

**U.S. Customs and Border  
Protection Did Not  
Effectively Target and  
Examine Rail Shipments  
From Canada and Mexico**





# HIGHLIGHTS

## *U.S. Customs and Border Protection Did Not Effectively Target and Examine Rail Shipments From Canada and Mexico*

March 3, 2015

### Why We Did This

U.S. Customs and Border Protection (CBP) is the frontline border security agency within Department of Homeland Security (DHS) charged with the priority mission of preventing terrorists and terrorist weapons from entering the United States, as well as facilitating the flow of legitimate trade and travel. We conducted this audit to determine whether CBP effectively targets and examines high-risk rail shipments from Mexico and Canada.

### What We Recommend

We made six recommendations which, when implemented, should improve CBP's processing of rail cargo from Mexico and Canada.

#### **For Further Information:**

Contact our Office of Public Affairs at (202) 254-4100, or email us at [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov)

### What We Found

CBP did not effectively target and examine rail shipments entering the United States from Mexico and Canada. Specifically, U.S. Customs and Border Protection Officers (CBPO) did not always target shipments using the mandatory Automated Targeting System (ATS) targeting criteria. CBPOs also did not always use the required radiation detection equipment to examine high-risk shipments. Finally, CBPOs did not always record the results of their rail cargo examinations in the Cargo Enforcement Reporting and Tracking System (CERTS).

CBPOs were unaware of the correct targeting criteria or inadvertently used inappropriate criteria. In addition, one port did not have the required radiation detection equipment for its rail team, and CBPOs at two other ports used Personal Radiation Detectors to examine shipments. Rail CBPOs also received insufficient training on the use of ATS and CERTS. Finally, Supervisory CBPOs did not provide sufficient oversight to ensure CBPOs followed CBP policy. As a result, CBP may have failed to target or properly examine rail shipments that were at an increased risk to contain contraband or dangerous materials. In addition, CBP has no assurance that decisions to release these high-risk shipments into U.S. commerce were appropriate.

### CBP Response

CBP concurred with all of our recommendations.



# OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

## Table of Contents

Background.....	1
Results of Audit .....	3
CBPOs Did Not Always Effectively Target Rail Shipments.....	4
CBPOs Did Not Always Effectively Examine Rail Shipments .....	5
CBPOs Did Not Consistently Record Examination Results In CERTS.....	6
Recommendations.....	8

## Appendixes

Appendix A: Transmittal to Action Official .....	12
Appendix B: Scope and Methodology .....	13
Appendix C: CBP Comments to the Draft Report.....	15
Appendix D: Office of Audits Major Contributors to This Report ..	18
Appendix E: Report Distribution.....	19

## Abbreviations

ATS	Automated Targeting System
CBP	U.S. Customs and Border Protection
CBPO	Customs and Border Protection Officer
CERTS	Cargo Enforcement Reporting and Tracking System
DHS	U.S. Department of Homeland Security
FY	fiscal year
GAO	Government Accountability Office
NII	non-intrusive inspection
NTC	National Targeting Center
OFO	Office of Field Operations (CBP)
OIG	Office of Inspector General
OIIL	Office of Intelligence and Investigative Liaison
OIT	Office of Information Technology
RIID	Radiation Isotope Identifier Device
RTU	Rail Targeting Unit
RVACIS	Rail Vehicle and Cargo Inspection System



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

### Background

U.S. Customs and Border Protection (CBP) is the frontline border security agency within the U.S. Department of Homeland Security (DHS) charged with the priority mission of preventing terrorists and terrorist weapons from entering the United States, as well as facilitating the flow of legitimate trade and travel. CBP prevents narcotics, agricultural pests, and smuggled goods from entering the country; and also identifies and arrests individuals with outstanding criminal warrants.

DHS Office of Inspector General (OIG) is required by Section 809 (g) of the *Coast Guard and Maritime Transportation Act of 2004* (Public Law 108-293) to conduct an annual audit of the CBP's Automated Targeting System (ATS). This year, we focused our efforts on determining whether CBP effectively targets and examines high-risk rail shipments from Mexico and Canada.

U.S. trade with Mexico by rail more than tripled from \$20 billion in fiscal year (FY) 1999 to \$69 billion in FY 2013. During that same time period, U.S. trade with Canada by rail increased from \$57 billion in FY 1999 to \$105 billion in FY 2013. According to CBP-provided data, during FYs 2012 and 2013, ports of entry with rail crossings processed nearly 6 million cargo shipments.

