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Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the Inspector General Act of 1978. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department. The audit work and report were prepared with the assistance of the U.S. Department of Agriculture's (USDA) Office of Inspector General.

This review assessed how well U.S. Customs and Border Protection (CBP) communicated and cooperated with USDA on issues relating to agriculture inspection policies and procedures; complied with established procedures for agriculture inspections of passengers and cargo; and accurately tracked agriculture inspection activities. It also assessed the effectiveness of the USDA's Animal and Plant Health Inspection Service in providing CBP with the necessary policy and procedural guidance to perform agriculture inspection activities. It is based on interviews with employees and officials from CBP, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

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Abbreviations

AMOM	Airport and Maritime Operations Manual
AMS	Automated Manifest System

APHIS	Animal and Plant Health Inspection Service
APL	Agriculture Programs and Liaison
AQI	Agricultural Quarantine Inspection
AQIM	Agricultural Quarantine Inspection Monitoring
CBP	Customs and Border Protection
COMPEX	Compliance Examinations
DHS	Department of Homeland Security
FY	Fiscal Year
INS	Immigration and Naturalization Service
JAQAP	Joint Agency Quality Assurance Program
MAC	Manual for Agricultural Clearance
MOA	Memorandum of Agreement
OIG	Office of Inspector General
PPQ-280	Plant Protection Quarantine-280
QMI	Quarantine Material Interceptions
T&E	Transportation and Exportation
USDA	United States Department of Agriculture
WADS	Work Accomplishment Data System

OIG

Audit Report

Department of Homeland Security
Office of Inspector General

Executive Summary

This report represents the results of our review of selected agricultural inspection activities that were transferred to the U.S. Customs and Border Protection (CBP) from the U.S. Department of Agriculture (USDA). With the Department of Homeland Security (DHS) creation, CBP assumed responsibility to inspect agricultural goods arriving at U.S. ports beginning in March 2003, while USDA-Animal and Plant Health Inspection Service (APHIS) retained responsibility for agriculture related policies and procedures. The audit, performed jointly with USDA Office of Inspector General (USDA-OIG), focused on transition issues and problems USDA-OIG previously identified.

CBP generally conducted agriculture inspection activities in compliance with procedures at ports visited. However, improvements were needed to ensure that Agricultural Quarantine Inspection Monitoring (AQIM) sampling, staffing, and performance measures are adequate. CBP's AQIM sampling, which helps USDA predict potential future risks to agriculture from pests and diseases, did not meet sampling requirements for 13 of 18 pathway activities at four ports (such as air passengers and truck cargo AQIM inspections). CBP also needed a current staffing model for agriculture specialists and performance measures for many activities to ensure the most effective use of personnel.

We identified other noncompliance and control issues. At Miami, CBP agriculture specialists were not following proper procedures for selecting flower samples for inspection. Miami CBP also made an operational change to procedures for inspections of cut flowers[1] but did not have a specific formal process for notifying USDA concerning this change. In addition, CBP ports did not adequately monitor Transportation and Exportation (T&E) shipments.

Significant inaccuracies were noted in data used to track agriculture inspection activities. For example, 107 of 148 Work Accomplishment Data System (WADS) activity codes were reported incorrectly or did not have supporting documentation to allow verification.

[1] This affects the inspection practices for 87 percent of the cut flowers entering the United States.

This report contains ten recommendations for CBP and three recommendations for USDA - APHIS. CBP and USDA-APHIS concurred with and have taken action to resolve the recommendations. We consider seven of the CBP recommendations resolved and closed. We consider the three remaining recommendations resolved and will close them when implementation is complete. USDA-OIG considers two of its three recommendations to have management decisions. Final action can be obtained when APHIS officials provide supporting evidence for completion of their proposed solutions. For the remaining recommendation, APHIS' response did not include the agency's timeframes to accomplish their proposed solution. To reach a management decision, APHIS officials need to provide implementation dates for the proposed corrective actions.

Background

On March 1, 2003, functions of several border agencies including the former U.S. Customs Service, the Immigration and Naturalization Service (INS), and USDA's Animal and Plant Health Inspection Service (USDA-APHIS) were transferred to CBP. CBP assumed responsibility for inspection of agricultural goods arriving in the United States at ports of entry. USDA-APHIS retained responsibility for setting policies and procedures in areas such as agricultural inspections, data collection, and risk assessments.

CBP has more than 41,000 employees including approximately 2,700 agriculture positions, mostly agriculture inspectors (now called agriculture specialists) and technicians transferred from USDA, to control and protect our nation's borders and inspect agricultural goods arriving in the United States at ports of entry. CBP's Office of Field Operations oversees 25,000 of these employees including 19,000 CBP officers and agriculture specialists assigned to oversee programs and operations at 20 field offices, 317 ports of entry and 14 pre-clearance stations in Canada and the Caribbean. In fiscal year (FY) 2004, CBP intercepted more than 1.5 million prohibited items.

CBP created two new positions in response to its border security role, CBP officer and agriculture specialist. The CBP officer serves as the frontline officer and carries out all of the functions previously performed by inspectional workforces from legacy Customs and INS. The CBP agriculture specialists protect the United States from the threat of exotic pests and diseases by keeping prohibited agriculture items, which could cause serious damage to the nations' crops, livestock, and environment, from entering the country. This is accomplished by:

- Examining passenger baggage and cargo for quarantine diseases and pests;

- Collecting, preparing, and submitting pest and disease samples to USDA;
- Seizing, safeguarding, destroying, or re-exporting inadmissible cargo; and
- Negotiating and monitoring compliance agreements with entities handling regulated garbage.

The USDA-OIG issued two reports[2] on agriculture inspection activities prior to the transfer of the inspection activity to DHS. The most recent report had 37 recommendations, of which 28 dealt with issues that impacted this audit. The other USDA-OIG report had one item, although resolved by USDA, was still applicable to CBP in the performance of its agriculture-related responsibilities. These recommendations were addressed as part of this audit. See Appendix D for the list.

Results of Audit

CBP Risk Identification, Staffing and Performance Measurement Efforts

CBP's methods used to perform Agricultural Quarantine Inspection Monitoring (AQIM), allocate staff, and measure performance need improvement. CBP's sampling for AQIM, which helps USDA predict potential future risks of the entry of agriculture pests and diseases, did not include sufficient sampling for 13 of 18 activities for pathways (such as air passengers, and truck cargo). CBP also lacks a current staffing model for agriculture specialists and performance measures for many activities. CBP's staffing model was outdated and only two performance measures existed for its agriculture activities.

Agriculture Quarantine Inspection Monitoring

CBP did not meet AQIM sampling requirements for 13 of 18 activities for pathways tested at the four ports (see Appendix E). AQIM agriculture monitoring activities at the ports of entry consist of daily or weekly sampling and inspection of various pathway activities. The information obtained by this sampling provides USDA with information on the potential future risks to the agriculture industry from entry of pests and diseases via various pathways. Based on the AQIM inspection results, USDA-APHIS develops an interception rate for the particular pathway, such as air passenger, air cargo,

[2] USDA Report: Animal and Plant Health Inspection Service Safeguards to Prevent Entry of Prohibited Pests and Diseases into the United States (Report No. 33601-3-Ch, February 2003); USDA Report: Assessment of APHIS and FSIS Inspection Activities to Prevent the Entry of Foot and Mouth Disease Into the United States (Report No. 50601-0003-CH, July 2001).

and mail. The higher the interception rate dictated by AQIM inspection results, the greater the risk. AQIM's ability to predict future pests and diseases that may impact the agriculture industry is diminished if the required number of AQIM inspections are not performed and reported in a timely manner.

All four ports had AQIM sampling problems. Chicago did not meet its AQIM sampling requirements for mail, air passengers, and air cargo. Laredo did not perform AQIM sampling for pedestrians for the three months reviewed. Detroit did not have supporting documentation to verify the air passengers sampling and did not take the required samples for truck cargo and border vehicles. Miami under-reported mail for one month and it did not meet its sampling requirements for maritime-perishables, maritime tiles, and solid wood packing.

CBP supervisors did not sufficiently monitor AQIM sampling requirements at the port level. CBP's Agriculture Programs and Liaison (APL) started follow-up action on AQIM and other data beginning the first quarter of FY 2005. Nationwide, in FY 2004 and FY 2005, ports provided adequate results on only 53 of 153 and 100 out of 153 AQIM activities, respectively.

In addition to taking an insufficient number of AQIM samples, there were also problems with how CBP took the samples. For example, the AQIM plans developed at Chicago did not provide adequate directions on how to conduct the sampling. For air cargo, the sample inspection selection plan did not include the entire perishable (fresh fruits and vegetables) universe as defined in the current USDA-APHIS requirements. Instead the sampling selection was limited to an outdated sampling requirement for vegetables from the Netherlands.

Also, the Laredo agricultural specialists did not randomly select passenger vehicles for AQIM samples nor did they use Compliance Examinations (COMPEX)[3] to select the samples. For vehicles, USDA-APHIS' annual AQIM activity guidance states that agriculture specialists were to take random non-biased samples using COMPEX for vehicle samples, per staffed border crossing, at both the Northern and Southern borders. The use of this system ensures that AQIM inspections were not limited solely to vehicles known to be carrying items of agricultural interest. If COMPEX samples are not available then an alternate procedure should be used to ensure the proper samples are taken.

[3] COMPEX is a mathematically random system of selecting incoming vehicles (except for cargo-carrying trucks, which are covered under different instructions).

APHIS has recently broadened its coverage in certain non-agricultural items, such as solid wood packing materials and Italian tiles, which are known to carry pests and are now specifically covered by AQIM. However, AQIM samples for other pathways such as maritime freight containers and cargo-carrying vehicles are still generally selected from incoming cargoes already known to contain items of agricultural interest. Since other cargoes and vehicles are automatically eliminated from any possibility of selection, the AQIM process is unlikely to identify pests entering through previously unknown pathways. As noted in USDA-OIG's 2003 audit report, even a limited number of AQIM inspections performed on non-agricultural cargoes could identify previously unknown pathways that should be monitored as part of CBP's agricultural inspection process.

