



**U.S. Customs and
Border Protection**

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PUBLIC VERSION

EAPA Case: 7455

Lizbeth R. Levinson
Brittany R. Powell
On behalf of Lino International Inc.
Fox Rothschild LLP
1030 15th Street NW, Suite 380 East
Washington, DC 20005

Nicholas J. Birch
On behalf of the Cast Iron Soil Pipe Institute
Schagrin Associates
900 Seventh Street NW, Suite 500
Washington, DC 20001

Re: Notice of Determination as to Evasion

Dear Ms. Levinson, Ms. Powell, and Mr. Birch:

Pursuant to an examination of the record in Enforce and Protect Act (EAPA) investigation 7455, U.S. Customs and Border Protection (CBP) has determined that there is substantial evidence that Lino International Inc. (Lino) entered merchandise covered by antidumping (AD) and countervailing (CVD) duty orders A-570-062 and C-570-063 into the customs territory of the United States through evasion.¹ Substantial evidence demonstrates that Lino imported cast iron soil pipe fittings (fittings) from the People's Republic of China (China) into the United States by transshipment through Cambodia. Lino did not declare that the merchandise was subject to the AD/CVD orders upon entry and, as a result, no cash deposits were collected on the merchandise.

Background

On March 9, 2020, the Cast Iron Soil Pipe Institute (the Alleger), a business association of domestic producers of covered merchandise, submitted an allegation to CBP that Lino was evading the AD/CVD orders on fittings from China.² The allegation asserted that Lino was

¹ See *Cast Iron Soil Pipe Fittings from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 83 FR 44570 (August 31, 2018); see also *Cast Iron Soil Pipe Fittings from the People's Republic of China: Countervailing Duty Order*, 83 FR 44566 (August 31, 2018) (collectively referred to as the AD/CVD Orders).

² See Letter from the Alleger, "Cast Iron Soil Pipe Fittings: Request for an Investigation under the Enforce and Protect Act," dated March 9, 2020 (Allegation); The Alleger's individual members are AB&I Foundry, Charlotte

importing fittings into the United States that were Chinese origin and transshipped through HiCreek Plumbing Co., Ltd. (HiCreek) in Cambodia.³ On March 17, 2020, CBP acknowledged receipt of the allegation filed by the Alleger.⁴

CBP found the information in the allegation reasonably suggested that Lino entered covered merchandise for consumption into the customs territory of the United States through evasion. Consequently, on April 7, 2020, CBP initiated an EAPA investigation pursuant to Title IV, section 421 of the Trade Facilitation and Trade Enforcement Act of 2015.⁵ CBP issued CF-28 questionnaires to Lino concerning certain entries of fittings and requested the corresponding entry and production documentation.⁶ In addition, CBP added several memoranda to the administrative record containing documentation related to Lino and HiCreek.⁷ This information included Lino's entry data and HiCreek's imports into and exports from Cambodia during 2019 and 2020.

After evaluating the information on the record, CBP determined that reasonable suspicion existed that Lino imported fittings into the United States that were transshipped through Cambodia. This information included the timing of HiCreek's establishment by a Chinese producer of fittings, which closely followed the U.S. Department of Commerce's (Commerce) issuance of preliminary AD/CVD duties on fittings from China.⁸ It included the fact that HiCreek's imported "[DESCRIPTION]" under Harmonized Tariff Schedule (HTS) chapter heading [#] from [COUNTRY], which suggested co-mingling of Chinese-origin fittings because they were entered under the same chapter heading. In addition, HiCreek imported many different types of machinery from China in [DATE] and [DATE], which was after it began exporting fittings to the United States in [DATE].⁹ Consequently, on July 13, 2020, CBP issued a notice of initiation of investigation and interim measures to Lino and the Alleger.¹⁰ This

Pipe & Foundry, and Tyler Pipe. Page 4 and Exhibit 10 of the allegation indicate that each of the Alleger's members are U.S. producers of fittings, and thus, meet the definition of an interested party that is permitted to submit an EAPA allegation pursuant to 19 USC 1517(a)(6)(A)(iv), 19 CFR 165.1(4), and 19 CFR 165.11(a).

³ See Allegation at 1, 4, 6-9.

⁴ See 19 CFR 165.12; see also CBP Email, "EAPA 7455: Receipt of EAPA Allegation Pertaining to Alleged Transshipment of Pipe Fittings from China," dated March 17, 2020.

⁵ See 19 USC 1517(b)(1); see also 19 CFR 165.15; see also CBP Memorandum, "Initiation of Investigation for EAPA Case Number 7455 – Lino International Inc.," dated April 7, 2020 (Initiation).

⁶ See CBP Memorandum, "Adding Information to the Administrative Records of EAPA Case 7455," dated August 10, 2020. Prior to the EAPA investigation, CBP requested information on Lino's entry of fittings, entry [#]0578. CBP subsequently placed the corresponding CBP Form 28 (CF-28), dated February 10, 2020, on the record using this memorandum; see also CF-28, dated April 22, 2020. In this CF-28, CBP requested information from Lino on entry [#]0339 see also CF-28, dated April 22, 2020. In this CF-28, CBP requested information from Lino on entry [#]6210.

⁷ See CBP Memorandum, "Adding Information to the Administrative Record of EAPA Case 7455," dated June 18, 2020. This memorandum contained documentation pertaining to entries sent from HiCreek. See also CBP Memorandum, "Adding Information to the Administrative Record of EAPA Case 7455," dated June 29, 2020. This memorandum contained a list of all entries from HiCreek to Lino from March 17, 2019, to June 29, 2020. It also contained a list of HiCreek's imports into and exports from Cambodia during 2019-2020. See also CBP Memorandum, "Adding Information to the Administrative Record of EAPA Case 7455," dated July 10, 2020. This memorandum contained HiCreek export documentation and screenshots of HiCreek's website.

⁸ See Letter from CBP, "Notice of Initiation of Investigation and Interim Measures - EAPA Case 7455," dated July 13, 2020 at 4-8.

⁹ *Id.* at 7-8.

¹⁰ *Id.*

notice informed Lino and the Alleger of the initiation of the investigation and of CBP's decision to impose interim measures based upon a reasonable suspicion of evasion.¹¹ The notice also informed Lino and the Alleger that the entries covered by the investigation are those entered for consumption, or withdrawn from warehouse for consumption, from March 17, 2019, through the pendency of this investigation.¹² As part of interim measures, CBP suspended the liquidation of Lino's entries entered after the initiation of the investigation pursuant to its authority under 19 USC 1517(e).

