

ALERT

Federal Agents Raid China-owned Solar Manufacturer in Florida and California

May 11, 2023

On May 8, 2023, federal agents from the Federal Bureau of Investigation (FBI) assisted the Department of Homeland Security (DHS) in executing a search warrant at JinkoSolar's solar panel manufacturing plant in Jacksonville, Florida and its U.S. sales and operations office in San Francisco, California. JinkoSolar, one of China's largest solar panel manufacturers, established its San Francisco office in 2010 and began operations at its Jacksonville facility in 2018. A spokesperson for the Homeland Security Investigations arm of DHS said the search warrants were executed as a part of an ongoing federal investigation, but declined to provide details on the probe, according to *Reuters*.

This investigation into JinkoSolar follows years of scrutiny by the U.S. government into the Chinese solar panel industry's evasion of U.S. trade laws. In November, Reuters reported that U.S. Customs and Border Protection (CBP) seized over 1,000 shipments of solar energy equipment—including JinkoSolar equipment—because of concerns that components were produced using forced labor in violation of the Uyghur Forced Labor Prevention Act (UFLPA). The UFLPA applies a rebuttable presumption that all imported goods from the Xinjiang Uyghur Autonomous Region (XUAR) are produced using forced labor, which is banned from import into the United States under both the UFLPA and Section 307 of the Tariff Act of 1930, as amended. Relatedly, in December, the Department of Commerce (Commerce) released a preliminary decision that Chinese solar cell and panel manufacturers were circumventing antidumping duty and countervailing duty (AD/CVD) orders by shipping solar energy equipment to Cambodia, Malaysia, Thailand, and Vietnam for minor processing and then subsequent export to the United States.

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Practice Areas

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JinkoSolar was not listed among those companies that Commerce found to be circumventing AD/CVD orders.

According to the CBP UFLPA “dashboard” of enforcement statistics, more than \$930 million of electronics goods have been detained by Customs for forced labor concerns, which is by far the highest sector impacted.

The reported investigation into JinkoSolar could risk future funding opportunities for it and other Chinese solar panel manufacturers. According to a Jacksonville news outlet, the Jacksonville City Council paused its plans to vote on a \$2.3 million grant (in the form of tax incentives) for JinkoSolar to expand its Jacksonville facility, with a councilmember noting that the city might need to further vet the companies in which the city invests. The controversy in Jacksonville follows ongoing debate on Capitol Hill and at the White House about how to best address ongoing human rights abuses in the XUAR, while maintaining sourcing options for U.S. solar panel installers.

Wiley’s International Trade and Supply Chain teams have unparalleled experience and expertise representing a broad range of U.S. and multinational clients in supply chain and government funding matters. For more information, please contact one of the attorneys listed on this alert.

Patrick Griffo, a Law Clerk at Wiley Rein LLP, contributed to this alert.