In addition, USDA-APHIS has not developed an AQIM process for incoming rail cargo. Although USDA-APHIS officials had agreed with the need for a risk assessment process, they cited operational difficulties (such as the inability to obtain cargo manifests on a timely basis) as a barrier to the development of a workable AQIM system.

Staffing

CBP had not developed an agriculture specialist staffing model to ensure staffing is sufficient and allocated in the most effective manner. CBP headquarters personnel determined the number of agriculture inspectional positions nationwide and the number to be allocated to each field manager. The field managers determine staffing placement within the ports. CBP staffing levels and patterns were based on the agriculture inspection staffing that existed at the time of transition and were not based on a comprehensive, nationwide plan, or assessment of risk.

CBP agriculture specialist staffing has decreased since the transition. The CBP's agriculture inspectional type positions totaled 2,417 (including vacancies) with 2,071 on board as of June 2003. As of February 2005, agriculture staffing had decreased to 1,721 total on board, a 17 percent reduction.

The agriculture inspection staffing patterns at the time of the transition were based on the existing USDA-APHIS staffing model. This model used WADS data to determine the staffing required for each inspection activity. Before the transition, USDA-APHIS officials agreed with USDA-OIG that the existing USDA-APHIS staffing models were not well suited to determining staffing needs for cargo inspections. Although CBP Headquarters officials indicated that they plan to create a new staffing model, they had not established a timeframe for completion.

While the USDA-APHIS staffing model was still in place, two of four ports shifted staff to provide additional coverage to certain pathways. One port increased the number of agriculture specialists assigned to rail inspections from three to six, while another had shifted agriculture specialists from air passenger to air cargo inspection duties. By contrast, one port had maintained the USDA-APHIS staffing pattern which allocated only one agriculture specialist to rail inspections at any given time, while 35 were assigned to road crossings.

Performance Measures

CBP used two performance measures for agriculture inspection activities--one for international air passengers and the other for border vehicle passengers. However, many CBP agriculture inspection activities such as air and truck cargo, mail, pedestrians, and maritime do not have performance measures. The Government Performance and Results Act of 1993 (GPRA) required federal agencies to develop and implement processes to plan for and measure mission performance.

GPRA requires each agency to prepare an annual performance plan covering each program activity set forth in the agency's budget. The plan should establish goals to define the performance to be achieved. The annual GPRA program performance report provides feedback to managers, policymakers, and the public by comparing the annual goals to the actual achievement. The current performance measures were the same ones USDA used and CBP has not addressed the other agriculture inspection activities. Consequently, CBP is not monitoring the effectiveness of all its agriculture inspection activities.

CBP agreed additional measures are needed. Additional performance measures will enable CBP management to better monitor the efficiency and effectiveness of its agriculture inspection activities.

CBP Recommendations

We recommend that the CBP Assistant Commissioner, Office of Field Operations:

Recommendation #1: Provide adequate supervision and instructions to CBP personnel to ensure AQIM data samples are complete, properly taken and accurately recorded.

Recommendation #2: Develop a staffing model and a comprehensive nationwide plan for agriculture specialist staffing.

Recommendation #3: Ensure that a comprehensive set of performance measures is developed to monitor the efficiency and effectiveness of all agriculture inspection activities.

CBP Management Comments and DHS-OIG Analysis

Management Comments to Recommendation #1

CBP concurred with our recommendation and stated that it issued a memorandum on December 1, 2006 to Directors of Field Operations (DFOs) reemphasizing the importance of AQIM guidelines to ensure daily AQIM samples are collected and all forms are completed. The DFOs were also provided the AQIM required activities for fiscal year 2007.

Management Comments to Recommendation #2

CBP concurred with our recommendation and stated that it has developed an optimal staffing allocation model for CBP Officers and Agriculture Specialists. The model will address optimal staffing and have the capability to adjust to changes in workload, processing time, complexity and threat levels. The model will be broken-down by separate components for each environment (air, sea, and land) and will allow aggregation of staffing levels at the field office and national level. CBP will roll out the model in phases focusing on each component and new versions will include CBP Agriculture Specialists. The due date for completion is March 31, 2007.

Management Comments to Recommendation #3

CBP concurred with our recommendation and stated that effective October 1, 2006, it initiated two new performance measures for measuring the agriculture mission: 1) number of pest interceptions at ports of entry and 2) number of quarantine material interceptions seized at ports of entry. These measures were shared with USDA prior to implementation. The new measures facilitate USDA's ability to conduct and provide pest risk assessments.

OIG Comments and Analysis

We consider Recommendations #1 and #3, resolved. Recommendation #2 is resolved but will remain open until implementation is complete.

USDA-APHIS Recommendations

We recommend that the USDA Administrator, APHIS:

Recommendation #1: Develop and provide to CBP a system of risk assessment for rail cargo, so that the degree of risk associated with this pathway can be determined.

In addition, USDA-APHIS still needs to address Recommendation No. 1, on page 6 of USDA-OIG Audit Report No. 33601-3-Ch, which remains unresolved. In this prior report USDA-OIG had recommended that USDA-APHIS "Redirect Agricultural Quarantine Inspection Monitoring activities to cover all potential pathways through which pests and diseases could enter the United States, including those which are not currently covered by normal Plant Protection Quarantine inspections." (See Appendix D, #1, page 34 of this report).

USDA-APHIS Management Comments and USDA-OIG Analysis

Management Comments to Recommendation #1

APHIS officials stated that a railway pathway pest risk assessment is currently being developed for rail shipments, and its completion is anticipated by June 30, 2008.

OIG Comments and Analysis

USDA-OIG accepts APHIS' management decision. Final action can be obtained when APHIS officials provide evidence that the railway pest risk assessment has been completed and provided to CBP.

CBP Agriculture Inspection Activity Requirements

CBP generally conducted agriculture inspection activities in compliance with procedures to screen passengers, cargo, and carriers at the ports visited. However, there were activities that did not comply with USDA requirements such as methods to select cut flower shipments for inspection at one port of entry. CBP at this port also made an operational change to procedures for inspections of cut flowers[4] but lacked a specific formal process for notifying USDA concerning this change. Agriculture shipments also transited the United States without proper permits and the adequacy of tracking methods varied between the ports. The proper disposal of foreign garbage arriving via

[4] This affects the inspection practices for 87 percent of the cut flowers entering the United States.

passenger planes and ships was not adequately verified for all firms at two ports of entry, and materials seized (interceptions) from passengers were not processed in accordance with USDA written procedures at two ports of entry.

Cut Flower Sampling for Inspection

CBP agriculture specialists were not following proper procedures for selecting cut flower samples for inspection. At Miami International Airport, warehouse personnel, who were the importers' representatives, were allowed to select which cut flowers CBP would inspect, rather than a CBP agriculture specialist making the selection. According to the USDA-APHIS' Manual for Cut Flowers and Greenery, the agriculture specialist is to select the boxes or containers for inspection. CBP agriculture specialists stated that when USDA-APHIS was responsible for conducting inspections, the USDA-APHIS inspectors allowed warehouse personnel to make the selection and CBP continued the same procedure since the transition.

In addition to not selecting the boxes of cut flowers for inspection, CBP agriculture specialists did not observe the physical pulling of boxes to ensure those boxes presented for inspection were actually the flowers intended for inspection. According to the agriculture specialists, the importers knew what CBP wanted to inspect, so the agriculture specialists allowed the importers representatives to select the boxes and have them already pulled out of the shipment when the agriculture specialists arrived for the inspection.

The warehouse personnel also prepared a form that contained the total number of cut flower boxes in the shipments. The agriculture specialists did not verify the accuracy of the information, either against the airway bills or against the number of boxes of cut flowers physically present in a given shipment. Without periodic verification, CBP lacks assurance that the correct number and type of samples are selected for inspection, and are correctly reported.

According to CBP, the procedure of allowing warehouse personnel to select and physically pull the sample was intended to reduce the amount of time the agriculture specialists needed to spend on cut flower inspections. This procedure lacks safeguards to prevent importers from presenting the agriculture specialists with flowers which they know will pass inspection, while keeping out others that they know could be refused entry due to the presence of pests or because of other factors.

Process for Operational Procedure Changes

CBP at the port of Miami changed established operational procedures to no longer place computer system holds on cut flower shipments for inspection.[5] CBP officials lacked a specific process for notifying USDA concerning this change and did not retain a record of any notice sent to the headquarters level. The Memorandum of Agreement (MOA) between CBP and USDA does not sufficiently describe the consulting process and does not define "significant changes" when CBP will inform USDA. Without formal supplemental procedures each CBP port may define significant changes differently and develop its own procedures on how and when to bring USDA into the process.

Miami port management changed the cut flowers procedures to speed up the inspection process so agriculture specialists would no longer have to input holds and releases for cut flower shipments. Port management informed carriers they are now required to ensure that cut flowers shipments remain at the port until CBP releases or authorizes further movement even if the shipments are not placed on computer hold.

According to the MOA between CBP and USDA, whenever DHS issues directives or guidelines as may be necessary to ensure the effective use of DHS personnel carrying out the agricultural functions transferred to DHS, it shall do so in consultation with USDA. The MOA further describes the requirement that CBP will inform USDA of significant operational changes involving staff coverage having an impact on pest risk, and will allow USDA an opportunity to discuss proposed changes with CBP prior to final implementation.

The MOA does not offer specifics on the process for consultation between CBP and USDA and does not define significant changes. CBP has not issued formal supplemental procedures to define what rises to a significant change and how consultations should be handled with USDA.

Transportation & Exportation Shipment Permits

Forty-five of 96 Transportation and Exportation (T&E)[6] shipments examined during the period audited transited the United States without valid transit permits. APL requires transit permits for all agriculture T&E shipments. Agriculture specialists at two locations were not aware of the permit requirements. In addition, USDA policy was not consistent on T&E permits. Without transit permits, there is no guarantee that T&E shipments are properly

[5] CBP at Miami may still occasionally place inspection holds on cut flowers for reasons other than routine inspection such as concerns over specific shipments.

