



Privacy Impact Assessment

for the

CBP Broker Management Program

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**Homeland
Security**



Abstract

The U.S. Department of Homeland Security (DHS), U.S Customs and Border Protection (CBP), Office of Trade (OT) oversees the CBP Broker Management Program, which collects personally identifiable information (PII) from individuals when they register to take the Customs Broker License Exam (CBLE) (either in-person or remotely), during the administration of the Customs Broker License Exam, when applying for a Customs broker license, throughout the background investigation processes, through the triennial reporting process, through any continuing education requirements, and through the entire time span the license is held. CBP is publishing this overarching Privacy Impact Assessment (PIA) to: (1) document the procedures to become a federally-licensed Customs broker, as well as the associated duties and responsibilities; (2) provide notice of a new collection and maintenance of information (audio and video recordings) from individuals taking the Customs Broker License Exam remotely; and (3) to fully discuss the use of Artificial Intelligence (AI) during remotely administered Customs Broker License Exams.

Introduction

CBP has a mission to safeguard the United States border and protect the public from dangerous individuals and materials while enhancing the nation's economic prosperity by enabling legitimate trade and travel. Customs brokers are private individuals, partnerships, associations, or corporations licensed, regulated, and empowered by CBP to assist importers and exporters in meeting federal requirements governing imports and exports. Customs brokers submit necessary information and appropriate payments to CBP on behalf of their clients and charge them a fee for this service. Customs brokers must have expertise in the entry procedures, admissibility requirements, classification, valuation, and the rates of duty and applicable taxes and fees for imported merchandise.

The CBP Office of Trade manages the CBP Broker Management Program. The CBP Office of Trade is responsible for ensuring that all licensed Customs brokers have displayed knowledge of Customs regulations, a verified background investigation to ensure they do not pose a risk to national security, and assertion that they will follow the rules and regulations of Customs law throughout their careers as Customs brokers. Customs brokers have an enormous responsibility to their clients and to CBP that requires them to properly prepare importation documentation; file these documents timely and accurately; classify and value goods properly; pay duties, taxes, and fees; safeguard their clients' information; and protect their licenses from misuse.

As part of the CBP Broker Management Program, CBP collects personally identifiable information from individuals registering to take the Customs Broker License Exam in person or remotely, during the administration of the Customs Broker License Exam and the post-exam



survey, upon applying for a Customs broker license, and during the background investigation processes. Once an individual becomes a federally-licensed Customs broker, CBP collects personally identifiable information through the triennial status report and processes which fulfill any continuing education requirements associated with maintaining a license. In addition, CBP collects personally identifiable information from individuals working for a Customs broker, partnership, or association/corporation; individuals who are references listed in Customs broker applications; and individual Customs brokerage applicants who have been convicted of a felony and are applying to become an organizational brokerage employee.¹ CBP also collects information from organizational brokerages to apply for national permits.

This Privacy Impact Assessment discusses the CBP Broker Management Program, including how the program collects, uses, disseminates, and maintains personally identifiable information of members of the public. CBP is conducting this Privacy Impact Assessment to describe the procedures to become a federally-licensed Customs broker, as well as the associated duties and responsibilities, and to provide transparency into the Customs broker licensure program. Additionally, CBP is conducting this Privacy Impact Assessment to provide notice of a new collection and maintenance of information (audio and video recordings) from individuals taking the Customs Broker License Exam remotely, and to fully describe the Artificial Intelligence technology used during the administration of the remote Customs Broker License Exam.

Customs Brokers Requirements

Customs brokers are approved to conduct business throughout the customs territory of the United States. There are two types of Customs brokers: private individuals and organizational brokerages. Organizational brokerages consist of corporations, partnerships, limited liability corporations (LLC), or associations. All Customs brokers are regulated and empowered by CBP to assist importers and exporters in meeting federal requirements governing imports and exports. Customs brokers submit necessary information and appropriate payments to CBP on behalf of their clients and charge them a fee for this service.

Customs brokers must have expertise in the U.S. entry procedures and admissibility requirements and classification, valuation, and the rates of duty and applicable taxes and fees for imported merchandise. To be eligible to become an individual Customs broker, an individual must be a citizen of the United States but not an officer or employee of the U.S. Government, be of good moral character, have attained 21 years of age prior to submission of the application, and have passed a Customs Broker License Exam within 3 years of the submission of the application.

¹ See 19 C.F.R. § 111.28, Customs Brokers; Subpart C. Responsible Supervision, *available at* <https://www.ecfr.gov/current/title-19/chapter-I/part-111/subpart-C/section-111.28>; and 19 C.F.R. § 111.30, Customs Brokers; Subpart C. Notification of change of business address, organization, name, or location of business records, status report, termination of brokerage business, *available at* <https://www.ecfr.gov/current/title-19/chapter-I/part-111/subpart-C/section-111.30>.



Eligible individuals also must submit a Customs broker license application package with the appropriate fees, and the application must be approved by CBP.²

Customs Brokers Management Regulations Changes

On October 18, 2022, CBP published a final rule (FR) entitled *Modernization of the Customs Brokers Regulations* which modernized existing CBP regulations to align with the development of CBP trade initiatives including Automated Commercial Environment (ACE)³ and the Centers of Excellence and Expertise (CEE),⁴ and to reflect transition to a more automated commercial environment for both Customs brokers and importers.⁵ Specifically, the Modernization of the Customs Broker Regulations eliminates Customs broker districts and district permits and transitions all Customs brokers who hold only a district permit to a national permit. Further, CBP expanded the scope of the national permit authority to allow all national permit holders to conduct business throughout the customs territory of the United States. Concurrently, CBP published a final rule entitled *Elimination of Customs Broker District Permit Fee* which eliminated the Customs broker district permits and allows a national permit holder to conduct any type of customs business within U.S. Customs Territory. Additionally, CBP eliminated the Customs broker permit user fees to conform with the proposed elimination of Customs broker districts and district permits.⁶ On September 10, 2021, CBP published a notice of proposed rulemaking entitled *Continuing Education for Licensed Customs Brokers* proposing to amend the CBP regulations to require continuing education for individual Customs broker license holders (individual Customs brokers) and to create a framework for administering this requirement.⁷ The notice of proposed rulemaking for the *Continuing Education for Licensed Customs Brokers* does not mandate individuals take the continuing education requirements. However, CBP plans to issue the Final Rule for the *Continuing Education for Licensed Customs Brokers*, and effective upon the publishing date, individuals will then be required to report their continuing education requirements

² For more information, see <https://www.cbp.gov/trade/programs-administration/customs-brokers/becoming-customs-broker>.

³ See U.S. DEPARTMENT OF HOMELAND SECURITY, U.S. CUSTOMS AND BORDER PROTECTION, PRIVACY IMPACT ASSESSMENT FOR AUTOMATED COMMERCIAL ENVIRONMENT (ACE), DHS/CBP/PIA-003 (2006 and subsequent updates), available at <https://www.dhs.gov/privacy-documents-us-customs-and-border-protection>.

⁴ Centers of Excellence and Expertise (Centers or CEE) are national CBP offices that are responsible for performing certain trade functions and making certain determinations regarding importations of merchandise by their assigned importers, regardless of the ports of entry at which the importations occur. Centers are organized by industry sectors. See Federal Register (81 FR 92978) (December 20, 2016), available at <https://www.govinfo.gov/content/pkg/FR-2016-12-20/pdf/2016-29719.pdf>.

⁵ See Federal Register (87 FR 63267) (October 18, 2022), available at <https://www.govinfo.gov/content/pkg/FR-2022-10-18/pdf/2022-22445.pdf>.

⁶ See Federal Register (87 FR 63262) (October 18, 2022), available at <https://www.govinfo.gov/content/pkg/FR-2022-10-18/pdf/2022-22151.pdf>.

⁷ See Federal Register (86 FR 50794) (September 10, 2021), available at <https://www.federalregister.gov/documents/2021/09/10/2021-19013/continuing-education-for-licensed-customs-brokers>.



via the Triennial Status Report process. This Privacy Impact Assessment discusses the proposed continuing education requirement as it relates to the Customs Broker Management program and process. For the most up to date information pertaining to the Customs Brokers Modernization Regulations please refer to the Customs Broker weblink at <https://www.cbp.gov/trade/programs-administration/customs-brokers>.

Customs Broker License Exam (CBLE): Authority and Eligibility for Collection

The CBP Office of Trade Broker Management Branch (BMB) is responsible for administering the Customs Broker License Exam (in-person and remote exams). In compliance with 19 C.F.R. § 111.13(a), the objective of the Customs Broker License Exam is to “determine the individual’s knowledge of Customs and related laws, regulations and procedures, bookkeeping, accounting, and all other appropriate matters, necessary to render valuable service to importers and exporters.” 19 C.F.R. § 111 also mandates that the exam is administered twice a year, on the fourth Wednesday in April and in October, unless the regularly scheduled date conflicts with a national holiday, an insurmountable vendor conflict, or a national or state emergency.

Pursuant to 19 C.F.R. § 111.11, an individual is eligible to qualify for a Customs broker license if they are (1) are a U.S. citizen on the date of submission of the application referred to in 19 C.F.R. § 111.12(a) and not an officer or employee of the U.S. Government, (2) are at least the age of 21 prior to the date of submission of the application, (3) possess good moral character, and (4) have passed the Custom Broker License Exam by attaining a minimum passing score (75 percent or higher) on an examination taken within the 3-year period before submission of the application. A partnership is eligible to qualify for a Customs broker license if it has at least one member of the partnership who is a Customs broker. An association or corporation is eligible to qualify for a Customs broker license if (1) they are empowered under its articles of association or articles of incorporation to transact customs business as a Customs broker, and (2) have at least one officer who is a Customs broker.

Customs Broker License Examination (CBLE) Registration Process

Since October 2022, CBP has offered remote and in-person options for the Customs Broker License Exam. The exam may be taken either remotely, in a private testing room and environment, or in-person at a third-party vendor testing facility.⁸ For the in-person exam, there are no changes to administration of the exam and no new information is collected from individuals (referred to

⁸ The third-party vendor followed the Department of Homeland Security Acquisition Manual (HSAM) and entered into an agreement to deliver an exam system and efficiently administer the Customs Broker License Exam. The Department of Homeland Security Acquisition Manual is issued by the Acquisition Policy and Legislation Branch within the Office of the Chief Procurement Officer (OCPO). The Department of Homeland Security Acquisition Manual establishes department-wide acquisition policy and procedures, which implement or supplement the Federal Acquisition Regulation (FAR), Homeland Security Acquisition Regulation (HSAR), and other agency regulations and statutory requirements. More information on the Department of Homeland Security Acquisition Manual is available at <https://www.dhs.gov/homeland-security-acquisition-manual>.



below as users or registrants). To take the exam, all registrants must present identity and proof of U.S. citizenship documentation during the check-in process. Neither the third-party vendor nor CBP retain the identity or proof of citizenship documentation. This documentation is only used by the test proctor to confirm the identity and citizenship status of the registrant. The third-party vendor testing facility may choose to record exams administered at their facility. These recordings are the property of the vendor and are not owned or controlled by CBP. Individuals will receive notice of any facility security systems and cameras in use when they arrive to the check-in area in the third-party vendor facility.