After CBP issued its notice of initiation and interim measures, officials from the United States Department of Homeland Security (DHS) met with Cambodian Customs officers and with them performed a site inspection of HiCreek's facility in Cambodia on July 29, 2020.¹³ [NAME], also known as "[NAME]," was identified as HiCreek's production manager and then took them on a tour of the facility and answered questions.¹⁴ During the tour, DHS officials observed [#] workers, including [#] Chinese nationals, in the warehouse.¹⁵ In the production area, DHS officials observed machines used to produce fittings, which were unused, dry, and covered in spider webs.¹⁶ [NAME] initially claimed that HiCreek stopped production in [DATE] due to COVID. However, he later claimed that HiCreek stopped production in [DATE].¹⁷ [NAME] said that HiCreek's production is manual and that during production they have [#] workers working five days each week for eight hours per day.¹⁸

Although DHS officials did not observe production of fittings during the site visit, or evidence of recent production, the warehouse contained finished fittings in sealed boxes and unfinished fittings in bags and open crates. DHS officials observed that these boxes were marked "[DESCRIPTION]."¹⁹ [NAME] confirmed that these boxes contained fittings that were shipped from China.²⁰ Correspondingly, some of their labels were marked "Made in China" while other boxes' labels were marked "Made in Cambodia."²¹ DHS officials observed HiCreek's warehouse workers threading, cleaning, and touching up yellow paint on these fittings. [NAME] stated that these fittings were going to be exported to [COUNTRY]. Record evidence later confirmed that HiCreek exported fittings to [COUNTRY].²²

¹¹ *Id.*; see also 19 USC 1517(e); see also 19 CFR 165.24.

¹² See 19 USC 1517(b)(5); see also 19 CFR 165.13; see also 19 CFR 165.2.

¹³ See CBP Memorandum, "Adding Information to the Administrative Records of EAPA Cases 7454-7455," dated September 25, 2020 (Site Visit Report).

¹⁴ *Id.* at Attachment 1.

¹⁵ *Id.*

¹⁶ *Id.* at Attachment 1 and Attachment 2, pages 1, 3-4. For more in-depth information on the production of fittings, see CBP Memorandum, "Adding Information to the Administrative Records of EAPA Cases 7454-7455," dated August 19, 2020 (August 19 Memorandum).

¹⁷ See Site Visit Report at Attachment 1.

¹⁸ *Id.* Manual as opposed to automated. HiCreek's number of workers varied on the record. See e.g. Letter from HiCreek, "HiCreek Request for Information," dated September 21, 2020 (HiCreek RFI).

¹⁹ *Id.* at Attachment 1 and Attachment 2, pages 12-15.

²⁰ *Id.*

²¹ *Id.* The labels in the photographs are in [LANGUAGE] and state "[DESCRIPTION]" and "[DESCRIPTION]."

²² See CBP Memorandum, "Adding Information to the Administrative Records of EAPA Cases 7454-7455," dated November 13, 2020 (November 13 Memorandum) at Attachment 3.

To further investigate the allegations' claims, CBP issued requests for information (RFI) to Lino and HiCreek.²³ In its RFI responses, Lino affirmed that it was registered in the United States in 2003 and is [#] owned by [NAME].²⁴ Lino noted that at the time of its U.S. registration, [NAME] was still living in China and did not move to the United States until 2008.²⁵ In addition to Lino, [NAME] also owns 100 percent of Lino affiliates Lino Metal Corp. (Lino Metal); [COMPANY]; [COMPANY]; and [COMPANY].²⁶ [COMPANY], [COMPANY], and [COMPANY] are all trading companies in China and were established in [YEAR], [YEAR], and [YEAR] respectively.²⁷ [PROCEDURE DESCRIPTION].²⁸

Lino noted that [NAME] established Lino Metal in [YEAR].²⁹ Lino stated that Lino acts as the importer of merchandise and [COMPANY] is the distributor of the merchandise.³⁰

Lino claimed that HiCreek contacted them to introduce themselves and provided pictures of its factory and samples of its products.³¹ Lino claimed that [NAME] spoke to [NAME], also known as [NAME] – whom Lino stated was the [DESCRIPTION] of HiCreek – and then [NAME] traveled to Cambodia to inspect HiCreek's factory in March 2019.³² Lino stated that by the end of [EVENT DESCRIPTION].³³

Lino asserted that [NAME] has never owned any production facilities in Cambodia or China.³⁴ In response, the Alleger submitted information to the record concerning Lino's previous ownership claims of production facilities in China. Some of this information was obtained directly from Linghong Li's LinkedIn profile.³⁵ Her profile listed her position as the "President at Lino International Inc" and stated:

"In 2001, I formed Dalian Metal. We were a manufacturer and supplier of cast iron pipe and fittings with the export capability at 30,000 tons annually. After expanding, I moved to the US and formed the Lino International Corp. based in New York. At Lino International, we have built long term relationships with more than 30 Chinese factories

²³ See Letter from CBP, "Request for Information – Lino International Inc.," dated July 13, 2020; *see also* Letter from CBP, "Request for Information – HiCreek Plumbing Co., Ltd.," dated July 13, 2020.

²⁴ See Letter from Lino, "EAPA Investigation Nos. 7454/7455– Submission of RFI Response," dated August 26, 2020 (Lino RFI) at 4-5; *see also* Letter from Lino, "EAPA Investigation Nos. 7454/7455– Submission of 1st Supp. RFI Response," dated November 3, 2020 (Lino Supplemental RFI) at 1.

²⁵ See Lino Supplemental RFI at 1.

²⁶ See Lino RFI at 11; *see also* Lino Supplemental RFI at 3.

²⁷ See Lino RFI at 15-16; *see also* Lino Supplemental RFI at 7-8 and Exhibit S1-5.

²⁸ See Lino RFI at 15-16.

²⁹ *Id.* at 5.

³⁰ *Id.* at 6, 14.

³¹ *Id.* at 6.

³² *Id.* at 5-6; *see also* Lino Supplemental RFI at 5, 9, and Exhibit S1-2.

³³ See Lino RFI at 7.

³⁴ See Lino Supplemental RFI at 11.

