

Customs Law Advisory

CBP Introduces Online Trade Violation Reporting Tool

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Last month, US Customs and Border Protection (“CBP”) announced a new online system called “e-Allegations” for concerned members of the public to report suspected trade violations. The e-Allegations system is limited to possible violations of trade laws or regulations on the importation of goods into the United States and is not meant for security issues. The public now has a convenient tool to report violations such as errors in classification, false country of origin markings, incorrect valuation, and imports infringing on intellectual property rights.

CBP will accept e-Allegations submitted anonymously, however the reporter must provide, at a minimum, a description of the alleged violation, the products or goods involved and the alleged violator’s name and/or company. The reporter may submit other information on a voluntary basis. If the reporter provides an e-mail address, CBP will respond with an e-mail address where the reporter can submit photos or supporting documentation. Because of US laws requiring CBP to keep trade information confidential, the reporter will not be advised by CBP of any questions asked or action taken as the result of an e-Allegation.

With e-Allegations, CBP has now made it extremely easy for anyone to report import violations for any reason. Some e-filers may view this as an opportunity to take aim against a competitor. Former employees could use e-Allegations to criticize a former employer. The impact of e-Allegations on the import community will depend on how CBP evaluates and acts on the information received. Of course, agency procedures may evolve over time as CBP builds experience evaluating the accuracy of the reports received through e-Allegations. However, it seems likely that soon after the announcement, CBP will look to demonstrate that the new program shows results and has identified important errors.

All of these possibilities make the e-Allegations announcement a useful reminder for importers to review their import procedures – especially compliance with CBP’s recordkeeping regulations. Each importer should consider what supporting documents could be provided in response to a request from CBP to demonstrate that critical data such as classification number, value and country of origin were declared according to the requirements of CBP’s regulations, rather than according to “how it has

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always been done." The e-Allegation tool is available online at http://www.cbp.gov/xp/cgov/trade/trade_programs/e_allegations/.

For any issue that poses an immediate threat to the health and/or safety of the public, CBP asks the public to report by phone at 1-800-BE-ALERT.

If you have any questions on US Customs or import procedures, please contact Greg McCue at 202.429.6421 and gmccue@step toe.com.