CBP operates the ATS, a decision support tool that compares traveler, cargo, and conveyance information against law enforcement, intelligence, and other enforcement data using risk-based targeting scenarios and assessments. Within ATS is ATS-N, a subsystem module that evaluates all cargo to identify high-risk inbound cargo for examinations. ATS-N uses numerous rule and targeting criteria to analyze information from manifest, importer security filing and entry data, and individuals, to prioritize shipments for review, and to generate recommended targets by scoring each shipment.

CBP policy requires ports to use large-scale non-intrusive inspection (NII) equipment when examining shipments ATS scores as high risk. Inbound trains pass through a Rail Vehicle and Cargo Inspection System, or RVACIS, (NII equipment) at most rail cargo ports of entry.<sup>1</sup> The RVACIS uses gamma rays to produce images of railcars for detection of contraband such as drugs, undeclared merchandise, and weapons. The gamma ray source and detectors are stationary as the train moves through the system. There is a designated personnel exclusion zone for personnel safety.

---

<sup>1</sup> For ports without large-scale NII technology, or if the technology is not operational, a physical examination of the container and cargo is required in addition to scanning by radiation detection equipment.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security



**Figure 1: RVACIS equipment at Detroit, MI, Port of Entry, Windsor, Ontario, Canada**

*Source: OIG photo.*

CBP policy also requires that ports use radiation detection equipment when examining high-risk rail shipments. Specifically, ports must use a Radiation Isotope Identifier Device (RIID) to satisfy the radiation scanning requirement. A RIID is a handheld device used for locating a radiation source and determining the specific isotope encountered. It is capable of transferring the isotope information to off-site technical experts via computerized data transfer.

The ATS-N module also includes the Cargo Enforcement Reporting and Tracking System (CERTS) sub-module. Customs and Border Protection Officers (CBPO) are required to use CERTS to record accurate examination results, including the examination tools used. CERTS establishes a historical database linking targeting reasons, risks, issues, actions, decisions, events, and past and present findings with commodities, shipping parties, and manifest information.

CBP's National Targeting Center is one of the operational units that use the ATS to support CBPOs at ports of entry. A part of the CBP's Office of Field Operations, the National Targeting Center is a significant consumer of intelligence information, which, in conjunction with other available information, it uses to conduct analysis and base recommendations for additional inspection by CBP.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

The Office of Intelligence and Investigative Liaison (OIIL) serves as a coordinating facilitator that integrates CBP's diverse intelligence capabilities into a single cohesive intelligence enterprise. OIIL supports CBP's mission through a multi-layered approach that includes collecting and analyzing advance traveler and cargo information, using enhanced law enforcement technical collection capabilities, providing timely analysis of intelligence and information, and establishing intelligence-sharing relationships with Federal, state, local, and tribal agencies and intelligence agencies. OIIL monitors and analyzes ATS-generated shipment scores to ensure CBP rail targeting focuses on cargo identified as high risk for terrorism.

CBP established the Rail Targeting Unit (RTU) in 2011. CBP and the rail industry collaborate to help enhance the ATS systems to identify rail shipments of interest. The goal of RTU is to target and identify high-risk shipments in the rail environment by using the rail industry's proprietary data systems. These data systems enable RTU to obtain real-time access to industry's logistics data and rail car imagery, which enhances data in the ATS. RTU is staffed with personnel from CBP and the rail industry and makes examination referrals to ports of entry via the RTU mailbox and telephonically.<sup>2</sup>

### **Results of Audit**

CBP did not effectively target and examine rail shipments entering the United States from Mexico and Canada. Specifically, CBPOs did not always target shipments using the mandatory ATS weight sets (targeting criteria). CBPOs also did not always use the required radiation detection equipment to examine high-risk shipments. Finally, CBPOs did not always record the results of their rail cargo examinations in the CERTS.

These issues occurred because CBPOs were unaware of the correct targeting criteria or inadvertently used inapplicable criteria. In addition, one port did not have the required radiation detection equipment for its rail team, and CBPOs at two other ports used Personal Radiation Detectors to examine shipments. Rail CBPOs also received insufficient training on the use of ATS and CERTS. Finally, Supervisory CBPOs did not provide sufficient oversight to ensure CBPOs followed CBP policy.

