



U.S. Department of Agriculture

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Office of Inspector General  
Midwest Region

**ANIMAL AND PLANT HEALTH INSPECTION  
SERVICE**  
**Transition and Coordination of Border  
Inspection Activities Between USDA and DHS**

Report No. 33601-0005-Ch  
March 2005

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UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20250



DATE: March 31, 2005

REPLY TO  
ATTN OF: 33601-0005-Ch

TO: W. Ron DeHaven  
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Animal and Plant Health Inspection Service

ATTN: William J. Hudnall  
Deputy Administrator  
for Marketing Regulatory Program Business Services

FROM: Robert W. Young /s/  
Assistant Inspector General  
for Audit

SUBJECT: Transition and Coordination of Border Inspection Activities Between USDA  
and DHS

This report presents the results of our audit of the transition of border inspection activities between USDA's Animal and Plant Health Inspection Service (APHIS) and the Department of Homeland Security's (DHS) U.S. Customs and Border Protection (CBP). The response to the draft report is included in its entirety as exhibit A, with excerpts and the Office of Inspector General's position incorporated into the Findings and Recommendations section of the report.

Based on the response, we have not reached management decisions on Recommendations Nos. 1, 2, or 3. Management decisions on these recommendations can be reached once you have provided us with the additional information outlined in the report sections OIG Position following each recommendation.

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the corrective actions taken or planned and the timeframes for implementation of those recommendations for which management decisions have not yet been reached. Please note that the regulation requires that management decisions be reached on all recommendations within a maximum of 6 months from report issuance.

# ***Executive Summary***

## ***Animal and Plant Health Inspection Service Transition and Coordination of Border Inspection Activities Between USDA and DHS (Audit Report No. 33601-5-CH)***

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### **Results In Brief**

Prior to March 2003, USDA's Animal and Plant Health Inspection Service (APHIS) had full responsibility for inspecting agricultural products entering the country from abroad to detect and intercept foreign pests and diseases that could threaten U.S. agriculture. The agency performed this mission through its Plant Protection and Quarantine (PPQ) division, a frontline staff of specialized agricultural inspectors. Following the events of September 11, 2001, the separate inspection activities once carried out by APHIS and the other Federal Inspection Agencies<sup>1</sup> were assigned to U.S. Customs and Border Protection (CBP), an agency of the newly created Department of Homeland Security (DHS). Unlike the other Federal Inspection Agencies, APHIS maintained its separate existence within USDA and the responsibility for issuing policies and procedures related to agricultural border inspections; however, almost 2,500 frontline agricultural inspectors that had formerly reported to APHIS-PPQ became CBP employees.

The main objective of our review was to determine whether APHIS had implemented controls, processes, and procedures, in conjunction with CBP, to ensure timely and effective coordination of inspection activities that could impact agriculture. We also evaluated the adequacy of the agencies' interdepartmental coordination process related to Bovine Spongiform Encephalopathy (BSE). Finally, we evaluated the adequacy of corrective actions taken in response to our previous audits of APHIS' agricultural quarantine programs. Our review was limited in that we did not have contact with officials of CBP, and were not able to perform onsite reviews at the ports-of-entry since these are now under CBP jurisdiction.

We determined, based on our review, that APHIS could not assure that the CBP-administered process for agricultural inspection operations contains adequate controls to safeguard U.S. agriculture against the entry of foreign pests and diseases. Because of the problems noted in the following paragraphs, we concluded that APHIS officials need to establish a more effective way to coordinate with officials of CBP to ensure that adequate safeguards are implemented, and that APHIS personnel have access to all information needed to verify that U.S. agriculture is being protected.

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<sup>1</sup> The U.S. Customs Service in the Department of the Treasury and the Immigration and Naturalization Service in the Department of Justice.

## Coordination between APHIS and CBP could be more effective

The Homeland Security Act transfers agricultural inspection duties to DHS-CBP. However, APHIS retains the primary responsibility for safeguarding America's plant and animal resources from exotic invasive pests. The agency faces complex management challenges in fulfilling this responsibility because it has limited authority over CBP's inspection personnel and programs. The authorities and responsibilities of both agencies regarding agricultural inspection operations were outlined in the Memorandum of Agreement (MOA) that was signed by the Secretaries of both Departments immediately before the transition took effect on March 1, 2003. Since then, both APHIS and CBP have faced the task of developing specific protocols and procedures to implement the agreements made in the MOA.

APHIS has been unable to effectively evaluate or provide advice to CBP on the agricultural inspection activities transferred to CBP in March 2003. Two key appendices (Appendix 7(b) for Coordination on Regulations, Policies, and Procedures, and Appendix 8 for Communication and Liaison) to the MOA remained unapproved until February 28, 2005, and the critical protocol governing the Joint Agency Quality Assurance Program (JAQAP) under which APHIS personnel would be able to perform onsite reviews at the ports-of-entry, was not approved by CBP until November 2004 with only one port visit being performed through January 2005.

During this period, APHIS officials became aware of problems such as inadequate risk assessment data being submitted by CBP, and a reported 32 percent drop in the number of pest interceptions following the transition. This was significant because our prior audit (Audit No. 33601-3-Ch, Safeguards to Prevent the Entry of Prohibited Pests and Diseases into the United States, issued February 2003) had already reported a potential "inspection gap" wherein risk assessment results were significantly higher than inspection results. CBP officials have also denied APHIS access to port locations, even when access was requested in June 2004 and again in July 2004, due to specific areas of concern. APHIS personnel have also reported being denied access by officials at certain ports, even to perform duties for which APHIS still has regulatory responsibility. Finally, CBP officials have not provided adequate data on staffing levels and deployment of agricultural inspectors to APHIS for evaluation.

APHIS personnel, working in conjunction with their counterparts at CBP, have accomplished much during the transition. Since the signing of the MOA in February 2003, agency officials have developed and maintained working level points of contact, as well as setting up interagency working groups with specific tasks related to implementing the MOA and facilitating the

transition. By the end of calendar year 2004, the agencies had completed and signed appendices to five MOA articles, containing detailed procedures and protocols related to the MOA. They have also developed a joint-agency quality assurance program; this was a critical protocol because it established a process for APHIS to participate in onsite inspection reviews at port locations, the first of which was performed in December 2004. APHIS has assumed the responsibility for training newly hired CBP agricultural inspectors, and has provided training materials for all other CBP inspectors to give them basic knowledge and orientation on agricultural issues and concerns. The agencies have also developed procedures to ensure that time-sensitive agricultural alerts, which notify CBP personnel on procedures for dealing with issues such as BSE, are processed and sent to the field within 24 hours of being presented to CBP by APHIS.

Other significant challenges still remain, however. We found that APHIS and CBP inevitably held differing viewpoints on some of their respective roles and authorities regarding the agricultural inspection process. In many cases, the agencies reached agreement and the necessary procedures were approved and put into place. However, the interagency negotiations required to resolve such issues have often been lengthy, and time-sensitive actions have been delayed as a consequence. For example, joint-agency port reviews did not begin until more than 21 months after the transition because of the time required for the agencies to reach agreement on the written plan to implement the program. During this period, APHIS had no direct access to port locations and could not assess how agricultural inspections were being carried out by CBP.

Other issues, such as whether APHIS officials should have an advisory role on staffing levels and deployment of agricultural inspectors, are still under discussion. APHIS provided CBP with \$194 million in user fees for FY 2004, under an agreement that called on CBP to report its expenditures by fee type (international passengers, commercial aircraft, etc.) by November 15, 2004. However, CBP did not provide the agreed-upon data until December 27, 2004, and based on this data APHIS officials continue to express concerns about how the funds are being used. To ensure that agricultural inspection operations function in an effective manner, such issues need to be timely resolved, inclusive of elevation to the Secretarial level.

APHIS and CBP have just begun conducting joint port reviews, but we noted areas where that process could be improved. Although APHIS depends primarily on the joint port reviews to assess the effectiveness of CBP's agricultural inspections, the approved review plan contains only general review steps or guidelines. In addition, APHIS does not have a process to periodically review the extent and results of coverage given to critical areas

over the course of several port reviews. As a result, APHIS may not be able to identify areas that need additional or more extensive reviews during upcoming port visits.

#### Notification process for incoming shipments need to be expanded

As a result of our previous audit work (Audit No. 50601-0003-Ch, “Assessment of APHIS and FSIS Inspection Activities to Prevent the Entry of Foot and Mouth Disease into the United States,” issued in July 2001), APHIS strengthened its controls to prevent meat possibly contaminated with foot and mouth disease from bypassing the FSIS reinspection process. However, these controls need to be extended to cover all meat and poultry products from other countries, particularly those where BSE has been identified as a concern. We found that, because the process developed by APHIS and FSIS does not require CBP (which took over APHIS’ duties under the transition) to notify the FSIS of all incoming shipments that are being sent to FSIS after crossing the border, those shipments could bypass FSIS reinspection without the knowledge of either agency. APHIS officials have concurred that this control needs to be expanded, and has held meetings with FSIS and CBP officials to bring the problem to their attention.

#### Prior audit recommendations require further action

Our prior audit of APHIS’ border inspection operations (Audit No. 33601-3-Ch, “Safeguards to Prevent Entry of Prohibited Pests and Diseases Into the United States,” issued in February 2003) disclosed numerous areas that APHIS needed to address to ensure that its inspection process could effectively protect U.S. agriculture. Areas that needed improvement included agricultural quarantine inspections at the ports, risk assessments, determinations of staffing needs, and recordkeeping of inspection results. Many of our audit recommendations remain unresolved because of issues arising from the transition; in many cases, APHIS officials no longer have direct control or even knowledge of port operations that were transferred to CBP. We continue to work with APHIS on these issues, which will require the agency to coordinate with, and issue policies and procedures as needed to CBP.

