



**PUBLIC VERSION**

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Re: Notice of Initiation of Investigation and Interim Measures - EAPA Case 7835

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To the Counsel and Representatives of the above-referenced entities:

This letter is to inform you that U.S. Customs and Border Protection (“CBP”) has commenced a formal investigation under Title IV, Section 421 of the Trade Facilitation and Trade Enforcement Act of 2015, commonly referred to as the Enforce and Protect Act (“EAPA”), against U.S. importer Lighthouse Rock Consulting LLC (“Lighthouse Rock”).<sup>1</sup> CBP is investigating whether Lighthouse Rock evaded antidumping duty (“AD”) order A-570-985 on xanthan gum from the People’s Republic of China (“China”).<sup>2</sup> CBP finds that reasonable suspicion exists that Lighthouse Rock entered covered merchandise into the customs territory of the United States through evasion, and CBP is imposing interim measures.<sup>3</sup>

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<sup>1</sup> See Letter from CP Kelco, “Xanthan Gum from the People’s Republic of China: Evasion of Antidumping Order via Transshipment through India,” dated July 03, 2023 (“Allegation”). CP Kelco added additional information to enhance its initial allegation, see letters “Xanthan Gum from the People’s Republic of China: First Supplement to EAPA Case #7835 Allegation of Evasion of Antidumping Order via Transshipment through India against Lighthouse Rock Consulting LLC and Jay Dinesh Chemicals” dated September 28, 2023 (“1<sup>st</sup> Allegation Supplement”) and “Xanthan Gum from the People’s Republic of China: Second Supplement to EAPA Case #7835: Allegation of Evasion of Antidumping Order via Transshipment through India against Lighthouse Rock Consulting LLC”, dated November 14, 2023 (“2<sup>nd</sup> Allegation Supplement”).

<sup>2</sup> See *Xanthan Gum from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 78 FR 43143 (July 19, 2013) (“Order”).

<sup>3</sup> See 19 USC 1517(e); see also 19 CFR 165.24.

## **Period of Investigation**

Pursuant to 19 CFR 165.2, entries covered by an EAPA investigation are “those entries of allegedly covered merchandise made within one year before the receipt of an allegation...” Entry is defined as an “entry, or withdrawal from warehouse for consumption, of merchandise into the customs territory of the United States.”<sup>4</sup> CBP acknowledged receipt of the properly filed allegation against Lighthouse Rock on November 15, 2023.<sup>5</sup> The entries covered by this investigation are those entered for consumption, or withdrawn from warehouse for consumption, from November 15, 2022, through the pendency of this investigation.<sup>6</sup>

## **Initiation**

On December 7, 2023, the Trade Remedy Law Enforcement Directorate (“TRLED”), within CBP’s Office of Trade, initiated this investigation under EAPA as a result of the allegation submitted by CP Kelco U.S., Inc. (“the Alleger” or “CP Kelco”)<sup>7</sup> concerning the evasion of AD duties by Lighthouse Rock.<sup>8</sup> In the Allegation, CP Kelco asserts that Lighthouse Rock evaded the *Order* by importing xanthan gum from China into the United States that was transshipped through India.<sup>9</sup>

### *Description of the Alleged Transshipment Scheme*

CP Kelco provided an affidavit from its senior director and a 2018 report issued by the United States International Trade Commission (“USITC”), both of which assert that xanthan gum is only produced in Austria, France, China, and the United States.<sup>10</sup> As such, India is not included in the list of countries with known xanthan gum production. Import data provided by the allegor suggests that xanthan gum imported from India to the United States likely originates from China, which is the largest supplier to India for this product.<sup>11</sup>

In its submission, CP Kelco alleged evasion of antidumping duties on xanthan gum from China through transshipment and falsification of country of origin by Lighthouse Rock and Indian manufacturer Jay Dinesh Chemicals (“Jay Dinesh”).<sup>12</sup> Import data provided by the allegor indicated a there was at least one shipment containing a high-volume of xanthan gum exported

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<sup>4</sup> See 19 USC 1517(a)(4); see also 19 CFR 165.1.

<sup>5</sup> See CBP email, “EAPA 7835 - Receipt of Properly Filed Allegation,” dated November 15, 2023.

<sup>6</sup> See 19 CFR 165.2.