As a result of these deficiencies, CBPOs may have failed to require examinations of rail shipments that were at a higher risk to contain contraband, dangerous goods, or weapons of mass destruction. CBP may also have failed to detect potential instruments of terrorism or dangerous materials from entering the United States. We were unable to determine

---

<sup>2</sup> RTU targeting is distinct from the targeting (shipment scoring) that ports of entry perform.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

whether all high-risk shipments were examined in accordance with CBP policies. Accordingly, CBP has no assurance that decisions to release these high-risk shipments into U.S. commerce were appropriate. Finally, because CERTS data is used to support the ongoing evaluation and improvement of targeting and examination methodologies, inaccurate or incomplete data limits CBP's ability to operate and improve its ATS targeting capabilities effectively.

### CBPOs Did Not Always Effectively Target Rail Shipments

CBPOs did not always effectively target rail shipments for examination. Specifically, CBPOs did not always use the mandatory ATS targeting criteria to score rail shipments. During FYs 2012 and 2013, rail ports processed more than 5.9 million shipments. We randomly selected a sample of 254 high-risk rail shipments from six ports that processed a high volume of the overall FY 2012 and 2013 shipments. CBPOs used incorrect targeting criteria on 59 of 254 (23 percent) shipments we reviewed.

**Table 1. Rail Shipments Targeted Using Incorrect Criteria**

Port of Entry	Number of Shipments Reviewed	Number of Shipments CBPOs Used Incorrect Targeting Criteria	Percentage of Shipments CBPOs Used Incorrect Targeting Criteria
Port 1	30	13	43%
Port 2	60	9	15%
Port 3	25	0	0%
Port 4	40	1	3%
Port 5	43	0	0%
Port 6	<u>56</u>	<u>36</u>	<u>64%</u>
Total	<u>254</u>	<u>59</u>	<u>23%</u>

Source: OIG Analysis.

Effective August 26, 2009, ports of entry with rail crossings were required to use specific ATS targeting criteria for threshold targeting. If the shipment meets or exceeds a specific ATS threshold or score after applying this rail criteria, the shipment is determined to be "high risk" and subject to an examination. CBP's Office of Intelligence Operations and Coordination developed the rail targeting criteria in conjunction with the field offices.<sup>3</sup>

<sup>3</sup> On June 29, 2011, due to a reorganization, the Office of Intelligence Operations and Coordination was renamed the Office of Intelligence and Investigative Liaison.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

CBPOs said they were either unaware of the correct criteria, insufficiently trained in using ATS, or inadvertently used inapplicable criteria. Supervisory CBPOs also did not ensure CBPOs were using the correct targeting criteria. As a result, CBPOs may have failed to require examinations of rail shipments that were at a higher risk to contain contraband, dangerous goods, or weapons of mass destruction.

### CBPOs Did Not Always Effectively Examine Rail Shipments

CBPOs did not always use the required radiation detection equipment to examine high-risk shipments. Specifically CBPOs did not use a RIID on 160 of the 222 shipments (72 percent).

**Table 2. Rail Shipments Not Examined Using a RIID**

Port of Entry	Number of Shipments Requiring Examination by NII and RIID	Number of Shipments Not Examined by RIID	Percentage of Shipments Not Examined by RIID
Port 1	30	23	77%
Port 2	44	34	77%
Port 3	25	2	8%
Port 4	33	33	100%
Port 5	38	16	42%
Port 6	52	52	100%
Total	<u>222<sup>4</sup></u>	<u>160</u>	<u>72%</u>

Source: OIG Analysis.

Even though there is no specific national rail examination policy, Customs Directive 3340-036A, dated May 2012, requires that CBPOs conduct all mandated ATS targeted examinations using available large-scale NII technology. The directive also requires the use of a RIID to fulfill the radiation screening requirement. A Personal Radiation Detector does not fulfill the radiation detection requirement.<sup>5</sup>

<sup>4</sup> Not all shipments in our sample of 254 were subject to an examination. Fourteen shipments did not enter the United States. For 18 shipments, the ATS score fell below the targeting threshold before the shipment crossed. Accordingly, only 222 of the shipments were subject to a radiation scan using a RIID.