[6] T&E shipments are destined for foreign markets. They enter the United States through one port, transit through the United States unopened, and exit through another port.

routed and tracked between their entry and exit points. Agricultural commodities in T&E shipments could, if introduced into the U.S., spread pests and diseases that are harmful to the country's agriculture.

The 45 T&E shipments that originated at two ports traveled through the United States without valid transit permits. T&E shipments that are traveling through the U.S. usually are not inspected for pests. A third port did not keep records on agriculture T&E shipments. At the fourth port all T&E shipments entering had valid permits. See Appendix H for a summary of results.

A July 3, 2004, APL memorandum states that agricultural T&E shipments require an approved properly issued transit permit. Only USDA-APHIS headquarters issued permits are valid. If the importer does not have a transit permit at the time of entry, the shipment is to be refused. On a one-time basis, an importer is allowed to present written proof that they have applied for a permit in lieu of an actual permit.

Agriculture specialists at two ports stated that they were not aware that permits were required for all T&E shipments. They had not received the July 2004 APL memorandum. They believed that T&E permits were only required for commodities that were prohibited from entry into the United States.

USDA-APHIS policy on T&E permits is not consistent. The USDA-APHIS Airport and Maritime Operations Manual (AMOM) (April 2004) allowed agriculture specialist to use their own judgment and allow some T&E shipments to enter without USDA-APHIS issued permits. The USDA-APHIS Manual for Agriculture Clearance (June 2005) required transit permits for all T&E shipments. Other USDA-APHIS policies allow some exceptions. For example, USDA-APHIS' Fruit and Vegetable Manual (November 2005) stated that some T&E shipments could enter without permits. Shipments that were admissible at the port of entry, and would be admissible at all locations where the commodity would travel, could enter without T&E permits.

Transportation & Exportation Shipment Monitoring

CBP lacks uniform specific procedures that define how agriculture T&E shipments should be monitored to ensure they are properly controlled and are exported at the destination port. As the result of a prior audit,[7] USDA-APHIS agreed to develop uniform procedures to monitor T&E shipments, but still has not issued policies and procedures that clearly define how these shipments are to be monitored. Consequently, CBP has little assurance that T&E shipments are exiting the country as required. As noted previously, agricultural

[7] USDA Report: Animal and Plant Health Inspection Service Safeguards to Prevent Entry of Prohibited Pests and Diseases into the United States (Report No. 33601-3-Ch, February 2003).

commodities in T&E shipments could, if introduced into the United States, spread pests and diseases harmful to the country's agriculture.

The USDA-APHIS' AMOM procedure (dated April 2004) in effect during the audit stated that notification and follow-up on T&E shipments may be done on a case-by-case basis for unusual or suspicious shipments, but not for routine T&Es. USDA-APHIS' latest T&E procedure in the Manual for Agriculture Clearance (dated June 2005) still does not clearly define which shipments require notification to the exiting ports. Notification is to be given for "certain restricted and prohibited cargoes."

In the MOA with USDA, CBP agreed to seal transit [i.e. T&E] shipments, notify the exiting port of the shipments, monitor the shipments' movements, and verify seals and documentation when the shipments exited the country. However, the MOA did not define the process for monitoring these shipments.

Each of the four ports had different methods for monitoring T&E shipments and retaining related supporting documentation. At two of the ports, 19 of 66 shipments reviewed could not be confirmed as having left the country because manual or computer records either did not show the shipments were exported or the records were unavailable. The third port did not keep T&E agricultural shipment records, so shipments could not be sampled and verified to confirm adequacy of controls and proper exportation of shipments. The fourth port's T&E shipments were found to have exited the country.

The four ports followed different procedures regarding notifying the exiting port about T&E shipments. At one port of entry, when an incoming T&E shipment departed the port, CBP personnel generally faxed a notification to the port of exit. They considered it the port of exit's responsibility to ensure the shipments left the country. However, 11 of 31 of this port's T&E shipments could not be verified as having exited the country, because the exiting port did not monitor the shipments' exit. At a second port, the exiting port was not notified of the T&E shipments. For 8 of 14 T&E shipments, we could not confirm the shipments exited the country. The third port did not notify ports of exit nor, as previously indicated, did they keep agriculture T&E shipment records. They believed the USDA-APHIS procedures for handling T&E shipments limited their responsibilities to ensuring that each shipment had a valid permit and to enforcing the conditions contained in the permit.

The fourth port had the most effective system of tracking T&E shipments. In addition to notifying the ports-of-exit of shipments that entered through their port, they tracked these shipments themselves to ensure that they exited the country. In cases where USDA-APHIS and CBP's computer tracking systems did not show that a shipment had exited, agriculture specialists at this port contacted the broker and requested documentation confirming that the product

left the country. All 60 shipments examined for the port had exited the country.

Interception Processing

USDA-APHIS guidelines provide that all seized material should be sealed and properly labeled with the flight number or vessel's name, and country of origin for later examination and identification of pests and diseases. Only one of the three airports visited labeled and bagged all seized Quarantine Material Interceptions (QMI).[8] In addition, at the cruise ship port visited, passengers arriving from the Caribbean were not specifically inspected for QMIs and interceptions were disposed of without examinations for pests. According to CBP headquarters and port officials, sufficient staff was not available at these locations to perform the procedures and CBP port officials believed that agriculture specialists needed to address higher priorities. Without labeling and sealing the seized agricultural products in containers or bags, the port may not be able to use the products in risk assessment to identify the pests' source.

At two of the three airports reviewed, QMIs seized from incoming air passengers were sometimes simply dropped in a bin and were not always tagged and placed in sealed containers. In some instances, the QMIs were bagged and tagged for identification as required. In others, the items were placed in sealed containers but were not tagged, and in yet other cases they were tagged but not placed in sealed containers. QMIs were later taken to work areas for examination for pests and proper disposal. Untagged products were also sent to the examination room and commingled with QMIs from other flights.

Since June 2005, agriculture specialists at the Miami Maritime Port had not inspected Caribbean cruise ship passengers' bags when the passengers left the ship. Rather, only CBP officers (legacy immigration and Customs inspectors) were assigned to question passengers and inspect passengers' bags. A previous USDA-APHIS study determined that incoming cruise ship passengers, generally of American origin, were less likely to carry agricultural contraband than were foreign nationals arriving on international flights. CBP followed the USDA-APHIS policy that was based on this study. However, in a previous audit report USDA-OIG questioned the reliability of this study and the validity of its results.

Passengers may voluntarily deposit any prohibited materials in bags that were placed adjacent to the debarkation lines. According to an agriculture

[8] QMIs are confiscated regulated plant or animal products from baggage, cargo, mail, aircraft, or vessels because of prohibition, permit denial, pest risk, or abandonment.

specialist, the prohibited materials that were placed in the bags were simply disposed of because of the lack of time to examine them.

Agriculture specialists at the airports often did not mark and seal seized items to save time allowing them to concentrate on higher priority duties. The agricultural inspections chief stated that these items were generally commercial fruit and considered low risk. If QMIs are not tagged at the time they are intercepted, it may not be possible to identify the flight from which they were taken, or to trace back to the city/country of origin if the QMIs are found to contain pests.

A CBP headquarters APL official explained that the goal is to mark the fruit and vegetables that have the highest risk of pests. Other QMIs such as apples are disposed of because of the low risk for pests and it would take considerable effort to label and package all these low risk items. This was also the practice at USDA before the transition of agriculture activities and specialists to CBP.

Garbage Compliance Inspection Monitoring

Only two of the four ports maintained adequate records that verified firms' compliance with agreements to properly dispose of foreign garbage arriving via passenger planes and ships. Spot check visits were supposed to be performed quarterly and documented to ensure proper garbage removal and disposal. CBP personnel stated that there was not enough staff for remote site visits and/or they did not keep monitoring records. There is reduced assurance that foreign garbage (a significant pest risk) is adequately handled and properly disposed.

Two ports had not documented site visits to all firms with compliance agreements such as the incinerators. One of the ports that maintained records did not always detail the extent of spot checks performed, and did not visit an incinerator company or follow garbage haulers to ensure they properly disposed of the garbage. The other port that documented its visits had no evidence that one of its remote sites had been visited since 2003, and the last monitoring visit of a garbage hauler was in March 2002.

The Manual for Agricultural Clearance (MAC) requires that caterers and cleaners be monitored to ensure that they are following the conditions listed in the compliance agreement. The MAC requires spot checks at least quarterly to ensure that garbage removal and disposal are accomplished as specified by the conditions listed in the compliance agreement. Compliance with the agreements is also to be monitored twice a year. The MAC provides agriculture specialists with checklists to document visits and monitoring.

Monitoring visits were not always made because of insufficient staff to send to remote sites. One port did not perform any visits to the satellite airports because they were corporate jet flights and considered low risk. Another port was not aware that they were to use a designated form for these visits and USDA-APHIS had never brought it to their attention to use it.

CBP Recommendations

We recommend that the CBP Assistant Commissioner, Office of Field Operations:

Recommendation #4: Ensure agriculture specialists follow USDA-APHIS procedures to select and inspect cut flowers by verifying the total number of flowers in the shipment, selecting the cut flower samples, and being present when those selections are pulled for inspection.

Recommendation #5: Ensure that the Agriculture Programs and Liaison office works with Directors of Field Operations and Port Directors to further define the procedures in the Memorandum of Agreement pertaining to the consultation with USDA on any significant operational changes planned before implementation. These procedures should include a description of the process to follow, a definition of significant changes, and documentation requirements.

Recommendation #6: Once USDA issues new guidelines (see USDA Recommendation #2, below) on T & E Permits, CBP should ensure proper procedures are followed for permits.

Recommendation #7: Coordinate with USDA and develop procedures and systems, in accordance with the Memorandum of Agreement, to efficiently and properly monitor T & E and other in-bond shipments to ensure they are adequately controlled in transit and are exported at destination ports. Assess penalties where violations occur.

Recommendation #8: Once USDA issues a clarification (see USDA Recommendation #3, below) on labeling and packaging seized items, CBP should ensure agriculture specialists comply with USDA-APHIS procedures.