³⁵ See Letter from the Alleger, "EAPA Case Nos. 7454 & 7455, Cast Iron Soil Pipes and Cast Iron Soil Pipe Fittings: Submission of Factual Information," dated September 8, 2020 (Alleger's September 8 Submission) at Exhibit 6.

in plumbing supplies and construction materials.... Contact us at LinoMetal.com to see how we can help you import Chinese plumbing supplies....”³⁶

Lino’s website further specified that Lino owned three Chinese factories and stated:

“For nearly 20 years, Lino International, Inc. has remained a trusted manufacturer of cast iron pipe, fittings, couplings, tubing, tapes, and safety equipment, with headquarters in New York and three plants in China. Our core principle is to provide complete service and support through the process of procurement, manufacturing and logistics.... We utilize the latest technology available, and only the most experienced craftsmen at our factories....”³⁷

The Alleger provided other information corroborating Dalian Metal I/E’s link to Lino. This information included an Alibaba.com screenshot indicating that Dalian Metal I/E was founded in 2001 and that its products include cast iron soil pipes (soil pipes) and fittings.³⁸ The webpage said “Lino” above Dalian Metal I/E’s name and listed Linghong Li in the “To:” area of the “Send message to supplier” section.³⁹ Another website also listed Lino as Dalian Metal I/E’s trade arm and listed Linghong Li as Lino’s Chairman of the Board.⁴⁰

On October 30, 2020, the Alleger submitted questionnaire responses to the record that Dalian Metal I/E and Dalian Lino submitted to Commerce during its AD/CVD proceedings.⁴¹ Dalian Metal I/E’s questionnaire responses affirm that it is an affiliate of Dalian Lino and that both entities are located in Dalian City, Liaoning Province, China.⁴² Dalian Lino’s responses list Linghong Li as its legal representative and refer to its U.S. affiliates [COMPANY] and [COMPANY].⁴³

In its RFI response to CBP, HiCreek asserted that it is located in Bavet City, in Cambodia’s Sunshell International Industrial Park, and is not affiliated with any another producer or with Lino.⁴⁴ HiCreek stated that Qian Zhang, also known as Ellen Zhang, is its general manager and provided documentation indicating that she is from [PLACE] and [VERB] HiCreek in [YEAR].⁴⁵ HiCreek’s documentation indicates that [NAME] is the [DESCRIPTION] owner of HiCreek, which contradicts Lino’s statement that [NAME] is

³⁶ *Id.*

³⁷ *Id.* at Exhibit 8. This screenshot of Lino’s website listed a date of September 8, 2020; therefore, it is recent.

³⁸ *Id.* at Exhibit 7.

³⁹ *Id.*

⁴⁰ *Id.* at Exhibit 5.

⁴¹ See Letter from the Alleger, “EAPA Case Nos. 7454 & 7455, Cast Iron Soil Pipes and Cast Iron Soil Pipe Fittings: Submission of Voluntary Factual Information,” dated October 30, 2020 (Alleger’s Voluntary Factual Information).

⁴² *Id.* at Exhibit 1, page 31, and Exhibit 3, page 31.

⁴³ *Id.* at Exhibit 2, pages 9, 35, 38, and Exhibit 4, pages 10, 37. Linghong Li is listed as the legal representative on a Chinese business license and registration form; see also CBP Memorandum, “Adding Information to the Administrative Records of EAPA Cases 7454-7455,” dated October 27, 2020 (October 27 Memorandum) at Attachment 1, pages 9, 22, and Attachment 2, page 23.

⁴⁴ See HiCreek RFI at Cover Page and at General Information, pages 3-4.

⁴⁵ *Id.* at General Information, page 1; at Company Statute; and at HiCreek Patent 2020; see also Allegation at Exhibits 5 and 7.

HiCreek's owner.⁴⁶ HiCreek's organization chart indicates that [NAME] is the head of HiCreek's finance department, human resources department, and its warehouse.⁴⁷

HiCreek asserted that it produces soil pipes and fittings and can produce [# UNIT] of fittings per month.⁴⁸ HiCreek stated that it produced the fittings from “[EVENT DESCRIPTION]”.⁴⁹ HiCreek stated that it “imported the machinery and equipment, tooling, molds from China” and submitted corresponding Cambodian Customs documents.⁵⁰ HiCreek stated that it had “been importing from [COMPANY]”, which is a Chinese company.⁵¹ HiCreek stated that its relationship with Lino began in [DATE] and that it “has produced and exported the subject merchandise to Lino.”⁵² HiCreek provided invoices, bills of lading, and payment information pertaining to its exports to Lino.⁵³

Because HiCreek did not fully answer several RFI questions, CBP issued a supplemental RFI to HiCreek on October 5, 2020, and asked for a response by October 19, 2020.⁵⁴ On October 15, HiCreek requested an extension of the deadline to respond to the supplemental RFI.⁵⁵ In response, CBP extended the deadline to November 2.⁵⁶ On October 19, HiCreek sent an additional email acknowledging the new deadline and assuring CBP that “We'll provide the documents before the new deadline.”⁵⁷ However, HiCreek did not submit its supplemental RFI response by the new deadline or explain its failure to do so. Therefore, on November 3, CBP reminded HiCreek officials that they did not submit a response by the deadline and gave them an additional opportunity to submit their RFI response.⁵⁸ CBP then extended HiCreek's deadline a second time to November 5.⁵⁹ On November 5, HiCreek stated that “we haven't finished the documentation today, we'll send them to you tomorrow morning.”⁶⁰ CBP then extended the deadline a third time to November 6.⁶¹ However, HiCreek again did not submit its supplemental RFI response by November 6 or explain its failure to do so; instead, it submitted its response three days after the final November 6th deadline.⁶² Therefore, CBP rejected its submission in accordance with 19 CFR 165.5(c)(2), which states “Rejection of untimely submissions. If a submission is untimely filed, then CBP will not consider or retain it in the administrative record{.}”⁶³

⁴⁶ See HiCreek RFI at HiCreek Company Statute, pages 10-11, and at HiCreek Patent 2020; see also Lino RFI at 6; see also Lino Supplemental RFI at 5.

⁴⁷ See HiCreek RFI at Company Organization Chart.

⁴⁸ *Id.* at Production Equipment & Process of Fittings, page 7.

⁴⁹ *Id.* at General Information, page 8.

⁵⁰ *Id.* at General Information, page 9, and at Customs Declaration and Other Documentation, pages 1, 3, 5.

⁵¹ *Id.* at General Information, page 4, and at Customs Declaration and Other Documentation, pages 6, 8.

⁵² *Id.* at General Information, page 4.

⁵³ *Id.* at Lino Order & Shipment Documents.

⁵⁴ See Letter from CBP, “Re: Supplemental Request for Information – Hicreek Plumbing Co., Ltd,” dated October 5, 2020.

⁵⁵ See Email from HiCreek, “Re: EAPA 7454-7455: Supplemental RFI for HiCreek,” dated October 15, 2020.

⁵⁶ See Email from CBP, “RE: EAPA 7454-7455: Supplemental RFI for HiCreek,” dated October 16, 2020.