<sup>5</sup> A Personal Radiation Detector is a small, self-contained safety device used for detecting gamma radiation.





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

CBP officials at one port said the rail unit did not have a dedicated RIID. Additionally, CBPOs at two other ports said they only used a RIID when their Personal Radiation Detector alerted them to higher levels of radiation, or believed Personal Radiation Detectors were an acceptable way to examine high-risk shipments. As a result, CBP may have failed to detect potential instruments of terrorism or dangerous materials from entering the United States during examinations of high-risk rail shipments.

### **CBPOs Did Not Consistently Record Examination Results In CERTS**

CBP officers did not always record the results of their rail shipment examinations in CERTS. Specifically, CBPOs did not create CERTS records for either the NII or physical examinations the port conducted on high-risk rail shipments. This issue occurred because some CBPOs were not sufficiently trained to use CERTS. In addition, Supervisory CBPOs were not ensuring CBPOs completed CERTS records. As a result, we were unable to determine whether CBPOs examined all high-risk shipments in accordance with CBP policies. Accordingly, CBP does not have assurance that decisions to release these high-risk shipments into U.S. commerce were appropriate.

CERTS is a sub-module within ATS that allows CBPOs to record all examinations and any applicable findings of cargo and cargo conveyances. Rail ports were mandated to use CERTS for recording examination results and findings effective April 13, 2011. CERTS guidance requires that CBPOs create CERTS records to document the results of both NII and physical examinations. CBP Supervisors are responsible for ensuring that CBPOs input all cargo examinations and findings data into CERTS within 4 hours after completion of the examination.

CBPOs did not create the NII examination records for 153 of the 222 (69 percent) shipments that required CERTS records. We also identified at least 36 of the 222 shipments (16 percent) in which CBPOs conducted physical examinations but did not create a record of the examinations in CERTS.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

**Table 3. Rail Shipments CBPOs Did not Create NII or Physical Examination Records**

Port of Entry	Number Shipments in Sample that required CERTS record	Number of Shipments for which CBPO did not create required NII record	Number of Shipments for which CBPO did not create required Physical Examination record
Port 1	30	23	7
Port 2	44	44	12
Port 3	25	1	1
Port 4	33	31	3
Port 5	38	25	12
Port 6	<u>52</u>	<u>29</u>	<u>1</u>
Total	<u>222</u> <sup>6</sup>	<u>153</u>	<u>36</u>

Source: OIG Analysis.

CBPOs should have created NII examination records in CERTS for the 222 high-risk rail shipments that entered the United States. At most rail ports, including the six we visited, rail cars pass through an RVACIS machine either immediately before or after entering the United States. Therefore, unless the RVACIS was not operational at the time the train entered the United States, all rail cars, including the ones containing the high-risk shipments, will undergo the NII examination.

We could not determine the actual number of physical examinations that CBPOs should have recorded in CERTS because there was insufficient evidence available. We determined that CBPOs should have created physical examination records in CERTS for at least 36 of the 222 shipments. For each of these shipments, we reviewed other available information, such as NII Equipment Utilization Reports, ATS or Automated Commercial System Cargo Selectivity records, and internal port records to determine whether CBPOs performed physical examinations.

For example, at one port, we determined that CBPOs conducted a physical examination on at least 7 of the 30 shipments. For 4 of these 7 shipments, ATS notes indicated that CBPOs conducted a visual, physical, or 7-point examination. For 3 of these 7 shipments, the NII CERTS record indicated that CBPOs conducted a physical examination. Thus, although we determined from other available information that the CBPOs conducted a physical examination

<sup>6</sup> Only 222 of the 254 shipments we sampled were subject to CBP's minimum examination requirements. Accordingly, these 222 shipments required CBPOs to create CERTS records.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

of these 7 shipments, they did not create the required physical examination CERTS record.

Some CBPOs received insufficient training on CERTS, and therefore had to rely on the CERTS user's guide and various supplemental training presentations for proper guidance. Supervisory CBPOs did not routinely ensure that CBPOs recorded examination results in CERTS. As identified in CBP's January 30, 2012, *Weekly Muster*, CBP Headquarters was unable to provide hands-on instruction at affected rail ports due to budgetary constraints.