Recommendation #9: Ensure that agriculture specialists perform and document compliance spot checks to assure that foreign garbage is adequately handled and properly disposed.

CBP Management Comments and DHS-OIG Analysis

Management Comments to Recommendation #4

CBP concurred with our recommendation and stated that CBP and USDA discussed the issue of specific ports amending operational changes to procedures for inspection of cut flowers. A reminder was distributed on December 12, 2006 to field offices outlining the guidelines for cut flowers and greenery. The guidelines were listed in the Nonpropagative Manual located on the CBP website. The reminder also stated that CBP Headquarters must approve any operational changes to procedures for inspection of cut flowers.

Management Comments to Recommendation #5

CBP concurred with our recommendation and stated that CBP Headquarters staff continues to work in consultation with USDA-APHIS when issuing directives or guidelines to the Directors of Field Operations. CBP reissued the USDA and CBP Communication Plan to field offices on December 1, 2006.

Management Comments to Recommendation #6

CBP concurred with our recommendation and stated that, on December 4, 2006, it distributed a reminder to the field of the Transportation (Transit) and Exportation (T&E) guidelines and procedures listed in the Manual for Agriculture Clearance (MAC) and in T&E permits. The MAC is accessible to all CBP Agriculture Specialists and the T&E permits indicate any additional requirements.

Management Comments to Recommendation #7

CBP concurred with our recommendation and stated that it continues to meet with USDA to jointly develop a T&E compliance process. Both agencies are working to expand the current system to incorporate the T&E tracking database into e-Permits. The due date is June 30, 2007. The T&E tracking database currently allows CBP and USDA-APHIS to track shipment of plant agricultural material when it transits into the U.S.

Management Comments to Recommendation #8

CBP concurred with our recommendation and stated that on December 5, 2006 it sent a reminder to the field of the guidelines and procedures for labeling and packaging seized items listed in the MAC. CBP is working in consultation with USDA-APHIS on a new USDA protocol (clarification) for labeling and packaging seized items, and will ensure that Agriculture Specialists are apprised of the USDA-APHIS procedures.

Management Comments to Recommendation #9

CBP concurred with our recommendation and stated that in collaboration with USDA a memorandum was distributed to the field stating that Agriculture Specialists must perform and document compliance spot checks. It included guidance for the handling and properly disposing of foreign regulated garbage.

OIG Comments and Analysis

We consider Recommendations #4, #5, #6, #8 and #9, resolved. However, for Recommendation #5 CBP should require CBP officials to document communications with USDA that are made in person or telephonically concerning operational changes. Recommendation, #7, is resolved but will remain open until implemented.

USDA-APHIS Recommendations

We recommend that the USDA Administrator, APHIS:

Recommendation #2: Clarify the requirements for the use of T & E permits, and develop methods for CBP to efficiently verify that required permits are obtained for shipments.

Recommendation #3: Issue instructions to CBP clarifying APHIS policy on labeling and packaging seized agricultural products and any exceptions allowed to this policy.

In addition, USDA-APHIS needs to address two outstanding recommendations from USDA-OIG audit report 33601-3-Ch, as follows:

Recommendation No. 27, on page 59 of the USDA-OIG report, recommends that APHIS "Establish uniform procedures for monitoring and reconciling Transportation and Exportation shipments. These procedures should (1) require ports of entry and exit to coordinate efforts to monitor and reconcile Transportation & Exportation shipments, (2) address overdue or missing shipments, and (3) establish timeframes for referrals of shipments to Investigative and Enforcement Services."

Recommendation No. 10, on page 25 of the USDA-OIG report, recommends that APHIS "Perform a national study of cruises from countries classified as high risk, such as Jamaica, to assess the risk of introducing exotic pests or diseases into the United States, to determine whether increased inspection of cruise ships is warranted. Based on the results of this study, develop inspection procedures for cruises from high-risk countries."

USDA-APHIS Management Comments and USDA-OIG Analysis

Management Comments to Recommendation # 2

APHIS officials stated that they are currently updating manuals to provide consistency for port inspectors on the requirements for T&E permits, and this will be completed by January 31, 2008. They also stated that they are currently providing CBP with lists of valid transit permit holders for field dissemination. In addition, APHIS officials stated that the online permit database, e-Permits, will eventually house all APHIS permits, including transit permits and that CBP will be provided access to the system to verify permitee or permit information. CBP officials, in their response to DHS-OIG, stated that both agencies are working to incorporate the T&E tracking database into e-Permits.

Management Comments to Recommendation # 3

APHIS officials are updating their manual to allow CBP to establish local procedures to allow proper labeling and packaging for seized agricultural products. The updates will be completed by January 31, 2007.

OIG Comments and Analysis

For recommendation #2, USDA-OIG concurs that the manual updates proposed by APHIS would address the need to provide clearer instructions to CBP agricultural inspectors at the ports. USDA-OIG also concurs that incorporating T&E permits into the e-Permits system should give CBP agricultural inspectors the ability to monitor the status of T&E shipments until they exit the country. However, the response did not include the agency's timeframes to accomplish this. To reach a management decision, APHIS officials need to provide timeframes for incorporating T&E permits into the e-Permit system.

For recommendation #3, USDA-OIG accepts APHIS' management decision. Final action can be reached when the agency provides evidence to the Office of the Chief Financial Officer that the manual update has been completed.

CBP Controls for Tracking Agriculture Inspections and Shipments

CBP controls for tracking agriculture inspections and shipments were not always adequate. CBP did not report accurate work accomplishment activity data, which are used to track and report agriculture inspection activities. PPQ-280 data, which is used to track the disposition of plant

and plant products into and out of the United States, was not accurately reported.

Work Accomplishment Data System

USDA-OIG previously reported issues with the work accomplishment data system (WADS) used to track ports' agriculture inspection activities, which continues to be a problem at CBP. The WADS database includes a daily record of agriculture inspection and interception activity, broken down by pathway (e.g. Maritime, Airport, Land Border). At the ports, 107 of 148 WADS activity codes examined were reported incorrectly or lacked supporting documentation to allow verification. CBP had inadequate second-party reviews of data input, a lack of sufficiently trained personnel, and port personnel misinterpreting USDA-APHIS instructions. CBP and USDA-APHIS cannot fully rely on the WADS data, which can impair the agencies' ability to manage the agricultural inspection programs and to assess the results of those operations.

All four ports had WADS inspection activity errors. The four ports had reporting errors that included both under and over reporting of data. For example, one port over reported the number of agriculture inspections for passengers in buses by 39,869. Another port's rail pathway inspection and pest interception data were partially double counted, causing overstatements of 98 percent for both activities (9,661 reported versus 4,877 actual for rail pathway and 172 reported versus 87 actual for pest interceptions). Three ports lacked documentation needed to verify 14 WADS inspection activity codes. See Appendix F for a summary of results.

The WADS User Guide states that the Port Director/Officer in Charge will perform the end of month closeout process to indicate that data entry has been reviewed and completed for the month. WADS identifies and tracks inspections and interceptions at the ports using different program categories, as well as numerous codes to denote specific activities under each program category. Each port is to collect, report, and transmit this data to USDA-APHIS.

WADS data was inaccurate for several reasons. CBP personnel cited a lack of staff adequately trained in WADS input procedures. Also, the WADS User's Guide did not specify the type or extent of secondary reviews that were to be performed. These reviews were not always adequate to ensure the accuracy of WADS data. Records were not always available for review purposes since some ports retained documents while others did not.

In some instances CBP port personnel did not report certain items in accordance with procedures outlined in USDA-APHIS WADS manuals. For example, at one port, reportable and non-reportable pests for certain pathways were recorded as a single line item rather than separate items as required.

As with AQIM, APL started follow-up action on WADS and other data beginning the first quarter of fiscal year 2005, and the first reports were sent in December 2004. APL followed up with all four field offices of the four ports visited and identified as having provided inadequate results.

Plant Protection Quarantine-280

The PPQ-280 is used to track the disposition of plants and plant products into and out of the United States. It is also used to identify import problems with specific plant products and track trends that exist with respect to specific plant imports. Of the 287 PPQ-280 shipments examined, 94 were reported incorrectly or lacked supporting documentation to allow verification. The ports were not verifying the accuracy of importer provided PPQ-280 data or data entered by CBP personnel. Officials at the ports believed that they had not dedicated sufficient personnel for input and review. Without accurate PPQ-280 data, CBP and USDA-APHIS cannot accurately track the disposition of plants and plant products into and out of the United States, or identify import problems with specific plant products or trends that exist with respect to specific plant imports.

Two of four ports had significant errors in PPQ-280 activity sampled from January 2005 and November 2004.[9] At two ports individual line items on PPQ-280 forms for vegetable and cut flower shipments either were erroneously recorded in the PPQ-280 database or were not in the database. Further, one of these ports did not have entire categories of plant products recorded in the PPQ-280 database. The omitted products included lumber, cotton, and frozen foods. See Appendix G for a summary of results. The PPQ-280 User Guide states that the Port Directors or the Officers in Charge should ensure that the data have been reviewed before the month is closed out. USDA-APHIS uses this data for trade activity evaluations and risks assessments.

At one port adequate staff was not dedicated to PPQ-280 data input and the officials did not review the data. At another port, CBP performed only a cursory review of the PPQ-280 data, which did not include verifying to supporting documentation. As with AQIM and WADS, APL started follow-up action on PPQ-280 data beginning the first quarter of fiscal year 2005, and

[9] The sample was expanded to include November 2004, because of the number of errors found in the January 2005 data (note for one port May 2005 data was used instead of January because CBP could not locate the January records.)

the first reports were sent in December 2004. APL followed up with the four field offices of the four ports visited and identified as having provided inadequate results.

USDA officials commented that USDA-APHIS, Plant Protection Quarantine Section has provided and continues to offer CBP assistance and guidance by giving training, workshops or seminars on all aspects of Agricultural Quarantine Inspection (AQI) operations data (WADS, 280, AQIM, etc) and their use. This includes, but is not limited to, data collection, data quality control checks, data storage and organization in current database(s), and analysis and use of this AQI data for local, field office or national risk management purposes. USDA officials stated that where this training was held[10] CBP participants indicated that these sessions were productive and provided better understanding of the AQI operations data and its use.