The remotely administered exam option gives individuals the option to take the exam in a private room instead of traveling to a testing center. For remotely administered exams, the third-party vendor will collect additional information from the individual for Customs Broker License Exam integrity purposes, including audio and video recordings of remotely administered exams, images of exam takers, images of individuals' identification documents, and Customs Broker License Exam results. In addition, individuals opting to take the remote proctored exam, must verify that their testing system, including their computer, software, and audio, are compatible with all remote systems requirements. A list of system requirements can be found on the Customs Broker License Exam website, available at <https://www.cbp.gov/trade/programs-administration/customs-brokers/license-examination-notice-examination>.

To register for the Customs Broker License Exam (in-person or remote), registrants must first access the eCBP Portal⁹ and then select "Trade" and "Brokers." From there, the user is directed to the eCBP Broker home page. The eCBP Portal contains a DHS Privacy Act Statement available to all individuals who access the Broker tab.¹⁰ Users select "License Exam," consent to a DHS Security Notification, and are then directed to Login.Gov.¹¹ The DHS Security Notification informs the user that they are accessing a DHS computer system, that there is no expectation of privacy when using this computer system, and by using the system they consent to the terms set forth in the notice. Login.Gov informs the user that the eCBP Gateway uses Login.Gov to allow the user to sign into their account safely and securely. Users must create a new or access an existing Login.Gov account to access the License Exam page. Login.Gov ensures a secure connection and identity verification for eCBP Portal users. To register with Login.Gov, users must provide an email address and a phone number and create a password. Login.Gov does not share any information provided by the user with CBP.

Once the user has logged in via Login.Gov, they will be directed to the License Exam page on the eCBP Portal, and then select "New Exam Application". The exam application is an electronic

⁹ See the eCBP web portal, available at <https://e.cbp.dhs.gov/ecbp/#/main>.

¹⁰ See the DHS Privacy Act Statement for the eCBP Portal, Brokers tab, available at <https://e.cbp.dhs.gov/brokers/#/home>.

¹¹ See GENERAL SERVICES ADMINISTRATION, PRIVACY IMPACT ASSESSMENT FOR LOGIN.GOV (2020), available at <https://www.gsa.gov/reference/gsa-privacy-program/privacy-impact-assessments-pia>.



version of CBP Form 3124E “Application for Customs Broker License Exam.”¹² The eCBP Portal collects the following information from the users at the time of registration: Remote/In-Person (select either option) and the affiliated CBP port. The eCBP Portal will then direct the user to Pay.gov, a U.S. Department of Treasury platform, to collect and submit the exam registration fee.¹³ Pay.gov interfaces with the CBP Mobile Collections and Receipts (MCR),¹⁴ Electronic Payment Options system (ePO). CBP Mobile Collections and Receipts is a mobile and desktop application accessed by CBP Officers that replaces CBP Form 368 and the Cash Receipt and 1002 Tonnage Tax certificate,¹⁵ and allows CBP to accept payments in a mobile environment or in a location that does not have a cash register. The eCBP Portal will email an electronic receipt to the user; the receipt is also available via the eCBP Portal.

The payment data entered by the broker on the ePO site is saved in the Mobile Collections and Receipts (MCR) repository, the backend database for the eCBP Portal, and then transmitted to the Automated Commercial Environment (ACE) Collections (maintained on the ACE Cloud), and the Automated Commercial System (ACS) SAP financial system.¹⁶ In addition, the ePO system collects and maintains the payment records of all users/Customs Broker License Exam registrants in a password-protected Microsoft Excel spreadsheet. The Microsoft Excel spreadsheet is transmitted to the Automated Commercial Environment for storage.

The CBP Office of Trade (OT) must then download the list of Customs Broker License Exam registrants from the Automated Commercial Environment and provide the registrants’ information to the third-party vendor via an encrypted email containing the password-protected Excel spreadsheet. CBP sends the individual password to open the spreadsheet in a separate email

¹² Information Collection “Customs Regulations Pertaining to Customhouse Brokers” OMB Control No. 1651-0034. Available at <https://www.cbp.gov/sites/default/files/assets/documents/2022-Oct/CBP%20Form%203124.pdf>.

¹³ Payment of the required \$390 license examination fee must be made online via the examination application, and may be made by credit card, debit card, PayPal, or Amazon Pay.

¹⁴ The CBP Mobile Collections and Receipts, Electronic Payment Option system is an online payment portal used by CBP to collect payment for the Customs Broker License Exam and the Triennial Status Report (TSR) through the eCBP Portal using Pay.gov. For a complete discussion of the collection of payment from Customs broker registrants and Customs brokers using the eCBP Portal, please refer to the forthcoming Privacy Impact Assessment, which will soon be available at <https://www.dhs.gov/privacy-impact-assessments>.

¹⁵ Pursuant to 19 C.F.R. § 4.23 - Certificate of payment and cash receipt, “upon each payment of the tonnage tax or light money, the master of the vessel shall be given a certificate on Customs Form 1002 on which the control number of the cash receipt (Customs Form 368 or 368A) upon which payment was recorded shall be written. This certificate shall constitute the official evidence of such payment and shall be presented upon each entry during the tonnage year to establish the date of commencement of the tonnage year and to insure against overpayment. In the absence of the certificate, evidence of payment of tonnage tax shall be obtained from the port director to whom the payment was made.” (Payment for tonnage tax references taxes payable for maritime conveyances and is currently limited only to such conveyances).

¹⁶ See U.S. DEPARTMENT OF HOMELAND SECURITY, U.S. CUSTOMS AND BORDER PROTECTION, PRIVACY IMPACT ASSESSMENT FOR THE AUTOMATED COMMERCIAL ENVIRONMENT (ACE), DHS/CBP/PIA-003 (July 31, 2015), available at <https://www.dhs.gov/privacy-documents-us-customs-and-border-protection>.



to the third-party vendor. CBP recently implemented a Microsoft Outlook Sensitivity Label encryption technology to encrypt outbound email messages and their attachments. This technology acts as a first line of defense in protecting all sensitive personally identifiable information sent externally from CBP. The data elements contained in the password-protected Microsoft Excel spreadsheet are: registrant's full name, registrant's email address, registrant's phone number, registrant's zip code, any ADA Reasonable Modification Request¹⁷ from the registrant which will include a brief description about what the registrant is requesting, and CBP-provided unique identifier numbers.¹⁸ The third-party vendor requires a registrant's name and email address to complete the registration process, create an Admission Notice email, create an exam reminder email, check-in the registrant on the day of the exam, and to send the registrant their answer record after completing the Customs Broker License Exam. The third-party vendor requires the phone number to contact registrants in case of last-minute exam notifications. The registrant's mailing and residence addresses, Social Security number (SSN), date of birth, birthplace, and payment information collected by CBP during Customs Broker License Exam registration are not transmitted to the third-party vendor.

Users interested in the remote exam option must opt in on the eCBP Portal after payment is completed. To select the remote exam option, users must verify they meet the remote Customs Broker License Exam requirements, otherwise they should select the in-person testing option.¹⁹ Users who do not opt into the remote exam option will receive a site self-selection email for the in-person Customs Broker License Exam after the registration period closes.

No later than two weeks after the registration period closes, in-person registrants will receive a site selection instructional email from the third-party vendor for their exam site selection via the third-party vendor website. If the registrant does not self-schedule, the registrant will be assigned to an in-person exam location based on the provided address zip code and site capacity. Registrants may not receive their first choice of location. Registrants will be notified of exam location placement via an Admission Notice provided via email from the third-party vendor to the email address provided during registration. The Admission Notice is sent by the third-party vendor immediately after registrants complete the site selection process. Registrants must bring their admission notice, government-issued photo identification, and proof of U.S. citizenship for admission to the test site.

After the registration period closes, remote registrants will also receive an instructional

¹⁷ Reasonable modifications based on disability needs are explained on the CBP website, *available at* <https://www.cbp.gov/trade/programs-administration/customs-brokers/license-examination-notice-examination>

¹⁸ CBP Unique Identification numbers include four-digit Exam ID numbers, a ten-digit ACE ID number, an eight-digit Pay.gov number, and a nine-digit receipt number.

¹⁹ Additional requirements information for the in-person or remote exam can be found at the Customs Broker License Exam webpage, available at the following link <https://www.cbp.gov/trade/programs-administration/customs-brokers/license-examination-notice-examination>.



email from the third-party vendor for how to create a login account with the third-party vendor and a request that the registrant select their appointment time as 8:00am in the local time zone. Customs Broker License Exam remote registrants receive exam instructions from the third-party vendor three weeks prior to the exam specifying the exam requirements, including instructions about what technology is required for the remote exam, where the exam must be taken (*i.e.*, a private, enclosed room, free of extraneous noise, with an orderly, free-of-clutter desk), and identifying examinee expectations including the consequences of violating the expectations to include termination of the exam if the integrity of the exam has become compromised.

Additionally, CBP provides registrants information about becoming a Customs broker, the Customs Broker License Exam, and any continuing education requirements for licensed Customs at <https://www.cbp.gov/trade/programs-administration/customs-brokers>. This page also provides brokers information on the Modernization of the Customs Broker Regulations, 19 C.F.R. § 111, contact information for Broker Management Officers (BMO), eCBP Portal user guides and resources, frequently asked questions, and additional resources for Customs Brokers. Individuals should refer to this webpage for additional information and announcements. Customs brokers and potential Customs brokers may also look for information in the 19 C.F.R. § 111, or Broker Regulations section of the webpage. Information is also published about Customs broker-relevant issues through public notices and Cargo Systems Messaging Service (CSMS)²⁰ messages. CBP uses the Cargo Systems Messaging Service as a method to communicate with its trade partners about news and updates in the Automated Commercial Environment. CBP recently published a new System of Records Notice (SORN), DHS/CBP-027 Customs Broker Management (CBM), which provides notice to the public on the new collection and maintenance of audio and video recordings from individuals taking the Customs Broker License Exam.²¹ The Customs Broker Management System of Records Notice provides additional transparency and notice regarding the records CBP uses to manage the Customs broker process.

Customs Broker License Examination (CBLE) Exam Day Process - Remote

Information regarding exam day requirements for the remote testing option, testing room requirements, and other general exam information can be found on the CBP.gov website.²² On the day of the exam, registrants who are registered and approved to take the remote exam will log into the third-party vendor system.²³ After downloading and executing a lock-down browser

²⁰ Cargo Systems Messaging Service (CSMS) is one of CBP's methods for communicating to trade partners news and updates on our automated systems – namely the Automated Commercial Environment (ACE). This system is available at <https://www.cbp.gov/trade/automated/cargo-systems-messaging-service>.

²¹ See DHS/CBP-027 Customs Broker Management (CBM), 87 FR 43880 (July 22, 2022), available at <https://www.dhs.gov/system-records-notices-sorns>.

²² See Customs Broker License Exam (CBLE) website, available at <https://www.cbp.gov/trade/programs-administration/customs-brokers/license-examination-notice-examination>.

