



U.S. Customs and Border Protection

PUBLIC VERSION

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Re: Notice of Initiation of Investigation and Interim Measures – EAPA Case Number 7699

Dear Mr. Murphy, Mr. Walsh, and Mr. Turlais:

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”), against C.I.S. Investments, LLC (“CIS” or “the importer”). Specifically, CBP is investigating whether the importer has evaded antidumping duty (“AD”) order A-570-067 and countervailing duty (“CVD”) order C-570-068 by entering into the United States Chinese-origin forged steel fittings (“FSF” or “covered merchandise”) that were transhipped through Sri Lanka, Indonesia, and Thailand (collectively, “the third countries”) without declaring the merchandise as subject to the *Orders*.¹ CBP has determined that the evidence establishes a reasonable suspicion that the importer has entered covered merchandise into the customs territory of the United States through evasion, and has imposed interim measures accordingly.

Period of Investigation

Pursuant to 19 C.F.R. § 165.2, entries covered by an EAPA investigation are those “entries of allegedly covered merchandise made within one year before the receipt of an allegation” Entry is defined as an “entry for consumption, or withdrawal from warehouse for consumption, of

¹ See *Forged Steel Fittings from Italy and the People’s Republic of China: Antidumping Duty Orders*, 83 FR 60397 (November 26, 2018); and *Forged Steel Fittings from the People’s Republic of China: Countervailing Duty Order*, 83 FR 60396 (November 26, 2018) (*Orders*).

merchandise in the customs territory of the United States.”² At its discretion, CBP may also investigate entries of covered merchandise outside of that period.³ Flatlands Holdings, LLC (“Flatlands” or “the allegor”), a domestic wholesaler of FSF, filed an allegation on January 24, 2022. CBP acknowledged receipt of the properly filed allegation on January 26, 2022.⁴ In this EAPA investigation, CBP is extending the period of investigation to cover all unliquidated entries of covered merchandise entered from June 1, 2019, through the pendency of this investigation.

Initiation

On February 16, 2022, the Trade Remedy Law Enforcement Directorate (“TRLED”), within CBP’s Office of Trade, initiated EAPA investigation 7699 against CIS as a result of an allegation submitted by Flatlands as to evasion of antidumping and countervailing duties.⁵ In the allegation, Flatlands alleges that the importer evaded the *Orders* by transshipping Chinese-origin FSF through the third countries while falsely declaring the merchandise as a product of the third countries and not subject to the *Orders*.⁶ A more detailed description of the alleged transshipment scheme through the third countries follows.

Description of the Alleged Transshipment Scheme

The evasion scheme described by Flatlands in the Allegation involves two exporters in Sri Lanka and one exporter each in Thailand and Indonesia. Flatlands provided trade data from [Panjiva], a trade data subscription company, showing that CIS imported FSF from two separate Sri Lankan exporters, (1) Eastborn, Pvt., Ltd. (“Eastborn”) and (2) EFL Global Freeport, Pvt., Ltd. (“EFL”).⁷ Flatlands purchased FSF from CIS and obtained a material test report for FSF that lists Eastborn as the manufacturer. Flatlands alleges that this material test report is likely fraudulent because it is signed by [*name of person*], an individual known to Flatlands as the Head Quality Engineer at Jiangsu Forged Steel Fittings, Ltd., a Chinese separate-rate respondent subject to the orders.⁸ Further, Eastborn’s address on this report is 245 Old Moor Road, Colombo, Sri Lanka.⁹ However, Google Street View images Flatlands provided in the allegation show that this is a building too small for legitimate production or testing of FSF.¹⁰ Flatlands states that this evidence suggests Eastborn is not the true manufacturer and that China is likely the true country of origin.