CBP Recommendation

We recommend that the CBP Assistant Commissioner, Office of Field Operations:

Recommendation #10: Provide adequate instructions, resources, training, and supervision to CBP personnel to ensure WADS and PPQ-280 data are accurately compiled and entered in the computer system, and related records are properly retained. When needed, CBP should obtain the assistance of USDA-APHIS for training and guidance on WADS and PPQ-280 data.

CBP Management Comments and DHS-OIG Analysis

Management Comments to Recommendation #10

CBP concurred with our recommendation and stated that the CBP-USDA Data Analysis Team for Evaluating Risk meets quarterly to review and address issues with data quality concerning WADS, PPQ-280, and AQIM data. CBP's Office of Field Operations, Field and Resource Management are developing routines in the Operations Management Report Data Warehouse to address data quality and integrity issues. Specifically, logic programs were written to report on missing, and over and under reported data, and on cross-validation of data associated with WADS. The new Operational Management Report Data Warehouse was released for piloting on November 28, 2006.

By March 30, 2007, training materials, user guides and instructions for WADS and PPQ-280 will be available for field personnel. Field and Resource Management's Strategic Planning Division has established a Data

[10] This USDA training was not held at the ports reviewed as part of this audit.

Integrity Working Group comprised of Headquarters and field representatives who have responsibility to ensure quality controls are developed and implemented in the field and port offices. In addition, twenty-one field office statistical coordinators will be identified and trained to ensure data quality controls are implemented by April 30, 2007.

OIG Comments and Analysis

We consider Recommendations#10 resolved but will remain open until implemented.

Table 1
WADS Codes Sampled

Location	Code Type	Sample Size	Totals
Chicago	Maritime	2	
	Airport	19	
	Mail	6	
	Miscellaneous	1	
	Inland Inspections	4	**32**
Detroit	Airport	18	
	Land Border	9	
	Mail	2	**29**
Laredo	Land Border	24	**24**
Miami	Maritime	32	
	Airport	20	
	Mail	10	
	Miscellaneous	1	**63**
TOTAL			**148**

Plant Protection Quarantine-280

To test the accuracy of PPQ-280 data, we selected shipments during January 2005 (with one exception discussed below), and expanded the review to another month in instances where a significant rate of error was found. We counted the number of shipments to determine the universe for the month. To determine the accuracy of the PPQ-280 data, we compared each line item of the shipment's supporting documentation (such as the invoices or bills of lading) to the PPQ-280 data verification report that was obtained from the Agriculture Quarantine Activity System.

Chicago – Air Cargo For January 2005 we took a judgmental sample of 30 of 364 shipments.

Based on the errors we noted in the January 2005 sample, we expanded our testing to include November 2004. Following the same procedure noted above, we took a judgmental sample of 30 of 450 shipments.

Detroit – For January 2005 we examined all 47 individual shipments (consisting of 107 individual line items).

Laredo – Land Bridge We took a sample of 30 notices of arrival for each cargo port of entry at Laredo (World Trade Bridge and Columbia Bridge) for January 2005. We verified that each item on each notice of arrival was in the

local database. For items that were entered separately into the USDA PPQ-280 database, we verified that the data matched the notice of arrival.

For a sample of 27 items (tomato shipments) at the World Trade Bridge, we could not determine which tomatoes were combined for the USDA PPQ-280 database, so we checked that the number of shipments and weights for all tomatoes in the two databases matched.

We compared the total weight and stem counts of the 30 samples with the weight and stem counts listed in the USDA PPQ-280 to determine the error, if any, of the USDA PPQ 280 data.

Miami – Air Cargo There were 4,031 individual shipments. We took a judgmental sample of 30 documents.

Based on the errors we noted in the January 2005 sample, we expanded our testing to include November 2004. Following the same procedure noted above, we determined there were 4,691 individual shipments. We took a judgmental sample of 30 documents for the month.

Miami – Maritime We obtained the PPQ-280 supporting documents for shipments imported for May 2005. The port was unable to locate the January 2005 records. We took a judgmental sample of 30 of 1,022 shipments that occurred in May 2005. Based on the errors we noted in the May 2005 sample, we expanded our testing to include November 2004. Following the same procedures noted, above, we determined that there were 689 individual shipments. We took a judgmental sample of 30 shipments for November 2004.

Transportation & Exportation

We examined documentation for T&E shipments at Chicago, Detroit, and Laredo between October 1, 2004 and February 28, 2005. Miami did not maintain supporting documentation for these shipments. For the shipments reviewed, we determined if they had valid permits and verified whether the shipments left the country. See details on the samples provided in Table 2 below.

Table 2
T&E Documents Sampled

Location	Shipments	Sample Size	Totals
Chicago	31	31	**31**
Detroit			
- Land Border	21	21	
- Airport	14	14	**35**
Laredo	3700-5200*	60	**60**
TOTAL			**126**

*- Based on port official's estimate number of T&Es for the period.

USDA-OIG assisted with the audit to provide its agriculture expertise and to follow-up on corrective actions taken on issues identified in its prior audits concerning agriculture inspection activities.

We conducted our audit between March and December 2005 according to generally accepted government auditing standards.

U.S. Department of Homeland Security
Washington, DC 20229

U.S. Customs and
Border Protection

January 9, 2007

MEMORANDUM FOR RICHARD L. SKINNER
INSPECTOR GENERAL
DEPARTMENT OF HOMELAND SECURITY

FROM: Director, Office of Policy and Planning
U.S. Customs and Border Protection

SUBJECT: Response to the Office of Inspector General
Draft Report for the Review of Agriculture Inspection Activities

Thank you for providing us with a copy of your draft report entitled "Review of Customs and Border Protection's Agriculture Inspection Activities" and the opportunity to discuss the issues in this report.

The U.S. Customs and Border Protection (CBP) agrees with the Department of Homeland Security (DHS), Office of Inspector General's (OIG's) overall observations that improvements are needed to ensure that Agricultural Quarantine Monitoring (AQIM) sampling, staffing, and performance measures are adequate.

CBP concurs with all ten recommendations made by the OIG and has taken corrective actions to implement the recommendations that are outlined with attached supporting documentation. As a result of these actions CBP considers seven recommendations closed.

Recommendation 1: Provide adequate supervision and instructions to CBP personnel to ensure AQIM data samples are complete, properly taken and accurately recorded.

Response: Concur. CBP's Office of Field Operations (OFO), Agriculture Programs and Liaison (APL) Division issued a memorandum on December 1, 2006 to the Directors of Field Operations (DFOs) reemphasizing the importance of the AQIM guidelines to ensure that daily AQIM samples are collected and all forms are completed. The DFOs were also provided with the AQIM required activities for Fiscal Year 2007. (See Attachment 1)

Due Date: Completed

2

Recommendation 2: Develop a staffing model and a comprehensive nationwide plan for agricultural specialist staffing.

Response: Concur. CBP OFO has developed an optimal staffing allocation model for CBP Officers (CBPOS) and CBP Agriculture Specialists (CBPAS) at the ports of entry (POEs). The model will be able to address optimal staffing and has the capability of adjusting to changes in workload, processing time, complexity and threat levels. The primary output of the model will show an optimal level of staffing of CBPOs and CBPAS for the POEs. The main methodology employed by the model is to calculate an expected level of workload based upon key workload elements and an associated optimal level of staffing to handle the workload at each location. These staffing levels can be aggregated up to the field office and national levels.

This model will be used as a decision tool to better allocate our resources, based upon CBP's current financial plan. CBP management and the Deputy Commissioner approved the prototype model methodology. The Headquarters OFO Executive Directors were briefed on the model and provided feedback and suggested enhancements to the Development Team. The DFOs were briefed on July 27, 2006 at a DFO Conference held in El Paso, Texas. This briefing provided the DFOs an opportunity to see the model and understand how it was developed. The DFOs were asked for suggestions regarding elements of the model and for enhancements they believe were necessary to make the completed model a success. Based on feedback from Headquarters Managers and Field Directors, the model was broken down into separate components to better address optimal staffing for each environment (air, sea, and land). The enhanced model will be rolled out in phases focusing on each component.

The first phase of the model was completed on October 31, 2006 for the CBPO-air passenger processing. As the model continues to enhance new versions will be released that will include CBPAS. (See Attachment 2)

Due Date: March 31, 2007

Recommendation 3: Ensure that a comprehensive set of performance measures is developed to monitor the efficiency and effectiveness of all agricultural inspection activities.

Response: Concur. Effective October 1, 2006, CBP initiated two new performance measures for the Future Years Homeland Security Plan (FYHSP) for measuring the agriculture mission: 1) number of pest interceptions at POEs 2) number of quarantine material interceptions seized at POEs (in millions). The performance measures are linked to DHS and CBP's Strategic Plans. These measures were shared with USDA prior to implementation. The new performance measures facilitate USDA's ability to conduct and provide pest risk assessments. A memorandum to the DFOs ensuring that the performance measures and reports are monitored was distributed December 12, 2006. (See Attachment 3)

Due Date: Completed

Recommendation 4: Ensure agriculture specialists follow USDA-Animal and Plant Health Inspection Service (APHIS) procedures to select and inspect cut flowers by verifying the total number of flowers in the shipment, selecting the cut flower samples, and being present when those selections are pulled for inspection.

Response: Concur. CBP and USDA discussed the issue of specific ports amending operational changes to procedures for inspection of cut flowers. A muster reminder and alert was distributed on December 12, 2006 to the field offices outlining the guidelines for cut flowers and greenery. The guidelines were listed in the Nonprogative Manual located on the CBP website. The muster item and alert stated that Headquarters must approve any operational changes to procedures for inspection of cut flowers.
(See Attachment 4)

Due Date: Completed

Recommendation 5: Ensure that Headquarters Agriculture Programs and Liaison office works with Directors of Field Operations and Port Directors to further define the procedures in the Memorandum of Agreement (MOA) pertaining to the consultation with USDA on any significant operational changes planned before implementation. These procedures should include a description of the process to follow, a definition of significant changes, and documentation requirements.