#### Summary

Our work in these areas is not complete. To better evaluate agricultural inspection activities, we are coordinating with DHS’ Office of Inspector General on a joint audit effort. In the interim, however, we believe that APHIS officials need to address the transition-related issues described above,

particularly the development of a process to ensure timely elevation of critical issues.

## **Key**

### **Recommendations**

We are recommending that APHIS develop a process to elevate unresolved issues to higher levels within the Departments of Agriculture and Homeland Security in cases where such issues materially affect agricultural inspection operations and cannot be timely resolved between agency officials.

We are also recommending that APHIS follow up with both CBP and FSIS regarding the need to expand the notification process, developed for shipments arriving from countries with Foot and Mouth Disease restrictions, to include all incoming meat and poultry shipments.

### **Agency Response**

In their response to the official draft report dated March 31, 2005, APHIS officials stated that previous elevations of unresolved interdepartmental issues had not been productive due to high turnover in the policy-making levels of DHS. They stated that the best means of resolving interdepartmental issues is to elevate important issues which cannot be resolved at the agency levels, and to build effective communications at each level of the organization to address critical issues at the lowest practical level.

With regard to expanding the notification system for incoming meat and poultry shipments from FMD-restricted countries to cover all incoming shipments, they believed this would be impractical because of the paper and resource-intensive nature of the FMD notification system. They stated that electronic access by FSIS to CBP's data systems by FSIS would make this possible, but that FSIS had been unsuccessfully attempting for several years to work out the necessary agreements.

Finally, for the pre-transition issues from our prior audit report, APHIS officials agreed that some of these require further discussion between the Departments and provided updated status on some of the issues discussed in the report.

### **OIG Position**

With regard to APHIS officials' response to the recommendations in Finding 1, we agree that issues arising between APHIS and CBP should be resolved at the working levels whenever possible, and our report cites instances where this has been accomplished. While we also agree that elevation of an issue to higher levels does not guarantee its early resolution, it is the only recourse presently available to APHIS when issues critical to the accomplishment of the agency's mission remain unresolved. A process to ensure timely elevation of such issues could, at least in some cases, expedite resolution.

Therefore we continue to believe that APHIS officials need to implement the recommended process.

For Finding 2, we concur that an alternate means of notification between CBP and FSIS would be acceptable so long as it resulted in the FSIS I-Houses receiving notice of all incoming shipments. However, APHIS officials still need to provide us with their plans to work with FSIS and CBP to obtain notification of all incoming meat and poultry shipments.

We continue to work with APHIS on the pre-transition issues described in Finding 3, and are also beginning a joint review with DHS' Office of Inspector General to assess CBP agricultural inspection operations at selected port locations. Through these means we hope to achieve management decisions on the remaining issues from our previous audit report.



# ***Abbreviations Used in This Report***

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APHIS	Animal and Plant Health Inspection Service
AQI	Agricultural Quarantine Inspection
AQIM	Agricultural Quarantine Inspection Monitoring
BRASS	Border Release Advance Screening and Selectivity System
BSE	Bovine Spongiform Encephalopathy
CBP	Customs and Border Protection
DHS	Department of Homeland Security
DFO	Directors of Field Operations
FSIS	Food Safety and Inspection Service
FMD	Foot and Mouth Disease
JAQAP	Joint Agency Quality Assurance Program
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
PPQ	Plant Protection and Quarantine
SITC	Safeguarding, Intervention and Trade Compliance
T&E	Transportation and Exportation
VRS	Veterinary Regulatory Services
VS	Veterinary Services
USDA	United States Department of Agriculture

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# Background and Objectives

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## Background

On March 1, 2003, major components of the Animal and Plant Health Inspection Service's (APHIS) Agricultural Quarantine Inspection (AQI) programs were transferred to the newly created Department of Homeland Security (DHS). Prior to this transition, APHIS' Plant Protection and Quarantine (PPQ) division had the primary responsibility for conducting agricultural inspections at U.S. ports-of-entry. APHIS was one of three Federal Inspection Service (FIS) agencies responsible for border inspection operations (the other two were the U.S. Customs Service, of the Treasury Department, and the Immigration and Naturalization Service, of the Justice Department).

The purpose of APHIS-PPQ's inspection programs was to reduce, to acceptable levels, the risk that invasive species of pests and diseases would be introduced into the United States. Such pests and diseases could threaten the abundance and variety of the U.S. food supply, damage our natural resources, and cost American taxpayers millions of dollars for higher-priced food as well as the cost of pest control and eradication programs. At over \$400 million in fiscal year 2002 (the last complete fiscal year before the transition), AQI represented the largest single item in APHIS' overall budget and was the agency's most visible program with inspections being conducted at 141 land, sea, and air ports-of-entry.

The events of September 11, 2001, and the subsequent creation of the Department of Homeland Security under the Homeland Security Act of 2002, brought about major changes in the organization and responsibilities of the FIS agencies. Two of the three agencies, U.S. Customs and INS, were incorporated in their entirety into the Department of Homeland Security's U.S. Customs and Border Protection (CBP) agency. Only APHIS maintained its separate existence as part of the Department of Agriculture. However, the bulk of APHIS' border inspection activities and authorities were transferred to CBP effective March 1, 2003. As part of this transition, PPQ's frontline inspection force of almost 2,500 agricultural inspector positions was likewise moved to CBP.

To facilitate the transition process, the Secretaries of Agriculture and Homeland Security signed a Memorandum of Agreement (MOA) on February 28, 2003. Among its provisions, the MOA specifies the agricultural inspection responsibilities transferred to CBP and those retained by APHIS; in broad terms, APHIS retained the responsibility for issuing policies and procedures affecting agricultural inspections, but the inspections themselves would be carried out by CBP. Some positions, such as veterinarians and specialized "identifiers" of animal and plant pests and diseases, were retained

by APHIS; under the MOA, these employees would continue to provide technical support for the CBP agricultural inspectors as they once did for PPQ. Responsibilities for risk assessments performed under the Agricultural Quarantine Inspection Monitoring (AQIM) program<sup>2</sup> were likewise divided, with CBP performing the actual AQIM inspections at the ports and staffing key positions related to this function, but with APHIS issuing all relevant instructions and performing nationwide analyses of the collected data.

Maintaining an effective AQI program under the divided authorities and responsibilities resulting from the transition has necessitated close coordination between APHIS and CBP. This is being accomplished in various ways, including:

- The drafting of several detailed appendices to provide the necessary processes and protocols to implement the broad agreements of the MOA;
- The creation of a joint agency quality assurance program, under which APHIS can continue to provide a degree of oversight of the AQI programs;
- The establishment of liaison personnel by both agencies to provide day-to-day contact on matters requiring agency coordination; and
- Meetings between high-level officials of both agencies to resolve issues that cannot be handled at the operating levels.

Prior to the transition, the Office of Inspector General (OIG) performed three audits that covered a broad spectrum of APHIS' operations at the ports-of-entry. The reports were:

- Audit No. 50601-3-Ch, Assessment of APHIS and FSIS Efforts to Prevent the Entry of Foot and Mouth Disease Into the United States (issued July 2001);
- Audit No. 33601-3-Ch, Safeguards to Prevent the Entry of Prohibited Pests and Diseases into the United States (issued February 2003); and
- Audit No. 33601-4-Ch, Controls over Permits to Import Biohazardous Materials into the United States (issued March 2003).

These audits disclosed the need for APHIS to take actions to strengthen the procedures and controls related to its inspection programs in several respects. These included the inspection procedures themselves, as well as risk assessments, staffing activities, the permit issuance process, and controls over meat shipments entering the country. Although APHIS officials had taken

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<sup>2</sup> AQIM is a risk assessment program that consists of statistically selected monitoring inspections performed at various ports and border crossings. AQIM results are used to assess the risk levels associated with various pathways through which pets and diseases can enter the country, and also to evaluate the effectiveness of existing inspection programs.

corrective actions on a number of our recommendations prior to the transition, others remain unresolved. This has resulted in part from the transition, which limited APHIS' ability to obtain information about ongoing operations at the ports-of-entry, and also required that any new policies and procedures on agricultural inspections be issued to CBP in consultation with its officials.

**Objectives**

The objectives of this audit were to determine whether APHIS had (1) implemented controls, processes and procedures in conjunction with CBP to ensure timely and effective coordination of agricultural inspection activities; (2) established a process to ensure that agricultural alerts and other instructions relating to Bovine Spongiform Encephalopathy (BSE) safeguarding are timely provided to CBP inspection personnel, and (3) taken effective corrective actions on the recommendations from previous OIG audits of the agricultural inspection programs.

