China Still Owes $100 Million in American Debts And Refuses To Pay

Charlotte, N.C. – Oct. 15, 2013 – A North Carolina-based manufacturer is calling foul today over inflammatory statements Chinese leaders made in U.S. media outlets Monday that demanded an immediate resolution to government debt ceiling discussions while China still owes hundreds of millions of dollars to American-owned businesses.

“Before the Chinese government engages in international saber rattling at our American system of governance and the ongoing work to resolve important policy issues, they should first get their own fiscal houses in order,” said T.J. Bucholz, spokesman for Charlotte, N.C.-based Industrial Piping, Inc. (IPI). “It’s the height of hypocrisy to call for debts to be settled when the Chinese can’t live up to their own phony standards.”

Last week, IPI – a manufacturer of custom fabricated process equipment for the industrial marketplace – urged American officials to open investigations as to why the Chinese government has been allowed to use federal bankruptcy laws to shield its assets in a trade dispute with IPI, but refuses to pay debts when it has hundreds of millions of dollars in the bank to settle with its creditors.

IPI officials were advised that the Hoku Corporation (OTC: HOKUQ) and two of its affiliates filed for Chapter 7 bankruptcy July 3, using American-based bankruptcy laws to avoid settling debts owed by China. Contractors in five states, including North Carolina, Idaho, South Carolina, Alabama, and Utah, are owed huge sums of money after they built a Pocatello, Idaho polysilicon plant in good faith.

On July 5, IPI filed a complaint with the United States Trade Representative (USTR) related to the multi-million dollar debt owed by Hoku and its parent corporation, Chengdu, China-based TIANWEI New Energy Holdings Co., Ltd. (TWNE). TIANWEI is operated by key Chinese government officials and had revenues of $44 billion in 2011.

Another American contractor – JH Kelly LLC – announced in August 2013 it is also taking its fight against Hoku and TIANWEI to federal court to be reimbursed for its losses. JH Kelly also filed RICO (Racketeer Influenced and Corrupt Organizations Act) and fraud charges associated with this matter against Hoku in August 2013.

While these debts incurred by TIANWEI and the Chinese government remain outstanding, the Obama Administration awarded a contract and continues to pay Hoku hundreds of millions of dollars for a project in Forest City, Hawaii, a community that recently flipped the switch on a 1.23-megawatt solar farm for military housing on Oahu at a United States Naval base.

Despite asking questions behind the scenes to state and federal officials, IPI has not received satisfactory answers to even basic questions associated with these unscrupulous business practices, Bucholz said.

IPI has not been paid for months of work for Hoku's polysilicon plant in Pocatello, Idaho, which included engineering, project management, fabrication, procurement and construction services.

IPI fabricates and installs industrial manufacturing equipment and piping systems, custom modular process plants, automatic fire protection and also provides engineering services. It employs approximately 300 employees and teamed with an additional group of sub-contractors on the Pocatello project that represent an additional 700 employees and a total of $100 million in completed, but unpaid, work.

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