²³ The third-party vendor exam system is available at <https://www.cbp.gov/trade/programs-administration/customs-brokers/license-examination-notice-examination>.



application, the registrant runs a security check on their computer to confirm that only the secure browser is active. Upon logging into the third-party vendor system, the registrant will be prompted to accept various third-party vendor policies, including a facial comparison policy agreeing to the use of Artificial Intelligence technology before they can access the online proctored exam system. If the registrant selects “decline,” they will not be permitted to take the Customs Broker License Exam remotely and will forfeit their exam fee.

Next, the registrant will be directed to a new web address to verify their information. The proctor will virtually greet the registrant and request they physically hold up to their laptop or computer camera their identity and proof of citizenship documentation, and the software will capture an image of the documents. The exam proctor will verify the registrant’s identity and proof of citizenship on the third-party vendor system before the start of the exam.²⁴ The proctor identity verification includes validating the type of ID used, whether the ID is valid/expired, whether the name on the ID matches the name on the registration provided by CBP, and whether the photo on the ID is the registrant in the exam verification room. No Artificial Intelligence is used during the check-in process to verify ID and proof of citizenship documents. Additionally, the proctor will verify that the registrant’s testing space meets the requirements. If the proctor determines that the identity documentation and proof of citizenship documentation match, and is satisfied with the testing space, the proctor will then grant the registrant access to the remote exam web address. If the proctor determines that the identity documentation and proof of citizenship documentation do not match, or the testing space does not meet requirements, the proctor will not grant the registrant access to the live exam room. A registrant may also be denied entry if they are late to check in for the exam. Registrants who have been accepted to take the remote exam will be provided the DHS Privacy Act Statement at the time of Customs Broker License Exam registration as discussed above and upon again logging into the third-party vendor system.

CBP uses Artificial Intelligence technology during the administration of remote exams to provide an immediate alert to the exam proctor (third-party vendor contracted proctor) of activities that may indicate exam integrity violations.²⁵ When a potential integrity issue is identified by the AI technology, the proctor is notified about the suspected integrity violation through the exam system and reviews the recorded footage to determine whether a violation occurred. If a proctor determines a violation has occurred, the proctor will select a non-editable warning banner that the system will display to the examinee. The warning banner message will appear on the Custom Broker License Exam examinee’s screen during the exam, including a brief description of the

²⁴ CBP requires Customs Broker License Exam registrants present an ID and/or proof of citizenship to the exam proctor prior to the exam. The ID and proof of citizenship requirements are posted at the CBP weblink, *available at <https://www.cbp.gov/trade/programs-administration/customs-brokers>*.

²⁵ For example, the exam system will send alerts to the proctor when a candidate leaves or when a second person is present, when the registrant is talking, if the registrant leaves the view of the camera, if the registrant’s eye movement indicates possible cheating, if the registrant tries to open another browser, or if another electronic device is visible in the examinee’s room.



integrity violation (example: “Warning Exam Violation - Talking aloud/Talking to yourself. You are being warned of an exam violation., Further violations may result in the termination of this exam.”). At the conclusion of the exam, CBP will also receive a list of all exam violations identified by the proctor during the remote exam.

Additionally, during the exam check-in process, the AI software captures images of the registrant-provided government-issued identification card (e.g., U.S. State Issued Driver’s License, U.S. State Issued ID Card, U.S. Passport, U.S. Military ID, U.S. Territory ID) and the registrant’s face so the proctor can verify the individual’s identity and citizenship.

The audio and video recordings of remotely proctored exams, images of examinees, images of examinees’ identification documents, and Customs Broker License Exam results collected by the third-party vendor are stored on the third-party vendor’s system for 120 days after the remote exam has concluded. This is in accordance with the National Archives and Records Administration-approved agency disposition authority, “Customs Broker Licensing Exam - Remote Proctored Records” DAA-0568-2022-0008-0001.²⁶ The third-party vendor must provide a Certificate of Destruction, signed by the third-party vendor’s Chief Technology Officer or equivalent, to the Contracting Officer Representative within five calendar days from purging the data or no later than 125 calendar days from administering the Customs Broker License Exam, whichever occurs first.

In addition, the AI software collects images of the remote exam registrant’s testing space and videos of the remote exam testing session so that a proctor can verify the identity and citizenship of the registrant and ensure the testing area meets the CBP requirements.

As previously discussed, proctors can use the third-party vendor system to review any potential violation alerts and create a flag for CBP review if warranted. CBP will receive a notification through the system to review flagged exam video. The exam video will appear as “needing review” and the flag will be marked by the Proctor at the location of the suspected incident. CBP will have access to the third-party vendor’s online system to review any potential integrity flags. If an integrity violation is corroborated by CBP using the captured audio and video, CBP will invalidate the registrant’s score and the registrant will be informed via an emailed decision letter. In addition, the third-party vendor will collect audio and video recordings of the remote registrants during the remote exam. The audio/video recordings are also used for any appeals to a CBP integrity decision. The recordings may be requested via the Freedom of Information Act (FOIA). Biometric information (all audio and video recordings of remote exams, images of registrants, and images of registrants’ identification documents) collected from

²⁶ The audio and video recordings, images of registrants, images of registrant identification documents, and Customs Broker License Exam results captured during the remote exam administration process will be retained in accordance with the National Archives and Records Administration-approved agency disposition authority, “Customs Broker Licensing Exam - Remote Proctored Records” DAA-0568-2022-0008-0001, destroyed 120 days after cutoff.



registrants who have not been identified as having integrity violations, will be deleted from the third-party vendors system 120 days after the exam has concluded. After the 120-day period, the third-party vendor and CBP will not have access to the audio and video recordings of remotely proctored exams, images of examinees, and images of examinees' identification documents. The audio and video recordings of remotely proctored exams, images of examinees, and images of examinees' identification documents collected from registrants with an alleged integrity violation, will be kept on the third-party vendor's system for the 120-day period.²⁷

During administration of the remote exam, proctors will monitor the registrants using a web camera, and registrants must use a "chat" feature with the proctor if they have any questions or otherwise need to communicate with the proctor. The chat is available for CBP to review after the exam concludes.

Customs Broker License Examination (CBLE) Exam Day Process In-Person

Information regarding exam day requirements for the in-person testing option, testing room requirements, and other general exam information can be found on the CBP.gov website. On the day of the exam, the registrant will arrive to the facility and the proctor will greet the registrant and request they physically hold up their identity and proof of citizenship documentation to verify the registrant's identity and citizenship before the start of the exam. The proctor identity verification process includes validating the type of ID used, whether the ID is valid/expired, whether the name on the ID matches the name on the registration provided by CBP, and whether the photo on the ID is the registrant in the exam verification room. If the proctor determines that the identity documentation and proof of citizenship documentation match, the proctor will then grant the registrant access to the in-person exam room. If the proctor determines that the identity documentation and proof of citizenship documentation do not match, the proctor will not grant the registrant access to the live exam room, and will advise the registrant that they cannot take the exam and to contact the CBP Office of Trade Broker Management Branch if they have questions or concerns. A registrant may also be denied entry if they are late to check-in for the exam. If an in-person registrant is denied entry for the exam, they must also forfeit their exam registration fee. The third-party vendor will not retain any images or data obtained during the in-person check-in process.

Registrants who have registered and are approved to take the in-person exam will be provided the DHS Privacy Act Statement at the time of Customs Broker License Exam registration as discussed above. The third-party vendor will also display a notice to in-person registrants stating the following: "Exam providers may choose to record exams that occur in their facility (e.g., for security reasons), and these recordings are the property of the third-party vendor and are not owned

²⁷ CBP will follow the standard appeal timeline under 19 C.F.R. § 111.13(f) to maintain parity with the exam question appeal process. Additional information on the appeal process is *available at* <https://www.cbp.gov/trade/programs-administration/customs-brokers/how-appeal>.



or controlled by CBP.” For the in-person exam, no Artificial Intelligence technology is used. Proctors will be present during the in-person check in process and during the exam to maintain the integrity of the exam. If an integrity violation is suspected, the proctor will create a case report for CBP to review later. The case report will include the registrant’s name, exam location, and unique identifiers provided to the third-party vendor by CBP, as well as a brief description of the alleged incident and the time it took place. For the in-person exam, no biometric data will be captured, and CBP may only rely on the case report submitted by the proctor to determine if there was an integrity violation.

Customs Broker License Exam Score Notification, Answer Selection, Survey Results

After the exam is completed, the third-party vendor will provide CBP the registrant’s score, answer selections, and optional survey results. The optional survey is a series of six questions which ask how the registrant studied and if they have had past Customs experience. This information is collected on the third-party vendor’s exam software after the registrant completes the exam. The results are supplied to CBP as part of the exam results. The survey is not used for scoring. CBP stores the results on a local shared drive with raw data available from the answer selections. The registrant’s answer selections will be provided to the registrants after the exam via email. If the registrants would like a copy of their survey results, they must submit a Freedom of Information Act request to the brokermanagement@cbp.dhs.gov inbox. CBP sends the score notification letters using CBP Mobile Collections and Receipts’ automated distribution process when the registrants’ scores are uploaded into CBP’s Mobile Collections and Receipts, where the registrants’ score information will be stored and transmitted to the Automated Commercial Environment. CBP’s Mobile Collections and Receipts stores the score notification letters online in the CBP Mobile Collections and Receipts and Automated Commercial Environment databases. For information on the Customs Broker License Exam appeal process please visit the following site, <https://www.cbp.gov/trade/programs-administration/customs-brokers/how-appeal>.

Customs Broker Licensure Application, Applicant Vetting, Licensure Issuance

Following exam passage, the applicant can apply for a Customs broker license. at a CBP facility near where the applicant plans to transact business as a Broker. A Broker Management Officer (BMO), an employee at the Port or Center of Affiliation, will send the Customs broker license application instructions and the Application for Customs broker License or Permit (CBP Form 3124) to the registrants near their port who passed the exam.²⁸ Applicants can fill out CBP Form 3124 manually or on a fillable PDF form. The information collected on CBP Form 3124 is also discussed in detail in the Trusted Worker Program (TWP) System Privacy Impact

²⁸ Information Collection “Customs Regulations Pertaining to Customhouse Brokers” OMB Control No. 1651-0034.



Assessment.²⁹

The Customs broker license package requires applicants to submit additional biographic information via CBP Form 3124. CBP also requires that applicants submit fingerprints at a designated CBP facility through a CBP Officer, which are sent to the CBP Trusted Worker Program System. The Trusted Worker Program system is the primary repository for program enrollment and background investigation data related to Broker's licenses. Following complete broker license package submission, a CBP Officer will conduct an interview with the applicant. CBP uses the information collected through CBP Form and 3124 to conduct a background investigation which includes a fingerprint check against various law enforcement and national security databases, a review of character references, and reviews of credit reports and criminal history.³⁰ The Trusted Worker Program uses the Global Enrollment System (GES) to facilitate the CBP background investigation, which consists of background checks and official vetting to ensure that CBP's approval of the individuals' right to perform the licensed or regulated activity is appropriate.³¹ CBP will use all available information to determine whether to grant a Customs broker license. Additionally, CBP conducts periodic reviews of Customs broker license holders as part of the Triennial Status Report to determine if a broker license should be revoked.