Response: Concur. Headquarters APL staff continues to work in consultation with USDA-APHIS when issuing directives or guidelines to the DFOs. APL reissued the USDA and CBP Communication Plan to the field offices on December 1, 2006.
(See Attachment 5)

Due Date: Completed

Recommendation 6: Once USDA issues new guidelines (see USDA Recommendation #2, Appendix I) on T & E Permits, CBP should ensure proper procedures are followed for permits.

Response: Concur. Guidelines for authorizing movement of Transportation (Transit) and Exportation (T&E) cargo are outlined in the Manual for Agriculture Clearance (MAC), which is accessible to all CBPAS. The T&E permit indicates any additional requirements. For certain restricted and prohibited T&E cargo, follow-up on the corresponding T&E bond is conducted to confirm that the cargo was exported. A muster topic was distributed to the field as a reminder of T&E guidelines and procedures listed in the MAC and T&E permits on December 4, 2006.
(See Attachment 6)

Due Date: Completed

4

Recommendation 7: Coordinate with USDA and develop procedures and systems, in accordance with the MOA, to efficiently and properly monitor T&E and other in-bond shipments to ensure they are adequately controlled in transit and are exported at destination ports. Assess penalties where violations occur.

Response: Concur. CBP continues to meet with USDA to jointly develop a T&E compliance process pursuant to the MOA. Both agencies are in the process of expanding the current system to incorporate the Transportation and Exportation (T&E) tracking database into e-Permits. The T&E tracking database currently allows CBP and APHIS to track shipments of plant agricultural material when it transits into the U.S. (See Attachment 7)

Due Date: June 30, 2007

Recommendation 8: Once USDA issues a clarification (see USDA Recommendation #3, Appendix I) on labeling and packaging seized items, CBP should ensure agriculture specialists comply with USDA-APHIS procedures.

Response: Concur. On December 5, 2006, a muster was sent to the field as a reminder of the guidelines and procedures for labeling and packaging seized items listed in the Manual for Agriculture Clearance (MAC). Headquarters APL staff is working in consultation with USDA-APHIS on a new USDA protocol (clarification) for labeling and packaging seized items, and will ensure that CBP Agriculture Specialists are apprised of the USDA-APHIS procedures. (See Attachment 8)

Due Date: Completed

Recommendation 9: Ensure that Agriculture Specialists perform and document compliance spot checks to assure that foreign garbage is adequately handled and properly disposed.

Response: Concur. In collaboration with USDA, a memorandum was distributed to the field stating that CBP Agriculture Specialists must perform and document compliance spot checks. It provided guidance for handling foreign regulated garbage and how it should be properly disposed. (See Attachment 9)

Due Date: Completed

Recommendation 10: Provide adequate instructions, resources, training and supervision to CBP personnel to ensure Work Accomplishment Data System (WADS) and Plant Protection Quarantine-280 (PPQ-280) data are accurately compiled and entered in the computer system and related records are properly retained. When needed, CBP should obtain the assistance of USDA-APHIS for training and guidance on WADS and PPQ-280 data.

5

Response: Concur. CBP-USDA Data Analysis Team for Evaluating Risk (DATER) meets quarterly to review and address issues associated with data quality pertaining to WADS, 280, AQIM data collected by CBP personnel. OFO Field and Resource Management (FRM) are developing routines within the Operations Management Report (OMR) Data Warehouse to address issues of data quality and integrity. Specifically, logic programs have been written to report on missing, over-and under-reported, and cross-validation of data associated with WADS.

Due Dates: The new Operational Management Report (OMR) Data Warehouse was released for piloting on November 28, 2006. It combines agriculture, customs and immigration operational management data into one interrelated database. In addition, it provides a series of standard reports and data integrity reports useful in reviewing and correcting the data entered into the original systems of record.

By March 30, 2007, the training materials, including user guides and instructions for WADS and 280 will be available for CBP field personnel. FRM's Strategic Planning Division has established a Data Integrity Working Group comprised of Headquarters and field representatives with responsibility to ensure quality controls are developed and implemented in the field/port offices.

As a result, twenty-one Field Office Statistical Coordinators will be identified and trained to ensure data quality controls are implemented in the field/port offices by April 30, 2007.

If you have any questions regarding this response, please have a member of your staff contact Ms. Arlene Lugo at (202) 344-1218.

Attachments

United States Department of Agriculture

Animal and Plant Health Inspection Service

Washington, DC 20250

MEMORANDUM

TO: Robert W. Young
Assistant Inspector General
for Audit

FROM: W. Ron DeHaven
Administrator

JAN 1 6 2007

SUBJECT: APHIS Response to OIG Report, "Review of Customs and Border Protection's Agricultural Inspection Activities" (33601-0007-CH)

Thank you for the opportunity for the Animal and Plant Health Inspection Service to comment on the above OIG report.

Recommendation 1: Develop and provide to CBP a system of risk assessment for rail cargo, so that the degree of risk associated with this pathway can be determined.

APHIS Response: A railway pathway pest risk assessment is currently being developed for rail shipments. We anticipate this assessment to be completed by June 30, 2008. Coordination with CBP to provide access to rail data pathway information, including rail manifests and cargo information, will be necessary. In addition, port visits to major US rail container hubs with the concurrence of CBP will be needed to allow risk data collection to aid in the rail pathway analysis by USDA.

Recommendation 2: Clarify the requirements for the use of T & E permits and develop methods for CBP to efficiently verify that required permits are obtained for shipments.

APHIS Response: USDA is currently updating manuals to provide consistency for port inspectors on the requirement for T & E permits. We plan to have the updated manuals completed by January 31, 2008. The on-line permit database, called e-Permits, will eventually house all APHIS permits, including transit permits. CBP inspectors or Staff Officers will be provided access to verify permittee or permit information. USDA is currently providing CBP with lists of valid Transit Permit holders for field dissemination. In addition, CBP inspectors may contact PPQ Permit Services to verify permit status and obtain courtesy copies of permits. Present written permit requirements specify that permittees provide CBP with copies of permit so that they are maintained on file at local port offices for reference.

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1-800-877-8339

Recommendation 3: Issue instructions to CBP clarifying APHIS policy on labeling and packaging seized agricultural products and any exceptions allowed to this policy.

APHIS is updating the manual to allow CBP to establish local procedures to allow proper labeling and packaging for seized agricultural products. This will ensure that accurate information is placed on interception forms for origin of prohibited products. We anticipate having the manual updated by January 31, 2007. Further, APHIS has attempted over the years to label individual seizures and has not been very successful. Every airport has developed its own procedures to identify products seized. This is what CBP has proposed it can do and it was what was done before. Bagging and labeling each seized agricultural product would require a significantly larger work force and accomplish very little. Product origin is always a best guess at airport locations because product arriving on any given aircraft could have an origin completely different from that of the aircraft. The product literally could have come from anywhere.

USDA Legacy Report Title: *Animal and Plant Health Inspection Service Safeguards to Prevent Entry of Prohibited Pests and Diseases into the United States* (Report No. 33601-3-Ch, February 2003)

1. Report Recommendation 1, page 6.

   Redirect Agricultural Quarantine Inspection Monitoring activities to cover all potential pathways through which pests and diseases could enter the United States, including those that are not currently covered by normal Plant Protection Quarantine inspections.

   Action taken: See DHS Report page 3. This recommendation remains open pending the implementation of corrective action by USDA-APHIS.

2. Report Recommendation 2, page 9.

   Implement a system for PPQ Headquarters and/or the regional office to periodically oversee each port's Agricultural Quarantine Inspection Monitoring activities to ensure that these activities are properly implemented and operating in accordance with Headquarters' policies and guidelines.

   Action taken: USDA-APHIS and CBP agreed on the protocols for the Joint Agency Quality Assurance Program in November 2004. Joint Agency Quality Assurance Program reviews are now performed on a continuing basis by the two agencies, and these now serve as the primary on-site method for USDA-APHIS to review AQIM activities at the ports. In addition, USDA-APHIS Headquarters monitors each port's performance and reports this on a quarterly basis to APL. No further action by CBP is required. Although this recommendation was still open at the time the audit began, USDA-OIG plans to resolve it with APHIS based on the audit results.

3. Report Recommendation 3, page 10.

   Require the director of each port operating one or more Agricultural Quarantine Inspection Monitoring activities to appoint an Agricultural Quarantine Inspection Monitoring Coordinator, and Risk Management Team, to ensure that these employees are performing the functions associated with their positions.

   Action taken: CBP has addressed this issue. No further action by CBP is required. Although this recommendation was still open at the time the audit began, USDA-OIG plans to resolve it with APHIS based on the audit results.

4. Report Recommendation 4, page 13.

   Institute procedures to compute the differences between Agricultural Quarantine Inspection Monitoring and actual interception rates on an annual basis, and to take actions as appropriate to determine the reasons for large discrepancies so that corrective actions can be taken.

   Action taken: USDA-APHIS has performed only limited analyses to date because many ports are still not in compliance with Agricultural Quarantine Inspection Monitoring reporting requirements. USDA-APHIS has performed analyses for certain pathways and geographical areas using available data. Although this recommendation was still open at the time the audit began, USDA-OIG plans to resolve it with USDA-APHIS based on the audit results. USDA-APHIS and CBP will need to continue to work together to improve the ports' AQIM reporting to make further analyses possible.

5. Report Recommendation 5, page 14.

   Notify other ports, as applicable, of the results of the two Agricultural Quarantine Inspection Monitoring studies so that these pathways can be appropriately covered.

   Action taken: Although this recommendation was still open at the time the audit began, USDA-OIG plans to resolve it with USDA-APHIS since operational responsibility has been transferred to CBP. Further, the pathway identified in one of the two studies has now been incorporated into AQIM.

6. Report Recommendation 6, page 15.

   Institute procedures to ensure that future Agricultural Quarantine Inspection Monitoring results are reviewed and acted upon in a timely manner. Such procedures should include notification of applicable regional offices, State Plant Health Directors, and Plant Protection Quarantine port directors.