Because CBPOs did not always record examination results in CERTS, we were unable to determine whether all high-risk shipments were examined in accordance with CBP policies. Specifically, we were unable to determine whether CBPOs examined all 222 shipments with NII technology. For 104 of these shipments, our only assurance that the NII examination occurred was to obtain logs showing the equipment was operational on days the shipments crossed into the United States. As a result, CBP has no assurance that decisions to release these high-risk shipments into U.S. commerce were appropriate. In addition, because CERTS data is used to support the ongoing evaluation and improvement of targeting and examination methodologies, inaccurate or incomplete data limits CBP's ability to operate and improve its ATS targeting capabilities effectively.

### Recommendations

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

**Recommendation 1.** Ensure that CBPOs are using the mandatory Automated Targeting System criteria for scoring rail shipments.

**Recommendation 2.** Ensure that Supervisory CBPOs are confirming that rail unit CBPOs are using the correct targeting criteria.

**Recommendation 3.** Ensure that Required Radiation Isotope Identifier Devices are available to rail units and that CBPOs are using them during examinations of high-risk rail shipments.

**Recommendation 4.** Reiterate to Supervisory CBPOs their responsibility for ensuring CBPOs document examination results and findings accurately in the Cargo Enforcement Reporting and Tracking System.

**Recommendation 5.** Provide additional guidance and training to rail unit CBPOs on using the Automated Targeting System criteria for rail shipments



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

and for recording examination results in the Cargo Enforcement Reporting and Tracking System.

**Recommendation 6.** Perform periodic monitoring reviews to ensure ports are complying with CBP policy for targeting and examining rail shipments, and for documenting examination results in Cargo Enforcement Reporting and Tracking System.

### CBP Comments

CBP provided comments on the draft of this report. A copy of the response in its entirety is included in appendix C. CBP also provided technical comments and suggested revisions to our report in a separate document. We reviewed CBP's technical comments and made changes throughout our report where appropriate.

### OIG Analysis of CBP Comments

#### Management Comments to Recommendation #1

**Concur.** CBP's Office of Field Operations (OFO), National Targeting Center (NTC) is drafting an updated, comprehensive National Cargo Targeting Policy which includes mandatory criteria for rail targeting. OFO/NTC anticipates completing and distributing the policy by April 1, 2015.

#### OIG Analysis

We consider CBP's ongoing action responsive to the recommendation; the recommendation is now resolved. The recommendation will remain open until we receive and review the updated National Cargo Targeting Policy.

#### Management Comments to Recommendation #2

**Concur.** The OFO/NTC is drafting an updated, comprehensive National Cargo Targeting Policy which reiterates that supervisory CBPOs are responsible for confirming the use of mandatory rail targeting criteria. Additionally, in accordance with the comprehensive policy, the Port Director or his/her designee will be responsible for ensuring compliance with the policy and for taking corrective actions in response to instances of identified noncompliance. The estimated completion date for this recommendation is April 1, 2015.

#### OIG Analysis

We consider CBP's ongoing action responsive to the recommendation; the recommendation is now resolved. The recommendation will remain open until we receive and review the updated National Cargo Targeting Policy.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

### **Management Comments to Recommendation #3**

**Concur.** CBP said it sent a Radiation Isotope Identifier Device to the port identified in the report as not having one on October 28, 2014. CBP/OFO Non-Intrusive Inspections Division will disseminate a memorandum to all Directors, Field Operations, reminding them that all rail units must have Radiation Isotope Identifier Devices available for use in examining high-risk rail shipments, including rail cars. In addition, the memorandum will remind field personnel that Radiation Isotope Identifier Devices must be used in accordance with established CBP policy. The estimated completion date for this recommendation is March 1, 2015.

### **OIG Analysis**

We consider CBP's ongoing action responsive to the recommendation; the recommendation is now resolved. The recommendation will remain open until we receive and review the memorandum.

### **Management Comments to Recommendation #4**

**Concur.** The OFO/NTC is drafting an updated, comprehensive National Cargo Targeting Policy which reiterates that supervisory CBPOs are responsible for ensuring examination results are properly entered into CERTS. The estimated completion date for this recommendation is April 1, 2015.

### **OIG Analysis**

We consider CBP's ongoing action responsive to the recommendation; the recommendation is now resolved. The recommendation will remain open until we receive and review the updated National Cargo Targeting Policy.

