



November 30, 2006

Contact: Deborah Long
785.539.5218

SSA Efforts Result in Distribution of Over \$100 Million to U.S. Shrimp Industry SSA Seeks Information to Combat Fraud and Abuse of System

Tarpon Springs, FL—The United States Customs and Border Protection (CBP) has announced distribution of antidumping duties collected on imports of shrimp from six countries. The Southern Shrimp Alliance (SSA) was instrumental in obtaining final antidumping duties of more than \$100,000,000 to be distributed this year to members of the domestic shrimp industry in the eight producing states. SSA's leadership and actions resulted in the imposition of antidumping duties against six countries in 2004, a small portion of which is now available under the Continuing Dumping and Subsidies Offset Act (CDSOA), commonly known as the Byrd Amendment. Since the imposition of the antidumping duties, the SSA has worked closely with the U.S. Department of Commerce and CBP to facilitate the distribution of CDSOA funds to the domestic industry as soon as possible.

"The funds to be distributed under the CDSOA are vital to the recovery of the U.S. shrimp industry," states John Williams, Executive Director of the SSA. "The hard working way of life of American shrimpers has been severely injured by the effects of unfair trade. The Byrd Amendment helps us make needed investments that we could not afford when competing with dumped imports."

Nevertheless, despite repeated requests by the SSA, CBP declined to verify any of the claims made for CDSOA distributions. Although CBP had previously agreed with the U.S. Government Accountability Office's assessment in 2005 that a failure to verify claims prior to distribution encouraged fraud and abuse of the system and committed to developing a comprehensive verification program, CBP chose to make distributions without first ensuring that the claims submitted met the requirements of law.

"Confusion regarding what constitutes a valid qualified expenditure and, unfortunately, abuse of the process, are likely to have a significant effect on how CDSOA funds are distributed to deserving domestic producers within the industry in 2006," explains Williams.

SSA is working with CBP to ensure that verifications are conducted with regard to the CDSOA distributions that have been made. SSA is urging CBP to identify and verify claims for distribution which suggest fraud, abuse, and error. SSA has been assured that any funds found to be improperly distributed will be returned and redistributed promptly.

"Customs has told the SSA that the agency will verify claims. SSA is working with the agency to identify appropriate targets for verification and to develop a framework which CBP can use to determine whether claims are for valid 'qualified expenditures'," Williams reports. "SSA encourages its members and anyone else with information regarding potential fraud or abuse of the Byrd distribution claims or process to provide it directly to CBP or to the SSA."

SSA is also urging CBP, and members of Congress, to make systematic changes in the CDSOA distribution process to ensure fair and equitable distributions in future years.