

# Sick without Symptoms: How Multi-Million Dollar Customs Issues are Ailing U.S. Companies Without Warning

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Is your company in a high-risk zone? Does it have the following risk characteristics?

? Your company imports more than \$10 million of goods.

? You are mid-market: between \$50 million and \$2 billion in annual turnover.

? Your company has experienced higher than average growth in revenues, personnel, or imports over the past 2 – 10 years.

If your company fits this profile, you may be at an elevated risk of customs violations. Many companies in this high-risk zone have outgrown their customs compliance function. Without knowing it, they may be creating violations and, since the statute of limitations is five years, they may not know about the violations until the government comes knocking on their door years after the fact.

## Customs Is Looking

Several current developments are adding to the risk:

- Importantly, U.S. Customs and Border Protection (CBP) has invested heavily in data mining tools that are tracking down customs violations in greater numbers than ever before.
- During the pandemic crisis, hundreds of people and companies have begun importing equipment for the first time, or have expanded the range of their imports.
- Imports of items manufactured in China (regardless of where they are being imported from) are drawing increased scrutiny. That scrutiny is, in part, increased enforcement related to tariffs on imports from China imposed under Section 301 of the Trade Act and Section 232 of the Trade Expansion Act.

The result is that CBP is identifying entries that raise red flags. One early warning sign is receipt of a CBP Request for Information (Form CF-28) or Notice of Action (CF-29).

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