<sup>7</sup> The Alleger is a manufacturer, producer, or wholesaler in the United States of a domestic like product; thus, pursuant to 19 CFR 165.1(2), the Alleger meets the definition of an interested party that is permitted to submit an EAPA allegation.

<sup>8</sup> See CBP Memorandum, “Initiation of Investigation for EAPA Case Number 7835,” dated December 7, 2023 (“Initiation Notice”).

<sup>9</sup> See Allegation at 1-8.

<sup>10</sup> See Allegation at 7, Attachment 7.

<sup>11</sup> See Allegation at 7, 1<sup>st</sup> Allegation Supplement and 2<sup>nd</sup> Allegation Supplement.

<sup>12</sup> See Allegation at 1-3.

from India by Jay Dinesh and imported into the United States by Lighthouse Rock.<sup>13</sup> Lighthouse Rock is a company based in South Carolina, established in 2010 with no online presence.<sup>14</sup> Jay Dinesh Chemicals is a long-standing Indian chemical manufacturer exporting products to over 18 countries.<sup>15</sup>

Import data provided by the allegor also indicated that two shipments of xanthan gum, totaling 48,968 kilograms (kg), from India entered the United States in April 2023.<sup>16</sup> The allegor stated that the total quantity of xanthan gum entered into the United States from India in April 2023 was 75,176 kg gross weight, consistent with the US Census reported amount of 62,000 kg net weight.<sup>17</sup> The xanthan gum shipment likely originated from China based on vessel manifest data and manufacturing information for shipment from Jay Dinesh.<sup>18</sup>

A second supplement to the allegation added Indian manufacturer, Swastik Gum Industries (India) (“Swastik Gum”) to the allegation against Lighthouse Rock.<sup>19</sup> Swastik Gum processes and exports various products, including food ingredients and spices. The company was established in 1973 and is based in Ahmedabad, India.<sup>20</sup> It operates in 20 countries, selling products like guar gum powder and rice flour, but not xanthan gum.<sup>21</sup>

CP Kelco alleges that the shipments of xanthan gum imported by Lighthouse Rock from Swastik Gum provided false country of origin.<sup>22</sup> According to the trade data provided, xanthan gum from India entered the United States as a result of the relationship between Lighthouse Rock and Swastik Gum.<sup>23</sup> A xanthan gum shipment totaling 26,208 kg from India arrived in the United States on April 29, 2023.<sup>24</sup> Based on the description of the shipment contained in the vessel manifest data and the fact that no xanthan gum is manufactured in India, the allegor claimed that this merchandise is likely of Chinese origin and falls within the scope of the *Order*.<sup>25</sup>

CP Kelco, provided the identities of additional entities possibly complicit in the evasion scheme, when it supplemented the allegation against Lighthouse Rock and Jay Dinesh, to include that Amity Global Logistics Inc. (“Amity Global”) and Bavaria Exim Ltd. (“Bavaria Exim”) may have acted to facilitate the imports of xanthan gum transshipped by Jay Dinesh and Swastik Gum and imported into the United States.<sup>26</sup> Amity Global offers freight services with a global

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<sup>13</sup> See Allegation at 7 and 1st Allegation Supplement at 1-4.

<sup>14</sup> See Allegation at 6.

<sup>15</sup> See *id.*

<sup>16</sup> See Allegation at 6.

<sup>17</sup> See *id.*

<sup>18</sup> See Allegation, 1<sup>st</sup> Allegation Supplement and 2<sup>nd</sup> Allegation Supplement.

<sup>19</sup> See 2<sup>nd</sup> Allegation Supplement.

<sup>20</sup> See 2<sup>nd</sup> Allegation Supplement at 2.

<sup>21</sup> See 2<sup>nd</sup> Allegation Supplement at 2.

<sup>22</sup> See 2<sup>nd</sup> Allegation Supplement.

<sup>23</sup> See 2<sup>nd</sup> Allegation Supplement.

<sup>24</sup> See 2<sup>nd</sup> Allegation Supplement.

<sup>25</sup> See 2<sup>nd</sup> Allegation Supplement.

