



INSIDE SCOOP:

PROTECTING YOURSELF AGAINST SHADY LUMBER BROKERS AND TRADERS

**PLEASE READ:
IMPORTANT
MESSAGE**

In the lumber business, you'll encounter good and bad brokers. The trick is figuring out how to spot the good ones and toss out the rotten ones. We present you with this report to help you see the bad brokers and traders clearly through all the smoke and mirrors so that your business, reputation and bottom line aren't damaged.

Dealing with [Ipe Woods USA](#) means you won't have to deal with the brokers and the traders because we've done it all the hard work for you. Dealing with us means you get the highest quality Ipe lumber at the lowest possible price, with guaranteed quality.

MIXING IT UP

Sometimes a broker will mix "B" grade Ipe wood in with "A" grade wood to lower costs. This blend can be up to 20% "B" grade, and then the whole lot is sold as "A" grade Ipe wood. When

times are extra tough, some brokers have even exceeded the 20% "B" grade mixture, increase their profits.

At Ipe Woods USA our relationship with mills in the United States or Brazil guarantees that we only offer premium Ipe lumber to you. The "B" stuff goes to the market which is clamoring for it. This protects you from getting lower grade pieces mixed in with your order of premium grade Ipe wood.

IS THAT ALL GOOD STUFF?

Another trick unscrupulous mills and brokers use is to mix in a variety of "sub-species" and then label it "Pure Ipe." This results in wood with lower strength and hardness, and a wider range of color variance in the product. There are a few rare instances when brokers have directed mills to substitute cheaper non-Ipe look-alike woods that are not even related botanically. This produces rotting, premature degradation of the lumber, lighter density and extensive movement in service. (It's going to cost you more in the end.)

We offer only premium Ipe wood decking. Our product is always "A" grade quality.

Teak (*Tectona grandis*) log yard. Jepara, Central Java, Indonesia by Murdani Usman / CIFOR

MAKE SURE IT'S LONG ENOUGH

Sometimes brokers lower production costs by quoting a tighter range of lengths. When pricing competitors, always make sure you're comparing apples to apples.

Our lots have lengths from 6' to 22' (99% of the time 8'-22'). At times shady brokers will use the 4' to 12' range to get a cheaper cubic meter shipping costs, but the longer lengths are the most valuable.

AN HONEST PACKING LIST

Some sketchy brokers will fax a good looking packing list with a variety of lengths in the order and then you'll wire the money. And then, "surprise, surprise," when the product arrives what the packing list says and what you got are two different things. Sometimes it's not as many pieces, or it might be too many short, cheaper lengths. Tricks like this give the broker a higher profit. There are even rare instances of whole bundles missing, or a disproportionate amount of the cheaper shorts vs. the valuable long pieces.

Dealing with Ipe Woods USA means what you see on the packing list is exactly what shows up to your worksite. In the old days, they said a man's word was his bond. In our case, our packing lists are our bond. All orders are thoroughly inspected as they are being assembled, and before

they leave the warehouse. If there is some reason we need to make changes to your order, we notify you about your options well before anything is shipped.



CREDIBILITY

When dealing with any supplier, be it a broker or a company such as Ipe Woods USA, trust is the key to everything. Say, for example, a mill cheats a broker with false documents, or not shipping the order, your money has vanished and getting your order on time is questionable, at best.

Worse, some brokers claim they'll shepherd the order until delivery, but when problems arise, they disappear. Getting satisfaction from dishonest brokers and mills in South America can be an almost impossible process. The legal systems there are deadly slow, and characterized by corruption requiring bribes and payoffs to get any kind of progress. Finding the vanished broker can be even more difficult, believe or not, because somehow or other their name wasn't on the packing list, bill of lading and all the other legal documents. And then you're on your own dealing with US and foreign customs agents. Or else you're now dealing with the mill on your own, without the broker.

Ipe Woods USA is one of the industry leaders in exotic hardwoods, meeting all your Ipe lumber needs. We have developed all the relationships to make sure things like this don't happen to you. And we stand by everything: the quality of the Ipe lumber you've purchased, the proper mix of lengths, shipping and delivery. Our headquarters are right here in the U.S. so you don't have to worry about language or cultural barriers in getting what you've purchased.