⁵⁷ See Email from HiCreek, “Re: RE: EAPA 7454-7455: Supplemental RFI for HiCreek,” dated October 19, 2020.

⁵⁸ See Email from CBP, “RE: EAPA 7454-7455: Supplemental RFI for HiCreek,” dated November 3, 2020.

⁵⁹ *Id.*

⁶⁰ See Email from HiCreek, “Re: RE: EAPA 7454-7455: Supplemental RFI for HiCreek,” dated November 5, 2020.

⁶¹ See Email from CBP, “RE: Re:RE: EAPA 7454-7455: Supplemental RFI for HiCreek,” dated November 5, 2020.

⁶² See Email from HiCreek, “Re: RE: EAPA 7454-7455: Supplemental RFI for HiCreek,” dated November 9, 2020.

⁶³ See Email from CBP, “RE: EAPA 7454-7455: Supplemental RFI for HiCreek,” dated November 9, 2020.

On December 14, 2020, Lino and the Alleger submitted written arguments.⁶⁴ Lino and the Alleger each submitted a response to written arguments on December 29, 2020.⁶⁵

Analysis as to Evasion

Under 19 USC 1517(c)(1)(A), to reach a final determination as to evasion in this case, CBP must, “make a determination, based on substantial evidence, with respect to whether such covered merchandise entered into the customs territory of the United States through evasion.”⁶⁶ 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 of any amount of applicable antidumping or countervailing duties being reduced or not being applied with respect to the merchandise.”⁶⁷ As discussed below, the record of this investigation indicates that covered merchandise entered the United States through evasion. Further, substantial evidence indicates that Lino’s imports were entered through evasion, resulting in the avoidance of applicable AD/CVD deposits or other security.

Record evidence indicates that a Chinese company named Qingdao H.R. International Trading Co., Ltd. (Qingdao H.R.) likely established HiCreek to avoid paying AD/CVD duties on Chinese soil pipe and fittings. In its preliminary determinations on fittings, Commerce issued a CVD all-others rate of 10.37 percent on December 19, 2017, and an AD cash deposit rate of 109.86 percent on February 20, 2018.⁶⁸ Only one month later, on March 19, 2018, Qian Zhang of Shandong Province, China incorporated HiCreek in Cambodia.⁶⁹ Though establishing operations in another country after an AD/CVD investigation is not necessarily a sign of evasion; it is, in this case, consistent with other evidence of evasion on the record.

⁶⁴ See Letter from Lino, “EAPA Investigation Nos. 7454/7455– Submission of Written Comments,” dated December 14, 2020; see also Letter from the Alleger, “EAPA Case Nos. Consl. 7454 & 7455, Cast Iron Soil Pipes and Cast Iron Soil Pipe Fittings: Submission of Written Argument,” dated December 14, 2020.

⁶⁵ See Letter from Lino, “EAPA Investigation Nos. 7454/7455– Submission of Rebuttal Comments,” dated December 29, 2020; see also Letter from the Alleger, “EAPA Case Nos. Consl. 7454 & 7455, Cast Iron Soil Pipes and Cast Iron Soil Pipe Fittings: Response to Written Argument,” dated December 29, 2020.

⁶⁶ Substantial evidence is not defined in the statute. However, the Federal Circuit has stated that “substantial evidence means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.” See *A.L. Patterson, Inc. v. United States*, 585 Fed. Appx. 778, 781-782 (Fed. Cir. 2014) (quoting *Consol. Edison Co. of N.Y. v. NLRB*, 305 U.S. 197, 229 (1938)).

⁶⁷ See 19 CFR 165.1; see also 19 USC 1517(a)(5)(A).

⁶⁸ See *Cast Iron Soil Pipe Fittings from the People’s Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination and Extension of Provisional Measures*, 83 FR 7145 (February 20, 2018); see also *Cast Iron Soil Pipe Fittings from the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 82 FR 60178 (December 19, 2017); see also Allegation at 7.

⁶⁹ See Allegation at Exhibit 5; see also HiCreek RFI at Hicreek Company Statute.

Qian Zhang and [NAME], are both listed as managers at Qingdao H.R., which is a soil pipe and fitting exporter in Shandong Province of China.⁷⁰ Qingdao H.R. is listed online as the export arm of producers Qingdao Shiny Valve & Fitting Co., LTD {sic} and Qingdao Shengwei Metals Co., Ltd.⁷¹ In its RFI response, HiCreek did not comment on its previous connections to Qingdao H.R. but stated that it “has been importing from [COMPANY]”⁷² The fact that HiCreek shares two managers and [PROCEDURE DESCRIPTION] with Qingdao H.R. suggests that HiCreek may be an affiliate of Qingdao H.R.; therefore, it has easy access to Chinese-origin fittings.

The observations from the DHS officials’ site visit to HiCreek on July 29, 2020, provide further evidence of HiCreek’s continuing relationship with Chinese suppliers. DHS officials did not observe production during their site visit or signs of recent production.⁷³ DHS officials noticed that HiCreek’s soil pipe and fitting machinery was unused, dry, and covered in spider webs.⁷⁴ In response to this observation, HiCreek’s production manager, [NAME], said that HiCreek stopped production in March 2020.⁷⁵ Although [NAME]’s statement and DHS officials’ observations indicated that HiCreek was not producing anything, HiCreek continued exporting soil pipes and fittings in the months after March 2020. Export data indicates that from March 1, 2020, to July 29, 2020, HiCreek exported [#] shipments of fittings to [COUNTRY], [#] shipments of fittings to the United States, and [#] shipments of soil pipes to the United States.⁷⁶ Although some of the soil pipe and fittings that HiCreek exported could have been sourced from inventory that HiCreek produced prior to March 2020, record evidence demonstrates that at least some of these exports were sourced from China.

This evidence includes DHS officials’ photographs of pallets containing boxes of fittings.⁷⁷ [NAME] said these boxes were shipped from China and were destined for [COUNTRY].⁷⁸ The photographs of the labels portray some of the fittings as made in Cambodia and others as made in China.⁷⁹ HiCreek’s acknowledgement of its importation and subsequent exportation of Chinese-origin fittings demonstrates that HiCreek possesses Chinese sources of merchandise and supplements its products with Chinese-origin merchandise. Moreover, [NAME] stated unequivocally that HiCreek imported the fittings from China; however, some of these boxes were labeled as Cambodian-origin, which casts doubt upon the accuracy of HiCreek’s country-of-origin labeling practices.⁸⁰

⁷⁰ See Allegation at Exhibits 6-7; see also Lino Supplemental RFI at 5; see also HiCreek RFI at [CITATION]. This email address is [EMAIL ADDRESS].