<sup>26</sup> See 1<sup>st</sup> Allegation Supplement at 4.

network of logistics experts.<sup>27</sup> Bavaria Exim is a U.K. company without an official website that sells primarily machinery, and industrial equipment.<sup>28</sup>

Jay Dinesh is involved in the manufacturing and selling of xanthan gum, sourced from a Chinese manufacturer, Deosen Biochemicals (Ordos) Ltd. (“Deosen”).<sup>29</sup> The allegor notes that while initially not advertised, Jay Dinesh Chemicals now promotes xanthan gum on its website, claiming it is manufactured in India presumably to avoid the *Order*.<sup>30</sup>

CP Kelco maintains that Lighthouse Rock imports transshipped merchandise covered by the *Order*. In support of that assertion, CP Kelco provides Lighthouse Rock does not have a website that advertises the sale of xanthan gum. Further, there was no mention of xanthan gum offered for sale on the websites for Jay Dinesh Chemicals nor Swastik Gum.<sup>31</sup> Additionally, CP Kelco provides information about Amity Global, a full-service international freight company and Bavaria Exim, a company involved in machinery sales.<sup>32</sup>

Therefore, CP Kelco concludes *in toto* that all evidence reasonably suggests that Lighthouse Rock is importing transshipped xanthan gum from China through India to the United States to avoid paying duties as per the *Order*.

#### *Initiation Assessment*

TRLED will initiate an investigation if it determines that “{t}he information provided in the allegation ... reasonably suggests that the covered merchandise has been entered for consumption into the customs territory of the United States through evasion.”<sup>33</sup> Evasion is defined as “the entry of covered merchandise into the customs territory of the United States for consumption by means of any document or electronically transmitted data or information, written or oral statement, or act that is material and false, or any omission that is material, and that results in any cash deposit or other security or any amount of applicable antidumping or countervailing duties being reduced or not being applied with respect to the covered merchandise.”<sup>34</sup> Thus, the allegation must reasonably suggest not only that merchandise subject to an AD and/or countervailing duty (CVD) order was entered into the United States by the importer through evasion, but that such entry was made by a material false statement or act, or material omission, which resulted in the reduction or avoidance of applicable AD and/or CVD cash deposits or other security.

In assessing the basis for the Allegation, CBP found that the information submitted by CP Kelco reasonably suggests that Lighthouse Rock entered merchandise covered by the *Order* into the

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<sup>27</sup> See 1<sup>st</sup> Allegation Supplement at 4.

<sup>28</sup> See 1<sup>st</sup> Allegation Supplement.

<sup>29</sup> See Allegation and 1<sup>st</sup> Allegation Supplement.

<sup>30</sup> See 1<sup>st</sup> Allegation Supplement.

<sup>31</sup> See Allegation and 1<sup>st</sup> Allegation Supplement.

<sup>32</sup> See Allegation and 1<sup>st</sup> Allegation Supplement.

<sup>33</sup> See 19 CFR 165.15(b); see also 19 USC 1517(b)(1).

<sup>34</sup> See 19 CFR 165.1; see also 19 USC 1517(a)(5)(A).

customs territory of the United States through evasion. Specifically, data reasonably available to CP Kelco and submitted to CBP indicate Lighthouse Rock imported xanthan gum subject to the *Order* from China. The *Alleger* provides evidence—an affidavit from a CP Kelco senior director and a 2018 USITC report—that there is no known xanthan gum production in India.<sup>35</sup> If there is no known xanthan gum production in India, then it is not unreasonable to infer that any xanthan gum exported from India is being transshipped through India. Furthermore, public U.S. import data show imports of xanthan gum into the United States for which India was declared the country of origin.<sup>36</sup> Finally, the *Alleger* provided vessel manifest data evidencing that Lighthouse Rock, as the consignee, facilitated the imports for a xanthan gum shipment.<sup>37</sup> Consequently, TRLED initiated an investigation pursuant to 19 USC 1517(b)(1) and 19 CFR 165.15.<sup>38</sup>

### **Interim Measures**

Not later than 90 calendar days after initiating an investigation under EAPA, TRLED will decide based on the record of the investigation if there is reasonable suspicion that merchandise covered by the *Order* was entered into the United States through evasion. If reasonable suspicion exists, CBP will impose interim measures pursuant to 19 USC 1517(e) and 19 CFR 165.24. As explained below, CBP is imposing interim measures because there is a reasonable suspicion that the importer entered covered merchandise into the United States through evasion by means of transshipment through India.<sup>39</sup> Lighthouse Rock falsely declared India as the country of origin in its entries.