EFL’s website also shows that, like Eastborn, EFL is also a logistics company rather than a manufacturer. Further, Sri Lankan import data from the allegation shows that Eastborn and EFL also imported FSF into Sri Lanka from China before exporting it to the United States. This timing suggests that they required a Chinese supply of FSF in order to have inventory to sell U.S. customers because most legitimate producers would not import their product from a foreign competitor. U.S. trade data in the allegation also shows that the purported Sri Lankan suppliers

² See 19 C.F.R. § 165.1.

³ See 19 C.F.R. § 165.2.

⁴ See Email acknowledging receipt from EAPA Allegations, “Re: EAPA Allegation 7699” dated January 26, 2022.

⁵ See CBP’s Initiation Memo, “Initiation of Investigation for EAPA Case Number 7699” dated February 16, 2022, and CBP Initiation Memo, “Initiation of Investigation for EAPA Case Number 7699” dated July 21, 2021.

⁶ See Flatland’s letter, “Enforce and Protect Act (EAPA) Allegation Letter – Alleged Evasion of AD/CVD Order A-570-067 and C-570-068” dated January 24, 2022 (“Allegation”).

⁷ *Id.* at Exhibit A.

⁸ *Id.* at 10 and Exhibit K.

⁹ *Id.* at Exhibit I.

¹⁰ *Id.* at Exhibit K.

only began to export FSF to the United States after they began importing Chinese FSF into Sri Lanka.¹¹

Another supplier identified in the allegation is PT Satria Tunas Persada (“Satria”), an Indonesian supplier allegedly transshipping Chinese-origin FSF to CIS. U.S. import data show that this company supplied FSF to CIS.¹² However, Flatlands provided a Google Street View image dated from October 21, 2021, of this company’s address. This photo shows a bamboo building far too small to be a legitimate factory for FSF production.¹³ The AD/CVD petitions also do not list Indonesia as significant sources of FSF.¹⁴ Further, screenshots from the Facebook page of one of Satria’s employees show that this employee’s only Facebook friend is Allen Fang, an account manager at Jiangsu Forged Pipe Fittings Co., Ltd., the same company connected to the likely fraudulent material test certificate from Sri Lanka.¹⁵

Flatlands also alleges that CIS imported Chinese-origin FSF transshipped through Thailand based on trade data showing that CIS received FSF imports from Siam Innovation Goods, Ltd. (“SIG”).¹⁶ SIG’s only internet presence consists of a Facebook profile listing products other than FSF. Flatlands provided Google images of SIG’s address, which show a building that is not a factory, and the AD/CVD petitions do not list Thailand as a significant FSF producer.¹⁷

Flatlands also points out that the shipper for most of CIS’ shipments was Kingtrans Container Line (Shenzhen) Co. Ltd. (“Kingtrans”), a Chinese transshipment company. Kingtrans advertises sending Chinese-made products to third countries in South and Southeast Asia for transshipment to the United States. Further, Kingtrans makes no mention on its website of any manufacturing in any third countries that would constitute a substantial transformation. The allegation also includes screenshots of Kingtrans’ website showing that Kingtrans transships through Sri Lanka, Indonesia, and Thailand, among other countries; Kingtrans’ website even includes a document that reveals part of CIS’ address in an example of a success story.¹⁸

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.”¹⁹ 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.”²⁰ Thus, the allegation must reasonably suggest not only that the importer entered merchandise subject to an AD and/or CVD order into the United States, but that such entry was made by a materially false statement or act, or material

¹¹ *Id.* at Exhibit A and Exhibit E.

¹² *Id.* at Exhibit A.

¹³ *Id.* at Exhibit Q.

¹⁴ *Id.* at 12.

¹⁵ *Id.* at 13 and Exhibit O.

¹⁶ *Id.* at Exhibit A.

¹⁷ *Id.* at 14 and Exhibit S.

¹⁸ *Id.* at Exhibit C.

¹⁹ See 19 C.F.R. § 165.15(b); *see also* 19 U.S.C. § 1517(b)(1).

²⁰ See 19 C.F.R. § 165.1; *see also* 19 U.S.C. § 1517(a)(5)(A).

omission, that resulted in the reduction or avoidance of applicable AD and/or CVD cash deposits or other security.