⁷¹ See Allegation at Exhibits 6-7. Qingdao H.R.’s website also states that it is a “professional manufacturer of plumbing product{s}.... We invested in four factories separately manufacturing ... Cast Iron Pipes, Fittings & Flanges.”

⁷² See HiCreek RFI at General Information, page 4, and at Customs Declaration and Other Documentation, page 7.

⁷³ See Site Visit Report at Attachment 1.

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ See November 13 Memorandum at Attachment 3.

⁷⁷ See Site Visit Report at Attachment 2.

⁷⁸ *Id.* at Attachments 1-2; see also November 13 Memorandum at Attachment 3.

⁷⁹ See Site Visit Report at Attachment 2.

⁸⁰ *Id.*

In addition to its imports of finished merchandise, HiCreek stated in its RFI response that it “has imported the machinery and equipment, tooling, {and} molds from China.”⁸¹ Cambodian import data shows that Hicreek imported machinery and equipment needed to produce fittings from China between [DATE] and [DATE], which was after HiCreek began exporting fittings to the United States on [DATE].⁸² These imported items included [ITEM DESCRIPTION], [ITEM DESCRIPTION], and [ITEM DESCRIPTION] machines.⁸³ [ITEM DESCRIPTION] machines are essential to producing fittings and HiCreek obtained them by importation; however, these were the only [ITEM DESCRIPTION] machines HiCreek imported during 2019 and 2020.⁸⁴ Interestingly, HiCreek exported a net weight of [#] kg of fittings to the United States in 2019 before it received its [ITEM DESCRIPTION] machines on [DATE].⁸⁵ Considering HiCreek’s apparent lack of [ITEM DESCRIPTION] machines at the time and its connection to Chinese suppliers, it is probable that these fittings were also sourced from China.

Furthermore, HiCreek provided Cambodian Customs documents containing specific information on HiCreek’s sourcing of Chinese merchandise. These documents show that HiCreek received [#] kg of “[DESCRIPTION]” from China from [COMPANY] on [DATE], 2020.⁸⁶ This shipment reveals that [COMPANY] is one of HiCreek’s Chinese sources of soil pipe. However, [COMPANY] is also an exporter of Chinese-origin fittings so it is likely that HiCreek also uses them as a fittings supplier as well.⁸⁷

Although HiCreek imported merchandise variously described as [DESCRIPTION], [DESCRIPTION], [DESCRIPTION], [DESCRIPTION], and [DESCRIPTION], as described below the products were actually fittings. First, HiCreek imported these fittings from China under HTS chapter heading [#], which is the [DESCRIPTION] chapter heading that the merchandise is entered into the United States under.⁸⁸ Second, the scope of the order states that “fittings are nonmalleable iron castings of various designs and sizes, including, but not limited to, bends, tees, wyes, traps, drains (other than drain bodies), and other common or special fittings, with or without side inlets.”⁸⁹ This description from the AD/CVD Orders closely corresponds to HiCreek’s descriptions of the merchandise. Finally, there are multiple instances in which HiCreek imported shipments of variously described [DESCRIPTION] from China that it then exported to the United States only a few days later; these shipments subsequently entered the United States described on entry documents as fittings.⁹⁰ Thus, in light of the preceding

⁸¹ See HiCreek RFI at General Information, page 9.

⁸² See November 13 Memorandum at Attachment 3; *see also* HiCreek RFI at Customs Declaration and Other Documentation.

⁸³ *Id.*; *see also* August 19 Memorandum at 1 and Attachment 2 for further information on the soil pipe production process.

⁸⁴ See August 19 Memorandum at 1 and Attachment 2. These machines produce [PROCEDURE DESCRIPTION]. *See also* November 13 Memorandum at Attachment 3; *see* HiCreek RFI at General Information, page 9.

⁸⁵ *Id.*; *see also* HiCreek RFI at Customs Declaration and Other Documentation.

⁸⁶ See HiCreek RFI at Customs Declaration and Other Documentation, pages 6-8.

⁸⁷ See Allegation at Exhibits 6-7.

⁸⁸ *Id.* at Attachment 3.

⁸⁹ See AD/CVD Orders.

⁹⁰ See November 13 Memorandum at Attachment 3; *see also* October 28 Memorandum at Attachments 4-5, 7.

reasons, HiCreek’s imports of variously described [DESCRIPTION] were actually imports of fittings.

The table below demonstrates that HiCreek imported a substantial amount of fittings from China in 2019-2020.⁹¹ Specifically, HiCreek imported [#] shipments of fittings from China in 2019, totaling [#] kg, and [#] shipments in 2020, totaling [#] kg. Not only were the number of shipments and their weights substantial, but these fittings imports from China exceeded the amount of fittings, by weight, that HiCreek exported to the United States and other countries by [#] kg in 2019 and by [#] kg in 2020.⁹² The information on the record suggests that HiCreek maintained these excess fittings imports from China in its inventory, which would align with DHS officials’ observations of Chinese-origin fittings in HiCreek’s warehouse.⁹³ Although HiCreek seems to possess some ability to manufacture fittings, its aggregate trade data suggests that the fittings it exported to the United States were Chinese in origin.

Product	HiCreek’s Total Imports from China in Kg ⁹⁴		HiCreek’s Exports to Countries Other than the U.S. in Kg ⁹⁵		HiCreek’s Exports to the U.S. in Kg (by Departure Date) ⁹⁶		HiCreek’s Exports to the U.S. in Kg (by Arrival Date) ⁹⁷	
	2019	2020	2019	2020	2019	2020	2019	2020
Fittings	[]

Not only does HiCreek’s aggregate trade data indicate transshipment, but its individual shipment data indicates transshipment as well. Most significantly, the weights and package amounts of several HiCreek imports from China correspond exactly, or almost exactly, to the weights and package amounts exported only a few days later to the United States.⁹⁸ For example, on [DATE], 2019, HiCreek received [#] packages of “[DESCRIPTION]” from China, totaling [#] kg, and only five days later HiCreek exported [#] packages of “[DESCRIPTION]” {sic} totaling [#] kg to the United States.⁹⁹ This export then corresponds to Lino’s entry of fittings on [DATE], [#] days after departing Cambodia, which also weighed [#] kg.¹⁰⁰ The table below contains multiple other instances in which HiCreek imported the exact same number of packages from China that it then exported to the United States only a few days later. The accompanying import and export weights were all identical or very similar. In some instances, slightly fewer kilograms were exported than imported. In these situations the weight listed in the import documentation may have been inexact or HiCreek may have retained in its inventory a small amount of the fittings that it imported from China. Likewise, in other

⁹¹ *Id.*

⁹² *I.e.*, [#] - [#] - [#] = [#] kg in excess in 2019. [#] - [#] - [#] = [#] kg in excess in 2020.