#### *CBP Form 28 (CF-28)*

As noted above, TRLED initiated the investigation based on the evidence that reasonably suggests that xanthan gum is made in China, but not in India, and other record evidence supporting the conclusion that xanthan gum entered into the United States by the importer that was identified as originating in India may have actually originated in China. On November 30, 2023, as part of the investigation, CBP issued a CBP form CF-28 to request information from Lighthouse Rock concerning entry numbers [entry number]6158 and [entry number]2297.<sup>40</sup> Specifically, the CF-28 requested information and documentation pertaining to sales such as purchase orders, invoices and proof of payments, xanthan gum production, and factory production records.<sup>41</sup> Lighthouse Rock submitted its CF-28 Responses on January 12, 2024.<sup>42</sup>

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<sup>35</sup> See *Allegation* at 5, Attachment 3, and Attachment 4 at page 13.

<sup>36</sup> *Id.* at 4 and Attachment 1.

<sup>37</sup> *Id.* at 5 and Exhibit 2.

<sup>38</sup> See 19 CFR 165.15(d)(2). See also *Initiation Notice*.

<sup>39</sup> See 19 CFR 165.24(a).

<sup>40</sup> See CF-28 for entries [entry #]6158 and [entry #]2297 sent to Lighthouse Rock, dated November 30, 2023 (CF-28 Request for Information).

<sup>41</sup> See Lighthouse Rock Response to CF-28 Request for Information, Entries [entry #]6158 and [entry #]2297, dated January 12, 2024 (CF-28 Response).

<sup>42</sup> See CF-28 Response for Entries [entry #]6158 and [entry #]2297.

The entries for both submissions contained the same documentation regarding the production of xanthan gum (80 Mesh)<sup>43</sup> provided to Bavaria Exim.<sup>44</sup> The responses detailing the production process included verbiage matching paragraphs from a research paper identified by CBP on the impact of pH, temperature, and aeration on cellular growth and xanthan production by *Xanthomonas campestris* using residual molasses.<sup>45</sup> Other sections featured charts and graphs detailing the batch numbering system, in-process controls, and quality checks.<sup>46</sup> Although photographs of Jay Dinesh’s and Swastik Gum’s premises were included, they did not show active machines engaged in production or employees at work.<sup>47</sup>

The general descriptions of xanthan gum in the CF-28 responses for both entries did not include the production records requested from Jay Dinesh or Swastik Gum. Additionally, there were no documents substantiating the purchase of the raw materials necessary to determine their correct country of origin. Both entries displayed proof of payment information for the sale of xanthan gum sharing almost identical reference numbers [ numbers ] and [ numbers ].<sup>48</sup> In the case of invoice numbers [ numbers ] and [ numbers ] submitted as a “commercial invoice”, they indicated a payment made between Lighthouse Rock and [ entity ] without specifying the relationship between these two companies or establishing [ entity ] as an end user.<sup>49</sup>

For entry [entry number]6158, the Indian manufacturer was listed as Jay Dinesh.<sup>50</sup> However, pictures of xanthan gum products on Jay Dinesh’s website that were provided by the allegor are stamped with the name of a Chinese xanthan gum manufacturer, Deosen.<sup>51</sup> CBP cannot confirm Jay Dinesh as the manufacturer of xanthan gum based on these images.

The response for entry [entry number]2297 indicates the manufacturer of the xanthan gum shipment was Swastik Gum.<sup>52</sup> Information provided by the allegor indicates that Swastik Gum’s website does not list xanthan gum as a product for sale,<sup>53</sup> but at [ URL ], a secondary website indicates that Swastik Gum sells xanthan gum.<sup>54</sup> The photographs on the website show bags of xanthan gum with the country of origin marking of [ location ].<sup>55</sup>

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<sup>43</sup> 80 mesh denotes a particle size grain of xanthan suitable to most conditions.

<sup>44</sup> See CF-28 Response for Entries [entry #]6158 and [entry #]2297.

<sup>45</sup> See id and Memo to the File -Research Article.

<sup>46</sup> See id.

<sup>47</sup> See id.

<sup>48</sup> See id.

<sup>49</sup> See id.

<sup>50</sup> See CF-28 Response for Entries [entry #]6158.

<sup>51</sup> See Allegation.

<sup>52</sup> See Memo to the File Swastik Gum’s website at <https://swastikgum.com>.

<sup>53</sup> See 2<sup>nd</sup> Allegation Supplement at 2.

<sup>54</sup> See Memo to the File at Attachment 2 for [ product ] at [ URL ].

<sup>55</sup> See Memo to the File at Attachment 2 for [ product ] at [ URL ].

