HSI arrests 5 individuals for conspiracy to smuggle goods into the US

SAN JUAN, Puerto Rico – U.S. Immigration and Customs Enforcement’s (ICE) Homeland Security Investigations (HSI) special agents, working jointly with U.S. Customs and Border Protection (CBP) officers arrested five individuals and indicted three companies who allegedly participated in a conspiracy to smuggle goods into the United States Friday.

According to the indictment, Samuel Garcia-Adarme, owner of Sultana Screens & Aluminum and vice president of Aluwest Industries; Edrick Garcia-Vazquez, president of PRP Trading Corp.; Armando Garcia-Vazquez, vice president of PRP Trading and chief financial officer of Sultana Screens & Aluminum; Carlos Miguela-Ortiz, accountant for Sultana Screens & Aluminum and PRP Trading; and William Tang Piu Wong, owner of AGI Trading Corp.; conspired to smuggle and clandestinely introduce aluminum imported from China by passing false and fraudulent invoices and documents through a CBP customhouse with the intent to defraud the United States of approximately $26.7 million in lawful anti-dumping and countervailing duties.

Anti-dumping and countervailing duties are additional duties imposed on goods entering into U.S. commerce for consumption. The U.S. Department of Commerce can impose these duties to avoid imported merchandise being sold below fair market value. Since November 2010, the U.S. Department of Commerce imposed anti-dumping and countervailing duties on Chinese-origin aluminum, which ranged from 30 to 33 percent of the declared value of the imported aluminum, and 374.15 percent of the declared value of the imported aluminum, respectively.

Garcia-Adarme, Edrick and Armando Garcia-Vazquez and Miguela-Ortiz, owners and/or principals of Sultana Screens & Aluminum Sales, PRP Trading, and Aluwest Industries, with the assistance of Wong, would purchase aluminum from China, transship the aluminum to Malaysia, repackage the aluminum and create false invoices to make it appear as though the aluminum originated in Malaysia. They would then import the aluminum into Puerto Rico in order to avoid payment of the anti-dumping and countervailing duties.

Edrick and Armando Garcia-Vázquez, Minguela-Ortiz and Wong, along with the three companies, were also charged with conspiracy to commit wire fraud. Count three of the indictment charges all defendants with conspiracy to commit money laundering. They conspired to transfer $6.9 million in U.S. currency from Puerto Rico to Malaysia, with the intent to smuggle goods into the United States.

The forfeiture allegations include judgments of $26.75 million for the unpaid duties and $6.9 million for the money laundering count. The government seeks to forfeit real estate properties and bank accounts as substitute assets.

The HSI anti-dumping and countervailing duties program is one way HSI protects legitimate U.S. businesses from fraudulent trade practices. These orders are issued by the U.S. Department of Commerce and the duties are collected by CBP. Antidumping duties are assessed when importers sell merchandise at less than fair market value, which causes material injury to a domestic industry producing a comparable product. The United States can also impose countervailing duties to offset foreign government subsidy payments on exports of foreign businesses. Duties are imposed to offset the dumping or subsidies provided by the foreign country in order to maintain the competitiveness of United States industry and to foster a level business playing field. HSI is responsible for investigating importers who evade the payment of anti-dumping and countervailing duties on imported merchandise. These cases are long-term, transnational investigations that require significant coordination between domestic and international offices and our foreign law enforcement counterparts.