In assessing the basis for the Allegation, CBP found that the information the Allegor submitted reasonably suggested that CIS entered merchandise covered by the AD/CVD orders into the customs territory of the United States through evasion.²¹ Specifically, this information included the following:

- Information showing recent shipments of FSF from Thailand, Indonesia, and Sri Lanka entering the United States;²²
- A material test report from Eastborn signed by an individual known to the allegor as the Head Quality Engineer at Jiangsu Forged Steel Fittings, Ltd., a Chinese company subject to the orders;²³
- Screenshots from Kingtrans' website that shows transshipment through Sri Lanka with part of Triangle's address shown as the address of one of their U.S. customers;²⁴
- Google Earth views of SIG's address that show no factory building;²⁵
- Google earth screenshots of Satria's address, showing only a small building unable to be the site of FSF production;²⁶ and
- Screenshots from the Facebook page of a Satria employees whose only Facebook friend is Allen Fang, account manager at Jiangsu Forged Pipe Fittings Co., Ltd., the same company connected to the likely fraudulent material test certificate from Eastborn.²⁷

Taken collectively, this information reasonably suggested that CIS purchased Chinese-origin FSF transshipped through the third countries entered FSF from China into the United States through evasion. Thus, for the reasons previously set forth, CBP found that the allegation reasonably suggested that CIS entered FSF from China into the United States through evasion and initiated an investigation under the authority of 19 USC § 1517(b)(1).²⁸

²¹ See Allegation at 1-6 and Exhibits A-E.

²² *Id.* Exhibit A.

²³ *Id.* at 10 and Exhibit K.

²⁴ *Id.* at Exhibit C and Exhibit D.

²⁵ *Id.* at Exhibit S.

²⁶ *Id.* at Exhibit Q.

²⁷ *Id.* at 13 and Exhibit O.

²⁸ See also 19 C.F.R. § 165.15.

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. CBP need only have sufficient evidence to support a reasonable suspicion finding that the importer alleged to be evading entered merchandise covered by an AD or CVD order into the United States by a materially false statement or act, or material omission that resulted in the reduction or avoidance of applicable AD or CVD cash deposits or other security. If reasonable suspicion exists, CBP will impose interim measures pursuant to 19 U.S.C. § 1517(e) and 19 C.F.R. § 165.24. As explained below, CBP is imposing interim measures because the evidence establishes reasonable suspicion that the importer entered covered merchandise into the United States through evasion by means of transshipment through the third countries.²⁹

CF-28 Responses

On February 23, 2022, CBP issued a CBP Form 28 (“CF-28”) request for information to CIS for entry numbers [#]5335, [#]6020, [#]9055, [#]4361, [#]7100, [#]5344, [#]0690, [#]3959, and [#]3616.³⁰ CBP requested entry summaries, invoices, packing lists, bills of lading, purchase orders, proof of payment, production records (including invoices or purchase orders for raw materials), a factory profile for the manufacturer (including information about production capacity and the number of workers), a list of corporate officers and shareholders, a description of the production processes listing all equipment, and information about subcontractors or offsite work.

On April 5, 2022, CIS responded with the requested information for entry numbers [#]5335, [#]3616, [#]6020, and [#]7100. According to its response, [#]5335 contains pipe fittings sold by SIG, but produced in Thailand by [company].³¹ It also provided invoices from [company] to Siam Innovation for [#] pipe fittings,³² the same volume entered by CIS for this entry. This response also includes a factory profile for [company] including pictures of factory equipment being used, a detailed production process flow chart,³³ raw material purchases,³⁴ and production records.³⁵

CIS further explained that entry numbers [#]361-6 and [#]602-0 were produced by PT Satria Tunas Persada in Indonesia.³⁶ CIS supported this contention by furnishing a purported factory profile for Satria Tunas,³⁷ raw material purchase records,³⁸ and factory

²⁹ See 19 C.F.R. § 165.24(a).

