



Pittsburgh Company Admits Smuggling Chinese Electrodes Used in Steel Furnaces

A company that supplies the steel industry has pleaded guilty to smuggling Chinese-made graphite electrodes into the United States.

An attorney for Ameri-Source International Inc. entered the plea before a federal judge, who immediately fined the company US\$250,000.

The fine is in addition to more than US\$2.1 million in restitution, the company paid the government for importing the electrodes but lying about their size to avoid anti-dumping duties imposed by the US Department of Commerce.

The government sued the company in 2013 and settled that case when the company paid US\$3 million, which included the restitution but not the criminal fine imposed.

According to the criminal charges, the company imported the electrodes, which are used in electric arc steel furnaces, but laid about their size in April and June 2011 on shipments from Dalian, China.

The federal government charges a duty of nearly 160 per cent on electrodes that are less than 40cm in diameter to stop Chinese companies from dumping cheap smaller electrodes on the market.

Ameri-Source International, based in Bethel Park, just south of Pittsburgh, was falsely claiming the electrodes it imported were larger to avoid paying the duty, according to the criminal charges. There is no duty imposed on the larger electrodes.

The smuggling charges each carried up to a US\$500,000 fine and probation of one to five years. Under federal law, a company can be placed on probation and subject to additional sanctions if it violates the law again while on probation.

But US District Judge Joy Flowers Conti opted not to impose probation after defence attorney Tom Farrell told her the company was no longer in business.

During the hearing, Farrell had also told the judge that the civil settlement and criminal fine would punish Ameri-Source but enable the company to continue doing business.

Asked about the apparent discrepancy after the hearing, Farrell said only that the business has continued under the name Ameri-Source Specialty Products.

The company's owner, Ajay Goel,



declined to comment on the criminal case.

Assistant US Attorney Leo Dillon told the judge that the smaller electrodes are used to keep melted scrap steel in its molten state. That process consumes the electrodes, so companies that recycle the molten steel are continually buying additional smaller electrodes, Dillon said.

The US Department of Commerce issued

an anti-dumping order after investigating claims filed in 2008 by two American companies, Superior Graphite Co, of Chicago, and SGL Carbon LLC, of Charlotte, North Carolina.

As a result, the government imposed a 159.64 per cent duty on the smaller graphite electrodes to discourage American companies from buying the Chinese products.

EAF Wins Final Acceptance Certificate



On December 12th, 2015, the new Electric Arc Furnace developed by Danieli Centro Met for Villares Metals in Brazil processed its first heat successfully, and on January 20th, 2016, the Final Acceptance Certificate was signed, two months in advance on the contracted schedule.

Villares Metals is a reference producer for specialty alloyed steel, long products, in Latin America. The plant at Sumarè San Paolo produces special alloys, including high-speed

steels, tool steels, stainless steel, valve steels, special alloys and forgings via two meltshops, each one composed by EAF, Ladle Furnace and Vacuum Degasser.

In October 2014 Villares Metals assigned to Danieli Centro Met the order for a new, 25-t EAF, to replace the old furnace, which had been operating since 1957.

The new Danieli EAF has been designed to meet Villares high-quality demands, in combination with a simplified maintenance strategy.