# Findings and Recommendations

## Section 1. Coordination Between APHIS and CBP

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### **Finding 1: APHIS Needs A Process To Timely Elevate Unresolved Interdepartmental Issues**

Since the execution of the Memorandum of Agreement (MOA) between the Departments of Agriculture and Homeland Security in February 2003, APHIS officials have worked extensively with their counterparts in U.S. Customs and Border Protection (CBP) to effect an orderly transition of border inspection authority to CBP while at the same time ensuring that APHIS' own mission of protecting U.S. agriculture against the incursion of foreign pests and diseases is met. We determined, however, that because APHIS and CBP have not developed an elevation process to facilitate timely implementation of key agreements and resolution of policy issues between the agencies, APHIS cannot assure that the CBP-administered agricultural inspection activities adequately safeguard U.S. agriculture against the entry of foreign pests and diseases. For instance, because the key agreement implementing the Joint Agency Quality Assurance Program (JAQAP) was not approved by CBP until November 2004, APHIS personnel were not able to perform onsite evaluations of agricultural inspection activities for 21 months following the date of the transition. Other issues, such as APHIS' access to data on staffing levels and deployment of CBP's agricultural inspection staff, remain unresolved.

The challenges facing the two agencies and their respective Departments are great. Even though the bulk of its frontline inspection staff has been transferred to CBP, APHIS is still responsible for issuing policies and procedures to CBP covering agricultural inspections. Because port operations are effectively controlled by CBP, APHIS officials must accomplish this with a much smaller degree of oversight and supervision than was possible before the transition. CBP, by contrast, has the responsibility for carrying out APHIS policies and ensuring that sufficient staff and other resources are available to perform the Agricultural mission while at the same time protecting the United States against threats related to its primary mission of Homeland Security. To do this, both agencies must work to achieve effective communication and coordination with one another.

In the 22 months between the date of the March 2003 transition and the end of calendar year 2004, the two agencies working jointly have made considerable progress in accomplishing these goals. The agencies have, for instance:

- Established working-level points of contact between designated officials within both agencies;

- Developed appendices to five Articles of the MOA, containing detailed processes to effect the MOA's broad agreements governing Separation of Function, Transfers of Funds, Cooperation and Reciprocity, and Regulatory Coordination;
- Completed several drafts, and made contacts to resolve issues, on the two remaining appendices to the MOA Articles on Communication and Liaison and Coordination On Policies and Procedures;
- Completed a Joint Agency Quality Assurance Program (JAQAP) in November 2004, and in December 2004 conducted the first joint-agency review of agricultural inspection operations at a major port;
- Established an APHIS-operated training program which has graduated over 100 newly-hired agricultural inspectors as of December 2004, while also providing basic training materials produced by APHIS to all CBP inspection personnel;
- Established a process by which APHIS alerts on time-critical issues such as BSE are distributed to CBP Directors of Field Operations (DFO) within 24 hours of being transmitted by APHIS;
- Provided APHIS manuals to CBP inspectors online, where APHIS can update them on an as-needed basis; and
- Held numerous meetings between officials of both agencies to reach agreements on transition-related issues, including meetings between the Administrators and their Deputies.

However, much remains to be accomplished. As noted in the following sections, two key appendices to the MOA, governing policy and procedure issuance and interagency communication, were still unapproved as of the end of calendar year 2004, 22 months after the date of the transition (these were eventually approved on February 28, 2005). Other key agreements, such as the above-described JAQAP and the MOA Appendix on the transfer of funds, were approved only following extended periods of negotiation between the agencies. We attributed this in part to the lack of a written process, within both the MOA and its appendices or in APHIS' internal procedures, to elevate issues to the Secretarial level when agreement cannot be timely reached by agency officials. The resulting delays in approving key agreements such as those described above have hindered APHIS' efforts to evaluate the agricultural inspection activities transferred to CBP, and to advise CBP officials when problems are noted. Other issues, such as APHIS' access to staffing data on agricultural inspectors, remain unresolved despite numerous attempts to address them at the highest possible levels within APHIS and CBP. Examples of these issues are noted in the following paragraphs.

## MOA Appendix 7(b) For Coordination On Regulations, Policies, and Procedures

This Appendix was not approved as of December 2004, even though six different drafts were developed and submitted to CBP for approval between July 2003 and July 2004. It was subsequently approved on February 28, 2005, but the important provisions it contains were not in effect during the first 2 years of the transition period.

Article 7 of the MOA, Regulations, Policies, and Procedures, specifies that APHIS retains responsibility for developing and issuing regulatory or other guidance covering the agricultural functions transferred to CBP, and for training CBP employees as needed to apply and implement them. CBP, in turn, is responsible for carrying out the functions transferred by APHIS in accordance with these policies and procedures. The Article also provides that each agency may issue new regulations, policies, and procedures that affect the other, but only after consulting and coordinating with the other. Appendix (a) to this article, approved in July 2003, outlines the process that APHIS must follow to issue regulations and procedures affecting CBP's agricultural inspection operations. However, the corresponding restrictions on CBP's issuance of regulatory or procedural guidance that affect agricultural inspection activities are contained in the recently-approved Appendix (b). Some of its provisions could have provided guidance to officials of both agencies on significant issues that have arisen during the transition process. For instance:

- One provision of the Appendix would have required CBP to "...Inform PPQ of any significant operational changes involving staff coverage which have an impact on pest risk, and give PPQ an opportunity to discuss these proposed changes prior to final implementation of such a directive." As noted later in the Finding, APHIS-PPQ has received little information from CBP on staffing levels or on any risks that may result from a lack of staffing at key ports-of-entry or border crossings.
- Another provision would have required CBP to inform APHIS of any "significant changes in operational resources that would impact the effective administration of procedures as established in PPQ manuals that have an impact on pest risk." A CBP official made a statement to the media in August 2004 regarding a new



policy under which intercepted materials could be disposed of rather than inspected for pests. APHIS was not officially notified of this policy, and an APHIS official we interviewed stated that they have no confirmation that this has been formally issued, or of whether it is being followed at all ports. We have concluded that such a policy, if implemented, could result in an understatement of the reported pest risk for the affected pathways, with consequent effects on staffing and other policy decisions affecting them.

### MOA Appendix 8 For Communication and Liaison

Several drafts of this Appendix were submitted to CBP for approval throughout 2003 and 2004, and APHIS officials stated that both agencies regarded it as a high priority for completion and approval because it affects the ability of APHIS personnel to perform key functions not transferred under the MOA, such as the ability to review and approve compliance agreements and to perform pest identifications. These functions require access to documents and port locations, which some APHIS personnel have reported (as late as January 2005) was not being granted by CBP. APHIS-PPQ Headquarters officials have stated that in some cases, decisions regarding access are made by individual CBP officials at the ports, and information received from APHIS personnel at that level indicate that these policies vary from port to port. APHIS and CBP disagreed at the Headquarters level on issues involving port access by APHIS personnel, and believed that some of the terms of the Appendix needed to be amended in order to be acceptable to APHIS. However, these terms were unchanged in the version that was eventually signed on February 28, 2005.

Article 8 of the MOA, which covers Communication and Liaison, states that "...DHS will provide USDA with access to, subject to national security considerations and agreed upon information sharing protocols, port environs and port information/databases necessary to fulfill USDA's responsibilities." To better define the rights and responsibilities of both agencies under this broad directive, APHIS and CBP worked to draft an Appendix to provide the necessary protocols to implement the Article.

APHIS regulations require that any person engaged in handling or disposing of foreign garbage such as aircraft cleaners and caterers, must have an annually renewed compliance agreement. Although the Appendix for Articles 2 and 3 of the MOA gives CBP the responsibility for inspecting and monitoring incoming aircraft and

vessels, it does not transfer the responsibility for approving and renewing the compliance agreements. Thus, while the MOA gives CBP the responsibility for onsite monitoring, APHIS officials believed that their veterinarians also need to be onsite and have access to documentation to provide technical expertise necessary to the approval process. In addition, the Appendix to Article 3 requires APHIS to provide pest identification services to CBP, a duty that requires regular access to port locations. APHIS officials have stated that CBP Headquarters, citing security reasons, has required that APHIS personnel such as veterinarians and pest identifiers give 2 weeks written notice before making visits; some ports have required up to 3 weeks notice.

APHIS officials have contended that this provision was intended to apply only to joint port visits performed under the JAQAP (described below), and should not restrict APHIS personnel from performing regulatory responsibilities that require them to visit the ports. These officials have stated that the requirement for prior written notice of every planned visit seriously impacts the ability of APHIS personnel to carry out their required functions. The various policies followed by officials at individual ports further complicate the process. However, they stated that CBP officials did not agree to include language into the Appendix that would grant APHIS personnel specific rights of access to carry out these duties. The approved Appendix dated February 28, 2005, states that “APHIS will make local contacts/arrangements with the CBP Port Director, or designee, for access to FIS areas by local APHIS Veterinarian Medical Officers, Identifiers, or...SITC Officers.” APHIS officials have also disagreed with the wording of the Appendix which specifies that “CBP has the ultimate discretion as to whether to grant APHIS’ request for information.”

#### Plan For Conducting APHIS-CBP Joint Port Reviews

Joint port reviews conducted by APHIS and CBP are intended to provide oversight for those agricultural functions transferred to CBP. According to APHIS officials, these are the primary means by which APHIS will be able to assess how effectively CBP is implementing its agricultural policies and procedures at the ports-of-entry and border crossings. However, the process of making joint port visits was not timely begun because of the length of time needed to obtain CBP’s approval on the written plan to implement it.

