

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Customs & Border Protection (“CBP”), a component of the Department of Homeland Security (collectively, the “United States”); Global Plastics, LLC (“Global Plastics”) and Marco Polo International, LLC (“Marco Polo”) (collectively, “Defendants”); (hereafter United States and Defendants are collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Defendants are subsidiaries of MGI International, LLC. Global Plastics’ principal place of business is in Manchester, New Hampshire while Marco Polo’s is in Melville, New York. The Defendants import and sell plastic resin.

B. Defendants, as the importers of record for entries of plastic resin, were responsible for the submission of import documents to CBP with appropriate value and country of origin, marking of imports where required, and for the payment of any duties and fees owed on these entries.

C. Beginning with a May 17, 2024 disclosure to CBP, and subsequent January and February 2025 disclosure perfections, Defendants voluntarily disclosed certain shipments to the United States in which they knowingly falsified country of origin and failed to pay required duties. Defendants also made a voluntary disclosure to the United States Attorney’s Office (District of New Hampshire) on November 19, 2024.

D. The United States contends that it has certain civil claims against Defendants arising under the False Claims Act, 31 U.S.C. § 3729-3733, and the Tariff

Act of 1930, 19 U.S.C. §§ 1202-1683(g), from their conduct in knowingly and improperly evading payment of duties owed the United States on their imports of certain products classified under the Harmonized Tariff Schedule (“HTS”) subheadings listed in Appendix A between May 17, 2019 and January 9, 2025, which were manufactured in the Peoples Republic of China (“China”) and other countries. Specifically, the United States contends that:

1. Defendants misrepresented, caused to be misrepresented, or conspired to misrepresent the manufacturer of and the country of origin of certain entries, such as by entering “Taiwan” or “Saudi Arabia” or the United States rather than “China” as country of origin, so as to avoid Section 301 duties owed on such products of Chinese origin;
2. For certain entries, Defendants failed to mark imports with their country of origin in accordance with 19 U.S.C. § 1304, resulting in a failure to pay additional marking duties required by law;
3. For certain entries, Defendants declared, caused to be declared, or conspired to declare, the imported merchandise with an incorrect valuation, so that they would be subject to a lesser duty amount; and
4. Defendants failed to declare and pay, caused others to fail to declare and pay, or conspired to fail to declare and pay Section 301 duties, as well as, in certain cases, most-favored nation duties and merchandise processing fees, owed to the United States.

The conduct described in this Paragraph is referred to below as the “Covered Conduct.”

E. Defendants have been credited in this Agreement under the Department of Justice's Guidelines for Taking Voluntary Disclosure, Cooperation, and Remediation into Account in False Claims Act Matters, Justice Manual § 4-4.112. The cooperation Global Plastics and Marco Polo provided included voluntarily and timely self-disclosing the matter to the government; performing a thorough and independent internal investigation; preserving, collecting, and disclosing relevant facts not known to the government but relevant to its investigation; conducting a damages analysis that it shared with the government; and implementing appropriate remedial actions, including personnel discipline and making improvements to Defendants' compliance procedures.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Defendants shall pay to the United States the sum of \$6,896,094 dollars ("Settlement Amount") and interest on the Settlement Amount at a rate of five percent (5%) per annum from May 19, 2025, of which \$4,597,396 is restitution, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice no later than ten (10) days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below and conditioned upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases Defendants together with their current and former parent corporations; direct and indirect subsidiaries; brother or sister

corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them, from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812, as amended; the Tariff Act of 1930, 19 U.S.C. §§ 1202-1683(g), as amended; and common law fraud.

3. Notwithstanding the releases given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or administrative enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due;

- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. Defendants waive and shall not assert any defenses Defendants may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. Defendants fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of any Defendant, and their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement and any related plea agreement;
- (2) the United States' audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;

- (3) Defendants' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and any criminal investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);
- (4) the negotiation and performance of this Agreement and any plea agreement;
- (5) the payment Defendants make to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Defendants, and Defendants shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Defendants shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by any Defendant or any of Defendants' subsidiaries or affiliates from the United States. Defendants agree that the United States, at a minimum, shall be entitled to recoup from Defendants any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously submitted requests for payment. The United States,

including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Defendants' books and records and to disagree with any calculations submitted by any Defendants or any of Defendants' subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Defendants, or the effect of any such Unallowable Costs on the amount of such payments.

7. Defendants agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Defendants shall encourage, and agree not to impair, the cooperation of their directors, officers, and employees, and shall use their best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Defendants further agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in their possession, custody, or control concerning any investigation of the Covered Conduct that they have undertaken, or that has been performed by another on their behalf.

8. This Agreement is intended to be for the benefit of the Parties only.

9. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

10. Each party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

11. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is in United States District Court for the District of New Hampshire. For purposes of construing this

Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

12. This Agreement constitutes the complete agreement between the Parties.

This Agreement may not be amended except by written consent of the Parties.

13. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

14. This Agreement may be executed in counterparts, each of which constitutes an original, and all of which constitute one and the same Agreement.

15. This Agreement is binding on Defendants' successors, transferees, heirs, and assigns.

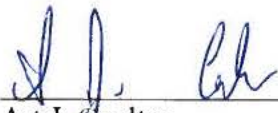
16. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

17. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

[SIGNATURE PAGES FOLLOW]

THE UNITED STATES OF AMERICA

DATED: July 27, 2025

BY: 
Art J. Coulter
Senior Trial Counsel
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: JOHN J. MCCORMACK
Acting United States Attorney
RAPHAEL KATZ
Digitally signed by
RAPHAEL KATZ
Date: 2025.07.16 09:41:43
-04'00'
Raphael Katz
Assistant United States Attorney
District of New Hampshire

DATED: _____

BY: PATRICIA MCCARTHY
Digitally signed by
PATRICIA MCCARTHY
Date: 2025.07.15
17:50:43 -04'00'
Patricia McCarthy
Director
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 7/15/2025

BY: CHRISTOPHER BERRIDGE
Digitally signed by CHRISTOPHER
BERRIDGE
Date: 2025.07.15 17:05:47 -04'00'
Christopher A. Berridge
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DEFENDANTS

DATED: 07/14/2025

BY:


Ryoichi Iwasaki
Chief Executive Officer
MGIL International, LLC

For Global Plastics and Marco Polo

DATED: 7/15/2025

BY:


Derek Hahn
John Brew
Jason Crawford
Maria Vanikiotis
Danielle Giffuni
Crowell & Moring LLP
Counsel for Defendants

Appendix A

HTS No.
2836500000
3901101000
3901105010
3901105020
3901105030
3901201000
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