

Alliance for Trade EnforcementNOW (“TEN”) is an industry-led platform informed by the firsthand experiences of U.S. businesses confronting trade crime and enforcement challenges. It helps them situate those experiences within the broader enforcement framework and transforms that knowledge into a shared platform for education, advocacy, and policy engagement.

Background

- Trade fraud has expanded with modern supply chains and is fueled by powerful financial incentives created by tariff differentials. Since 2018, TEN estimates that Chinese exporters and their partners have evaded at least **\$208 billion** in Section 301 duties through undervaluation, transshipment, and misclassification. This estimate excludes Section 201, 232, and 122 tariffs, as well as anti-dumping and countervailing duties.
- Recoveries remain small relative to the scale of violations, particularly when cases are contested. CBP reports collecting only **\$25.3M** in collections per year (average from 2020-2024) from **trade penalties and liquidated** despite **thousands of trade e-allegations** and **hundreds of EAPA referrals**, with limited public visibility into enforcement outcomes.
- Case progression narrows sharply beyond the administrative stage. Only a small number of customs-fraud matters — **often fewer than a dozen annually** — advance to DOJ complaint or indictment. Closed enforcement actions average **8.2 years** from first violation to resolution, and the larger cases often exceed **12 years**, commonly settling at **deep discounts**.

Four-Focus Framework

- i. Agency Accountability and Performance** — Clear lines of responsibility across enforcement agencies, defined roles, and measurable performance standards to ensure enforcement is effective.
- ii. Closing Loopholes and Strengthening Consequences** — Practical reforms that close systemic avenues for evasion, prevent jurisdictional workarounds, and ensure enforcement outcomes meaningfully deter misconduct.
- iii. Enforcement Capacity and Tools** — Adequate investigative resources, trained personnel, legal authorities, and operational tools, with penalties strong enough to punish misconduct and deter future violations.
- iv. Transparency and Early Detection** — Accessible trade and customs data, clear country-of-origin information, and timely enforcement signals that help detect fraud early and inform industry and market decisions.

Immediate Priorities

- **Securing Accountability in Foreign Entries (SAFE) Act — S.4003.** Ends “ghost importer” structures that keep real accountability offshore by requiring a meaningful U.S. nexus to qualify as Importer of Record. Narrows eligibility standards, strengthens verification procedures, increases minimum bond requirements, and requires duties to be paid through AML-vetted U.S. bank accounts.
- **Protecting American Industry and Labor (PAIL) Act — H.R. 1869.** Creates a dedicated Trade Crime Unit within DOJ's Criminal Division; authorizes \$20 million annually; grants nationwide authority to investigate and prosecute customs and trade-related fraud; mandates cross-agency training; and requires annual reporting to Congress on enforcement results.

Trade Laws Only Matter When They Are Enforced

Learn more: www.enforcementnow.com

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