### **Management Comments to Recommendation #5**

**Concur.** The OFO/NTC will develop additional job aids, emphasize existing training material, and disseminate the information to rail unit CBPOs. The OFO/NTC is also drafting an updated, comprehensive National Cargo Targeting Policy, which includes mandatory criteria for rail targeting and the requirement to record examination results into CERTS. The OFO/NTC anticipates completing and disseminating the updated policy by April 1, 2015.

### **OIG Analysis**

We consider CBP's ongoing action responsive to the recommendation; the recommendation is now resolved. The recommendation will remain open until we receive and review the additional job aids and the updated National Cargo Targeting Policy.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

### **Management Comments to Recommendation #6**

**Concur.** The OFO/NTC, in conjunction with the Office of Information and Technology (OIT) will develop system enhancements to CERTS that will enable CERTS to generate reports to identify high-risk shipments not in compliance with policy. Additionally, the new National Cargo Targeting Policy will reflect that the Port Director or his/her designee will be accountable for intermittently reviewing the CERTS reports to identify noncompliance and taking corrective actions in response to instances of identified noncompliance. The estimated completion date for corrective action is June 30, 2015.

### **OIG Analysis**

We consider CBP's ongoing action responsive to the recommendation; the recommendation is now resolved. The recommendation will remain open until we verify the OIT completes the CERTS system enhancements and we receive and review the updated National Cargo Targeting Policy.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

# Appendix A Transmittal to Action Official




## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

March 3, 2015

MEMORANDUM FOR: The Honorable R. Gil Kerlikowske  
Commissioner  
U.S. Customs and Border Protection

FROM: John Roth   
Inspector General

SUBJECT: *U.S. Customs and Border Protection Did Not Effectively  
Target and Examine Rail Shipments From Canada and  
Mexico*

Attached for your action is our final report, *U.S. Customs and Border Protection Did Not Effectively Target and Examine Rail Shipments From Canada and Mexico*. We incorporated the formal comments from the U.S. Customs and Border Protection's Assistant Commissioner, Office of Administration, in the final report.

The report contains six recommendations aimed at improving CBP's processing of rail cargo from Mexico and Canada. Your office concurred with all six recommendations. Based on information provided in your response to the draft report, we consider the recommendations resolved and open. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please email your responses and closeout requests to [OIGAuditsFollowup@oig.dhs.gov](mailto:OIGAuditsFollowup@oig.dhs.gov).

Please call me with any questions, or your staff may contact Mark Bell, Assistant Inspector General of Audits, at (202) 254-4100.

Attachment



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

### **Appendix B**

### **Scope and Methodology**

DHS OIG was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

This report provides the results of our work to determine whether CBP effectively targets and examines high-risk rail shipments from Mexico and Canada. Specifically, we determined whether CBP targeted and examined high-risk rail shipments in accordance with CBP policy. We also determined whether CBPOs recorded the results of those examinations in CERTS. In instances which ports waived examinations of high-risk shipments, we verified they followed CBP procedures for approving such waivers.

We obtained and reviewed CBP's national and local policies and procedures for targeting and examining rail shipments, and for documenting the results of cargo examinations in CERTS. We reviewed prior OIG and Government Accountability Office (GAO) reports. We conducted interviews with officials from CBP's Office of Field Operations and Office of Intelligence and Investigative Liaison at Headquarters, and at the National Targeting Center and the Rail Targeting Unit locations in the field.

We visited six ports of entry. We interviewed port management officials and CBPOs assigned to conduct rail targeting and rail cargo examinations. We observed rail unit CBPOs processing inbound rail shipments through ATS. This included observing trains passing through large-scale NII (RVACIS) technology and CBPOs reviewing RVACIS images as the trains entered the United States. We observed CBPOs conducting physical examinations of targeted shipments.

CBP provided rail cargo data from the ATS data warehouse for shipments that ATS scored as high-risk during FYs 2010–13.<sup>7</sup> The data showed that during FYs 2012 and 2013, rail ports processed more than 5.9 million shipments. We conducted limited analysis of this data and concluded it was reliable for the purpose of selecting a sample to accomplish our audit objective. We randomly selected a sample of 254 high-risk rail shipments from the six ports that

---

<sup>7</sup> CBP did not mandate the use of CERTS for documenting examination results until April 13, 2011. Accordingly, we eliminated FYs 2010 and 2011 data from our sample selection.





