



## Program Overview

CBP's enforcement efforts in the textile arena are a priority for CBP. In FY 2012, textile imports represented \$12.4 billion in revenue, collected in the form of duty payments. This represents 41 percent of all duties collected by CBP, paid by over 68,000 importers, or 22 percent of the entire importing community. Textile imports have high duty rates, and are subject to a myriad of complex and intricate textile laws and regulations.

This combination of high duty rates and a complex set of laws and regulations make textile imports susceptible to trade fraud. CBP's textile enforcement strategy prioritizes collaborative work with the domestic producers and importing industries, along with our partners at Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI). Through these efforts, CBP is able to identify violations of importing laws, conduct capacity building operations to deter evasion, direct international outreach and educational efforts, and deploy enforcement strategies to recover lost revenue owed the U.S. Government.

## Program Activities

CBP maintains a robust and comprehensive enforcement strategy to stay one step ahead of textile trade violators. Below is a summary of those programs efforts.

### *Capacity Building*

CBP conducts capacity-building exercises, such as internal and external outreach efforts to build knowledge on how to spot trade fraud. CBP's personnel, including import specialists, attorneys and auditors, act as force multipliers in their interaction with the trade community and CBP's Partner Government Agencies. CBP's audit results are an example of these efforts, which recovered approximately \$1.4 million in FY 2012 due to audits of companies importing textiles and wearing apparel.

### *Trade Intelligence*

CBP is committed to collaboration with key industry stakeholders on strategies to enforce textile trade laws and regulations. This not only includes the domestic producers, but also the textile importing community. CBP's Trade Intelligence initiative utilizes key industry contacts to identify unfair trading practices or illegal trading activity. By leveraging key trade intelligence from

## Importance of Textiles to the U.S. Economy

*CBP's enforcement of textile tariff and trade law is critical to protecting the revenue of the United States and ensuring a fair market for the domestic textile industry, which employs approximately 500,000 workers and is a key component of the U.S. manufacturing base.*



domestic producers, CBP is able to develop actionable trade intelligence directly from the industry.

### ***International Verifications***

CBP works with our foreign government counterparts to address textile related fraud. This includes work with ICE/HSI to form Textile Production Verification Teams (TPVTs) to conduct factory visits abroad to verify origin and compliance with trade preference programs claimed on imports of textiles and apparel. In FY 2012, TPVTs, comprised of CBP and ICE personnel, verified textile claims by visiting 174 foreign factories in 9 countries

### ***Enforcement Operations***

In FY 2012, CBP executed several textile operations, in concert with ICE, recovering over \$5.1 million dollars. Additionally, ICE/HSI initiated 34 textile investigations, and obtained 5 criminal arrests, 13 indictments, 1 conviction, 7 administrative arrests, and 40 seizures valued at \$10.6 million dollars.

### ***Future Opportunities***

The future of textile enforcement will rely on key partnerships, specifically with HSI, to identify trade fraud schemes through capacity building with industry partners, developing actionable trade intelligence, and conducting international verifications and enforcement operations. Through this cooperative approach, CBP utilizes both internal and

external resources to combat illegal importing practices.

### ***Apparel, Footwear & Textiles Center of Excellence and Expertise (CEE)***

Expected to be established in FY 2013, CBP's Apparel, Footwear & Textiles CEE will leverage "trade intelligence" from the textile industry to enhance CBP's ability to maintain awareness of current and emerging industry trends, as well as to capture specific allegations of textile trade fraud. Once established, the CEE will increase uniformity of textile processing procedures across ports of entry, facilitate the timely resolution of trade compliance issues nationwide, and further strengthen critical agency knowledge on key textile industry practices.

CEE personnel will answer questions, provide information, and develop trade facilitation strategies to address uniformity and compliance concerns. They will serve as a single point of processing for participating importers. The CEEs will use technology to bring CBP employees, textile industry stakeholders, and other government agencies together across the country. This "virtual" element ensures that whether textile and apparel shipments are coming in to Atlanta or Miami, the requirements for their entry are enforced. The CEEs will also allow CBP trade personnel to specialize in the apparel, footwear, and textile commodities, building advanced knowledge of their respective industry's intricacies.