The joint APHIS-CBP team assigned to develop a quality assurance process finished drafting its written plan to implement the Joint Agency Quality Assurance Program (JAQAP) in December 2003, and it went to CBP for approval on February 2, 2004. However, requests for changes by CBP officials required the preparation of two additional drafts between then and September 13, 2004. APHIS officials stated that additional delays were encountered when CBP officials provided drafts to their Directors of Field Operations (DFO's) for review and comment, and it was not until the first week of November that the plan was approved (there was no precise approval date, since CBP's approval was verbal only). Thus, the document that was needed to begin the joint port review process was not put into place until 9 months after it was first given to CBP for review, and 20 months after the date of the transition. During this entire period, agricultural inspection operations were being conducted at the ports and border crossings under CBP direction, with APHIS oversight and input limited only to certain areas such as AQIM results provided by CBP to APHIS Headquarters.

We also noted that the approved JAQAP plan was less comprehensive than the draft that was initially presented to CBP. Although the original plan had incorporated APHIS review guides for comprehensive coverage of critical operational areas, these had been later omitted. The approved version contained few specific questions that reviewers were required to answer. While this gives greater flexibility to the reviewers at any given port, it also reduces the degree of assurance that review coverage from port to port would be sufficiently standardized to allow APHIS Headquarters officials to identify trends and overarching issues. APHIS officials stated that the reduced coverage resulted from CBP officials wanting a shorter and less comprehensive review plan than was originally submitted. They stated that, with sufficiently experienced staff assigned to the review teams, comprehensive review steps such as those originally developed were not needed. They also stated that there was nothing to prevent APHIS from adapting and using review steps from the original JAQAP Port Review Guides as needed. However, APHIS cannot assure that, for all future port reviews, experienced staff will always be available or that the review steps followed would be sufficiently comprehensive to identify serious deficiencies.

During the period that the JAQAP plan was under review by the agencies, APHIS officials became aware of potential problems with risk assessment activities (AQIM) at the ports. The AQIM process is APHIS' primary tool for assessing the relative risk associated with

the various pathways (air passengers, maritime cargoes, etc.) through which agricultural pests and diseases can enter the country. CBP, under Article 2 of the MOA, was given the responsibility for performing AQIM inspections at the ports and border crossings, and for providing the results of these inspections to APHIS. APHIS, under Article 3, retained the responsibility for issuing policies and procedures governing the activities carried out by CBP, and also for analyzing the AQIM data submitted by CBP to identify emerging trends or issues that might require action on CBP's part.

As of April 2004, 100 out of 152 CBP-operated AQIM activities (66 percent) had either provided insufficient numbers of AQIM inspection results or had provided no results at all. By October 2004, this percentage was virtually unchanged, despite quarterly reports to CBP officials highlighting these problems. In our prior audit (Audit No. 33601-3-Ch), we reported that APHIS-PPQ did not use the results of its AQIM to evaluate the effectiveness of existing inspection activities. We concluded at that time that the large discrepancies between AQIM and reported interception rates by the inspection staff strongly indicated the need for PPQ to reevaluate inspection processes.

Although APHIS officials planned to begin making the recommended comparisons of AQIM interception rates for pests and prohibited materials to interception rates obtained through their normal inspection activities, they stated that the statistical nature of AQIM sampling would cause these comparisons to be less reliable if an insufficient number of AQIM samples are obtained. They also noted that without the ability to observe AQIM operations at the ports, they could not be sure that the inspections were being performed randomly or that other APHIS-prescribed procedures were being followed. Such access was not available until the beginning of the joint review process under the JAQAP in December 2004. Port visits we performed as part of our prior audit disclosed deficiencies with both the numbers of AQIM samples taken and the method of selection, a problem we largely attributed to the fact that key AQIM Coordinator and Risk Assessment Team positions at the ports were often vacant. The responsibility for staffing these was transferred to CBP, and APHIS officials did not know whether progress has been made in filling these positions.

Because of these concerns, APHIS officials requested in June and July 2004 that they be allowed to visit three ports to perform reviews of AQIM data. CBP officials denied the requests. Neither this issue

nor the delays in approving the JAQAP plan were elevated above the agency level for faster resolution, and it was not until December 2004 that APHIS representatives were able to make their first monitoring visit to a port. Having effective risk assessment and monitoring programs is critical to assuring that the agricultural mission is accomplished, since without them neither APHIS nor CBP could accurately assess the relative risks of each pathway through which pests and diseases can enter the country, or make fully informed decisions regarding the allocation of staff and other resources among these pathways.

### Staffing of Agricultural Inspectors

Under the Homeland Security Act, the APHIS-PPQ personnel performing agricultural quarantine inspections at the ports and border crossings were transferred to CBP. Officials of both agencies agree that the ultimate responsibility for staffing matters now rests with CBP. However, neither the Act nor the MOA makes reference to the role that APHIS officials should have in advising CBP on the deployment of agricultural inspectors. Nor does either of these documents specify any responsibility on the part of CBP to share staffing information with APHIS. APHIS and CBP officials have not reached an agreement on this issue, and CBP has provided very little staffing information despite APHIS' role in training new inspectors and providing monetary support in the form of transferred user fees. Without such information, APHIS cannot assure that the staffing of agricultural inspectors is based on the level of risk associated with particular pathways or port locations, or to advise CBP officials when changes in staffing patterns are needed to provide the necessary level of agricultural safeguarding.

In our prior audit we reported that the majority of APHIS' inspection personnel were assigned to air passengers and baggage, at the expense of potentially higher-risk cargo pathways. We also reported that most Northern border crossings were not staffed, and those that were staffed generally had too few inspectors to cover a significant number of incoming cargo shipments or to provide round-the-clock inspections at crossings where most agricultural activity occurred outside of normal working hours. Although APHIS had developed staffing models for its managers to use in determining how to allocate personnel, these did not take into account factors such as the disparity between the size of individual product or pest interceptions among the various pathways. Many port directors made staffing

decisions based on their own judgment, and did not use the staffing models.

To address all of these conditions, we recommended that APHIS officials prepare a new staffing assessment to take all of these factors into account in order to determine the number of inspectors needed to cover the various pathways based on their respective levels of risk.

Resolution of these issues was still under discussion between APHIS and OIG at the time of the transition. APHIS officials proceeded with the staffing assessment, which they provided to CBP on June 1, 2004. However, we noted that the new assessment was based upon the old staffing models that we reviewed in our prior audit, and thus continued to show that the heaviest concentration of inspectors were needed at the airports. It also did not show any staffing recommendations at all for most of the Northern border crossings.

APHIS officials stated that CBP officials had informed them that in the future, CBP would perform its own staffing assessments without input from APHIS. They stated that unless CBP does subsequently request that APHIS provide such input, there is no reason for APHIS to expend the time and resources needed to make the recommended improvements to the staffing models.

At the time of the transition, 339 of the 2,428 (14 percent) transferred agricultural inspector positions were vacant. Under the Act and the MOA, the responsibility for filling these fell to CBP. However, according to APHIS, CBP officials stated that the process of filling either these vacancies or new ones resulting from attrition would not begin until arrangements were made to transfer user fees from APHIS to CBP as provided for under Article 5 of the MOA. The division of these fees was negotiated between the agencies under an Appendix to this Article, but this was not approved until February 9, 2004, more than 11 months after the transition. APHIS officials, who estimated that the number of vacancies at this time to be about 500 (21 percent), noted that a special user fee account had been set up as of March 9, 2003, which CBP could have drawn upon at its officials' discretion even without the signed Appendix. However, CBP did not draw any of the funds until after the signing of the Appendix.

The precise number of vacancies at the time the Appendix was approved was unknown to APHIS officials, because CBP does not provide them this information in a formal manner. Following the

date of the approval, APHIS transferred the agreed-upon amounts to CBP on a quarterly basis. For FY 2004, the transferred funds totaled \$194 million. The Appendix also called upon CBP to establish a process in its accounting system to report expenditures by each AQI fee type (international passengers, commercial aircraft, etc.) and to report this information to APHIS for each fiscal year by November 15. However, CBP did not provide the agreed-upon data until December 27, 2004, after 2 additional requests from APHIS. A PPQ official stated that, after analyzing this data, they continue to have concerns about CBP's use of these funds. He stated that based on the best information they have on the number of vacant agricultural inspector positions, CBP should not have expended the full amount of user fees that APHIS provided.

Possible indicators of staffing shortage continue to exist, such as the lack of AQIM reporting discussed earlier. Another indicator was CBP's response to questions by media representatives on a reported 32 percent decline in the number of pest interceptions since the transition; as noted earlier, the CBP official being interviewed attributed the decline to a policy under which Quarantined Material Interceptions (QMI's) are no longer examined for the presence of harmful pests. An APHIS official stated that staffing shortages could have necessitated such a policy. Other indicators include information received from some PPQ veterinarians who have been able to visit port locations, that some ports have suffered significant reductions in the number of agricultural inspectors available. This information has raised concerns among APHIS officials that some locations may not have adequate staff to provide reasonable assurances against the entry of harmful pests and diseases. In one instance, we reviewed correspondence in which the Administrator of APHIS raised concerns about lack of staffing at one port with the Commissioner of CBP that did not result in any action being taken that APHIS officials were aware of. APHIS officials have also expressed their concern over information from CBP on the number of canine teams (agricultural inspectors paired with dogs trained for pest-detection activities) available. They stated that of 130 such teams transferred to CBP in March 2003, fewer than 100 are still in place.