³⁰ See CF-28 issued to CIS on February 23, 2022.

³¹ See CIS Investments letter, “Re: CBP Form 28 Request for Information (dated February 23, 2022)” dated April 5, 2022 (“April 5 CF-28 response”) at 2.

³² *Id.* at Exhibit A1-5

³³ *Id.* at Exhibit B1-3

³⁴ *Id.* at Exhibit C1.

³⁵ *Id.* at Exhibit D1.

³⁶ *Id.* at 4, 7-8, Exhibit B2-1, Exhibit B2-2, Exhibit B3-1, and Exhibit B3-2.

³⁷ *Id.* at B2 and B3.

³⁸ *Id.* at C2 and C3.

production records³⁹ for production of the volume of pipe fittings CIS entered in entry numbers [#]361-6 and [#]602-0.

For entry [#]7100, CIS contends in its response that the imported merchandise was produced by Eastborn Private, Limited.⁴⁰ CIS provided documents from an earlier CF-28 response covering the same entry including a factory profile, raw material receipts, and factory production records.

Research Conducted by CBP

CBP officials obtained trade data from the [source] on SIG's imports and exports of harmonized tariff schedule (HTS) codes [HTS numbers], which are the [description] HTS codes covered by the orders. These data showed that SIG imported shipments of HTS code [HTS numbers] from [country] into Thailand in separate shipments between [date range]. After every import shipment of FSF into Thailand, SIG also exported a [description] shipment to the United States or [country] consisting of the [description] HTS code in [description] volume to the shipments imported from [country]. These export shipments usually occurred [timeframe] of importation. One import shipment into Thailand [timeframe, action] to the United States [timeframe] importation into Thailand. The [information in data] between the volume of SIG's Thai imports from [country] and shipments from Thailand to the United States, the [timeframe] between import and export shipments, and the classification of merchandise under [description] HTS codes in both import and export shipments suggests that SIG imported FSF into Thailand [activity] to the United States and that [activity] occurred in Thailand.⁴¹ Further, CBP data shows that the [information in data] from the [source] data correspond to import declarations made by CIS declaring the imports as FSF with Thailand as the country of origin and SIG as the manufacturer.⁴²

On February 22, 2022, CBP officials also visited SIG's address in Thailand. They discovered an apparently unoccupied residential building in a residential neighborhood of Bangkok. These officials verified that the address visited was the same as the address of the supplier because there were unopened and unretrieved letters addressed to SIG and/or SIG's address overflowing from the mailbox. The officials determined that the building was clearly not a factory building and therefore, SIG could not have manufactured the FSF CIS imported at this location. The absence of a legitimate manufacturing facility, or even a functioning office, in Thailand, combined with trade data showing [information in data regarding merchandise and trade activity] to the United States suggests that CIS's imports from Thailand constituted evasion through transshipment of Chinese covered merchandise.⁴³

TRLED also identified suspected transshipment companies involved in possible evasion of AD/CVD duties on China, including both Kingtrans and Eastborn as potential transshipment companies. This information supports the claims in the allegation that Eastborn is not a legitimate

³⁹ *Id.* at D2 and D3.

⁴⁰ *Id.* at 10.

⁴¹ See TRLED memo to the file “[source] Trade Data and Site Visit” dated April 15, 2022.

⁴² See DCNTAC, EAPA Post-Receipt Report.