On January 18, 2024, a combined supplemental CF-28 was sent to Lighthouse Rock to gather additional information about entries, [entry number]6158 and [entry number]2297, with specific questions requesting information on the identified exporter, Bavaria Exim.<sup>56</sup> The supplemental questionnaire requested the production records of xanthan gum, produced for the listed entry from Jay Dinesh Chemicals as well as Swastik Gum.<sup>57</sup> Also, the request revisited the original request for the proof of payment and transactional documents for the raw materials to produce the xanthan gum.<sup>58</sup> Further explanation was requested regarding invoices [ numbers ] and [ numbers ] between Lighthouse Rock and [ entity ].<sup>59</sup> There were no purchases orders to establish the agreement for the transaction.

The documentation was due February 2, 2024, however, after Lighthouse Rock obtained counsel, a 10-day extension of time to respond to the supplemental Form 28 was granted.<sup>60</sup> Lighthouse Rock submitted its first response to the supplemental questionnaire through its broker on February 12, 2024. The response was mixture of documents such as proof of raw material purchases and records of batched xanthan gum by [ entity ] to provide information previously requested about the production and manufacturing of xanthan gum.<sup>61</sup> A manufacturing document which chronicled the spray drying process, listed the output of xanthan gum at [numbers] kgs on [ date ] in response to the request for information for both entries.<sup>62</sup> The document further was prepared on [ date ] checked by the production and quality assurance managers on [ date ].<sup>63</sup> Another manufacturing record detailing the xanthan gum production, unrelated to the spraying document, did not state final production quantity.<sup>64</sup> The final step of production was on [ date ], however, the shipment was ordered [ date ], and shipped on [ date ], for [ numbers ] kgs per shipment, totaling [ numbers ] kgs.<sup>65</sup> The production quantity does not match shipped quantity. The response also furnished proof of wire transfers from [ entity ] to Lighthouse Rock in the amount of [ value ] for [number] transactions.<sup>66</sup> Lighthouse Rock subsequently paid Bavaria Exim [ value ].<sup>67</sup>

On February 12, 2024, the second supplemental CF-28 response covering both entries was submitted through the recently acquired counsel who requested that the submission [

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<sup>56</sup> See Supplemental CF-28 for entries[entry #]6158 and [entry #]2297 sent to Lighthouse Rock, dated January 18, 2024 (CF-28 Request for Information Supplement).

<sup>57</sup> See CF-28 Request for Information Supplement.

<sup>58</sup> See CF-28 Request for Information Supplement.

<sup>59</sup> See CF-28 Request for Information Supplement.

<sup>60</sup> See email granting extension.

<sup>61</sup> See Lighthouse Rock Response to CF-28 Supplemental Request for Information, Entries [entry #]6158 and [entry #]2297, dated February 12, 2024 (CF-28 Supplemental Response).

<sup>62</sup> See CF-28 Supplemental Response at Attachment C. It was also noted that xanthan was misspelled as ‘xantham’ on this document.

<sup>63</sup> See CF-28 Supplemental Response at Attachment C.

<sup>64</sup> See CF-28 Supplemental Response at Attachment D. Additionally, xanthan was misspelled as ‘xantham’ on this document.

<sup>65</sup> See CF-28 Supplemental Response at Attachment D.

<sup>66</sup> See CF-28 Supplemental Response.

<sup>67</sup> See CF-28 Supplemental Response.

[description] ].<sup>68</sup> It was reported that Lighthouse Rock had [description] with Jay Dinesh Chemicals, Swastik Gum Industries, or [entity], the actual manufacturer of the xanthan gum entries.<sup>69</sup> Lighthouse Rock admits to only dealing with Bavaria Exim to act as the Importer of Record (“IOR”) to salvage the transactions between Bavaria Exim and a failing company [entity and location].<sup>70</sup> [entity] was the original IOR for the shipments of xanthan gum covered by the CF-28 entries.<sup>71</sup> Despite claiming that it made persistent requests for assistance with responding to the CF-28, Lighthouse Rock advised that it received limited documents from Bavaria Exim, and due to nature of the changes in the relationship between Bavaria Exim and [entity], the newly reported manufacturer, [entity], could not be confirmed by Lighthouse Rock.<sup>72</sup> [entity] was not declared on the entry documents to CBP for [entry number]6158 and [entry number]2297. Bavaria Exim indicated to Lighthouse Rock that identifying [entity] as the actual manufacturer was the result of a [description] between Jay Dinesh and Swastik Gum, the manufacturers reported to CBP, but Lighthouse Rock could not verify this information.<sup>73</sup> The relationship between Indian manufacturers was considered "off the books" or for undisclosed reasons like tax purposes.<sup>74</sup> Lighthouse Rock asserted that the certificates of origin as well as any documents received from Bavaria Exim detailing the production of xanthan gum submitted to CBP, should be scrutinized for authenticity in light of this revelation.<sup>75</sup>