RELIABLE

Shipping and delivery dates are set, however, sometimes mills or dishonest brokers will resell the product for a higher profit, if the Ipe wood cost has gone up during the milling process. Then you get stories such as equipment problem or another kind of problem. Of course, this costs you and your customer valuable time and money. Another trick is for brokers to delay the shipment, hoping to take advantage of daily swings in the currency markets. The broker wants to pick up another 2%, and it's costing you money and reputation with your client.

The Ipe Woods USA team has the experience to prevent such games and costs with your valuable money and time. We eliminate the risks of international trade.

ON HAND INVENTORY

Ever seen those guys in movies or on TV doing business out of a pay phone? Well, these days you don't see many pay phones, but the image is a pretty accurate description of your average broker, whose office consists of a phone and a computer.

They jump in and out of the market as it suits them. They're often quoting stateside inventory that five other brokers are offering as well. You go to buy your Ipe lumber, only to find someone else bought it first. Another waste of your valuable time.

We have stateside finished high-quality inventory available that, as our customer, you don't have to worry about that happening to you. Ipe Woods USA gladly helps with even the most difficult custom orders. We are the place to buy your [Ipe lumber](#).

CUSTOMS

Dealing with the feds is one of the prices to pay when dealing with foreign trade. One of the mandatory documents to be filed is the Importer Security Filing (ISF), which is submitted electronically 24 hours before the shipment is loaded. It must contain the following 10 pieces of information from the importer:

Manufacturer (or supplier) name and address

Seller (or owner) name and address

Buyer (or owner) name and address

Ship-to name and address

Container stuffing location

Consolidator (stuffer) name and address

Importer of record name/foreign trade zone applicant identification number

Consignee number (s)

Country of origin

Commodity Harmonized Tariff Schedule number

Customs is enforcing 10+2 through the assessment of liquidated damages, and additional penalties applicable under other provisions of law. Liquidated damages reach \$5,000.00 for violations, such as failing to submit the fully completed ISF in a timely and accurate manner. These damages will be assessed against the holder of the posted bond for the ISF. Mitigation is the exception, not the rule.

Compliance is at the core of what we do at Ipe Woods USA. We double check, triple check, and sometimes quadruple check, each step to make your order arrives on time, and with no additional costs. We have staff that is multi-lingual with extensive experience in ensuring total compliance with both international and domestic law. Brokers can fool you, telling you you're free from legal responsibilities and ramifications of the regular document screw-ups. Run away from those brokers very fast.

LACEY ACT COMPLIANCE

The [Lacey Act](#) goes back 100 years, criminalizing the buying, selling or trading of any wildlife or plants procured and transported by illegal means. It became law in 1900, and amended in 2008, protecting an expanded range of plants and animals. Beginning April 2009, the amended act requires importers to submit a declaration for certain plants and plant products, which includes many wood products. The declaration must contain the scientific name of the plant, the importation value, quantity, and name of the country where the plants were harvested.

We have a stellar track record of dealing only in legally harvested Ipe lumber. You can rest easy because you're dealing with Ipe Woods USA and our reputation in working only with legally harvested Ipe lumber and following all international trade laws, including the Lacey Act.

TOTALLY LEGAL

If you assume that brokers and suppliers always comply with trade laws, you're making a mistake. If you don't know a broker or supplier, beware of doing business with them. It's very tough to know if the wood they sell you is legal. You can assume that unscrupulous brokers and suppliers are like ambulance chasing attorneys. They know the laws and do all they can to dance around them. That's what makes them successful. Worse, some make it seem as though you're buying legal hardwoods. Additionally, some brokers and suppliers manipulate submitted information with incorrect data, shifting responsibility and liability to you. If you unknowingly

purchase illegally sourced wood, you're still subject to the Lacey Act and the ISF. Under the Lacey Act, you can be fined by forfeiture of goods and fines up to \$500,000, not to mention fines and penalties for incorrect ISF submissions. If a company is found to have knowingly purchased or traded hardwood that is illegally sourced, a prison sentence is on the table as well.

The Ipe Woods USA name on all government paperwork and legal documents means that everything has been done properly, correctly and legally.



RELAX, WE'VE GOT IT COVERED

As you've seen, dealing internationally is full of potholes, and dangers and shady characters. Dealing with Ipe Woods USA for all your Ipe lumber needs is good for your business. We have a solid reputation in the world of international hardwoods. We supply clients throughout the United States. You know you're dealing with an industry leader, and all your purchases through us are guaranteed to be grade "A" quality, legally harvested and environmentally sustainable wood products.