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Government Investigations & White Collar Alert

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DHS continues to target companies utilizing forced labor in their supply chain

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The Department of Homeland Security (DHS) added two new Chinese entities from the steel and artificial sweetener industries to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List based on evidence of suspected forced labor in their supply chain.



What's the impact?

- US Customs and Border Protection (CBP) may detain, exclude, and/or seize shipments of entity-list goods upon entry into the United States.
- The level of evidence required to overcome the rebuttable presumption under the UFLPA requires clear and convincing evidence that the imported product's supply chain is free of forced labor.
- The expansion of this list reinforces the importance for importers to diligently manage their supply chain risks.

The October 3, 2024, Federal Register [Notice Regarding the Uyghur Forced Labor Prevention Act Entity List](#) added the first steel and aspartame companies to the List, which now includes 75

entities. Goods produced by these entities are presumed to be made from forced labor and prohibited from importation to the United States.

Companies added to the UFLPA Entity List

- / Baowu Group Xinjiang Bayi Iron and Steel Co., Ltd. engages in iron ore mining and steel manufacturing. Its main products include rebar, hot-rolled coils, and medium and thick steel plates.
- / Changzhou Guanghui Food Ingredients Co., Ltd. produces and sells aspartame, an artificial sweetener and food additive.
- / DHS also clarified the listing for Changhong Meiling Co., Ltd., which is principally engaged in the research and development, manufacture, and sales of household appliances, such as refrigerators, freezers, and washing machines. The company apparently changed its name from Hefei Meiling Co., Ltd. after being added to the list in June 2022.

This clarification shows that the government is actively looking at corporate changes that might allow entities to evade detection during the import process.

What is the UFLPA Entity List?

Enacted in December 2021 to prevent goods manufactured via forced labor from entering the United States, the UFLPA created a rebuttable presumption that goods from the Xinjiang Uyghur Autonomous Region (Xinjiang) in the People's Republic of China and goods mined, produced, or manufactured by entities on the Entity List are prohibited and not entitled to entry into the United States. The DHS-led Forced Labor Enforcement Task Force reviews and designates entities in Xinjiang that mine, produce, or manufacture wholly or in part any goods, wares, articles, and merchandise with forced labor. US Customs and Border Protection leads the implementation of the rebuttable presumption and detains, excludes, and/or seizes and forfeits shipments of goods into the United States.

How can importers comply with forced labor prevention laws?

Companies should review the current UFLPA Entity list and assess their supply chains, including direct and indirect sourcing of goods, which could be affected by these additions. Companies should conduct comprehensive due diligence evaluations and maintain appropriate documentation. Merchandise produced with inputs from companies on the Entity List could be detained or excluded from entry into the United States. Nixon Peabody's [Cross-Border Risks](#) team is prepared to assist you along the way.

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