CBP retains biographic records in the Automated Commercial Environment for six (6) years from the date the license is terminated or the death of the licensee, as applicable, including the background check records uncovered as a result of the fingerprint check CBP does not retain the actual fingerprint; however, CBP sends the fingerprint to the DHS Office of Biometric Identity Management (OBIM), and it is stored for 75 years in the Automated Biometric Identification System/Homeland Advanced Recognition Technology System (IDENT/HART).³²

²⁹ See U.S. DEPARTMENT OF HOMELAND SECURITY, U.S. CUSTOMS AND BORDER PROTECTION, PRIVACY IMPACT ASSESSMENT FOR THE TRUSTED WORKER PROGRAM SYSTEM (TWP), DHS/CBP/PIA-062 (January 24, 2020), available at <https://www.dhs.gov/privacy-documents-us-customs-and-border-protection>.

³⁰ The Trusted Worker Program system is the primary repository for program enrollment and background investigation data related to the Broker Licensure Program. The Trusted Worker Program system provides CBP an efficient approach to administer this data and facilitate enrollment and vetting of applicants for a Broker License. Information related to the Customs broker license applicant vetting process can be found in DHS/CBP/PIA-062 Trusted Worker Program System (TWP).

³¹ See U.S. DEPARTMENT OF HOMELAND SECURITY, U.S. CUSTOMS AND BORDER PROTECTION, PRIVACY IMPACT ASSESSMENT FOR THE GLOBAL ENROLLMENT SYSTEM (GES), DHS/CBP/PIA-002 (2006 and subsequent updates), available at <https://www.dhs.gov/privacy-documents-us-customs-and-border-protection>.

³² See U.S. DEPARTMENT OF HOMELAND SECURITY, OFFICE OF BIOMETRIC IDENTITY MANAGEMENT, PRIVACY IMPACT ASSESSMENT FOR THE AUTOMATED BIOMETRIC IDENTIFICATION SYSTEM (IDENT), DHS/OBIM/PIA-001 (2012), available at <https://www.dhs.gov/privacy-documents-office-biometric-identity-management-obim>. DHS is in the process of replacing IDENT with the Homeland Advanced Recognition Technology System (HART) as the primary DHS system for storage and processing of biometric and associated biographic information. For more information about HART, please see U.S.



Broker Permit Applications and Issuance

CBP licenses, permits, and regulates Customs brokers to allow them to transact customs business on behalf of others. The permit allows licensed Customs brokers to transact customs business within the U.S. Customs Territory. Except as otherwise provided in 19 C.F.R. § 111.2 (a)(2), a person must obtain the license to engage in transacting customs business as a broker. This process involves the applicant (an individual or business) applying to take the Customs Broker License Exam, passing the exam, and subsequently submitting a Customs broker License Application. If a Customs broker license is granted, the licensee (individual or business) must then obtain a permit to operate as a broker at a national level.

Although there is no formal application, form, or form number, anyone seeking the National Permit (pursuant to 19 C.F.R. § 111.19(f)) must submit a letter to the CBP Broker Management Officer and include the following: (1) the applicant's Customs broker license number/Filer Code, and date of issuance; (2) the address and telephone number of the office designated by the applicant as the office of record (noted in the national permit when issued); (3) the full name, Customs broker license number, office address, and telephone number of the individual broker who will exercise responsible supervision and control over the activities of the applicant conducted under the national permit (including name, license number, office address, and phone number); and (4) a receipt or other evidence showing applicable fees (as specified in 111.96(b) and (c)) have been paid. These application fees are collected at the port through which the Customs broker license was issued, and a cash receipt (CBP Form 368) is provided to the applicant to be submitted with the application letter. The national broker permit application letter is scanned by the Broker Management Officer and stored in an electronic file at the Port or Center of Affiliation.

After analyzing the applicant's suitability (*e.g.*, Are there any issues or concerns with granting a national permit to the broker? Any violations or penalties?), the Broker Management Official issues a recommendation about whether the applicant should receive the national permit. The Broker Management Official may, if needed, conduct an open web search/Google search on the individual to inquire about their suitability (*e.g.*, does the individual have a broker business). These open web searches are limited in scope to determining suitability of applicants and do not include queries of social media information. If additional issues are found during this open web search, the Broker Management Official may request additional relevant documents from the applicant (*e.g.*, billing records, power of attorney/related to broker business). The Broker Management Official will only save the additional documents provided by the applicant if the



Official identifies any issues when conducting the open web search. The additional documents provided by the applicant may be used as evidence to support denial of the applicant's national permit request. The documents are saved at the Port or Center of Affiliation in an applicant-specific national permit file. The Branch Management Official also uses the information provided by the applicant on the application to confirm eligibility for the national permit. The specific national permit eligibility requirements are outlined in 19 C.F.R. § 111.19(f).

Once the Broker Management Official has issued a positive recommendation on the applicant's suitability, the Center Director issues the applicant a Customs Broker National Permit (CBP Form 342A). The Broker Management Official generates this form in the Automated Commercial Environment, and a copy is saved at the Center. CBP then emails the applicant a copy of the national broker permit. The Broker Management Official may use the Automated Commercial Environment to access an electronic copy of the CBP 342A form after issuance.

Customs Broker Annual User Fee

One of the requirements for a Customs broker to maintain a permit is to file an annual user fee.³³ CBP collects the user fee at the port or CBP facility in which the associated license was granted. The user fee must be paid by the due date published annually in the Federal Register and must be submitted with certain information to identify the person or organization, type of fee, and time period to which the payment applies. The fee and information are collected for every active permit belonging to an individual, partnership, association, or organization. These entities are all members of the public. The information collected is used by CBP to appropriately apply the payment to the correct permit. The information submitted is documented on the issued CBP Form 368 Cash Receipt and maintained in a secure paper file in the CBP port location or CBP facility where it was submitted.

Triennial Status Reports

To maintain a valid Customs broker license, all brokers must file a Triennial Status Report (TSR) and pay the associated fee every three years.³⁴ The Triennial Status Report requires a licensed Customs broker to provide information related to whether a broker is actively engaged in customs business. Identifying information for the brokerage business or individual Customs broker license is collected to ensure the broker continues to meet the requirements to hold a broker license and to provide CBP with up-to-date contact information for the broker. CBP has the right to investigate for potential revocation of a Customs broker license or permit if CBP discovers any information that is not compliant with the requirements and regulations for serving as a Customs broker. A license may also be revoked if the license holder or corporation does not file the Triennial

³³ See 19 C.F.R. § 111.96(C).

³⁴ See 19 U.S.C. § 1641(g) and 19 C.F.R. § 111.30(d), which set out the requirement for and timing of submission of a triennial status report by every licensed broker. In addition, 19 C.F.R. § 111.96(d) and (e) outline the triennial status report fee and payment method.



Status Report (TSR) or pay the associated fee on time.

CBP collects the Triennial Status Report information through the CBP electronic web application eCBP Portal. CBP collects the following information on the Triennial Status Report:

- Name (First, Last, Middle Initial) of the Customs Broker license holder
- Customs broker license number
- Personal mailing address
- Personal email address
- Whether actively engaged in transacting customs business (Yes/No)
 - If actively engaged, name and address of business
 - If employed by a broker, name, and address of employer
- Whether the broker license holder has engaged in conduct that could constitute grounds for suspension or revocation of license (Yes/No)
- An attestation that the broker license holder is not a federal employee
- Employee list for all employees of a Customs broker, including:
 - Names (First, Last)
 - Social Security numbers
 - Dates of birth
 - Places of birth
 - Home addresses (Street, City, State, Zip Code)
- Payment Information³⁵
 - Fee amount
 - Payer name
 - Payer email address
- Proof of continuing education

The license holder must pay the fee through the eCBP Portal (the eCBP Portal uses Pay.gov to collect the fee electronically) or via a manual submission at the time the status report is submitted.

³⁵ The Triennial Status Report must be accompanied by the fee prescribed in 19 C.F.R. § 111.96(d) and must be addressed to the director of the port through which the license was delivered to the licensee. A report received during the month of February will be considered filed timely. No form or format is required.



When the fee is manually submitted (check, cash, money order), the Triennial Status Report information must accompany the payment. The information and fee are collected from every individual, organization, partnership, and association that holds a Customs broker license. These entities are all members of the public. The information is used by the CBP Broker Management Official in the field to confirm the respective license remains in good standing and to update contact information for the license holder in the Automated Commercial Environment. The contact information is stored in the Automated Commercial Environment, and all reported information is stored in the CBP Mobile Collections and Receipts system if submitted electronically or maintained in a secure paper file in the CBP port location where it was filed.

Fair Information Practice Principles (FIPPs)

The Privacy Act of 1974³⁶ articulates concepts of how the federal government should treat individuals and their information and imposes duties upon federal agencies regarding the collection, use, dissemination, and maintenance of personally identifiable information. The Homeland Security Act of 2002 Section 222(2) states that the Chief Privacy Officer shall assure that information is handled in full compliance with the fair information practices as set out in the Privacy Act of 1974.³⁷

In response to this obligation, the DHS Privacy Office developed a set of Fair Information Practice Principles from the underlying concepts of the Privacy Act to encompass the full breadth and diversity of the information and interactions of DHS.³⁸ The Fair Information Practice Principles account for the nature and purpose of the information being collected in relation to DHS's mission to preserve, protect, and secure.

DHS conducts Privacy Impact Assessments on both programs and information technology systems, pursuant to the E-Government Act of 2002, Section 208³⁹ and the Homeland Security Act of 2002, Section 222.⁴⁰ Because Broker Management is a program rather than an information technology system, this Privacy Impact Assessment applies the DHS Fair Information Practice Principles and examines the privacy impact of the CBP Broker Management Program.

³⁶ 5 U.S.C. § 552a.

³⁷ 6 U.S.C. §142(a)(2).

³⁸ See U.S. DEPARTMENT OF HOMELAND SECURITY, PRIVACY POLICY GUIDANCE MEMORANDUM 2008-01/PRIVACY POLICY DIRECTIVE 140-06, THE FAIR INFORMATION PRACTICE PRINCIPLES: FRAMEWORK FOR PRIVACY POLICY AT THE DEPARTMENT OF HOMELAND SECURITY (2008), available at <https://www.dhs.gov/privacy-policy-guidance>.

³⁹ 44 U.S.C. § 3501 note.

⁴⁰ 6 U.S.C. §142.



1. Principle of Transparency

Principle: DHS should be transparent and provide notice to the individual regarding its collection, use, dissemination, and maintenance of PII. Technologies or systems using PII must be described in a SORN and PIA, as appropriate.

CBP provides information about becoming a Customs broker, the Customs Broker License Exam, and any continuing education requirements for licensed Customs brokers at the following webpage: <https://www.cbp.gov/trade/programs-administration/customs-brokers>. This webpage also provides brokers information on the Modernization of the Customs Broker Regulations, 19 CFR §111, Broker Management Officers' contact information, eCBP Portal user guides and resources, frequently asked questions, and additional resources for Customs brokers. Individuals should refer to the Customs broker webpage for additional information and announcements. Customs brokers and potential Customs brokers may also look for information in the 19 C.F.R. § 111 and Broker Regulations section, which sets forth the rules and regulations for Customs brokers. Additional news and updates to the Automated Commercial Environment regarding the CBP Broker Management Program is made available through the Cargo Systems Messaging Service.