APHIS officials have stated that the staffing of agricultural inspectors continues to be a legitimate concern of APHIS, particularly when key ports-of-entry and border crossings are not sufficiently staffed. They stated that CBP does not, however, routinely or formally share staffing information from the ports with APHIS and in fact made it a condition for approval of the JAQAP

plan that staffing would not be covered in the joint port reviews. Discussions on the subject of staffing have been held at levels up to the Deputy Administrator for PPQ and the Deputy Commissioner of CBP, and in at least one instance the discussions involved the Administrator of APHIS and the Commissioner of CBP. APHIS officials have stated that, while the responsibility for staffing decisions ultimately rests with CBP, APHIS needs to play an advisory role in keeping with its ongoing responsibility for safeguarding U.S. agriculture. We believe that APHIS, with its long history of overseeing the agricultural inspection process, does need to be in a position to advise CBP on staffing concerns, particularly in view of its own ongoing responsibility to safeguard U.S. agriculture. However, to do so, the agency must receive accurate and up-to-date information on the numbers and deployment of agriculture inspectors. CBP officials, for their part, should be receptive to APHIS input on these issues and at least take this into consideration when making staffing decisions.

Article 1 of the MOA states that USDA and CBP "...Through agreement and by other means, are committed to working cooperatively now and in the future to implement the relevant provisions of the Act and to ensure necessary support for and coordination of the AQI program components that reside in each Department following the transfer of functions and employees." However, neither the MOA itself nor any of its Appendices specify what steps the two agencies should take to obtain timely resolution of issues when disagreements such as those noted above prevent the two agencies from fully cooperating on sensitive issues, such as staffing, or delay the start of time-critical operations such as the joint-agency port visits. An APHIS official stated that when agency officials at the operating level cannot timely agree on issues, the only remedy is to elevate the issue to progressively higher levels within the two agencies and their Departments. He stated that any disagreements could, if necessary, be referred up to the level of the Secretaries themselves. However, such elevations had not taken place and there was no written procedure outlining a process to do this, or providing timeframes for elevating critical issues.

The issues described above illustrate the problems that can occur when APHIS and CBP officials are unable to agree on important issues, or when excessive periods of time elapse before issues are resolved and necessary agreements and protocols implemented. As stated earlier, APHIS and CBP officials at the operating levels have had numerous meetings and contacts, but these are not always effective in quickly resolving issues that senior managers disagree on. The Deputy Administrator for PPQ stated that meetings have been held with both the Commissioner and Deputy



Commissioner for CBP, and while the CBP officials were cordial and cooperative at the meetings, these also did not always result in the resolution of the issues being discussed.

We believe that, to address sensitive and critical issues such as those described earlier, a formal process needs to be developed – either jointly with USDA-APHIS and DHS-CBP or else independently within APHIS and USDA – to timely elevate unresolved issues as discussed above to the Secretarial level for resolution. Such a process should specify how APHIS and/or CBP would identify issues that need to be elevated, and create Departmentally approved protocols that describe the elevation process. In the case of especially time-critical issues, we believe that the process should also specify timeframes within which the issues should be further elevated if decisions at a particular level cannot be reached.

### **Recommendation No. 1:**

Develop a process to timely elevate unresolved issues critical to APHIS' agricultural mission to higher levels within the Departments of Agriculture and Homeland Security.

### **APHIS Response**

APHIS officials stated that they have elevated a number of unresolved interdepartmental issues, and these have been communicated to DHS by the Under Secretary for Marketing and Regulatory Programs and the Office of the Secretary. However, they stated that because of the large turnover in the policy levels of DHS, this has not proven to be a successful method for resolving most issues. They stated, however, that there is a growing interest within DHS/CBP to resolve issues at a lower level and to establish mechanisms that working level staff and the offices of the APHIS Administrator and CBP Commissioner can use to address issues so they do not need to be elevated higher. Among these would be the establishment of routine meetings between senior officials and between technical staffs to resolve ongoing issues. The response cited the signing of Appendices 7b and 8 to the MOA as examples of this process, and noted that the agreement on these appendices provides a foundation to resolve a number of issues related to access by APHIS to mission critical information and access to port facilities that had previously been seriously hampered.

As a result, APHIS officials concluded that the best means of resolving issues is to continue the elevation of important issues that cannot be resolved at lower levels, and to build effective communications at each level of the organization to address critical issues at the lowest practical level.

## **OIG Position**

We agree that outstanding issues should be resolved at the lowest practical level. However, the negotiations which took place on the issues cited in the report – such as staffing at the ports, the approval of the MOA Appendices, and approval the JAQAP plan – were, according to the information provided to us by APHIS officials, undertaken using the avenues described in the response. The results in each case were prolonged periods of negotiation which APHIS officials attributed either to fundamental disagreements with their CBP counterparts or to delays resulting from CBP’s internal review processes. Our purpose in recommending an elevation process was, wherever possible, to reduce the delays in resolving issues that are critical to APHIS’ ongoing mission to safeguard U.S. agriculture.

We agree that most issues can be resolved at the operating levels of APHIS and CBP, or if necessary at the level of the Administrator and Commissioner. Examples of this are the process for transmitting agricultural alerts from APHIS to the DFO level at CBP, and the cooperation achieved by the two agencies in training both Agricultural Inspectors and CBP Officers. Elevation should be undertaken only for issues that affect APHIS’ ability to perform its mission and which cannot be resolved within reasonable timeframes by officials of the two agencies. We also understand that elevation of an issue to higher Departmental levels does not guarantee a faster resolution, but it does provide the only recourse for agency officials to take when agreement cannot be timely reached through other means. We continue to believe that APHIS needs a policy in place to identify issues that warrant elevation and to provide operating level employees with guidance on when to bring time-critical issues to the attention of their superiors. To reach a management decision, APHIS needs to provide us with an additional response that addresses this concern.

### **Recommendation No. 2:**

Upon completion of the process described in Recommendation No. 1, begin the elevation process for any of the issues described in this finding that remain unresolved between officials of APHIS and CBP.

### **APHIS Response**

APHIS officials stated that the best means of resolving issues is to continue the elevation of important issues that cannot be resolved at lower levels, and to build effective communications at each level of the organization to address critical issues at the lowest practical level.

## **OIG Position**

With the signing of Appendices to MOA Articles 7b and 8 on February 28, 2005, the only critical issue cited in the Finding which remains unresolved is that involving staffing. APHIS officials have not provided us with any information to indicate that there has been any change in the position of the two agencies on this issue.

To reach a management decision, APHIS officials need to provide us with either (1) written documentation that this issue has been elevated to at least the Under Secretary level and that discussions have been held at that level with DHS, or (2) an alternative corrective action that can be agreed upon by APHIS and OIG.

## Section 2. Controls Over Incoming Shipments

### Finding 2

#### **APHIS NEEDS TO ISSUE POLICIES FOR THE STENGTHENING OF CONTROLS OVER MEAT AND POULTRY PRODUCTS**

Prior to the transition of inspection functions to CBP, APHIS had coordinated with the Food Safety and Inspection Service (FSIS) to strengthen inspection controls over meat shipments arriving from countries whose products were restricted due to possible contamination by Foot and Mouth Disease (FMD). However, we found that these controls were only applicable to imports from countries with FMD restrictions, and thus did not provide controls over any other meat shipments, including those from Canada for which Bovine Spongiform Encephalopathy (BSE) could be a concern. Because CBP adopted the procedures already being followed by APHIS, the weaknesses we noted in our 2001 audit of controls to prevent the entry of FMD into the country may continue to exist for all other incoming meat and poultry products.

Beginning in April 2001, in response to nationwide concerns over the possibility that the highly contagious Foot and Mouth Disease could be introduced into the United States through imported meat shipments from countries where outbreaks had already occurred, we performed an audit to assess the controls and procedures in place for both APHIS and FSIS to prevent infected products from entering the country. One of the conditions we reported (Audit No. 50601-3-Ch, Assessment of APHIS and FSIS Inspection Activities to Prevent the Entry of Foot and Mouth Disease Into the United States, issued in July 2001) was a lack of coordination between the two agencies in tracking potentially contaminated shipments.

Incoming meat shipments were first inspected by APHIS upon their arrival at the ports-of-entry, so that a determination could be made based on permits and other accompanying documentation of whether the product was enterable or non-enterable. Non-enterable product was either re-exported or destroyed, while enterable product was released by APHIS and transported to the nearest FSIS Inspection House (I-House) for that agency's reinspection<sup>3</sup> before its release into commerce. We found, however, that notifications to FSIS that meat shipments were en route came through brokers and warehouses rather than directly from APHIS to FSIS. Since the shipments were conveyed from the ports to the I-Houses by privately owned transport companies, there was no physical control to ensure that the shipments arrived at the I-Houses. If

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<sup>3</sup> Each meat, poultry, and egg product shipment that enters the country under the authority of APHIS and CBP is transferred to FSIS where inspectors visually inspect every shipment as well as its accompanying documentation.

FSIS personnel were not notified of incoming shipments, they in turn could not notify APHIS when shipments failed to reach them. In one instance, we found that a shipment totaling over 32,000 pounds of product from an FMD-restricted country bypassed the I-House due to an error. Upon recovery, it was determined that almost 5,600 pounds of product from this shipment had to be destroyed.

To correct this weakness, we recommended that APHIS develop a system that required its PPQ officers at the ports to independently transmit the FSIS Form 9540-1 to FSIS rather than depending on third parties such as brokers. Agency officials agreed, and implemented a system under which FSIS was notified directly whenever a shipment from an FMD-restricted country was sent for reinspection. Following the transition in March 2003, CBP assumed APHIS' former responsibility of coordinating with FSIS and sending the newly required notification when meat shipments are transported to the I-Houses for reinspection.