⁹³ *See* Site Visit at Attachment 1 and Attachment 2, pages 12-15.

⁹⁴ *See* November 13 Memorandum at Attachment 3.

⁹⁵ *Id.*

⁹⁶ *Id.* These figures are tabulated according to the departure date from Cambodia.

⁹⁷ *See* October 28 Memorandum at Attachment 7. These figures are tabulated according to the U.S. arrival date.

⁹⁸ *See* November 13 Memorandum at Attachment 3.

⁹⁹ *Id.*

¹⁰⁰ *See* October 28 Memorandum at Attachment 5, page 2. This is Lino entry [#]6716.

instances, where the amount exported slightly exceeded the amount imported, HiCreek may have drawn upon its existing inventory of Chinese fittings to cover the difference. Moreover, many of the import and export shipments in the table below correspond exactly to Lino’s entries from HiCreek during the period of investigation. These entries and their corresponding transit times from Cambodia are footnoted on the right side of the Net Weight Exported (KG) column.

Selected Import Shipments from China ¹⁰¹				Corresponding Export Shipments to U.S. ¹⁰²			
Arrival Date from China	Import Description	Packages Imported	Net Weight Imported (KG)	Export Date from Cambodia to U.S.	Export Description	Packages Exported	Net Weight Exported (KG)
[ ]							]103
[ ]							]104
[ ]							]105
[ ]							]106
[ ]							]107
[ ]							]108
[ ]							]109
[ ]							]110
[ ]							]111
[ ]							]112

The two preceding tables contain evidence supporting a scheme of evasion but there is additional corroborating evidence. In its RFI response, HiCreek also provided two tables of Lino’s payment information that contained further explicit evidence of transshipment.¹¹³ These tables listed multiple invoice numbers that tied to Lino’s entries of fittings.¹¹⁴ To the right of these

¹⁰¹ See November 13 Memorandum at Attachment 3.

¹⁰² *Id.*

¹⁰³ This is Lino entry [#]0578, which entered the U.S. on [DATE], [#] days after departing Cambodia.

¹⁰⁴ This is Lino entry [#]6716, which entered the U.S. on [DATE], [#] days after departing Cambodia.

¹⁰⁵ This is Lino entry [#]6210, which entered the U.S. on [DATE], [#] days after departing Cambodia.

¹⁰⁶ This is Lino entry [#]6724, which entered the U.S. on [DATE], [#] days after departing Cambodia.

¹⁰⁷ This is Lino entry [#]3984, which entered the U.S. on [DATE], [#] days after departing Cambodia.

¹⁰⁸ This is Lino entry [#]0339, which entered the U.S. on [DATE], [#] days after departing Cambodia.

¹⁰⁹ This is Lino entry [#]1278, which entered the U.S. on [DATE], [#] days after departing Cambodia.

¹¹⁰ This is Lino entry [#]7512, which entered the U.S. on [DATE], [#] days after departing Cambodia.

¹¹¹ [COMPANY] entry [#]9261, which entered the U.S. on [DATE], [#] days after departing Cambodia. [COMPANY] was the importer of this entry. See October 28 Memorandum at Attachment 7.

¹¹² [COMPANY] entry [#]9758, which entered the U.S. on [DATE], [#] days after departing Cambodia. [COMPANY] was the importer of this entry. See October 28 Memorandum at Attachment 7.

¹¹³ See HiCreek RFI at Payment Record Lino 2019-2020, pages 2-3.

¹¹⁴ *Id.* These are the invoice numbers and their corresponding Lino entry numbers: [#]/[#]0578, [#]/[#]6716, [#]/[#]6724, [#]/[#]6210, [#]/[#]3984, [#]/

invoice numbers, the table listed the following columns: “[
COLUMN HEADINGS]”. These column names and the
dates in their corresponding cells indicate that Lino’s fittings were produced in China, then
shipped to Cambodia, and finally shipped from Cambodia. The information in Lino’s RFI
responses ties these invoices to their entries, which arrived in the United States after transit from
Cambodia.¹¹⁵ Because these entries originated in China, pertained to fittings covered by the
scope of the AD/CVD orders, and were declared as Cambodian origin, the record demonstrates
that Lino engaged in evasion.

Evidence on the record indicates that Lino was not merely a passive recipient of transshipped
merchandise but also an active agent of transshipment. Although Lino stated that it did not own
or operate any production facilities, the “[DESCRIPTION]” category of Lino’s two most recent
income tax returns indicates that Lino paid an \$[#] “[DESCRIPTION].”¹¹⁶ This payment
amount is mirrored in Lino’s general ledger and transactions by account, although each payment
description is conspicuously blank.¹¹⁷ Furthermore, Lino never addressed Linghong Li’s
previous statements of ownership of Chinese factories.¹¹⁸ In contrast, Lino reiterated that
“[NAME] has never owned any production facilities in China.”¹¹⁹ The fact remains that on the
record of this investigation, Lino made contradicting statements concerning its ownership of
factories. The resulting possibilities are that Ms. Li owned or still owns Chinese production
facilities and was not truthful with CBP on several instances or that she never owned Chinese
production facilities and yet falsely claimed ownership of them. Regardless, evidence on the
record indicates that Lino has direct access to Chinese factories through Linghong Li and its
Chinese affiliates.¹²⁰

During its AD proceeding, Commerce selected Lino’s Chinese affiliates Dalian Metal I/E and
Dalian Lino as mandatory respondents and issued each a questionnaire. In response, Dalian
Metal I/E indicated that its exports to the United States were supplied by Chinese producers
Qinshui Shunshida Casting Co., Ltd. and Xinle Rishuo Casting Factory.¹²¹ Dalian Lino also
listed [COMPANY] and [COMPANY
] suppliers.¹²² Regarding Lino’s relationship to Chinese suppliers connected to
HiCreek, Lino stated in its supplemental RFI response that “Neither Lino, [COMPANY], [
COMPANY], [COMPANY], nor [COMPANY] has a current relationship with Qingdao
Shengwei Metals Co., Ltd, Qingdao Shinvy Valve & Fitting Co. Ltd., KLC Metals, or KLC
Hardware.”¹²³ The fact that Lino stated that it does not have a current relationship with these
suppliers suggests that Lino and its affiliates have previously done business with these suppliers.