   Action taken: This issue was resolved with USDA-APHIS in March 2004, based on that agency's agreement to timely review Agricultural Quarantine Inspection Monitoring results (and as evidenced by the quarterly reports now provided to CBP). No further action by CBP is required.

7. Report Recommendation 7, page 19.

   Assess in a timely manner the number of Plant Protection Quarantine inspectors that are needed, and whether a second shift is needed at each border crossing to address the growing concern over inspections at this border.

Action taken: CBP has addressed this issue at the ports DHS-OIG visited. Where necessary, they have implemented second shifts. Where it is not, they have instructed brokers when agriculture specialists will be on duty to inspect their shipments. No further action by CBP is required. Although this recommendation was still open at the time the audit began, USDA-OIG plans to resolve it with USDA-APHIS because responsibility for its implementation has been transferred to CBP.

8. Report Recommendation 8, page 22.

   Perform a staffing assessment, taking into account the size and weight of the interceptions, to determine the staffing levels needed to perform inspections at air cargo, maritime cargo, and border crossings. If needed, seek additional funding from Congress to bring staffing to needed levels.

   Action taken: See DHS Report page 5. This recommendation was still open at the time the audit began; USDA-OIG plans to resolve it with USDA-APHIS because responsibility for its implementation has been transferred to CBP.

9. Report Recommendation 9, page 23.

   Based on the assessment recommended above, ensure that Plant Protection Quarantine personnel currently at the ports are adequately allocated, so that inspections of cargo shipments allow for performing a higher percentage of intensive inspections.

   Action taken: See DHS Report page 5. This recommendation was still open at the time the audit began; USDA-OIG plans to resolve it with USDA-APHIS because responsibility for its implementation has been transferred to CBP.

10. Report Recommendation 10, page 25

    Perform a national study of cruises from countries classified as high risk, such as Jamaica, to assess the risk of introducing exotic pests or diseases into the United States, to determine whether increased inspection of cruise ships is warranted. Based on the results of this study, develop inspection procedures for cruises from high-risk countries.

    Action taken: This recommendation remains open pending a further response from USDA-APHIS.

11. Report Recommendation 11, page 27.

    Based on the results of the studies, determine the number of inspectors needed to clear cruise ships so that all passengers and baggage are subject to inspection.

Action taken: See DHS Report page 5. This recommendation was still open at the time the audit began; USDA-OIG plans to resolve it with USDA-APHIS because responsibility for its implementation has been transferred to CBP.

12. Report Recommendation 12, page 30.

Institute procedures for all ports to devan [i.e. unload] a sample of incoming cargo containers on an ongoing basis, with emphasis placed on high-risk shipments and cargoes that involve shippers and importers with histories of smuggling or other violations.

Action taken: Although USDA-APHIS did not issue the previously agreed-upon guidance because of the March 2003 transition, CBP has its own Automated Targeting System that can be adapted to cover agricultural imports. CBP and USDA-APHIS are working together to add agricultural parameters to the Automated Targeting System. No further action is required. USDA-OIG had resolved this issue with USDA-APHIS prior to the beginning of the current audit.

13. Report Recommendation 13, page 31.

Ensure that each port-of-entry has personnel and facilities available, either directly or under agreements with the U.S. Customs Service, to enable them to devan containers as needed.

Action taken: Devanning facilities were available at Chicago, Detroit, Laredo, and Miami. This recommendation was still open at the time the audit began; USDA-OIG plans to resolve it with USDA-APHIS because responsibility for its implementation has been transferred to CBP.

14. Report Recommendation 16, page 39.

Include rail cargo in Plant Protection Quarantine/Agricultural Quarantine Inspection Monitoring risk-assessment system to determine the relative degree of risk associated with this pathway.

Action taken: USDA must address the policy change before any actions can be taken by CBP. USDA-APHIS officials have noted difficulties that they encountered in attempting to devise an implementation plan for rail cargo Agricultural Quarantine Inspection Monitoring, which may require joint action by USDA and DHS to address. Although USDA-OIG resolved this recommendation with USDA-APHIS based on that agency's initial 2002 response, corrective actions still need to be taken and USDA-OIG is continuing to work with USDA-APHIS on this issue. (See Recommendation No. 1 to the USDA-APHIS Administrator, page 7 of this report).

15. Report Recommendation 17, page 40.

    Require border crossings to regularly use Customs' Automated Manifest System to identify incoming rail cargoes of agricultural interest, so that high-risk cargoes can be stopped and inspected.

    Action taken: Agriculture specialists at Chicago used the Automated Manifest System (AMS) to identify products of agriculture interest. Detroit and Laredo agriculture specialists used AMS to identify agriculture cargo in some rail cargo. They depended on the CBP officers to notify them of this cargo in other rail shipments. No further action by CBP is required. This recommendation was still open at the time the audit began; USDA-OIG plans to resolve it with USDA-APHIS based on the findings of this audit.

16. Report Recommendation 18, page 41.

    Develop a system to ensure that all rail cargo is at least subject to selection for inspection, either at border crossings or at the inland destination cities.

    Action taken: CBP's random inspections of all cargo entering the country accomplish this goal. The program is risk based. While this program does not single out agriculture commodities, it does not exclude them either. This recommendation was still open at the time the audit began; USDA-OIG plans to resolve it with USDA-APHIS based on the findings of this audit.

17. Report Recommendation 19, page 44

    Coordinate with Veterinary Services to develop a standardized and comprehensive surveillance checklist for PPQ inspectors to ensure that all animal disease exclusions are included during monitoring visits.

    Action Taken: This recommendation does not require action by CBP. This recommendation was still open at the time the audit began; USDA-OIG plans to resolve it with APHIS based on the findings of this audit.

18. Report Recommendation 20, page 44.

    Direct Plant Protection Quarantine units to enter into compliance agreements with all firms handling foreign garbage.

    Action taken: The Manual for Agriculture Clearance issued in June 2005 requires all entities that handle and dispose of garbage (except handling for an ocean carrier) must be authorized under a compliance agreement in accordance with agriculture regulations. No further action by CBP is necessary. This recommendation

was still open at the time the audit began. USDA-OIG plans to resolve it with USDA-APHIS based on the findings of this audit.

19. Report Recommendation 21, page 44.

    Implement controls to ensure that all Plant Protection Quarantine units monitor the activities of all garbage-handling firms on a monthly basis and supervise the recalibration of sterilizer units at least twice a year.

    Action taken: See DHS Report page14. USDA-OIG had resolved this recommendation with USDA-APHIS prior to the beginning of the current audit. Operational responsibility for this area has been transferred to CBP.

20. Report Recommendation 22, page 45

    Expedite the issuance of policy that will require PPQ inspectors to inspect shipments from importers with a history of violations.

    Action taken: USDA-OIG had resolved this recommendation with USDA-APHIS prior to the beginning of the current audit. Although USDA-APHIS did not issue policy in this area as originally agreed due to the transition of inspection responsibility to CBP, we noted that CBP has its own procedures in place to inspect importers with histories of violations, whether or not they involve agricultural commodities.

21. Report Recommendation 23, page 53.

    Require each port to institute a system of second-party reviews to ensure the accuracy of Work Accomplishment Data System data entered into the system.

    Action taken: See DHS Report page 18. USDA-OIG has resolved this recommendation with USDA-APHIS, based on the transfer of operational responsibility to CBP.

22. Report Recommendation 24, page 53.

    Ensure that monitoring reviews conducted at the ports by both Headquarters and the regional offices include review steps to ensure that each port has an adequate system and that Work Accomplishment Data System data is input in a timely and accurate manner.

    Action taken: See DHS Report page 18. This recommendation was still open at the beginning of the current audit; USDA-OIG plans to resolve it with USDA-APHIS based on the results of the current audit and the transfer of operational responsibility to CBP. However, both agencies will need to continue to work

together, through the Joint Agency Quality Assurance Program review process, to address the issues raised in this report.

23. Report Recommendation 26, page 54.
    Revise the Work Accomplishment Data System manual to provide better instructions to Plant Protection Quarantine personnel at the ports regarding the retention, collection, and input of data.

    Action taken: See DHS Report page 18. The Work Accomplishment Data System/AQAS manual has been revised and addressed these areas. This recommendation is resolved with USDA-APHIS. No further action by CBP is required.

24. Report Recommendation 27, page 59.

    Establish uniform procedures for monitoring and reconciling Transportation & Exportation shipments. These procedures should (1) require ports of entry and exit to coordinate efforts to monitor and reconcile Transportation & Exportation shipments, (2) address overdue or missing shipments, and (3) establish timeframes for referrals of shipments to IES.

    Action taken: See DHS Report page 11. This recommendation remains open pending the implementation of corrective actions by USDA-APHIS.

25. Report Recommendation 29, page 61.

    Reconcile Transportation & Exportation shipments at all ports to account for shipments that entered the country for which records do not reflect re-exportation.

    Action taken: See DHS Report page 11. Previously agreed-upon clarifications to USDA-APHIS' policies were not made because of the transition of inspection authority to CBP. As a result, considerable confusion remains as to the responsibilities of the various ports through which Transportation & Exportation shipments enter and exit the country. USDA-OIG plans to resolve this recommendation with APHIS, since the responsibility for performing reconciliations of T&E shipments at the ports of entry and exit has been transferred to CBP. However, the responsibility for providing policy and procedural guidance to implement an adequate reconciliation process continues to rest with USDA-APHIS.

26. Report Recommendation 35, page 73.

    Include in subsequent annual performance reports the performance gaps between actual approach and the AQIM estimated approach rates as performance indicators.

Action taken: See DHS Report page 6. This recommendation was still open at the time the audit began; USDA-OIG plans to resolve it with USDA-APHIS because responsibility for its implementation has been transferred to CBP.

27. Report Recommendation 36, page 74.

    Develop written procedures for GPRA measures, including internal controls over the collection, calculation, and reporting of performance data, to support the results included in APHIS' annual reports.