An open-source search of the website for [entity] reveals that xanthan gum did not fit into any of its product categories.<sup>76</sup> However, xanthan gum was listed on the company’s certificate of compliance and halal certificate.<sup>77</sup> Another website, Indiamart.com listed xanthan gum sold by [entity] displayed in a powder form. The website Tradeindia.com listed [entity] and the sale of [#] models xanthan gum with labeling that stated for one model the “Supply Ability: [number] per month” and the other model “Supply Ability: [number] per week”.<sup>78</sup> Thus establishing that [entity] could not produce the volume of reported xanthan gum imported into U.S. with certainty.<sup>79</sup>

The second version of the supplement response also offered a different explanation for the financial transactions involved with the sale of the merchandise. Proof of payment from Lighthouse Rock to Bavaria Exim, the seller, for the entries were the same as previously stated in the first CF-28 supplemental response, with an even transfer of the money paid by the buyer of

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<sup>68</sup> See Lighthouse Rock Attorney Response to CF-28 Supplemental Request for Information, Entries [entry number]6158 and [entry number]2297, dated February 12, 2024 (CF-28 Atty Supplemental Response)

<sup>69</sup> See CF-28 Atty Supplemental Response.

<sup>70</sup> See CF-28 Atty Supplemental Response at 4.

<sup>71</sup> See CF-28 Atty Supplemental Response at 4 to 5.

<sup>72</sup> See CF-28 Atty Supplemental Response.

<sup>73</sup> See CF-28 Atty Supplemental Response.

<sup>74</sup> See CF-28 Atty Supplemental Response at 5.

<sup>75</sup> See CF-28 Atty Supplemental Response.

<sup>76</sup> See Memo to the File for [entity] at attachment 1. The company’s website stated it sells specifically, “tablets, capsules, injectables, proteins, herbal extracts, essential oils, and effervescent tablets.”

<sup>77</sup> See Memo to the File for [entity] at attachment 2

<sup>78</sup> See Memo to the File for [entity] at attachment 3

<sup>79</sup> See CF-28 Atty Supplemental Response.



the xanthan gum, [ entity ], to Lighthouse Rock.<sup>80</sup> The payments received and forwarded only reflect the xanthan gum sales. Lighthouse Rock did not indicate the payments it received during these transactions. However, this version offered a unique explanation of the relationship between Lighthouse Rock and [ entity ].

Lighthouse Rock became the importer of record for Bavaria Exim's shipments after Bavaria Exim's partnership with [ entity ] ended.<sup>81</sup> During [ entity ] original acquisition of the two xanthan gum shipments, [ entity ] invoiced [ entity ], received a [#] percent deposit, and forwarded a portion of the money to Bavaria Exim. Alleged discrepancies in the amounts forwarded led to Bavaria Exim terminating its association with [ entity ].<sup>82</sup> Subsequently, Lighthouse Rock received in total [ numbers ] for the two shipments from [ entity ] and transferred the sum to Bavaria Exim.<sup>83</sup> These transactions do not reflect any compensation Lighthouse Rock received for helping Bavaria Exim maintain its sales.

The information that Lighthouse Rock provided aligned with the Allegation of evasion of the *Order*.<sup>84</sup> Overall, the manufacturing documents are scientifically technical and contain no specifications for equipment usage by each manufacturer. The production quantities which also coincided with what was found on open-source site does not come close to actual the quantities exported. Moreover, Lighthouse Rock has provided conflicting and continually evolving explanations as to the nature of its imports of xanthan gum.