CBP provides notice of collection, use, dissemination, and maintenance of personally identifiable information to:

- 1.) individuals registering and/or taking the Customs Broker License Exam;
- 2.) individuals who have passed the Customs Broker License Exam and are applying for the Customs broker license;
- 3.) individuals who hold a current Customs broker license;
- 4.) individuals who are working for a Customs broker, partnership, or association/corporation;
- 5.) individuals who are references listed in Customs broker applications;
- 6.) individual Customs brokerage applicants who have been convicted of a felony and are applying to become a brokerage employee; and
- 7.) brokerages who apply for a national or local permit.

The various avenues of notice are described below.

Privacy Documentation

Through the publication of the Trusted Worker Program Privacy Impact Assessment and this Privacy Impact Assessment, individuals are provided notice of how their personally



identifiable information is collected, used, maintained, and disseminated throughout the Broker management process. CBP also published a new System of Records Notice, DHS/CBP-027 Customs Broker Management (CBM), to distinguish the Customs broker application, exam, license, and vetting of applicants for a broker license from the other records in the Persons Engaged in International Trade in Customs and Border Protection Licensed/Regulated Activities Systems of Records.⁴¹ The Customs Broker Management System of Records Notice also provides notice for the new collection and maintenance of information (audio and video recordings) from individuals taking the Customs Broker License Exam remotely. This Privacy Impact Assessment and the Customs Broker Management System of Records Notice provide Customs Broker License Exam registrants seeking access to any record contained in the Customs Broker Records system notice of how to request access to their record. Customs Broker License Exam registrants seeking access to any record contained in the Customs Broker Records system may submit a request in writing to the CBP Office of Trade Broker Management Branch through the brokermanagement@cbp.dhs.gov, further discussed in Section 2 of this Privacy Impact Assessment.

CBP Customs Broker License Exam Non-Disclosure Agreement

All Customs Broker License Exam registrants must accept a CBP Customs Broker License Exam Non-Disclosure Agreement, which provides the terms and conditions of the exam. If the registrant declines, they will not be permitted to take the Customs Broker License Exam and will forfeit their exam fee.⁴²

DHS Privacy Act Statements

The eCBP Portal contains a DHS Privacy Act Statement available to all individuals who access the Broker tab. The DHS Privacy Act Statement provides notice of the information collected through the eCBP Portal, the authority CBP has to collect the information from individuals, the purpose for collecting the information, the routine uses of the information, and the consequences of not providing the information to CBP (i.e., individual would be unable to register, pay for and take the Customs Brokers License Exam, as well as submit a Triennial Status Report which is a requirement to maintain a Customs Broker license). The third-party vendor exam system also displays the same DHS Privacy Act Statement that is posted to the eCBP Portal, and each time an individual taking the exam logs into the vendor system the DHS Privacy Act Statement must be accepted.

⁴¹ See DHS/CBP-010 Persons Engaged in International Trade in Customs and Border Protection Licensed/Regulated Activities System of Records Notice, 73 FR 77753 (December 19, 2008), available at <https://www.dhs.gov/system-records-notices-sorns>.

⁴² The CBP Non-Disclosure Agreement is available at <https://www.cbp.gov/document/user-documentation/cble-non-disclosure-agreement>.



OMB Approval No. 1651-0034, CBP Form 3124, Application for Customs Broker License is filled out either manually or via a fillable PDF form, and displays a DHS Privacy Act Statement.⁴³ The DHS Privacy Act Statement available on the CBP Form 3124 provides notice of the information collected on the form, the authority to collect the information, the purpose for collecting information, the routine uses of the information, and the consequences of not providing the information to CBP on the CBP Form 3124 (i.e., CBP's inability to conduct a required background investigation or grant a Customs broker license). CBP plans to automate the CBP Form 3124 and fee collection process through the eCBP Portal, and upon automating this form the DHS Privacy Act Statement on the eCBP Portal will be updated to include the CBP Form 3124 and fee collection processes.

Third-Party Vendor Notices

The third-party vendor will provide Customs Broker License Exam registrants an email, displaying the examinee's Registrant ID (generated by the vendor system), and full name. This email will also include instructions for the testing site selection (for in person only), or instructions for scheduling their remote exam (for remote exams only) and a link to access the remote exam.

For individuals taking the exam in-person, they will receive notice from the third-party vendor that the exam facility may use a security system to record individuals in and around the facility and the exam room. An additional notice will be displayed prior to check-in at the facility, and this notice will state the following: "Exam providers may choose to record exams that occur in their facility (e.g., for security reasons), and these recordings are the property of the third-party vendor and are not owned or controlled by CBP." The individual can then choose whether to proceed to the facility exam room.

For individuals taking the exam remotely, they will receive in the same email discussed above, the outlined expectations and behaviors by which the individual is expected to abide. By logging into the third-party vendor system on the day of the exam, the individual is agreeing to abide by the expectations and behaviors provided in the email notification and indicating that they accept the remote exam expectations voluntarily and freely. If the individual agrees but fails to abide by these expectations during the course of the exam, the following may occur: (1) logging of a potential violation in the third-party vendor system, a warning being posted to the individual in the third-party vendor system, and a post-examination review of the suspected violations, which may result in the individual's exam being disqualified by CBP; or (2) the immediate termination of the individual's exam. If the exam is terminated, the examinee will not be allowed to continue

⁴³ The DHS Privacy Act Statement for the OMB Approval No. 1651-0034, CBP Form 3124, Application for Customs Broker License is available at <https://www.cbp.gov/document/forms/cbp-form-3124-application-customs-broker-license-or-permit>.



with the exam and, depending on findings and nature of the violation, described further below, may or may not be issued a refund.

Remote Exam Email on Expectations and Behaviors

All remote Customs Broker License Exam examinees will receive an email from the third-party vendor, displaying the individual examinee's Registrant ID (generated by the vendor system), and full name. This email provides the individual instructions for scheduling their remote exam and a link to access the remote exam, and outlines expectations and behaviors by which the individual is expected to abide. In addition, on the day of the exam, remote examinees will log onto the third-party vendor exam system and will be prompted to accept various third-party vendor policies, including a facial comparison policy agreeing to the use of Artificial Intelligence technology before they can access the online proctored exam system.

Privacy Risk: There is a risk that individuals will not receive prior notice that the audio and video recordings are being collected during remote administration of the Customs Broker License Exam.

Mitigation: This risk is fully mitigated. Through this Privacy Impact Assessment, individuals are provided notice of audio and video recordings collected through the remote administration of the Customs Broker License Exam. Additionally, the Customs Broker Management System of Records Notice provides notice of collection and maintenance of audio and video recordings from individuals taking the Customs Broker License Exam remotely. All Customs Broker License Exam registrants are provided notice at the time of registration through the eCBP Portal because the Broker tab on the eCBP Portal displays the DHS Privacy Act Statement, which includes notice of audio and visual recording. Lastly, on the day of the exam, the individual will log onto the third-party vendor exam system and will be prompted to accept various third-party vendor policies, including a facial comparison policy agreeing to the use of Artificial Intelligence technology before they can access the online proctored exam system. The third-party vendor exam system also displays the DHS Privacy Act Statement upon log-in and each time the individual accesses the vendor system, which includes notice of audio and visual recording.

Privacy Risk: There is a risk that individuals taking the Customs Broker License Exam in-person may not receive prior notice that the third-party vendor testing facility may record exams that occur in their facility.

Mitigation: This risk is fully mitigated. Through this Privacy Impact Assessment, individuals are provided notice that the third-party vendor testing facility may record exams that occur in their facility. In addition, individuals taking the exam in person will receive notice from the third-party vendor that the exam facility may use a security system to record individuals in and around the facility and the exam room. An additional notice will be displayed to the individual



taking the exam in-person prior to check-in at the facility, and this notice will state the following: “Exam providers may choose to record exams that occur in their facility (e.g., for security reasons), and these recordings are the property of the third-party vendor and are not owned or controlled by CBP.” The individual can then choose whether to proceed to the facility exam room.

Privacy Risk: There is a risk that brokerage employees are unaware that CBP collects an employee list of organizational brokerages, and no notice of disclosure is provided to the employees by the organizational brokerage.

Mitigation: This risk is partially mitigated. Organizational brokerages are required to report to CBP employee information pursuant to 19 C.F.R. § 111.19. Further, CBP collects information on Customs brokers’ employees and individual brokerage applicants who have been convicted of a felony and are applying to become a brokerage employee indirectly through the brokermanagement@cbp.dhs.gov email address. Employment requests for individuals previously convicted of a felony must be sent to the CBP Office of Trade Broker Management Branch as needed and before employing a person convicted of a felony at a brokerage. New employees are also reported to the brokermanagement@cbp.dhs.gov inbox and during the Triennial Status Report. This PIA also provides notice of this collection. There is no CBP requirement, however, that brokerages provide notice of disclosure to their employees.

2. Principle of Individual Participation

Principle: DHS should involve the individual in the process of using PII. DHS should, to the extent practical, seek individual consent for the collection, use, dissemination, and maintenance of PII and should provide mechanisms for appropriate access, correction, and redress regarding DHS’s use of PII.

CBP voluntarily collects personally identifiable information from individuals registering or taking the Customs Broker License Exam, individuals who have passed the Customs Broker License Exam and are applying for the Customs broker license, individuals who hold a current Customs broker license, individuals who are working for a Customs broker, partnership, or association/corporation; individuals who are references listed in Customs broker applications; individual Customs brokerage applicants who have been convicted of a felony and are applying to become a brokerage employee; and brokerages who apply for a national or permit. The various vehicles of collection are described below.

eCBP Portal

CBP collects information directly from individuals registering for or taking the Customs Broker License Exam during the exam registration process via the eCBP Portal. CBP uses information collected from the eCBP Portal to register the individual for the Customs Broker License Exam, from which a list of registration data is compiled and shared with a third-party



government vendor. During the exam, the registrant's responses are collected from the third-party vendor. After the exam, the registrant may participate in an optional survey, answering six questions about how they prepared for the exam.

Additionally, CBP collects personally identifiable information directly from individuals who hold a Customs Broker License and are submitting a Triennial Status Report through the eCBP Portal. Through the eCBP Portal, Triennial Status Report tab, the employee list from organizational brokerages and individual brokers are collected. The employee list includes each employee's name (first, last), Social Security number, date and place of birth, and current home address. Brokers must report any changes to their current employees' personal information (listed in § 111.28(b)(1)) within 30 calendar days of the change. Brokers must submit any updated information through the eCBP Portal. If the broker does not have an eCBP Portal account, updated information must be provided in writing to a Port or Center of Affiliation. Brokers are required to report all employees of the licensed brokerage entity to CBP with the submission of a national permit application in compliance with 19 CFR 111.28, regardless of the employees' duties and responsibilities (e.g., warehouse or office employees) and their work hours (e.g., temporary or part-time). This enables CBP to know all potential risks to U.S. revenue, or to the public, that an employee may pose. The Triennial Status Report also collects any continuing educational requirements associated with maintaining a license. CBP uses all information collected through the Triennial Status Report to issue national permits to Customs brokers or organizational brokerages.