[#]8134, [#]/[#]0339, and [#]/[#]0130. See Lino RFI at Exhibit 6; Exhibit 14, pages 1-
96, 109-121; and Exhibit 15, pages 1-2, 7-33, 37-41.

¹¹⁵ *Id.*

¹¹⁶ See Lino RFI at 10 and Exhibit 12, pages 11, 25.

¹¹⁷ *Id.* at Exhibit 9, page 5, and Exhibit 13, page 1.

¹¹⁸ See Lino Supplemental RFI at 6-7.

¹¹⁹ *Id.*

¹²⁰ See Alleger’s September 8 Submission at Exhibits 6, 8; see also October 28 Memorandum at Attachment 5; see
also Lino Supplemental RFI at Exhibit S1-10.

¹²¹ See Alleger’s Voluntary Factual Information at VFI Exhibit 1, page 17.

¹²² See October 27 Memorandum at Attachment 1, page 32.

¹²³ See Lino Supplemental RFI at 10.

At the conclusion of its investigation, Commerce assigned Lino affiliates Dalian Metal I/E and Dalian Lino a 58.90 percent AD rate.¹²⁴

After Commerce's investigation, Dalian Metal I/E, [COMPANY], and Dalian Lino continued to play a coordinating role in obtaining Lino's orders and in exporting merchandise.¹²⁵ Lino imported multiple entries from each affiliate in 2019 and 2020.¹²⁶ Several bills of lading issued to Lino list "[PLACE]" as their [CATEGORY], which is [DESCRIPTION] Dalian Metal I/E and Dalian Lino are [DESCRIPTION].¹²⁷ The fact that Dalian Metal I/E and Dalian Lino had their own factory or fittings suppliers; played a coordinating role between HiCreek and Lino; and some of the documentation for the entries at issue lists "[PLACE]" as the [CATEGORY] suggests that some of the transshipped merchandise may have been sourced from Lino's and its affiliates' suppliers.

Lino's general ledger contains further indication of its recent ties to Chinese suppliers. For example, on [DATE], 2019, [NAME] paid \$[#] to "[COMPANY]," which is the [COMPANY].¹²⁸ Lino claimed that the 2019 payment was a "[EVENT DESCRIPTION]."¹²⁹ However, this is false because Lino's general ledger indicates that this payment is for invoice [#], which was likely imported in [DATE] 2019.¹³⁰ In its questionnaire response to Commerce, Lino affiliate Dalian Lino said that [COMPANY] is one of its suppliers.¹³¹ Additionally, the length of this payment lag is improbable considering that Lino's wire payments to HiCreek either precede the shipment or come after the shipment by a few months.¹³² In light of Lino's normal payment practices, payment information on invoice [#], and transportation information, the payment reflects remuneration for a Lino import from [DATE] 2019.

Lino's bank statements could have provided further clarification on this matter and on its continuing relationship to Chinese suppliers; however, Lino claimed that it could not provide its bank statements because [NAME] is in China.¹³³ This explanation is suspicious because Lino was able to provide other documents electronically such as its general ledger, records of wire payments to HiCreek, and email correspondence.¹³⁴ Lino was also able to research the Government of Cambodia's certificate of origin procedures online and provide CBP with the

¹²⁴ See AD/CVD Orders.

¹²⁵ See Lino RFI at Exhibit 9 and Exhibit 14, pages 133, 145, 157, 166, 178, and 189 in which the bills of lading list "[PLACE]" for their place of issue; see also Lino Supplemental RFI at 8 and Exhibit S1-5; see also October 28 Memorandum at Attachment 5.

¹²⁶ See October 28 Memorandum at Attachment 5.

¹²⁷ See Lino RFI at Exhibit 14, pages 133, 145, 157, 166, 178, and 189.

¹²⁸ *Id.* at Exhibit 9, pages 13-14, 54; see also October 27 Memorandum at Attachment 2, page 34; see also Alleger's Voluntary Factual Information at VFI Exhibit 4, page 33.

¹²⁹ See Lino Supplemental RFI at Exhibit S1-10.

¹³⁰ See Lino RFI at Exhibit 9, pages 13-14, 16-17, and Exhibit 13, page 1. This estimated entry date is due to ocean freight payment \$[#] on [DATE] and trucking on [DATE].

¹³¹ See October 27 Memorandum at Attachment 2, page 34; see also Alleger's Voluntary Factual Information at VFI Exhibit 4, page 33.

¹³² See Lino RFI at Exhibit 14; see also HiCreek RFI at Payment Record Lino 2019-2020.

¹³³ See Lino RFI at 12.

¹³⁴ *Id.* at Exhibits 9 and 14; see also Lino Supplemental RFI at Exhibit S1-2.

result of this research.¹³⁵ These facts taken together indicate that Lino withheld its banking statements from CBP.

Moreover, CBP believes that Lino recently set up a front company named DLNL Trading Inc. (DLNL) to continue importing merchandise from HiCreek and, thereby, evade CBP's interim measures. After HiCreek's initial RFI response, the Alleger suspected that someone set up DLNL in response to EAPA's investigation to import HiCreek's soil pipes and fittings.¹³⁶ The Alleger noted that DLNL was registered as a business with New York State on August 21, 2020, and began receiving shipments from HiCreek in September 2020.¹³⁷ They further noted that the address DLNL registered with New York State is a two-bedroom condominium in Queens, New York.¹³⁸ After additional research, CBP discovered DLNL's phone number.¹³⁹ This phone number led to another website listing the same phone number for Lino Metal.¹⁴⁰ The same website listed [NAME] as Lino Metal's "Principal."¹⁴¹ Another website listed [NAME] at the address DLNL registered with New York State and listed his phone number as the same phone number tied to DLNL and Lino Metal.¹⁴² CBP's records also list the same address and phone number for DLNL on a commercial invoice, packing list, and bill of lading from one of its entries.¹⁴³ In its supplemental RFI response, Lino [NAME] is a part-time employee with [COMPANY].¹⁴⁴ However, in spite of all the previously mentioned information, Lino stated that "{n}either Lino International, Inc., [COMPANY] nor [NAME] has any relationship with [COMPANY]"¹⁴⁵

CBP entry documentation indicates that DLNL imports the same products from Hicreek that Lino imports from HiCreek.¹⁴⁶ The CBP entry documentation further indicates that DLNL shares the same customs broker as Lino, [NAME].¹⁴⁷ Furthermore, DLNL began importing from HiCreek only after CBP notified Lino of its EAPA investigation and imposition of interim measures on July 13, 2020.¹⁴⁸ DLNL then imported [#] entries of soil pipes and fittings from HiCreek and declared the entries' merchandise to have a country of origin of [COUNTRY].¹⁴⁹ The commercial invoice and packing list from DLNL's first entry indicated a

¹³⁵ See Lino Supplemental RFI at 5.

