

CUSTOMER ADVISORY

Uptick in Customs Exams
07 AUGUST 2025

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Are You Experiencing an Uptick in Customs Exams?

Increased scrutiny of imports has been noted. Why is there an uptick in Customs & Border Protection (CBP) Exams? Because tariff evasion is tax evasion! It is not a "technicality" but serious fraud. On page 5 of a memo from May 12, 2025, the U.S. Department of Justice's new Chief of the Criminal Division, Matthew Galeotti, counted ["trade and customs fraud, including tariff evasion"](#) as one of the "most urgent" threats to the country. Some of the reasons may be found below, as CBP's role has expanded beyond traditional smuggling and valuation checks to prioritize national security and prevent the entry of dangerous goods. CBP now has more sophisticated targeting tools, and as trade policies are changing rapidly, importers may be looking for ways to circumvent and beat the system. Consider this:

- [CBP issued 1,400 trade enforcement penalties just in the first half of 2025.](#)

Consider these in the last month alone:

- [Wisconsin Business Owner Pleads Guilty to Violating Export Control Reform Act](#)
- [Patio Furniture Company to Pay \\$4.9 Million to Resolve Allegations it Evaded Duties on Extruded Aluminum from the PRC](#)
- [Importers Agree to Pay \\$6.8M to Resolve False Claims Act Liability Relating to Voluntary Self-Disclosure of Unpaid Customs Duties](#)

CBP is actively encouraging and rewarding whistleblowers with the reporting of incorrect values or false documentation through the [e-Allegations Online Trade Violation Reporting System](#). The huge increases in tariffs and documentary requirements **may tempt companies to make false statements such as undervaluing or misclassifying goods.**

Informational document brought to you by KWE-USA Corporate Compliance



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