CBP may receive reports of misconduct and will review those reports and investigate as needed, operating within the rights of the brokerage provided by 19 C.F.R. § 111.53. CBP will review this information to determine if the broker or brokerage still meets the requirements to hold a license as provided in 19 C.F.R. § 111.11.

Third-Party Vendor System

CBP has a contract in place with a third-party vendor to provide the Customs Broker License Exam testing system, test administration services to maintain the Customs Broker License Exam's integrity. The third-party vendor system collects information from individuals who are registering and taking the Customs Broker License Exam remotely (e.g., audio and video of remote exams, images of individuals, images of individuals' identification documents, and Customs Broker License Exam results). In addition, the third-party vendors exam facility may collect information from individuals who take the exam in-person (i.e., security footage of the facility and the exam room).

CBP Form 3124, Application for Customs Broker License

CBP collects information directly from individuals who have passed the Customs Broker License Exam and are applying for the Customs broker license through the OMB Approval No.



1651-0034, CBP Form 3124, Application for Customs Broker License which is filled out either manually or via a fillable PDF form and submitted to a CBP Port of Entry (POE) for manual entry into the Trusted Worker Program System. CBP collects information on individuals who are working for a Customs broker, partnership, or association/corporation, and individual references (employment and character references) indirectly through CBP Form 3124.

CBP, Office of Trade (OT), Broker Management Branch (BMB)

CBP collects information on employees of Customs brokers, and individual brokerage applicants who have been convicted of a felony and are applying to become a brokerage employee indirectly through the brokermanagement@cbp.dhs.gov email address. Employee requests for individuals previously convicted of a felony must also be sent to CBP Office of Trade Broker Management Branch as needed, and before employing a person previously convicted of a felony at a brokerage.

Access, Correction, and Redress of Personally Identifiable Information

DHS/CBP will consider individual information access requests to determine whether information may be released. Thus, individuals seeking access to and notification of any record contained in a system of records, or seeking to contest its content, may submit a request in writing to the Chief Privacy Officer and CBP's FOIA Officer, whose contact information can be found at <http://www.dhs.gov/foia> under "Contact Information." If an individual believes more than one component maintains Privacy Act records concerning them, the individual may submit the request to the Chief Privacy Officer and Chief Freedom of Information Act Officer, Department of Homeland Security, Washington, D.C. 20528-0655. Even if the Privacy Act does not provide a right of access, certain records about the individual may be available under the Freedom of Information Act.

When an individual is seeking records about themselves from the system of records governing this program or any other Departmental system of records, the individual's request must conform with the Privacy Act regulations set forth in 6 C.F.R. § part 5. The individual must first verify their identity, meaning that the individual must provide their full name, current address, and date and place of birth. The individual must sign the request, and the individual's signature must either be notarized or submitted under 28 U.S.C. § 1746, a law that permits statements to be made under penalty of perjury as a substitute for notarization. While no specific form is required, an individual may obtain forms for this purpose from the Chief Privacy Officer and Chief Freedom of Information Act Officer, <http://www.dhs.gov/foia> or 1-866-431-0486. In addition, the individual should:

- Explain why they believe the Department would have the information being requested;
- Identify which component(s) of the Department they believe may have the information;



- Specify when the individual believes the records would have been created; and
- Provide any other information that will help the FOIA staff determine which DHS component or agency may have respective records.

If the request is seeking records pertaining to another living individual, the request must include an authorization from the individual whose record is being requested, authorizing the release to the requester.

Without the above information, DHS/CBP may not be able to conduct an effective search, and the individual's request may be denied due to lack of specificity or lack of compliance with applicable regulations.

Additionally, individuals seeking access to and notification of any record contained in the system of records governing this program, or seeking to contest its content, may submit a request in writing to the CBP Office of Trade Broker Management Branch the brokermanagement@cbp.dhs.gov inbox, or to:

U.S. Customs and Border Protection
Office of Trade
Trade Policy and Programs, Broker Management Branch
1331 Pennsylvania Ave NW
9th Floor - Broker Management Branch
Washington, D.C. 20229-1142

Privacy Risk: There is a risk that individuals who voluntarily took the remotely administered Customs Broker License Exam through the third-party vendor system may not know where to request access to the exam information collected through the third-party vendor system.

Mitigation: This risk is mitigated. Customs Broker License Exam registrants seeking access to any record contained in the Customs Broker Records system of records may submit a request in writing to the CBP Office of Trade Broker Management Branch through the brokermanagement@cbp.dhs.gov, as also documented in the DHS/CBP-027 Customs Broker Management (CBM) System of Records Notice. Additionally, the DHS Privacy Act Statement provided at the launch of the third-party vendor system references the Customs Broker Management System of Records Notice and provides a link the individual can access to receive redress information.

Privacy Risk: There is a risk that brokerage employees cannot consent to or opt-out of the employee lists required to be submitted to CBP by organizational brokerages per 19 C.F.R. § 111.19, and that they may not know from where to request access to the employee lists containing their information.



Mitigation: This risk is partially mitigated. Brokerage employees seeking access to and notification of any record contained in a CBP system of records, or seeking to contest its content, may submit a request in writing at <http://www.dhs.gov/foia>. If an individual believes more than one component maintains Privacy Act records concerning them, the individual may submit the request to the Chief Privacy Officer and Chief Freedom of Information Act Officer, Department of Homeland Security, Washington, D.C. 20528-0655. Even if the Privacy Act does not provide a right of access, certain records about the individual may be available under the Freedom of Information Act.

3. Principle of Purpose Specification

Principle: DHS should specifically articulate the authority which permits the collection of PII and specifically articulate the purpose or purposes for which the PII is intended to be used.

Pursuant to 19 U.S.C. § 1641, 19 C.F.R. § 111, and 31 U.S.C. § 7701(c), CBP collects information from individual applicants when they register to take the Customs Broker License Exam, during the administration of the Customs Broker License Exam, when they apply for a broker license, throughout the background investigation processes, through the triennial reporting process, and through any continuing education requirements.

The authority to collect information from individuals registering for the Customs Broker License Exam through the eCBP Portal is 19 U.S.C. § 1641; 5 U.S.C. § 301, revised, as amended; and 19 C.F.R. § 111. This information is collected via the eCBP Portal and electronic webpage. The principal purpose for collecting the information is to verify that the individual registered to take the Customs Broker License Exam is the same individual sitting for the exam. In addition, CBP's authority to collect Social Security numbers from individuals registering for the Customs Broker License Exam through the eCBP Portal is Executive Order (E.O.) 9397, as amended by Executive Order 13478.⁴⁴ CBP collects Social Security numbers from all brokers, including from individual brokers who intend to transact customs business under their own license name, or apply for bonded status, but do not have an Employer Identification Number (EIN) or Taxpayer Identification Number (TIN). Social Security numbers are also used to identify and verify the broker exam application against the corresponding broker application to conduct a background investigation prior to Broker licensing. A broker license is required for an individual to engage in "customs business." CBP uses the Social Security number as an identifier when conducting a background investigation, and as an identifier throughout the career of the Customs broker.

⁴⁴ CBP has the authority to collect Social Security number from individuals registering for the CBLE through the eCBP Portal pursuant to Executive Order 9397, as amended by Executive Order 13478 – Amendments to EO 9397 Relating to Federal Agency Use of Social Security Numbers, 1026 U.S.C. § 6109(d) Use of Social Security Account Number; and 31 U.S.C. § 7701(c).



Through the eCBP Portal, CBP masks the Social Security number field and only displays the last three digits of the Social Security number.

The authority to collect information from individuals during the Customs Broker License Exam is 19 C.F.R. § R 111.13(a). The objective of the Customs Broker License Exam is to “determine the individual’s knowledge of Customs and related laws, regulations and procedures, bookkeeping, accounting, and all other appropriate matters, necessary to render valuable service to importers and exporters.” 19 C.F.R. § 111 also mandates that the exam be administered twice a year, on the fourth Wednesday in April and in October, unless the regularly scheduled date conflicts with a national holiday. Additionally, the DHS/CBP-027 Customs Broker Management System of Records Notice provides notice for audio and video recordings of individuals taking the Customs Broker License Exam. In addition, the third-party vendor will also collect audio and video recordings of the registrants during remote administration of the exam to ensure integrity of the exam. The third-party vendor is contractually obligated to collect audio and/or video recordings from registrants to maintain the exam integrity. CBP is responsible for ensuring the third-party vendor has performed in accordance with the contract and that the audio/or video recordings are only used by the third-party vendor to maintain the exam’s integrity.

The authority to collect information from individuals who have passed the Customs Broker License Exam and are now applying for the Customs broker license via CBP Form 3124 (OMB Control No. 1651-0034), and through the Trusted Worker Program is 19 U.S.C 1641 and 19 C.F.R. § 111.12. CBP collects this information and uses it to conduct a background investigation on the applicant and thereby determine whether the applicant meets the criteria established for the issuance of a Customs broker license. In addition, the information requested on this form is used by CBP to verify that the individual applying for the Customs broker license is the same individual who sat for the Customs Broker License Exam.

The authority to collect information from individuals working for a Customs broker, association, corporation, or partnership as part of the broker’s requirement to provide responsible supervision and control is 19 C.F.R. § 111.28, 19 C.F.R. § 111.19, and 19 C.F.R. § 111.30(d).

The authority to collect information from individual brokerage applicants who were previously convicted of a felony and are applying to become a brokerage employee is 19 C.F.R. § 111.53 and 19 U.S.C. § 1641(d)(1)(E).

Privacy Risk: There is a risk that the audio/video recording collected by the third-party vendor may be used for a purpose other than ensuring the integrity of the exam.

Mitigation: This risk is mitigated. A third-party vendor will record the audio and video of the registrants taking the exam remotely to ensure the integrity of the exam. The third-party vendor is contractually obligated to collect audio and/or video recordings from registrants only to maintain exam integrity. CBP is responsible for ensuring the third-party vendor has performed in



accordance with the contract and that the audio/or video recordings are only used by the third-party vendor to maintain the exam's integrity.

4. Principle of Data Minimization

Principle: DHS should only collect PII that is directly relevant and necessary to accomplish the specified purpose(s) and only retain PII for as long as is necessary to fulfill the specified purpose(s). PII should be disposed of in accordance with DHS records disposition schedules as approved by the National Archives and Records Administration (NARA).