We found, however, in reviewing the notification system established between APHIS and FSIS in 2001, that it was used only for meat shipments entering from countries with FMD restrictions. It would not, therefore, ensure that any other shipments were reaching the I-Houses for reinspection before entering commerce. Through a discussion with an FSIS official, we learned that for meat shipments incoming from Canada, where BSE is the primary concern, a system has been implemented which encourages brokers to send faxed notifications of incoming shipments to the applicable I-Houses. However, the use of these faxed notifications are not required, and FSIS inspectors at one I-House stated that they were still receiving incoming shipments from Canada about twice a week with no prior notification.

APHIS officials stated that when the corrective actions were taken they were thought to be sufficient because at that time FMD was the primary concern. In light of the current BSE concerns, they agreed that the system of interagency notifications should be more general and not target only a single disease. During our audit, APHIS officials began to hold discussions with their counterparts at FSIS to explore means to address the problem. They questioned, however, whether it was still APHIS' place to initiate corrective actions since CBP had taken APHIS' place performing the frontline inspections at the ports, and because FSIS reinspections do not fulfill any APHIS regulatory requirements except for FMD shipments. They believed that this issue should be addressed by the two agencies directly involved, FSIS and CBP.

While we agree that the actual implementation would need to be carried out by CBP and FSIS, we believe that APHIS also needs to be involved in this

process. The reviews of documentation accompanying meat shipments that CBP performs are required by APHIS regulations. While the FSIS reinspections themselves are not directly required, in the case of shipments from BSE-restricted countries they do support APHIS' mission through limited verification of the information contained in the documentation. This information, if not representative of what a shipment actually contains, could allow infected product to enter the country.

Because of the significant damage that could result if foreign diseases such as BSE are not prevented from entering the country, it is vital that all incoming meat and poultry shipments be reinspected by FSIS before entering commerce. Although the principal corrective actions must be performed by FSIS and CBP, APHIS needs to work with these agencies to ensure that they are fully aware of the situation so that they can coordinate with one another to address it.

### **Recommendation No. 3:**

Follow up with both CBP and FSIS regarding the need to expand the written notification system, developed for shipments arriving from countries with Foot and Mouth Disease restrictions, to include all incoming meat and poultry shipments.

### **APHIS Response**

APHIS officials stated that an expansion of the written interagency notification system currently used to notify FSIS of incoming products from FMD-restricted countries would be impractical due to the number of shipments that would have to be covered and the paper and labor-intensive nature of the existing system. They cited efforts undertaken by FSIS to reach an agreement with CBP that would allow electronic access to CBP's data on incoming shipments, and stated that this could accomplish the same purpose more efficiently. However, they stated that this would require an agreement for data access, which FSIS has attempted unsuccessfully to obtain for several years from U.S. Customs and CBP. They stated that the International Trade Data System would provide this access, but it is several years away from implementation.

## **OIG Position**

We concur with APHIS officials that an alternate form of notification, such as FSIS access to CBP entry data, is acceptable so long as it provides the means for FSIS personnel at the I-Houses to be aware of all meat and poultry shipments being sent to them for reinspection. We concur also that, if the government-wide ITDS system is several years from implementation, an interim means of communication between CBP and FSIS is needed.

However, because FSIS has been unable to obtain the necessary agreement with CBP to obtain access to its entry data, we believe it is in the interest of USDA for APHIS to support FSIS' efforts to achieve such an agreement. To reach a management decision, APHIS officials need to provide us with their plans to work with FSIS and CBP to obtain notification of all incoming meat and poultry shipments.

### Section 3. Pre-Transition Issues

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**FINDING 3:                    APHIS Needs To Take And/Or Coordinate Corrective Actions On Unresolved Issues From Our Prior Audit**

Since the issuance of OIG's Audit Report No. 33601-3-Ch, Safeguards to Prevent Entry of Prohibited Pests and Diseases Into the United States (issued February 2003), we have worked with APHIS to resolve the problem areas we reported. To correct several of the conditions noted, APHIS officials agreed to issue new policies and procedures. However, in large part because of issues arising from the transition to CBP in March 2003, the agreed-upon corrective actions for several of these issues were never implemented. This, combined with APHIS officials' inability to directly monitor operations at the ports during the 21 months between the transition and the approval of the JAQAP, raises serious concerns that the problems we noted previously may remain uncorrected.

OIG's Audit Report No. 33601-3-Ch contained 37 recommendations, of which 29 involved issues directly related to the agricultural inspection process. Of these 29 recommendations, we had reached management decisions on only 6 as of December 31, 2004.

In the instances noted below, our recommendations called upon APHIS to issue new policies and procedures to correct the conditions reported. While we recognize that many of the responsibilities formerly carried out by APHIS are now the responsibility of CBP, APHIS still retains its responsibility to establish policies and procedures governing the transferred functions. Despite the changed circumstances resulting from the transition in March 2003, the issues discussed below remain the concern of APHIS because the agency is responsible to safeguard U.S. agriculture from the threat of foreign pests and diseases; the only difference is that now, APHIS must work through CBP to address them.

#### Agricultural Quarantine Inspection Monitoring (AQIM)

In the previous audit, we reported that APHIS-PPQ did not use the results of its AQIM to evaluate the effectiveness of existing inspection activities. We concluded that the large discrepancies between AQIM and reported interception rates by the inspection staff strongly indicated the need for PPQ to reevaluate inspection processes. Specifically:

- PPQ analysis of the category of air passenger baggage in FY 2000 disclosed that 1.5 percent of traditional inspections resulted in



interceptions of prohibited products, while 5.9 percent of AQIM inspections resulted in interceptions of prohibited products.

- Similarly, for vehicles entering the country through border crossings, 2.8 percent of the AQIM inspections resulted in interceptions of prohibited products, while traditional inspections resulted in only 0.2 percent interceptions of prohibited products.

Unless the results of AQIM activities generate inspection procedures to reduce the risk posed by the pathways being measured, the activities have little or no value in reducing the introduction of agricultural pests to the United States.

We also reported that APHIS' AQIM activities were largely confined to traditional pathways that were already heavily inspected as part of the agency's normal inspection processes. The purpose of AQIM is to evaluate the relative risk levels associated with various pathways through which agricultural pests and diseases could enter the country. Thus, the exclusion of pathways that are not known to be "agricultural" in nature could result in risks associated with these pathways remaining undiscovered and could cause APHIS' overall risk assessments to be inaccurate. These risk assessments are critical to the overall inspection goals and objectives. In addition, certain known agricultural pathways such as rail cargo were not covered by AQIM. Therefore, we recommended that APHIS redirect its AQIM activities to cover all potential pathways through which pests and diseases could enter the United States, including those not covered by normal PPQ inspections. APHIS officials, in their response to the draft report, agreed that AQIM activities needed to be expanded to cover all pathways.

In performing our follow-up work for this audit, we found that APHIS had taken certain corrective actions, including the issuance of AQIM procedures for some of the previously unmonitored agricultural pathways. However, no procedures had been issued to expand AQIM activities to cover pathways which did not already involve known agricultural risks. APHIS officials stated that because of the relatively low rate of "hits" on such pathways, they believed that concentrating the AQIM inspections on the pathways known to be of agricultural risk was a more effective use of inspection resources. They stated that pests could also be identified through marketplace surveys, and then traced back to the pathways through which they entered.

Although we agree that the interception rate on pathways of known agricultural risk would tend to be significantly higher than other pathways, even a single interception on a pathway of previously unknown risk could have tremendous significance. For instance, a special AQIM study

performed by the Port of Miami disclosed the presence of snails on marble tiles imported from Italy, and this is one of the few non-agricultural pathways now being monitored under AQIM. Another involves the Asian Longhorned Beetle, which entered in solid wood packing materials used with non-agricultural shipments. While traceback procedures such as those referenced above did identify this pathway once the beetle had entered and become established, traceback procedures are not always effective in accomplishing this.

We agree that the transition has raised new issues (as described in Finding No. 1) with regard to AQIM, but the MOA and its appendices clearly give APHIS the responsibility for issuing policies and procedures for AQIM inspections, including the number of inspections to be performed and the pathways to be covered. We believe, for the reasons stated in the report, that some degree of AQIM coverage is needed for pathways not presently monitored. This could, potentially, be achieved through coordination with CBP, particularly if that agency has its own risk-assessment process whose results could be utilized by APHIS for its own analyses.

### Inspection of Rail Cargoes

We reported in our previous audit that APHIS needed to give greater priority to inspections of inbound rail containers. This was, and continues to be, a major pathway for cargo entering the country. At the time of our audit, the 24 Northern border crossings alone were handling about 1.2 million rail containers annually. Many of these crossings had no APHIS personnel onsite, and only one of the five APHIS-staffed crossings we visited was performing rail cargo inspections. One reason was the difficulty of identifying incoming shipments of agricultural interest in sufficient time to have them held for inspection. Although APHIS established additional inspection sites at five inland cities with major rail hubs, the overall inspection rate of rail containers remained very low.

We recommended that APHIS develop a system under which all rail cargo would be at least subject to inspection, either at a border crossing or at one of the inland inspection sites. This would include requiring inspectors to utilize the automated manifest system available from U.S. Customs to identify incoming shipments of interest before they reached the borders. As of the time of the transition, these issues had not yet been addressed by APHIS.