### *Websites Analysis*

Lighthouse Rock appears to operate from a residential location in South Carolina.<sup>85</sup> It obtained xanthan gum from Indian sellers Jay Dinesh Chemicals and Swastik Gum Industries.<sup>86</sup> However, entity information on these sellers reflected that China, not India, was likely the country of origin.<sup>87</sup>

A review of the Jay Dinesh's main website identifies its current leadership and confirms that the company was established in 1951.<sup>88</sup> The company manufactures oilfield chemicals, photographic chemicals, pharmaceutical raw materials, caramel color, specialty chemicals, photography chemical, detergents, metal finishing, oxygen scavenger and corrosion inhibitors.<sup>89</sup> Upon further research, the supplier has multiple sites <https://www.dineshchemical.com> and

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<sup>80</sup> See CF-28 Atty Supplemental Response and See CF-28 Supplemental Response.

<sup>81</sup> See CF-28 Atty Supplemental Response.

<sup>82</sup> See CF-28 Atty Supplemental Response.

<sup>83</sup> See CF-28 Atty Supplemental Response.

<sup>84</sup> See Allegation, 1<sup>st</sup> Allegation Supplement and 2<sup>nd</sup> Allegation Supplement.

<sup>85</sup> See Allegation, 1<sup>st</sup> Allegation Supplement and 2<sup>nd</sup> Allegation Supplement.

<sup>86</sup> See id.

<sup>87</sup> See id.

<sup>88</sup> Pursuant to its website (<https://www.jaydinesh.com>), Jay Dinesh Chemicals was established in 1951. The CEO is Brijesh Patel.

<sup>89</sup> See Memo to the File for Jay Dinesh Chemicals at attachment 1.

<https://www.jaydineshchemicals.com>.<sup>90</sup> These websites reports that Jay Dinesh Chemicals offers xanthan gum but they do not establish the company’s production capabilities for this product.<sup>91</sup> Multiple xanthan gum products were offered at <https://www.jaydineshchemicals.com>.<sup>92</sup>

Noted on the website were photos and certificates of analysis for xanthan gum which indicated that Deosen was the manufacturer and is located in China.<sup>93</sup> The listed website for this manufacturer is <https://www.deosen.com>.<sup>94</sup> Deosen is a Chinese manufacturer headquartered in Ordos City, Inner Mongolia since 2005. Deosen specializes in production of xanthan gum, with claims that it is one of its largest producers worldwide.<sup>95</sup> Limited xanthan gum products are offered by Deosen on the website. For more specialized orders, not listed on its website, it instructs potential buyers to contact them for a quote.<sup>96</sup> In its U.S. branch, Deosen sells xanthan gum in different grades suitable for the industrial, cosmetic, pet food, oil field, and food industries under the registered trademarks [ identifiers ].<sup>97</sup>

The photographic evidence and certificates of analysis for the xanthan gum indicated that [ entity ]<sup>98</sup> was also a manufacturer used by Jay Dinesh Chemicals and China was the country of origin.<sup>99</sup> Further identified on the site was the reported manufacturer’s website [ URL ].<sup>100</sup> [ entity ] was established in 1999 and is currently part of [ entity ] with claims of being one of the largest producers of xanthan gum with an annual capacity of [ numbers ] tons.<sup>101</sup>

Swastik Gum’s, the second manufacturer identified in the allegation, website did not feature any xanthan gum on its list of products.<sup>102</sup> But, Swastik Gum also advertises its products through Indiamart, a business portal which list the same address and phone number that corresponds with website information for Swastik.<sup>103</sup> There were various references of xanthan gum products sold by Swastik on the Indiamart website. Photos and product details indicated Swastik offers food grade xanthan gum in 25kg box/bag combinations from Chinese producers [ entity ]

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<sup>90</sup> See id.

<sup>91</sup> See Memo to the File at Attachments 1, 2 and 3. There is no xanthan gum products offered on Jay Dinesh’s main website. Additionally, webpage <https://www.dineshchemical.com> linked to Jay Dinesh’s main website, no xanthan gum was offered on this site.

<sup>92</sup> See Memo to the File Attachment at 3 for <https://www.jaydineshchemicals.com>, where two xanthan gum products are offered.

<sup>93</sup> See id, Attachment 3 for the Certificate of Analysis Xanthan Gum 200 Mesh.

<sup>94</sup> See id.

<sup>95</sup> See Memo to the File for Deosen’s website at <https://www.deosen.com/deosen-profile.html>.

<sup>96</sup> See id.

<sup>97</sup> See id.

<sup>98</sup> This company’s primary location is [ location ].

<sup>99</sup> See Memo to the File for <https://www.jaydineshchemicals.com>.