In accordance with the National Archives and Records Administration (NARA)-approved agency disposition authority, "Licensing Records" DAA-0568-2017-0006-0003, CBP retains biographic records in the Automated Commercial Environment for six years from date that the license is terminated or the death of the licensee, as applicable, including the background check records uncovered from using the fingerprint provided for the background check. CBP does not retain the actual fingerprint, however CBP sends the fingerprint to the DHS Office of Biometric Identity Management (OBIM), and it is stored for 75 in IDENT/HART.⁴⁵

The audio and video recordings of remotely proctored exams, images of examinees, images of examinees' identification documents, and broker exam results collected by the third-party vendor during remote administration of the Customs Broker License Exam are stored on the third-party vendor's system for 120 days after the remote exam has concluded. This is in accordance with the National Archives and Records Administration-approved agency disposition authority, "Customs Broker Licensing Exam - Remote Proctored Records" DAA-0568-2022-0008-0001. The third-party vendor will not retain any sensitive personally identifiable information beyond the minimal amount of time needed for performance of the contract, for example to support applicant appeals to CBP. The third-party vendor will not retain personally identifiable information more than 120 days after the exam has concluded unless otherwise instructed by the CBP Contracting Officer Representative (COR). The third-party vendor must provide a Certificate of Destruction, signed by the third-party vendor's Chief Technology Officer or equivalent, to the Contracting Officer Representative within five calendar days from purging the data or no later than 125 calendar days from administering the Customs Broker License Exam, whichever occurs first.

For the in-person exam administration, there are no changes or new information being collected. The third-party vendor will not retain any images or data obtained during the in-person

⁴⁵ For additional information about privacy related risks and mitigations associated with IDENT/HART, including retention of information maintained in IDENT/HART for 75 years, please see those Privacy Impact Assessments, available at <https://www.dhs.gov/privacy-documents-office-biometric-identity-management-obim>.



check-in procedures. Exam providers may choose to record exams that occur in their facility; these recordings are the property of the vendor and are not owned or controlled by CBP.

CBP uses audio/video recordings for appeals to an integrity decision. Such records may also be responsive to Freedom of Information Act (FOIA) requests. For registrants with an alleged integrity violation, the audio/video records will be retained per the standard appeal timeline under 19 C.F.R. § 111.13(f). For registrants without an alleged integrity violation, their audio and video recordings will be deleted from the third-party vendor system 120 days after the Customs Broker License Exam has concluded.

Privacy Risk: There is a risk that the third-party vendor may retain the audio and video recordings of remotely proctored exams, images of examinees, images of examinees' identification documents, and broker exam results for longer than 120 days after the exam has concluded.

Mitigation: This risk is mitigated. The third-party vendor is contractually obligated to store the following information about remotely administered Customs Broker License exams: audio and video recordings of exams, images of registrants (captured at check-in), images of registrants' identification documents (captured at check-in), and broker exam results. All of this information is stored on vendor servers for 120 days after the exam has concluded. Additionally, the third-party vendor must provide a Certificate of Destruction, signed by the third-party vendor's Chief Technology Officer or equivalent, to the Contracting Officer Representative within five calendar days from purging the data or no later than 125 calendar days from administering the remote Customs Broker License Exam, whichever occurs first. For registrants with an alleged integrity violation, the collected biometric data will be kept until the appeal process concludes, as required by 19 C.F.R. § 111.13(f).

5. Principle of Use Limitation

Principle: DHS should use PII solely for the purpose(s) specified in the notice. Sharing PII outside the Department should be for a purpose compatible with the purpose for which the PII was collected.

CBP uses Login.Gov to provide a secure and credentialed way for individual users to access the eCBP Portal. CBP uses the eCBP Portal as the main registration vehicle for the Customs Broker License Exam and to file the Triennial Status Report. CBP uses Pay.gov (U.S. Department of Treasury platform), to process payments for the Customs Broker License Exam and the Triennial Status Report. The eCBP Portal has a DHS Privacy Act Statement attached to the Brokers site and the Privacy Act Statement includes a link to the DHS/CBP-027 Customs Broker Management System of Records Notice. The Customs Broker Management System of Records Notice lists routine uses of records maintained in the system, and includes categories of users and



purposes of such uses. For more information, please refer to the Customs Broker Management System of Records Notice.

CBP uses CBP Forms 3124 (OMB Control No. 1651-0034) and 3124e (OMB Control No. 1651-0034) to collect biographic information from registrants and Customs brokers. The information provided on the CBP Form 3124e (via the eCBP portal) is used to register the applicant for the Customs Broker License Exam. It is also used to establish an applicant record in the Automated Commercial Environment, the system of records for broker account information.⁴⁶ CBP uses the biographic information on the CBP Form 3124 to conduct a background investigation, including a fingerprint check against various law enforcement and national security databases, review of character references, credit reports, and criminal history/arrest records. Additionally, CBP uses the information on the CBP Form 3124 to conduct periodic reviews of broker license holders, as part of the Triennial Status Report, and to determine if a broker's license should be revoked. CBP uses the Trusted Worker Program System, the primary repository for program enrollment and background investigation data related to Broker's License, to collect a fingerprint from the applicant applying for a Customs broker license. CBP uses this information to conduct a thorough background investigation, as described above to determine whether to grant a Customs broker license. Fingerprints collected as part of the background investigation process are stored in IDENT/HART.

CBP uses a third-party vendor's web application system to collect information about remotely administered exams, including audio and video recordings of exams, images of registrants, images of registrant identification documents, and broker exam results for the purpose of managing the Customs broker licensure program. Anytime the third-party vendor web application is opened by the registrant, a statement from the vendor will be displayed, which notifies the individual that audio/video recordings are taking place. This vendor statement is also provided to the individual prior to the exam. The third-party vendor will also display the DHS Privacy Act statement after the registrant logs into third-party vendor system. The DHS Privacy Act statement provides the individual notice prior to collection of the information and this same statement is available on the eCBP Portal, Brokers tab, available at <https://e.cbp.dhs.gov/brokers/#!/home>.

Any sharing is done from the system in which the information resides (e.g., Automated Commercial Environment, Trusted Workers Program) pursuant to the applicable System of

⁴⁶ The Automated Commercial Environment is an integrated system for tracking information on imports and exports. It enables the trade community to electronically submit forms, data, and electronic documents. It also enables CBP to electronically retrieve and review trade information and CBP documentation. The interface system that allows Electronic Data Interchange transmissions to the Automated Commercial Environment is the Automated Broker Interface.



Records Notices that govern that system (e.g., DHS/CBP-001 Import Information System,⁴⁷ DHS/CBP-006 Automated Targeting System,⁴⁸ DHS/CBP-010 Persons Engaged in International Trade in Customs and Border Protection Licensed/Regulated Activities, DHS/CBP-027 Customs Broker Management).

CBP may share information collected through the CBP Broker Management Program, inside and outside of DHS consistent with applicable law and policy. The DHS/CBP-027 Customs Broker Management System of Records Notice specifically states that Customs Broker Management system records may be shared with other DHS components that have a need to know the information to carry out their national security, law enforcement, immigration, intelligence, or other homeland security functions. CBP shares CBM information with the following CBP systems: TECS, Global Enrollment System, and the Trusted Worker Program. Information residing in these systems may be shared with DHS agencies that have demonstrated a justifiable need for the information. Authorization for a DHS component access to TECS is granted by the TECS program manager (in concurrence with all necessary DHS/CBP offices) and authorized via a memorandum of understanding between DHS/CBP and the DHS component. An information sharing agreement will also be utilized to cover any interface implemented between DHS/CBP and the DHS component. For example, DHS, U.S. Immigration and Customs Enforcement (ICE), Homeland Security Investigations (HSI) has access to TECS screening and lookout records via a system-to-system interface and may use this connection to obtain information for investigation of brokers related to HSI's transnational crime mission. In order for an individual in ICE/HSI to gain access to TECS, they must have the appropriate background investigation and have successfully passed the annual TECS Security and Privacy Awareness course, as well as have a need to know the Broker Management Program information and job-related requirement for TECS information.⁴⁹

In addition, CBP may share information with appropriate federal, state, local, tribal, territorial, foreign, or international government agencies consistent with the routine uses set forth in this system of records notice. Information residing in the TECS, Global Enrollment System, or the Trusted Worker Program systems may be shared to other federal, state, local, tribal, and foreign law enforcement, counterterrorism, and border security agencies in the absence of a memorandum of agreement. Typically, the requesting or receiving agency must be able to identify or have

⁴⁷ See DHS/CBP-001 Import Information System, 81 FR 48826 (July 26, 2016), available at <https://www.dhs.gov/system-records-notices-sorns>.

⁴⁸ See DHS/CBP-006 Automated Targeting System, 77 FR 30297 (May 22, 2012), available at <https://www.dhs.gov/system-records-notices-sorns>.

⁴⁹ See U.S. DEPARTMENT OF HOMELAND SECURITY, U.S. CUSTOMS AND BORDER PROTECTION, PRIVACY IMPACT ASSESSMENT FOR THE TECS SYSTEM: CBP PRIMARY AND SECONDARY PROCESSING, DHS/CBP/PIA-009 (2010 and subsequent updates), and U.S. DEPARTMENT OF HOMELAND SECURITY, U.S. CUSTOMS AND BORDER PROTECTION, PRIVACY IMPACT ASSESSMENT FOR THE TECS SYSTEM: PLATFORM, DHS/CBP/PIA-021 (2016), available at <https://www.dhs.gov/privacy-documents-us-customs-and-border-protection>.



identified a need-to-know, a specific purpose for the information, and a use that is consistent with a routine use published in the most recent TECS System of Records Notice. The TECS information that is shared with agencies outside of CBP is the same information that is shared internally. This information usually entails existing TECS records pertaining to an enforcement action, illegal activity or suspected illegal activity associated with the subject party. The TECS information is shared with external agencies for law enforcement, counterterrorism, and border and public security purposes.

Privacy Risk: There is a risk that CBP will share information collected through the CBP Broker Management Program for a purpose other than specified for its original collection.

Mitigation: This risk is partially mitigated. CBP may share information collected through the CBP Broker Management Program, inside and outside of DHS consistent with applicable law and policy. The DHS/CBP-027 Customs Broker Management System of Records Notice specifically states that information collected by the Customs Broker Management system may be shared with other DHS components that have a need to know the information to carry out their national security, law enforcement, immigration, intelligence, or other homeland security functions. For example, DHS, U.S. Immigration and Customs Enforcement (ICE), Homeland Security Investigations (HSI) has access to TECS screening and lookout records via a system-to-system interface and may use this connection to obtain information for investigation purposes. In order for an individual in ICE/HSI to gain access to TECS, they must have the appropriate background investigation and have successfully passed the annual TECS Security and Privacy Awareness course, as well as have a need to know and job-related requirement for TECS information. In addition, DHS/CBP may share information with appropriate federal, state, local, tribal, territorial, foreign, or international government agencies consistent with the routine uses set forth in this system of records notice.

There is a risk that use of a fingerprint in the background check could lead to additional information about an information being uncovered and ultimately shared for a purpose other than for which the information was originally collected.

Mitigation: This risk is partially mitigated. The CBP Officer at the port collects the fingerprint of the individual applying for a Customs broker license and this fingerprint is collected and submitted through the Trusted Worker Program System as part of the background investigation process. The principal purpose for collecting fingerprints from individuals applying for a Customs broker license is to enable CBP to conduct a thorough background investigation on the applicant, which includes fingerprint analysis, review of character references, as well as reviews of credit reports and arrest records. CBP may share information collected through the CBP Broker Management Program, both inside and outside of DHS consistent with applicable law and policy. DHS/CBP may share information with appropriate federal, state, local, tribal, territorial, foreign, or international government agencies consistent with the routine uses set forth in the appropriate



system of records notices, such as: DHS/CBP-001 Import Information System, DHS/CBP-006 Automated Targeting System, DHS/CBP-010 Persons Engaged in International Trade in Customs and Border Protection Licensed/Regulated Activities, and DHS/CBP-027 Customs Broker Management.

