CF-28 on February 21, 2020.²⁸ Subsequently, CBP issued a follow-up CF-28 to Tiana International to obtain additional information related to the production of the imported glycine.²⁹ Tiana International's response to the follow-up CF-28 is due on March 24, 2020.

CBP also reviewed information provided by Tiana International in response to a CF-28 for another entry made during the period of investigation of glycine exported from India by Studio Disrupt.³⁰ In an email accompanying its response, Tiana International stated that the manufacturer, [REDACTED], "refused to provide time cards of workers and plant photographs due to confidential nature of information.... Hence they are not willing to share these details."³¹

Other Information Reviewed by CBP

CBP obtained information independently confirming that the address listed for Studio Disrupt in the [REDACTED] and visited by a private investigator (as per the allegation)³² is for a building in a residential area, and no business named Studio Disrupt could be traced to that area.³³

²⁶ See Initiation.

²⁷ See CF-28 issued to Tiana International for entry number [REDACTED] 6017 (Jan. 14, 2020).

²⁸ See Tiana International's CF-28 Response for entry number [REDACTED] 6017 (Feb. 21, 2020).

²⁹ See Follow-up CF-28 issued to Tiana International for entry number [REDACTED] 6017 (Mar. 2, 2020).

³⁰ See CF-28 issued to Tiana International for entry number [REDACTED] 6944 (May 1, 2019); Tiana International's CF-28 Response for entry number [REDACTED] 6944 (May 28, 2019); CBP Form 29 issued to Tiana International for entry number [REDACTED] 6944 (Jul. 2, 2019); and Tiana International's Follow-Up Response for entry number [REDACTED] 6944 (Aug. 19, 2019).

³¹ See Tiana International Follow-Up Response for entry number [REDACTED] 6944 (Aug. 19, 2019).

³² See Allegation at 8 and Exhibits 1 and 13.

³³ See email from U.S. Government Officials (containing photographs and supplemental information) (Sep. 6, 2019).

Notice of Investigation

According to 19 CFR 165.15(d)(1), CBP will issue notification of its decision to initiate an investigation to all parties to the investigation no later than 95 calendar days after the decision has been made, and the actual date of initiation will be specified therein. Based on the information described herein, TRLED has initiated an investigation concerning the evasion of the AD and CVD orders on glycine from China (A-570-836 and C-570-081, respectively). The information in the allegation, coupled with the lack of certain production information from one of Tiana International's Indian suppliers of glycine and information indicating that Studio Disrupt does not appear to be legitimate business, all reasonably suggest that Tiana International entered covered merchandise for consumption into the customs territory of the United States through evasion, and thus, such covered merchandise should have been subject to the applicable AD and CVD duties on glycine from China. If, during this investigation, CBP determines that substantial evidence of evasion exists, CBP will take appropriate measures to protect the revenue.

For any future submissions or factual information that you submit to CBP pursuant to this EAPA investigation, please provide a public version to CBP, as well as to David M. Schwartz, counsel to GEO, at David.Schwartz@ThompsonHine.com, and Tiana International LLC, at purchase@tianainternational.com. See 19 CFR 165.4, 165.23(c), and 165.26.

Should you have any questions regarding this investigation, please feel free to contact us at eapallegations@cbp.dhs.gov. Please include "EAPA Case Number 7395" in the subject line of your email. Additional information on this investigation, including the applicable statute and regulations, may be found on CBP's website at: <https://www.cbp.gov/trade/trade-enforcement/tftea/enforce-and-protect-act-eapa>.

Sincerely,



Brian M. Hoxie
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CBP Office of Trade