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

processed a high volume of the overall FY 2012 and 2013 shipments. We developed findings and recommendations based on the results of our review. To determine whether CBPOs targeted rail shipments in accordance with CBP policy, we reviewed ATS records for evidence that CBPOs used the mandated ATS targeting criteria to score shipments. To determine whether CBPOs examined rail shipments ATS targeted as high risk in accordance with CBP policy, we reviewed ATS and CERTS records for evidence that CBPOs used both large-scale NII technology (RVACIS equipment) and radiation detection (RIID) equipment. If evidence was not available in ATS and CERTS, we also reviewed other available information such as the Automated Commercial System Cargo Selectivity module, and internal port records such as manual logs, spreadsheets, and NII utilization reports. To determine whether CBPOs recorded examination results in CERTS, we requested and reviewed available CERTS records for the shipments we sampled. Finally, to determine if ports waived examinations of high-risk shipments in accordance with CBP policy, we reviewed documentation to support decisions to waive those examinations.

We conducted this performance audit between February and October 2014 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

# Appendix C CBP Comments to the Draft Report


1300 Pennsylvania Avenue NW  
Washington, DC 20229

JAN 12 2015



U.S. Customs and  
Border Protection

MEMORANDUM FOR: Mark Bell  
Assistant Inspector General  
Office of Audits

FROM: Eugene H. Schied   
Assistant Commissioner  
Office of Administration

SUBJECT: CBP Response to OIG Draft Report - Rail Shipments from Canada  
and Mexico

Thank you for the opportunity to review and comment on the Department of Homeland Security (DHS), Office of the Inspector General (OIG) draft report entitled, *U.S. Customs and Border Protection Did Not Effectively Target and Examine Rail Shipments from Canada and Mexico* (14-015-AUD-CBP). The OIG conducted this audit to determine whether U.S. Customs and Border Protection (CBP) effectively targets and examines high-risk rail shipments from Mexico and Canada.

In the draft report the OIG recognizes CBP as the frontline border security agency within the U.S. Department of Homeland Security (DHS) charged with the priority mission of preventing terrorists and terrorist weapons from entering the United States, as well as facilitating the flow of legitimate trade and travel. CBP is committed to this mission and concurs with the OIG's recommendations.

As a result of their findings, the OIG made six recommendations designed to enhance programmatic effectiveness. Please see the following for specific OIG recommendations, as well as, CBP's response and corrective action plan to implement each assigned recommendation.

**Recommendation 1:** Ensure that U.S. Customs and Border Protection officers (CBPOs) are using the mandatory Automated Targeting System (ATS) criteria for scoring rail shipments.

**Response:** Concur. CBP's Office of Field Operations (OFO), National Targeting Center (NTC), is drafting an updated, comprehensive National Cargo Targeting Policy which includes mandatory criteria for rail targeting. OFO/NTC anticipates completing and distributing the Policy by April 1, 2015.

**Estimated Completion Date:** April 1, 2015

**Recommendation 2:** Ensure that Supervisory CBPOs are confirming that rail unit CBPOs are using the correct targeting criteria.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

CBP Response to OIG Draft Report- Rail Shipments From Canada and Mexico  
Page 2

**Response:** Concur. The OFO/NTC is drafting an updated, comprehensive National Cargo Targeting Policy which reiterates that supervisory CBPOs are responsible for confirming the use of mandatory rail targeting criteria. Additionally, in accordance with the comprehensive Policy, the Port Director or his/her designee will be responsible for ensuring compliance with the Policy and for taking corrective actions in response to instances of identified non-compliance.

**Estimated Completion Date:** April 1, 2015

**Recommendation 3:** Ensure that Required Radiation Isotope Identifier Devices (RIIDs) are available to rail units and that CBPOs are using them during examinations of high-risk rail shipments.

**Response:** Concur. On October 28, 2014, CBP/OFO Non-Intrusive Inspections Division (NIID) sent one RIID to the location identified by OIG. Additionally, OFO/NIID conducted a nationwide analysis to determine if there were any other ports in need of RIIDs and furnished ports in need with dedicated RIIDs for their rail operations.

By March 1, 2015, OFO/NIID will disseminate a memorandum from the Executive Director, Cargo and Conveyance Security (CCS), to all Directors, Field Operations, reminding them that all rail units within their respective areas of responsibility must have RIIDs available for use in examining high-risk shipments to include rail cars. In addition, the memorandum will remind field personnel that RIIDs must be utilized in accordance with established CBP policy.