6. Principle of Data Quality and Integrity

Principle: DHS should, to the extent practical, ensure that PII is accurate, relevant, timely, and complete, within the context of each use of the PII.

Registrants enter their own biographic information during Customs Broker License Exam registration through the eCBP Portal. Personally identifiable information is also entered by the Customs brokers as they submit their Triennial Status Report through the eCBP Portal. Biographic information collected through the eCBP Portal is stored on CBP Mobile Collections and Receipts and uploaded onto the Automated Commercial Environment. Payment information is not stored in CBP's Mobile Collections and Receipts or the Automated Commercial Environment but on Systems Applications and Products (SAP). As updates are made during license applications, permit applications, filing the Triennial Status Report, or any other application with CBP, this information is automatically shared to CBP's Mobile Collections and Receipts and/or the Automated Commercial Environment. Biographic data is also updated when registrants, candidates, or Customs brokers email a correction. This information is constantly verified for completion and used to apply for and maintain a license, permit, or file their Triennial Status Report. This allows the CBP Office of Trade Broker Management Branch to ensure the information is complete. The records are updated as the same data points are collected during the application process improving the chance of locating inaccurate records or erroneous record errors. The information collected is updated on the Automated Commercial Environment and CBP's Mobile Collections and Receipts as the applicant changes their address, email address, and/or phone number, throughout the application process. Internally within CBP depending on the data and for which program area, the data might be updated on the Automated Commercial Environment or CBP Mobile Collections and Receipts, or on the CBP shared drive. Exam records are updated on CBP Mobile Collections and Receipts, applications for a license are stored on the CBP shared drive and password protected but some of those records are then uploaded into the Automated Commercial Environment.

Information for the Customs Broker License Exam that is required by the third-party vendor to conduct the exam is sent by the CBP Office of Trade Broker Management Branch in a password-protected spreadsheet, as outlined in the Performance Work Statement (PWS) between CBP and the third-party vendor. Results from the Customs Broker License Exam are given to CBP and stored on the CBP shared drive, and each registrant's score is uploaded onto CBP Mobile



Collections and Receipts and then on the Automated Commercial Environment. This includes information on cheating allegations, incidents such as lateness, or inadequate proof of citizenship. Records pertaining to the issuance of a license, permit and filer codes are updated on the Automated Commercial Environment. Records pertaining to the Triennial Status Report are updated on eCBP and then updated in CBP Mobile Collections and Receipts and the Automated Commercial Environment automatically. Updates to employee lists/employee information are updated and stored on the CBP shared drive. As a record, these lists are not uploaded onto the Automated Commercial Environment, or Automated Targeting System. The CBP Office of Trade Broker Management Branch may review this list to verify that employees do not pose a risk to the organizational brokerage by conducting a background check if necessary.

Privacy Risk: There is a risk that a Customs Broker License Exam registrant or applicant may enter their information into the eCBP Portal and once CBP collects this information and submits it to various systems, it may not be updated in a timely manner and will be inaccurate.

Mitigation: This risk is mitigated. CBP updates individuals' information throughout the CBP Broker Management program. The information is updated if an individual changes their information in the third-party vendor exam scheduling system, as the Customs broker applies for a license or permit, files a Triennial Status Report, or completes the required reporting to CBP. In addition, as other portions of the license application process are completed, registrant information is updated for accuracy. Lastly, the Customs Broker License Exam registrant or applicant may request a correction of their information entered into the eCBP Portal by sending an email to CBP Office of Trade Broker Management Branch at brokermanagement@cbp.dhs.gov inbox, or sending a request via mail to the address listed in Section 2 of this Privacy Impact Assessment.

7. Principle of Security

Principle: DHS should protect PII (in all forms) through appropriate security safeguards against risks such as loss, unauthorized access or use, destruction, modification, or unintended or inappropriate disclosure.

CBP works to safeguard registrant data by limiting access to CBP systems, records, and shared drives to only those CBP government/contractor employees that have a need-to-know. CBP Mobile Collections and Receipts and the Automated Commercial Environment require supervisor approval to access the systems, and additional supervisor approval for certain functionalities to update or view Customs broker records. Anyone granted access to these systems must have passed a background check for CBP employment. Any data stored on the shared drive is password protected and restricted to only those with a need to know. Any document containing registrant information is password protected within the CBP shared drive and systems, meaning if a document is being forwarded outside of CBP, that document will already be password protected.



CBP provides registrant information to the third-party vendor in a password-protected Microsoft excel spreadsheet. CBP sends the individual password via a separate email to the third-party vendor. Recently, CBP implemented a Microsoft Outlook Sensitivity Label encryption technology to encrypt outbound email messages and their attachments. CBP uses this technology as its first line of defense for protecting all sensitive personally identifiable information being sent externally. Additionally, the third-party vendor personnel may have access to Customs Broker License Exam data and registrant personally identifiable information; however, all vendor personnel must complete the following training before accessing Customs Broker License Exam data or registrant personally identifiable information: Privacy at DHS: Protecting Personal Information, the DHS Rules of Behavior: The DHS Rules of Behavior training, and the Information Technology Security Awareness Training. The third-party vendor shall safeguard all government information and property provided for third-party vendor use. The third-party vendor shall maintain confidentiality of the Customs Broker License Exam contents and prevent unauthorized disclosure prior to administering the exam. The third-party vendor shall secure all government materials at the close of each work period.

Individuals registering for the Customs Broker License Exam or submitting a Triennial Status Report through the public facing eCBP Portal, must first be authenticated through Login.Gov before entering information into the eCBP Portal. Where possible, CBP Mobile Collections and Receipts prepopulates historical and biographical data interfaced from the Automated Commercial Environment from previous applications with CBP (e.g., Customs broker master data prepopulated from the Automated Commercial Environment when filing a Customs broker Triennial Status Report) into the eCBP application and allows the user the ability to update or correct such information in the application screens. CBP Mobile Collections and Receipts also uses mandatory fields, drop-down menus for fixed answer fields, and requires dual verification of key fields to ensure data accuracy. In addition, CBP has employed privacy-enhancing alternatives, such as masking, truncating, or encrypting the Social Security number, and blocking the display of Social Security numbers in hard copy or digital formats, through the eCBP Portal.

Privacy Risk: There is a risk to security, as CBP employees and/or contractors may share registrant personally identifiable information collected on a CBP Microsoft Excel spreadsheet with the third-party vendor, and this file may not have been password protected.

Mitigation: This risk is partially mitigated. Although CBP cannot fully prevent their employees and/or contractors from sharing an unprotected CBP Microsoft Excel spreadsheet with a third-party vendor, CBP does provide a mitigation for this risk. CBP recently implemented a Microsoft Outlook Sensitivity Label encryption technology to encrypt outbound email messages and their attachments. This technology acts as a first line of defense in protecting all sensitive personally identifiable information sent externally from CBP. Additionally, CBP employees/contractors will password protect the Excel spreadsheet before sending it to the third-



party vendor, and the individual password will be sent via a separate email to the third-party vendor. Any document containing registrant information is password protected within the CBP share drive and systems, meaning if a document is being forwarded outside of CBP that document will already be password protected.

8. Principle of Accountability and Auditing

Principle: DHS should be accountable for complying with these principles, providing training to all employees and vendors who use PII, and should audit the actual use of PII to demonstrate compliance with these principles and all applicable privacy protection requirements.

DHS employees are required to complete privacy training which explains how to properly handle and protect personally identifiable information and discusses the importance of maintaining privacy in the workplace. This training must be completed every year by all DHS employees to maintain access to the CBP shared drive, CBP Mobile Collections and Receipts, Automated Commercial Environment, and Trusted Worker Program databases. DHS employees may also be required to maintain additional training related to their access to specific systems (e.g., Automated Commercial Environment, Trusted Workers Program) and the specific system training requirements is further discussed in the Automated Commercial Environment, Trusted Workers Program, DHS Financial Management Systems⁵⁰ and Revenue Modernization Privacy Impact Assessments.

Additionally, CBP recently entered into a contract with a third-party vendor, to provide the Customs Broker License Exam testing system and administrative services. The third-party vendor personnel will have access to sensitive but unclassified information. As outlined in the contract, all upper-level management, proctors, and third-party vendors working on the Customs Broker License Exam with access to personally identifiable information must complete training to safeguard registrant and applicant personally identifiable information and submit a certificate of completion to the CBP contract officer by the deadline highlighted in the contract. Contractor employees are required to execute a DHS Non-Disclosure Agreement (NDA) (Department of Homeland Security Form 11000-6) as a condition to access sensitive but unclassified information (including proctors who have access to personally identifiable information or sensitive personally identifiable information). When applicable as determined by the Contracting Officer and CBP Office of Information Technology, the Contractor shall adhere to the Homeland Security Acquisition Regulations (HSAR) special clauses Safeguarding of Sensitive Information (MAR

⁵⁰ See U.S. DEPARTMENT OF HOMELAND SECURITY, PRIVACY IMPACT ASSESSMENT FOR FINANCIAL MANAGEMENT SYSTEMS, DHS/ALL/PIA-053 (July 2015), available at <https://www.dhs.gov/privacy-impact-assessments>.



2015), Information Technology Security Awareness Training and Privacy Training (MAR 2015), and Contractor Employee Access (HSAR 3052.204-71).

Privacy Risk: There is a risk to auditing and accountability, as third-party vendor personnel providing the Customs Broker License Exam administration service, will have access to sensitive but unclassified information.

Mitigation: This risk is partially mitigated. CBP cannot fully prevent third-party vendor personnel, with access to sensitive but unclassified information, from creating a privacy incident or data breach. However, CBP requires all third-party vendor personnel (upper-level management, proctors, and third-party vendors) working on the Customs Broker License Exam and who will have access to personally identifiable information, to complete training to safeguard registrant and applicant personally identifiable information and submit a certificate of completion to the CBP contract officer by the deadline highlighted in the contract. If third-party vendor personnel do not submit a training certificate by the deadline, CBP can terminate the contract for cause and re-compete for the Customs Broker License Exam contract.

Conclusion

The CBP Broker Management Program collects, uses, disseminates, and maintains personally identifiable information on members of the public and because of this, is considered privacy sensitive. CBP conducted this overarching Privacy Impact Assessment to describe the procedures to become a federally-licensed Customs broker, as well as the duties and responsibilities, and to provide transparency on the entire CBP Broker Management Program. Additionally, CBP conducted this Privacy Impact Assessment to provide notice of a new collection and maintenance of information (audio and video recordings) from individuals taking the remote Customs Broker License Exam, and to fully describe the Artificial Intelligence technology used during the remote Customs Broker License Exam. CBP identified privacy risks throughout this Privacy Impact Assessment, and all risks have been mitigated.

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Approval Signature

Original, signed version on file with the DHS Privacy Office.

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