⁴³ See TRLED memo to the file “[source] Trade Data and Site Visit” dated April 15, 2022.

manufacturer and the connection between all four exporters and Kingtrans supports suspicion that they are engaged in evasion.⁴⁴

On May 2, 2022, CBP officials attempted to conduct a drive-by site visit of Satria's purported manufacturing facility. As the company has no known street address, CBP officials drove to the village of Sukaseuri Barat, where it is located according to the allegation and CF-28 response.⁴⁵ These officials found the sub-district ("kecamatan" in Indonesian) where the factory is located but could find no factory buildings. The officials further questioned several local residents and asked if they knew the location of this facility. However, as the officials drove around and asked residents of this small village, none of the residents recognized the name PT Satria Tunas Persada or could direct the officials to the location of any factory producing pipe fittings. Therefore, no such factory appears to exist in this village, which contradicts CIS' statements in the CF-28 responses.⁴⁶

To summarize, CBP found or has received information that contradicts CIS' statements in CF-28 responses and this information also supports a reasonable suspicion of evasion. This information includes [*source*] trade data showing that SIG imported the covered merchandise into Thailand [*activity*] to the United States, [] that would confer Thai country of origin.⁴⁷ CBP's the inability to locate any factory operated by PT Satria Tunas Persada in Sukaseuri Village further undermines CIS's claim that it purchased FSF from a legitimate Indonesian manufacturer. Information in the allegation, especially the material test report that the Alleger obtained, suggests that Eastborn is not the true manufacturer of FSF imported by CIS. Further, CBP's information on Kingtrans supports reasonable suspicion of evasion through all three countries.

Enactment of Interim Measures

Based on the record evidence described above, CBP determines that reasonable suspicion exists that the importer imported FSF into the United States from Sri Lanka, Thailand, and Indonesia that was in fact, from China and should have been subject to AD/CVD orders A-570-067 and C-570-068. Therefore, CBP is imposing interim measures pursuant to this investigation.⁴⁸ Specifically, in accordance with 19 USC 1517(e)(1-3), CBP shall:

- (1) suspend the liquidation of each unliquidated entry of such covered merchandise that entered on or after February 16, 2022, the date of the initiation of the investigation;
- (2) pursuant to the Commissioner's authority under section 504(b), extend the period for liquidating each unliquidated entry of such covered merchandise that entered before the date of the initiation of the investigation on February 16, 2022; and
- (3) pursuant to the Commissioner's authority under section 623, take such additional measures as the Commissioner determines necessary to protect the revenue of the United

⁴⁴ See TRLED Memo to the File, "Adding Information to the Administrative Record of EAPA Case Number 7699" dated May 17, 2022.

⁴⁵ See Allegation at 4; see also April 5 CF-28 response at Exhibit A2, 1-6/100 and 16/100.

⁴⁶ See TRLED memo the file "Site visit to PT Satria Tunas Persada" dated May 2, 2022.

⁴⁷ See TRLED memo to the file "[*source*] Trade Data and Site Visit" dated April 15, 2022.

⁴⁸ See 19 USC 1517(e); see also 19 CFR 165.24.

States, including requiring a single transaction bond or additional security or the posting of a cash deposit with respect to such covered merchandise.⁴⁹

In addition, CBP will require live entry and reject any entry summaries that do not comply with live entry and require refile of entries that are within the entry summary rejection period. CBP will also evaluate CIS's continuous bond to determine its sufficiency. Finally, CBP may pursue additional enforcement actions, as provided by law, consistent with 19 USC § 1517(h).

Any future submissions or factual information that you submit to CBP pursuant to this EAPA investigation must be made electronically using EAPA's case management system (CMS) at <https://eapallegations.cbp.gov/>. Please provide a business confidential and public version to CBP and serve the public version on the parties to this investigation (*i.e.*, to the parties identified at the top of this notice).⁵⁰ Public versions of administrative record documents will be available via the EAPA Portal at <https://eapallegations.cbp.gov>.

Should you have any questions regarding this investigation, you may contact us at eapallegations@cbp.dhs.gov with "EAPA Cons. Case 7699" 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/eapa>.

Sincerely,



Brian M. Hoxie Director,
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CBP Office of Trade

⁴⁹ See also 19 C.F.R. § 165.24(b)(1)(i-iii).

⁵⁰ See 19 CFR 165.4; see also 19 C.F.R. § 165.23(c); see also 19 C.F.R. § 165.26.