    Action taken: Although this recommendation remained open at the beginning of the audit, USDA-OIG plans to resolve it. As a result of the transition, USDA-APHIS is no longer responsible for reporting on these measures.

28. Report Recommendation 37, page 74.

    Describe in annual plans specific verification and validation methods that will ensure the accuracy of performance results reported and that these specific methods are fully implemented. In addition, ensure that any scope limitations are clearly presented in the GPRA report.

    Action taken: USDA-OIG has resolved this recommendation with USDA-APHIS. As a result of the transition, USDA-APHIS is no longer responsible for reporting on these measures.

USDA Legacy Report Title: *Assessment of APHIS and FSIS Inspection Activities to Prevent the Entry of Foot and Mouth Disease Into the United States (Report No. 50601-0003-CH, July 2001)*

1. Report Recommendation 2, page 6.

   Develop a joint APHIS/FSIS procedure that specifically identifies the roles and responsibilities of personnel at the U.S ports of entry regarding products received from restricted countries. This procedure should detail the required coordination and follow-up required by the respective APHIS/FSIS field units.

   Action taken: USDA-OIG has resolved this issue with USDA-APHIS based on a written MOU agreed upon by USDA-APHIS and FSIS. Following the transition, FSIS officials confirmed that CBP had taken over USDA-APHIS' responsibility under the MOU. No further action by CBP is required.

Chicago - The Chicago airport did not meet the inspection requirements for its three pathways; mail, air cargo, and air passengers. Although the port conducted three fewer inspections than the monthly minimum for the air cargo pathway, the three-month total of 24 was met. However, AQIM is a statistically based system; higher sample amounts in one area do not offset shortages in others. The table summarizes the inspections at Chicago.

Chicago AQIM Sampling

PATHWAY ACTIVITIES SAMPLES						
Pathway	**OCTOBER**		**NOVEMBER**		**DECEMBER**	
	Verified[12]	**Required**	**Verified**	**Required**	**Verified**	**Required**
Mail	250	300	276	300	292	300
Air Cargo	8	8-10	11	8-10	5	8-10
Air Passenger	300	310	300	300	308	310

[12] We compared the number of samples reported to USDA-APHIS with the number of AQIM samples documented in CBP files. We also reviewed AQIM sample forms to determine if forms were accurately completed.

Laredo – The Laredo land port is responsible for sampling three pathways - pedestrians, passenger vehicles, and truck cargo. The port did not perform any AQIM sampling for pedestrians for the three months reviewed. In addition, the number of passenger vehicle inspections performed could not be verified because Laredo lacked documentation for two of the three months. Laredo also failed to take enough truck cargo samples for two of the three months. The table summarizes the inspections at Laredo.

Laredo AQIM Sampling

PATHWAY ACTIVITIES SAMPLES						
Pathway	**OCTOBER**		**NOVEMBER**		**DECEMBER**	
	Verified	**Required**	**Verified**	**Required**	**Verified**	**Required**
Pedestrian	0	310	0	300	0	310
Passenger Vehicle	Unknown	620	Unknown	600	679	620
Truck Cargo	22	24-26	19	24-26	24	24-26

Detroit – Detroit was responsible for sampling four pathways - air cargo, air passenger, truck cargo, and border vehicles. The port did not have supporting documentation to verify the air passengers sampling. For the three-month period, they were 32 samples short for border cargo and 225 samples short for border vehicles. The table below summarizes the inspections at Detroit.

Detroit AQIM Sampling

PATHWAY ACTIVITIES SAMPLES						
Pathway	**OCTOBER**		**NOVEMBER**		**DECEMBER**	
	Verified	**Required**	**Verified**	**Required**	**Verified**	**Required**
Air Cargo	4	4	4	4	5	5
Air Passenger	Unknown	310	Unknown	300	Unknown	310
Truck Cargo	11	48-52	40	48-52	61	48-52
Border Vehicle	137	310	257	300	301	310

Miami - Miami was responsible for sampling eight pathways - mail, air cargo-perishables, air cargo-cut flowers, air passenger, maritime perishable, maritime tile, express courier, and maritime wood packing material - the port did not meet its sampling requirements for mail (for one month), maritime-perishables (for two months), maritime tiles, and wood packing material (for all three months). The table summarizes the inspections at Miami.

Miami AQIM Sampling

PATHWAY ACTIVITIES SAMPLES						
Pathway	OCTOBER		NOVEMBER		DECEMBER	
	Verified	Required	Verified	Required	Verified	Required
Mail	340	300	240	300	350	300
Air Cargo Perishable	8	8-10	10	8-10	8	8-10
Air Cargo Flowers	8	8	8	8	8	8
Air Passenger	726	620	714	600	738	620
Maritime Perishable	7	8-10	8	8-10	2	8-10
Maritime Tile	1	8-10	2	8-10	5	8-10
Express Courier	407	300	309	300	350	300
Maritime Wood Packing Material	0	8-10	1	8-10	1	8-10

Based on discussions with CBP and DHS-OIG's testing of the data, all four ports did not meet their monthly AQIM sampling requirements because of insufficient supervisory monitoring of AQIM activities at the port level.

Summary of WADS Review Results

	CODES			Error Percentage	Codes Unable to Verify
	Examined	Correct	Incorrect		
Laredo	24	1	23	96	0
Detroit	29	3	24	83	2
Miami	63	12	42	67	9
Chicago	32	25	4	12	3
TOTAL	**148**	**41**	**93**	**63**	**14**

Summary of PPQ-280 Review Results

	SHIPMENTS		ERRORS	LINES[13]		ERRORS
	Examined	With Errors	Percent	Examined	With Errors	Percent
Chicago	60	37	62	260	119	46
Detroit	47	8	17	107	9	8
Miami	120	45	38	423	84	20
Laredo	60	4	7	156	8	5
TOTAL	287	94	33	946	220	23

[13] Some shipments contained multiple commodities with each commodity listed on a separate line of the cargo manifest. For example, tomatoes and peppers may be in the same shipment. To more accurately present the observed errors, the number of shipments and line items examined were included.

T&E Shipments
October 1, 2004 – February 28, 2005

	SHIPMENTS		
Port	**Total**	**Examined**	**Without Permits**
Chicago	31	31	31
Detroit Airport	14	14	14
Detroit Land Border	21	21	0
Laredo	672	30	0
Miami	No Data	--	--
TOTAL	738	96	45

We recommend that the CBP Assistant Commissioner, Office of Field Operations:

Recommendation #1: Provide adequate supervision and instructions to CBP personnel to ensure AQIM data samples are complete, properly taken and accurately recorded.

Recommendation #2: Develop a staffing model and a comprehensive nationwide plan for agriculture specialist staffing.

Recommendation #3: Ensure that a comprehensive set of performance measures is developed to monitor the efficiency and effectiveness of all agriculture inspection activities.

Recommendation #4: Ensure agriculture specialists follow USDA-APHIS procedures to select and inspect cut flowers by verifying the total number of flowers in the shipment, selecting the cut flower samples, and being present when those selections are pulled for inspection.

Recommendation #5: Ensure that the Agriculture Programs and Liaison office works with Directors of Field Operations and Port Directors to further define the procedures in the Memorandum of Agreement pertaining to the consultation with USDA on any significant operational changes planned before implementation. These procedures should include a description of the process to follow, a definition of significant changes, and documentation requirements.

Recommendation #6: Once USDA issues new guidelines (see USDA Recommendation #2, Appendix J) on T & E Permits, CBP should ensure proper procedures are followed for permits.

Recommendation #7: Coordinate with USDA and develop procedures and systems, in accordance with the Memorandum of Agreement, to efficiently and properly monitor T & E and other in-bond shipments to ensure they are adequately controlled in transit and are exported at destination ports. Assess penalties where violations occur.

Recommendation #8: Once USDA issues a clarification (see USDA Recommendation #3, Appendix J) on labeling and packaging seized items, CBP should ensure agriculture specialists comply with USDA-APHIS procedures.

Recommendation #9: Ensure that agriculture specialists perform and document compliance spot checks to assure that foreign garbage is adequately handled and properly disposed.

Recommendation #10: Provide adequate instructions, resources, training, and supervision to CBP personnel to ensure WADS and PPQ-280 data are accurately compiled and entered in the computer system, and related records are properly retained. When needed, CBP should obtain the assistance of USDA-APHIS for training and guidance on WADS and PPQ-280 data.

We recommend that the USDA Administrator, APHIS:

Recommendation #1: Develop and provide to CBP a system of risk assessment for rail cargo, so that the degree of risk associated with this pathway can be determined.

In addition, USDA-APHIS still needs to address Recommendation No. 1, on page 6 of USDA-OIG Audit Report No. 33601-3-Ch, which remains unresolved. In this prior report USDA-OIG had recommended that USDA-APHIS "Redirect Agricultural Quarantine Inspection Monitoring activities to cover all potential pathways through which pests and diseases could enter the United States, including those which are not currently covered by normal Plant Protection Quarantine inspections." (See Appendix D, #1, 33 page of this report)

Recommendation #2: Clarify the requirements for the use of T & E permits, and develop methods for CBP to efficiently verify that required permits are obtained for shipments.

Recommendation #3: Issue instructions to CBP clarifying APHIS policy on labeling and packaging seized agricultural products and any exceptions allowed to this policy.

In addition, USDA-APHIS needs to address two outstanding recommendations from USDA-OIG audit report 33601-3-Ch, as follows:

Recommendation No. 27, on page 59 of the USDA-OIG report, recommends that APHIS "Establish uniform procedures for monitoring and reconciling Transportation and Exportation shipments. These procedures should: (1) require ports of entry and exit to coordinate efforts to monitor and reconcile Transportation & Exportation shipments, (2) address overdue or missing shipments, and (3) establish timeframes for referrals of shipments to Investigative and Enforcement Services."

Recommendation No. 10, on page 25 of the USDA-OIG report, recommends that APHIS "Perform a national study of cruises from countries classified as high risk, such as Jamaica, to assess the risk of introducing exotic pests or diseases into the United States, to determine whether increased inspection of cruise ships is warranted. Based on the results of this study, develop inspection procedures for cruises from high-risk countries."

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