Another issue we reported on was the lack of a risk assessment process for the rail cargo pathway. Without the ability to compare the relative risk of this pathway against others, such as those relating to air and maritime passengers and cargo, APHIS could not reliably determine what portion of its inspection

resources should be allocated to rail. APHIS officials initially agreed with the recommendation, but later responded that they had determined an AQIM process for the rail cargo pathway was not feasible. They stated that it was not possible to obtain sufficiently timely or detailed rail cargo manifests to make an AQIM plan feasible. In addition, they cited the lack of appropriately equipped inspection sites to perform the necessary devanning, particularly along the Northern Border. They stated that to address the problems associated with cargo manifests, major regulatory changes involving trade laws and reporting systems would be needed to be made and that APHIS does not have the authority to make such changes.

We acknowledge the obstacles cited by APHIS officials. However, the value of APHIS' existing AQIM system is reduced as long as it excludes a pathway as significant as rail cargo. APHIS did not have information on whether CBP has implemented a risk assessment system to help it safeguard that pathway from threats to Homeland Security. However, because both agencies have responsibilities in this area, the solution to this problem may lie in a cooperative effort between the two agencies and their respective Departments.

#### Transportation and Exportation (T&E) Shipments

T&E shipments consist of non-enterable cargo that is sealed upon arrival at a U.S. port or border crossing for transshipment across the United States. The seals on T&E shipments may not be removed until the shipments leave the country at pre-approved ports of exit, to prevent any pests they may contain from leaving the sealed containers and having an adverse impact on U.S. agriculture. Although regulations required APHIS to ensure that T&E shipments were re-exported under seal and within the shortest possible time, we found that the agency did not have adequate procedures to reconcile incoming and outgoing shipments. As a result, APHIS could not assure that 3,714 of 3,962 T&E shipments that entered the country through the 6 ports of entry we visited had ever left. We recommended that agency officials establish uniform procedures for monitoring and reconciling T&E shipments, including specific procedures for ports of entry and exit to coordinate in reconciling incoming and outgoing shipments. APHIS officials agreed with the need for additional procedures, and stated in their response to the draft report that new guidelines for T&E shipments had been completed in draft form in August 2002, and that these procedures were at that time in the comment phase prior to final issuance.

However, during this audit, APHIS officials stated that the new guidelines had never been issued because, under the terms of the MOA, the responsibility for monitoring T&E shipments was transferred to CBP. The

officials stated that they believed CBP could do what was necessary based on the guidance given in the MOA and in Appendix 2. They also noted that the personnel performing the inspections would be “legacy-PPQ” inspectors who were already familiar with the requirements in this area.

Although Article 2 of the MOA does require CBP to “...safeguard shipments during transloading...notify the port of exit... log into treated/T&E database, and...monitor transit movements,” these instructions do not add any additional guidance to the procedures that were already in place at the time of our audit, and which are available to CBP personnel through the existing APHIS manuals. Although the personnel handling T&E shipments may in fact be former PPQ inspectors, there is no guarantee that other inspectors who lack experience with this program would not also be called upon to perform such duties. And, since the problems outlined above took place when the program was being handled by APHIS, the availability of experienced inspectors alone is no guarantee that the necessary reconciliations will be performed.

Based on the long history of problems with this program, as reported in two prior OIG audit reports, we believe that the procedures we recommended are still needed to supplement and clarify the broad requirements of the MOA. And, while the actual responsibility for performing the monitoring and reconciliation of T&E shipments now rests with CBP, APHIS retains the authority under Article 7 of the MOA to issue regulations, policies, and procedures covering the transferred functions. Unless APHIS officials can determine that CBP has already issued sufficient written procedures of its own to correct the problems disclosed by our prior audits, we believe that they need to coordinate with CBP, as per the requirements of the MOA, to issue the necessary guidance.

#### Line Release/BRASS Program

We found that APHIS had not established any written procedures governing the review and approval of applications for participation in the Line Release Program (now the Border Release Advance Selectivity System, or BRASS). This program, which was under the jurisdiction of the U.S. Customs Service prior to the transition, allowed approved importers to bring in products deemed to be high volume and low risk with little or no inspection. Importers of qualifying agricultural goods could participate in this program, but only with APHIS approval. Lacking written guidelines and an automated system of records, however, APHIS’ approval process was based on very limited information about individual applicants. We noted instances where importers with records of smuggling and other violations were able to continue participating in the program because officials in charge of overseeing the

program's approval process were not aware of this information. We recommended that APHIS develop written procedures for this program. APHIS officials agreed with the recommendation, and expected to finish writing the procedures in the fall of 2003.

However, our follow-up work in this area disclosed that no procedures were ever issued. As of June 2004, an APHIS official stated that the procedures were still under development and were expected to be completed in September 2004. We were subsequently informed, however, that although the program would continue to operate it might only be available to importers who were already approved for participation. If no new applicants were to be accepted, APHIS officials believed that there was no need for written procedures governing the approval process.

Although closing the program to new participants would eliminate one of the problem areas that led us to recommend the development of written procedures, others remain. For instance, we noted in our audit that there were no procedures to ensure that shipments entering through the Line Release Program were at least periodically checked to ensure that the program was not being used as a means of bringing prohibited items into the country without risk of detection. In addition, we noted a lack of any procedures to be followed when importers already participating in the program were found to be involved in smuggling or other program violations. Thus, even if it is determined that no new applicants are to be accepted, the continued operation of the program would still require the development of written procedures as recommended in our report.

### Devanning of Cargo Containers

When inspecting incoming freight containers, APHIS inspectors only infrequently unloaded (devanned) the cargo to perform a comprehensive inspection of the contents. Although devanning was performed as a part of AQIM inspections, not all pathways (i.e. rail cargo) were covered by these procedures. Inspectors at some locations stated that they did not devan cargoes because of a lack of facilities, while others stated that they did not do so because of the time and cost. While we agreed that devanning all containers was impractical, we recommended that APHIS institute procedures for all ports to devan a sample of incoming cargo containers on an ongoing basis, with emphasis to be placed on high risk shipments that involve importers with a history of violations. We also recommended that APHIS ensure that all ports-of-entry possessed the necessary facilities to make possible the needed level of devanning.

APHIS officials stated that guidance would be provided by June 2003 to ensure that all ports were devanning a sample of cargo containers, dependent on available facilities and resources. However, we found that the agreed-upon procedures had not been developed or issued to CBP. An APHIS official stated that both the “legacy” PPQ officers at the ports and the management at CBP were already aware of the need for intensive inspections and devanning of cargo containers at the ports. As a result, it was believed that there was no need to issue the previously agreed policy following the transition. APHIS could not provide evidence that sample devanning was, in fact, occurring.

Based on observations from our prior audit, we found that APHIS lacked a coherent and consistent policy to ensure that any cargo container entering the country had at least a reasonable chance of being devanned for thorough inspection. At the time of our prior audit, U.S. Customs controlled most of the facilities for devanning; these are now under the control of CBP. However, APHIS officials did not have information on CBP’s policies for devanning, or on where agricultural shipments fall into that agency’s devanning priorities. To ensure that agricultural shipments are being devanned, APHIS officials need to work with CBP to issue and implement the necessary policies and procedures for devanning agricultural cargoes.

### Targeting of High Risk Importers

In our prior audit, we found that APHIS had no procedures in place to require inspectors at the ports to target cargo shipments by importers who had histories of smuggling or other serious violations. Although APHIS’ SITC group maintained a database of such importers, officials and inspectors at the ports did not use this resource to perform profile inspections of high-risk shipments. As a result, the agency may have missed opportunities to intercept prohibited products or improperly manifested cargoes and prevent their entry into the United States. At the time of our audit, PPQ and the SITC group had agreed to prepare a draft policy that would require increased targeting of shipments from known violators, but no agreement had been reached on when the policy would be developed or implemented. We recommended that the agency expedite the issuance of this policy, and in their initial response APHIS officials stated that the guidance would be developed and distributed by June 2003.

We found during our follow-up work that the guidance was never issued. An APHIS official stated that the SITC team had drafted the guidelines and provided them to APHIS-PPQ for comment. However, the procedures were not issued because it was determined to be impractical for PPQ inspectors at very large ports to review manifest entries on a daily basis and check for high

risk importers. In lieu of such procedures other actions are being taken. For instance, CBP and APHIS coordinated on a one-time project to target shipments from a selected group of 20 known problem importers. In addition, APHIS plans to advertise for two permanent positions at CBP's National Targeting Center to help develop criteria for identifying shipments which need to be stopped and held based on agro-bioterrorism concerns.

Although we agree that the measures described above are important, they do not actively target shipments from known violators on an ongoing basis. We believe that an increased level of targeting could be achieved through an automated alert system that identifies incoming shipments from targeted importers. These shipments could then be inspected with increased frequency as deemed appropriate by APHIS and CBP officials. As an alternative, APHIS could coordinate with CBP to determine whether that agency has an equivalent targeting program in operation, and whether it could be expanded to include shipments from targeted agricultural importers.

### Inspection Policies for Cruise Ship Passengers

Based on a 12-month national study of incoming cruise ships, APHIS determined that cruise ship passengers were of relatively low risk compared to airline passengers. As a result, the number of inspectors assigned to clear incoming cruise ship passengers and their baggage was very small compared to the number assigned to the air passenger pathway. In reviewing the APHIS study, we noted concerns with its methodology. For instance, the study tended to exclude ships that had visited higher-risk countries such as Jamaica because these normally docked on weekends. The study was conducted only on weekdays to avoid overtime costs. We recommended that the agency conduct a new assessment, and agency officials responded that they had done so. However, we found that the new study referred to in APHIS' response was a compilation of the original cruise ship study with two other studies that had been conducted at about the same time, and which did not target cruise ships.