**Estimate Completion Date:** March 1, 2015

**Recommendation 4:** Reiterate to Supervisory CBPOs their responsibility for ensuring CBPOs document examination results and findings accurately in the Cargo Enforcement Reporting and Tracking System (CERTS).

**Response:** Concur. The OFO/NTC is drafting an updated, comprehensive National Cargo Targeting Policy which reiterates that supervisory CBPOs are responsible for ensuring examination results are entered properly into CERTS.

**Estimated Completion Date:** April 1, 2015

**Recommendation 5:** Provide additional guidance and training to rail unit CBPOs on using the ATS criteria for rail shipments and for recording examination results in CERTS.

**Response:** By March 1, 2015, the OFO/NTC will develop additional job aids, emphasize existing training material, and disseminate the information to rail unit CBPOs. The OFO/NTC is also drafting an updated, comprehensive National Cargo Targeting Policy, which includes mandatory criteria for rail targeting and the requirement to record examination results into CERTS. The OFO/NTC anticipates completing and disseminating the updated Policy by April 1, 2015.

**Estimated Completion Date:** April 1, 2015



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

CBP Response to OIG Draft Report- Rail Shipments From Canada and Mexico  
Page 3

**Recommendation 6:** Perform periodic monitoring reviews to ensure ports are complying with CBP policy for targeting and examining rail shipments, and for documenting examination results in the CERTS.

**Response:** Concur. The OFO/NTC, in conjunction, with the Office of Information and Technology (OIT) will develop system enhancements to CERTS that will enable CERTS to generate reports to identify high risk shipments not in compliance with policy. The CERTS system enhancements are scheduled to be deployed by the end of June 2015.

Additionally, the OFO/NTC is drafting a current comprehensive National Cargo Targeting Policy that will reflect that the Port Director or his/her designee will be accountable for intermittently reviewing the CERTS reports to identify non-compliance and taking corrective actions in response to instances of identified non-compliance.

**Estimated Completion Date:** June 30, 2015

CBP remains committed to improving its program effectiveness and looks forward to working with you on future homeland security matters. Technical comments have been provided under separate cover.

If you have any questions or would like additional information, please contact me at (202) 344-2300, or have a member of your staff contact Ms. Kathy Dapkins, CBP Audit Liaison, Management Inspections Division at (202) 325-7732.



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

### **Appendix D**

### **Office of Audits Major Contributors to This Report**

Brooke Bebow, Director  
Robert Ferrara, Audit Manager  
Kevin Donahue, Auditor-in-Charge  
Barry Bruner, Auditor  
Andrew Herman, Auditor  
Eddie Jones, Auditor  
Diane Leyva, Program Analyst  
Kevin Dolloson, Communications Analyst  
John Jadick, Independent Referencer



## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

---

### **Appendix E** **Report Distribution**

#### **Department of Homeland Security**

Secretary  
Deputy Secretary  
Chief of Staff  
Deputy Chief of Staff  
General Counsel  
Executive Secretary  
Director, GAO/OIG Liaison Office  
Assistant Secretary for Office of Policy  
Assistant Secretary for Office of Public Affairs  
Assistant Secretary for Office of Legislative Affairs  
CBP Audit Liaison

#### **Office of Management and Budget**

Chief, Homeland Security Branch  
DHS OIG Budget Examiner

#### **Congress**

Congressional Oversight and Appropriations Committees

## ADDITIONAL INFORMATION AND COPIES

To view this and any of our other reports, please visit our website at: [www.oig.dhs.gov](http://www.oig.dhs.gov).

For further information or questions, please contact Office of Inspector General Public Affairs at: [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov). Follow us on Twitter at: @dhsoig.



## OIG HOTLINE

To report fraud, waste, or abuse, visit our website at [www.oig.dhs.gov](http://www.oig.dhs.gov) and click on the red "Hotline" tab. If you cannot access our website, call our hotline at (800) 323-8603, fax our hotline at (202) 254-4297, or write to us at:

Department of Homeland Security  
Office of Inspector General, Mail Stop 0305  
Attention: Hotline  
245 Murray Drive, SW  
Washington, DC 20528-0305