<sup>100</sup> See id.

<sup>101</sup> See Memo to the File for [ entity ] LinkedIn page at [ URL ]

<sup>102</sup> See Memo to the File for Swastik’s website at <https://swastikgum.com>.

<sup>103</sup> See Memo to the File for [ entity ] for Swastik Gum at [ URL ].

[ entity ] and [ entity ].<sup>104</sup> Chinese based [ entity ], used by Indian seller Swastik, according to its website, was established in 2002 and is currently one of the largest suppliers of xanthan gum.<sup>105</sup> [ entity ] as with Jay Dinesh, has made the same claim that it is one of the largest suppliers of xanthan gum in the world.<sup>106</sup>

Based on the failure to provide raw material purchase records in the CF-28 Responses and record evidence, including the admittance by Lighthouse Rock through counsel, of the unreliability of the information submitted in the supplemental CF-28 Response, the absence of indicators on xanthan gum production on the purported Indian manufacturer websites associated with the importer's entries, and the information provided in the Allegation, *i.e.*, company affidavit, U.S. import data, reference to prior EAPA investigations, and USITC report, CBP finds reasonable suspicion that merchandise covered by the *Order* was transshipped through India to the United States.

### *Enactment of Interim Measures*

Based on the record evidence described above, CBP has determined that reasonable suspicion exists that xanthan gum entered into the customs territory of the United States by Lighthouse Rock was in fact manufactured in China, and thus, such goods were entered in evasion of the *Order*. Therefore, TRLED is imposing interim measures pursuant to this investigation.<sup>107</sup> Specifically, in accordance with 19 USC 1517(e)(1)-(3), CBP shall:

- (1) suspend the liquidation of each unliquidated entry of such covered merchandise that entered on or after December 7, 2023, the date of the initiation of the investigation;
- (2) pursuant to the Commissioner's authority under section 1504(b) of this title, extend the period for liquidating each unliquidated entry of such covered merchandise that entered before the date of the initiation of the investigation; and
- (3) pursuant to the Commissioner's authority under section 1623 of this title, take such additional measures as the Commissioner determines necessary to protect the revenue of the United States, including requiring a single transaction bond or additional security or the posting of a cash deposit with respect to such covered merchandise.<sup>108</sup>

In addition, CBP will require live entry and reject any non-compliant entry summaries, as well as require refile of entries that are within the entry summary rejection period. CBP will also evaluate Lighthouse Rock's continuous bonds to determine sufficiency. Finally, CBP may pursue additional enforcement actions, as provided by law, consistent with 19 USC 1517(h).

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<sup>104</sup> See *id.*

<sup>105</sup> See Memo to the File for [ entity ] at [ URL ].

<sup>106</sup> See Memo to the File for [ entity ]. [ entity ] and its affiliates had been named in five specific AD/CVD cases under A-570-985, one of them is currently active, thus increasing the risk that importations of xanthan gum produced by this vendor and sold by Swastik are potentially subject to AD/CVD. The current PRC-Wide entity rate is 154.07 percent.

<sup>107</sup> See 19 USC 1517(e); see also 19 CFR 165.24.

<sup>108</sup> See 19 CFR 165.24.

Any future submissions or factual information that you submit to CBP pursuant to this EAPA investigation must be made electronically using EAPA's case management system (CMS) at <https://eapallegations.cbp.gov/>. Please provide a business confidential and public version to CBP and serve the public version on the parties to this investigation (*i.e.*, to the parties identified at the top of this notice). Public versions of administrative record documents will be available via the EAPA Portal at <https://eapallegations.cbp.gov/>.<sup>109</sup>

Should you have any questions regarding this investigation, you may contact us at [eapallegations@cbp.dhs.gov](mailto:eapallegations@cbp.dhs.gov) and [Kareen.Campbell@cbp.dhs.gov](mailto:Kareen.Campbell@cbp.dhs.gov) with "EAPA Case 7835" in the subject line of your email. Additional information on this investigation, including the applicable statute and regulations, may be found on CBP's website at: <https://www.cbp.gov/trade/trade-enforcement/tftea/eapa>.

Sincerely,



Victoria Y. Cho  
Director, Enforcement Operations Division  
Trade Remedy Law Enforcement Directorate  
Office of Trade

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<sup>109</sup> See 19 CFR 165.4; *see also* 19 CFR 165.23(c) and 19 CFR 165.26.