¹³⁶ See Letter from the Alleger, "EAPA Case Nos. Consl. 7454 & 7455, Cast Iron Soil Pipes and Cast Iron Soil Pipe Fittings: Submission of Factual Information," dated September 28, 2020, at 4.

¹³⁷ *Id.* at 4 and Exhibits 1-2.

¹³⁸ *Id.* at 4 and Exhibit 2, page 3.

¹³⁹ See CBP Memorandum, "Adding Information to the Administrative Records of EAPA Cases 7454-7455," dated December 9, 2020, (December 9 Memorandum) at Attachment 4, page 3.

¹⁴⁰ *Id.* at Attachment 5, pages 1, 3.

¹⁴¹ *Id.* at Attachment 5, page 4.

¹⁴² *Id.* at Attachment 6. Attachments 2-3 also tie [NAME] to the address used for DLNL.

¹⁴³ *Id.* at Attachment 7. The CBP Form 3461 lists the same address also.

¹⁴⁴ See Lino Supplemental RFI at 3, 9, 17; see also Lino RFI at Exhibit 15, page 8. Exhibit 15 shows correspondence in which a customer requests an order from [NAMES].

¹⁴⁵ *Id.* at 17.

¹⁴⁶ See CBP Memorandum, "Adding Information to the Administrative Records of EAPA Cases 7454-7455," dated October 28, 2020 (October 28 Memorandum) at Attachments 5 and 7. The imported HTSUS numbers that Lino and DLNL have in common are [#], [#], and [#].

¹⁴⁷ See December 9 Memorandum at Attachment 7, page 1; see also e.g. Lino RFI at Exhibit 1; Exhibit 4, page 3; and Exhibit 5, pages 1-3, etc.

¹⁴⁸ See October 28 Memorandum at Attachment 7.

¹⁴⁹ *Id.*

date of [DATE], 2020, which was [#] days before DLNL registered itself as a business with New York State and only [#] days after CBP notified Lino of its EAPA investigation and imposition of interim measures. In addition, the bill of lading for DLNL's first entry denoted "[PLACE]" as its place of issue, which is noteworthy because Lino's affiliates Dalian Metal I/E and Dalian Lino are [SITUATION DESCRIPTION].¹⁵⁰ This information suggests that Lino's affiliates played a role coordinating DLNL's entries from HiCreek.

Determination as to Evasion

In conclusion, multiple facts on the record establish that HiCreek transshipped Chinese-origin fittings through its facility in Cambodia. These facts include the circumstances of HiCreek's establishment: its connections to Chinese suppliers; the Chinese-origin fittings DHS officials observed at HiCreek's facility and their subsequent exportation; the fact that HiCreek continued exporting fittings when its production had ceased and that HiCreek began exporting fittings before it imported [DESCRIPTION] machinery; HiCreek's imports of Chinese-origin fittings into Cambodia; the instances that HiCreek exported Chinese-origin fittings to the United States that it previously imported from China; and HiCreek's payment tables listing when it imported Chinese-origin fittings and then when it exported them to Lino. In light of the preceding facts, evidence on the record indicates that Lino subsequently entered the transshipped fittings in the United States as type 01 entries that evaded the payment of AD/CVD duties on fittings from China.¹⁵¹

Consequently, based on the aforementioned analysis of relevant evidence, CBP determines that substantial evidence exists demonstrating that, by means of material false statements or omissions, Lino entered Chinese-origin fittings transshipped through Cambodia that were exported into the United States and failed to pay AD/CVD duties on the merchandise produced in China that was subject to the AD/CVD orders.¹⁵² Because the covered merchandise was possibly comingled with Cambodian-origin fittings to a small extent¹⁵³ and no reliable evidence exists on the record to differentiate between Cambodian-origin and Chinese-origin fittings, all covered merchandise that Lino entered from HiCreek during the period of investigation is subject to the AD/CVD rates from fittings from China.¹⁵⁴ Because Lino did not declare that the merchandise was subject to the AD/CVD orders upon entry, the requisite cash deposits were not collected on the merchandise.

¹⁵⁰ *Id.* at Attachment 7, page 4. This concerns DLNL entry [#]9792.

¹⁵¹ Entry type "01" is the code that CBP requires importers use to designate a standard consumption entry that is not subject to AD/CVD duties. *See* <https://www.cbp.gov/trade/automated/ace-transaction-details>.

¹⁵² EAPA does not have a knowledge requirement for evasion as defined under 19 CFR 165.1, nor is there any requirement that an importer know of the material or false statement. Therefore, CBP does not need to determine any level of culpability, only that evasion occurred with entry.

¹⁵³ The evidence on the record, as discussed above, supports the fact that the majority of HiCreek's exports to the United States likely originated in China.

¹⁵⁴ Because the identity of the Chinese supplier(s) of Lino's fittings imports from HiCreek are uncertain, Lino's fittings are subject to the "China-Wide Entity" rate of 360.30 percent for AD case A-570-062 and the 23.28 percent "All-Others" rate for CVD case C-570-063, which equals a combined rate of 383.58 percent.

Actions Taken Pursuant to the Affirmative Determination as to Evasion

In light of CBP's determination that substantial evidence demonstrates that Lino entered covered merchandise into the customs territory of the United States through evasion, and pursuant to 19 USC 1517(d) and 19 CFR 165.28, CBP will suspend or continue to suspend the entries subject to this investigation, until instructed to liquidate. For those entries previously extended in accordance with Interim Measures, CBP will rate adjust and change those entries to type 03 and continue suspension until instructed to liquidate these entries.¹⁵⁵ Finally, CBP will continue to evaluate Lino's continuous bonds in accordance with CBP's policies, and will continue to require single transaction bonds as appropriate. None of the above actions preclude CBP or other agencies from pursuing additional enforcement actions or penalties.

Sincerely,



Brian M. Hoxie
Director, Enforcement Operations Division
Trade Remedy Law Enforcement Directorate
CBP Office of Trade

¹⁵⁵ Entry type "03" is the code that CBP requires importers use to designate a consumption – Antidumping/ Countervailing Duty entry as subject to AD and/or CVD duties. The instructions for CBP Form 7501 (Entry Summary) state that code 03 shall be used for entries subject to AD/CVD duties. See <https://www.cbp.gov/trade/automated/ace-transaction-details>.