



U. S. Department of Justice

*United States Attorney
Northern District of Illinois*

*Patrick J. Fitzgerald
United States Attorney*

*Federal Building
219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300*

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PRESS CONTACTS:
AUSA Patrick Layng (312)886-7633
AUSA/PIO Randall Samborn (312) 353-5318

MASS. PAIR INDICTED FOR ALLEGEDLY AVOIDING MILLIONS OF DOLLARS IN ANTI-DUMPING DUTIES ON BRAKE ROTORS IMPORTED FROM CHINA

CHICAGO – The brother and sister operators of Lexington, Mass.-based companies that imported brake rotors made in China were indicted on federal charges for allegedly conspiring to violate U.S. Customs laws and avoid anti-dumping duties of as much as \$12 million. The defendants imported 418 shipments of Chinese-made brake rotors valued at \$29 million through Chicago and other cities between 1997 and 2001, the indictment alleges, and defrauded the United States by making false statements about the shipments to avoid additional anti-dumping duties ranging between \$2.5 and \$12 million. One of the defendants later offered two bribes totaling \$50,000 to a U.S. Customs Inspector who was cooperating in the investigation, the charges allege. The 10-count indictment was returned yesterday by a federal grand jury and announced today by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Elissa A. Brown, Special Agent-in-Charge of Immigration and Customs Enforcement; and Richard Roster, Chicago Port Director for U.S. Customs and Border Protection, Department of Homeland Security.

The defendants, **Shih-Ming Shiue**, 50, and his sister, **I-Hwa Shiue**, 47, both of Lexington, Mass., together with a third unnamed individual, controlled a series of companies that purchased and imported brake rotors made in the Peoples Republic of China for re-sale to automotive parts dealers in the United States. The defendants represented themselves as executives or agents of CAI, Inc., and TLC International, Inc., and the companies they controlled included China Machinery International, LC Trading and SK Trading, according to the indictment. They were each charged with one count of conspiracy to violate customs laws, eight counts of violating customs laws and

Shih-Ming Shiue, alone, was charged with one count of bribery. The indictment also seeks forfeiture of \$29 million.

Both defendants will be arraigned at a later date in U.S. District Court in Chicago.

The indictment alleges that between Jan. 31, 1997, and Dec. 5, 2001, the Shiues and a third individual conspired to violate customs laws and avoid anti-dumping duties by using false and fraudulent invoices and bills of lading on the import shipments. Anti-dumping duties are additional duties assessed to offset the effects of unfair trade practices that give imports an advantage over competing domestic goods. In addition to being sold at less than fair market value, the imported merchandise must injure a U.S. industry. The goal of such duties is to stop importers from “dumping” products at below cost in the United States to increase market share by driving out domestic manufacturers from the market, according to the indictment.

After Customs inspectors seized import containers from SK Trading, on April 18, 19, and 26, 2000, Shih-Ming Shiue allegedly promised to pay a senior customs inspector \$50,000 if the Customs Service closed its investigation and released the containers. Unknown to the defendants, the customs inspector posed as being corrupt and began working with law enforcement. On April 26, 2000, he paid the inspector \$30,000 and paid the \$20,000 balance of the bribe on June 28, 2000, the indictment alleges.

If convicted, the defendants each face a maximum penalty of five years in prison for conspiracy and two years in prison on each count of violating customs laws, and Shih-Ming Shiue, alone faces a maximum of 15 years in prison on the bribery count. Each count also carries a maximum fine of \$250,000. Restitution is mandatory. The Court, however, would determine the appropriate sentence to be imposed under the United States Sentencing Guidelines. The government is being represented by Assistant U.S. Attorney Patrick S. Layng.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the United States has the burden of proving guilt beyond a reasonable doubt.

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