

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Criminal No. 14-
JOHN SANDIFORD : 18 U.S.C. §§ 542 & 2

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. Defendant JOHN SANDIFORD was the Director of Sourcing and Quality Control and also, at times, held the position of Managing Director for a company identified herein as Company #1 (hereinafter "Company #1"), which was based in Cranbury, New Jersey.

b. Company #1 was engaged in the business of designing, importing, and distributing juvenile furniture. As part of its business, Company #1 imported furniture into the United States from various countries, including China, and offered those products for sale.

c. The U.S. Department of Commerce ("DOC") was charged with regulating commerce in the United States. As part of its responsibilities, the DOC monitored the importation of foreign goods into the United States and had the authority to impose various

duties on certain foreign imports when deemed necessary to the regulation of commerce in the United States.

d. One type of duty imposed by the DOC was known as an "anti-dumping duty." An anti-dumping duty order was a formal determination issued by the DOC that duties should be collected on imports of a particular product from specified countries.

Anti-dumping duties were intended to ensure fair competition between U.S. companies and foreign industry, and to counter international price discrimination that resulted in injury to U.S. industries from "dumping." Dumping occurred when a foreign firm sold merchandise in the U.S. market at a price lower than the price it charged for a comparable product sold in its home market.

e. In the ordinary course of business, the importer of record with U.S. Customs and Border Protection ("CBP") was responsible for the payment of duties, taxes, and fees on all goods imported into the United States. The importer of record was also responsible for using reasonable care to enter, classify, and determine the value of imported merchandise, and to provide any other information necessary to enable CBP to assess duties properly, collect accurate statistics, and determine whether other applicable legal requirements, if any, had been met. The importer of record was required to provide all necessary information to CBP, usually through a customs broker, before the imported goods were released by CBP.

f. On or about January 4, 2005, DOC issued an anti-dumping order with respect to certain wooden bedroom furniture imported from China. That order was based upon a determination that imports of certain wooden bedroom furniture from China were being sold or were likely to be sold in the United States at less than fair value, and that U.S. industry was materially injured by the Chinese imports. That order was amended on or about August 22, 2007, resulting in a duty rate up to 216.01% on certain wooden bedroom furniture subject to the order. Specific Chinese factories applied to the DOC, vouching that they were not state-owned or controlled, and received lower anti-dumping duty rates of 7.24%.

g. Companies A, B and C were Chinese factories that manufactured certain wooden bedroom furniture and were subject to the higher anti-dumping 216.01% duty rate.

h. Companies D and E were Chinese factories that were subject to the lower anti-dumping duty rate of 7.24%.

2. From in or about September 2008 through in or about March 2011, Company #1 maintained a business relationship with Companies A, B and C. Defendant JOHN SANDIFORD and others dealt with Companies A, B and C on behalf of Company #1. As part of that business relationship, Company #1 regularly placed purchase orders with Companies A, B and C for the purchase of certain wooden bedroom furniture, which Company #1 subsequently imported into the U.S.

3. From in or about September 2008 through in or about March 2011, defendant JOHN SANDIFORD agreed with others to engage in a scheme to file false entries with CBP and to submit fraudulent bills of lading to CBP that disguised the true manufacturer for certain wooden bedroom furniture that was manufactured by Companies A, B and C. Specifically, defendant JOHN SANDIFORD and others caused false entries to be filed with CPB and fraudulent bills of lading to be submitted to CBP that made it appear as though certain wooden bedroom furniture manufactured by Companies A, B and C were manufactured by Companies D and E.

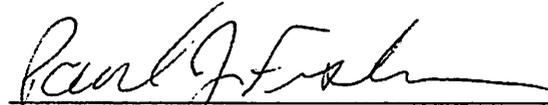
4. Based upon the false statements and other fraudulent declarations, Company #1 avoided millions of dollars in anti-dumping duties applicable to certain wooden bedroom furniture purchased from Companies A, B and C and imported into the United States from China under Company D or Company E's name.

5. From in or about September 2008 through in or about March 2011, in the District of New Jersey, and elsewhere, defendant

JOHN SANDIFORD

did knowingly and willfully enter and introduce and attempt to enter and introduce into the commerce of the United States imported merchandise from China, that is, wooden bedroom furniture, by means of fraudulent and false invoices, declarations, affidavits, letters, papers, and written statements that were false as to material matters.

In violation of Title 18, United States Code, Sections 542 and 2.



PAUL J. FISHMAN
United States Attorney

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