APHIS officials stated that they believed the existing survey to be statistically valid, and further stated that it supports their conclusion that cruise ship passengers are of a lower risk than international air passengers. They noted that one factor that went into their decision was the fact that cruise ship passengers are generally American citizens, whose travel both originates and ends in American ports. International air passengers can be from anywhere, including countries that are considered to be of high risk for agricultural purposes.

Regardless of the nationality of the passengers, however, we believe that the key factor to be taken into account is the rate of Quarantined Material Interceptions (QMI) found on the cruise ship study, and its relationship to QMI rates from AQIM inspections of international air passengers. The overall QMI rate for the cruise ship study, based on an inspection of three passengers from each selected cruise ship, was 2.7 percent. Although APHIS officials noted that the QMI rates for air passengers were as high as 8.4 percent for air passengers, we found that these figures were highly variable based on location. While the AQIM-derived QMI rates for air passengers did reach 8.4 percent in the Northeast area, the QMI rate in the Western area was only 2.6 percent. By contrast, the cruise ship study results for the Port of Miami, one of the largest cruise ship ports, resulted in a QMI rate of 7.3 percent.

APHIS policy, based on the results of its study, is that cruise ship passengers do not need to be routinely inspected on arrival by CBP inspectors. As a result, these passengers can enter the country with little or no chance of being inspected for prohibited agricultural products.

We continue to work with APHIS to resolve these issues as part of the management decision process for Audit No. 33601-3-Ch. As a result, we are not making any new recommendations on these issues.



## ***Scope and Methodology***

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We conducted our audit fieldwork from March 2004 through February 2005. As part of our fieldwork, we contacted APHIS Headquarters officials in Riverdale, Maryland. To the extent possible, we evaluated the effectiveness of the coordination and communication between CBP and APHIS in ensuring that the agricultural sector is safeguarded against foreign pests and diseases. To assess the corrective actions taken to date by APHIS we:

- Reviewed the corrective action APHIS had taken in relation to our prior audit reports, including procedural and policy changes enacted by APHIS;
- Conducted interviews with responsible APHIS and FSIS officials;
- Reviewed the DHS/USDA Memorandum of Agreement (MOA) and its appendices to determine the authorities and responsibilities of each Department with regard to agricultural inspections;
- Evaluated the effectiveness of the coordination and communication between CBP and APHIS in ensuring that the agricultural sector is safeguarded against foreign pests and diseases;

Our review was limited in that we did not have contact with officials at CBP, and were not able to perform onsite reviews at the ports-of-entry since these are under CBP jurisdiction.

The audit was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

# Exhibit A

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United States  
Department of  
Agriculture

Marketing and  
Regulatory  
Programs

Animal and  
Plant Health  
Inspection  
Service

Washington, DC  
20250

**MAR 31 2005**

TO: Robert W. Young  
Assistant Inspector General  
for Audit

FROM: W. Ron DeHaven  
Administrator

*Kevin Shea 16r*

SUBJECT: Response to OIG Report: "Transition and Coordination of Border  
Inspection Activities Between USDA and DHS"  
(Report No. 33601-0005-Ch)

Thank you for the opportunity for the Animal and Plant Health Inspection Service (APHIS) and the Food Safety and Inspection Service (FSIS) to comment on the above report. APHIS and FSIS found the report to be useful in identifying many of the issues associated with the transfer of port of entry agriculture inspection functions from the US Department of Agriculture to the Department of Homeland Security (DHS) and its US Customs and Border Protection (CBP).



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**Finding 1: APHIS Needs A Process to Timely Elevate Unresolved Interdepartmental Issues**

APHIS has elevated a number of unresolved interdepartmental issues, and these issues have been communicated to DHS by the Under Secretary for Marketing and Regulatory Programs and the Office of the Secretary. However, because of the large turnover in the policy levels of DHS this has not proven to be a successful method for resolving most issues. Fortunately, there is a growing interest in DHS/CBP to resolve issues at a lower level and to establish mechanisms staff-to-staff and Administrator's Office-to-Commissioner's Office can use to address issues so they would not need to be elevated higher.

APHIS and CBP officials are discussing the establishment of routine meetings between senior officials and between technical staffs to resolve ongoing issues related to agriculture inspections. It has proved helpful to have meetings between our Regional Offices, and the CBP District Field Offices, often in conjunction with APHIS State Plant Health Directors and CBP Port Directors to discuss issues of common interest. APHIS believes the best response to Recommendations 1 and 2 is to continue the elevation of important issues that cannot be resolved at lower levels, and to build effective regular communication at each level of the organization to address critical issues at the lowest practical level. We hope to accomplish this through regular, targeted meetings between staffs, between the Deputy Administrator for Plant Protection and Quarantine and the Assistant Commissioner for Field Operations, and between the APHIS Administrator and the Commissioner of CBP.

Also, through discussions with CBP, APHIS has been able to resolve several outstanding issues. On February 28, 2005, two of the three remaining appendices to the Memorandum of Agreement were signed--Appendix 7(b), Coordination on Policies and Procedures, and Appendix 8, Communication and Liaison. Appendix 7(b) includes language on APHIS' issuance of alerts for CBP action and language that would obligate CBP to inform PPQ of significant operational changes involving staff coverage which have an impact on pest risk. Appendix 8 includes language to clarify that agreements will be made at each port for access by AQI Veterinarians and Pest Identifiers. It further clarifies that APHIS will retain access to databases such as the Automated Tracking System. The joint agreement by APHIS and CBP to texts for these important appendices provides a foundation to resolve a number of issues related to access by APHIS to mission critical information and access by APHIS to port facilities that had previously been seriously hampered.

The report notes the progress made between APHIS and CBP in developing a process of joint port reviews but notes the potential for improvement of that program. APHIS will discuss the scheduling of joint port reviews with CBP with the objective of increasing the frequency and scope of those reviews. It is our intention for that program to provide

a strong basis for quality assurance and contribute to improvements both in policy development and operations for agriculture inspection at ports of entry.

**Finding 2: APHIS Needs To Issue Policies For The Strengthening Of Controls Over Meat And Poultry Products**

APHIS is aware of an initiative, led by FSIS, to reach a broader agreement between DHS and USDA on cooperation and information exchange. FSIS agrees that greater interagency cooperation is necessary to ensure that all amenable shipments are presented to FSIS for reinspection. The OIG Recommendation suggests expanding the written, inter-agency notification system for FMD-restricted countries to all FSIS-regulated imported products. This process is burdensome and inefficient. It requires paper forms to be filled out and mailed from one agency to the other – a slow and resource-intensive process which cannot be replicated for all imported shipments of amenable products without the provision of significant additional resources to the relevant agencies, if at all. Access to Customs data by FSIS import inspection personnel would accomplish the same goal far more effectively and efficiently and is necessary for FSIS to verify that all amenable shipments receive FSIS reinspection. To this end, FSIS has sought such cooperation with Customs for several years; however, to date, Customs has not provided a mechanism by which access to entry information may be effectuated.

Underlying the OIG recommendation on interagency notification is concern that failures-to-present (FTPs) may go unrecognized. OIG expressed similar concern in its previously-published report “FSIS, Imported Meat and Poultry Reinspection Process, Phase II.” Ensuring that FTPs, when they occur, are recognized, requires access to Customs entry data. As noted, expanding the written, inter-agency notification system for FMD-restricted countries to cover all FSIS-regulated products is impractical if not impossible given current resources. Access to Customs entry data for imported meat and poultry products would ensure that FSIS is aware of all incoming amenable shipments, and therefore, FTPs would be readily identified and recourse could be taken.

Negotiations with Customs to provide entry data have been in progress for several years. FSIS has delineated fully and frequently the agency’s information needs and has provided to Customs all of the information which Customs has requested of FSIS. Despite the full provision of information, FSIS has been unable to conclude an agreement with Customs to permit FSIS access to Customs data. Recent FSIS efforts to secure access to Customs’ data include the following: the seconding of an FSIS specialist to Customs and the implementation of regular meetings between FSIS and Customs officials in order to facilitate enhanced interagency cooperation; two letters, one from Under Secretary for Food Safety Elsa Murano and one from Acting Under Secretary for Food Safety Merle Pierson, to Customs Commissioner Robert Bonner requesting access to Customs data; and enlisting the assistance of the White House to encourage the conclusion of an interagency agreement (Memorandum of Agreement

(MOA)) to provide for data exchange. There are indications that progress toward concluding the MOA is occurring. However, until such an agreement is signed, FSIS is unable to access Customs entry data.

FSIS views an agreement between FSIS and Customs as necessary to effectuate the OIG recommendation until the International Trade Data System (ITDS) is fully implemented. Once fully implemented, the ITDS will permit FSIS to access Customs data and should render the necessity of an interagency agreement on information sharing moot. The ITDS is envisioned as a single, automated, government-wide trade data system to permit interaction between the various U.S. and foreign government agencies involved in the regulation of international trade. However, the full implementation of ITDS is several years away. In the interim, the sharing of Customs entry data with FSIS import inspection must occur through another avenue. An agreement is required between Customs and FSIS delineating the conditions upon which the necessary access and information transfer is granted. FSIS has sought and continues to seek such access; however, FSIS' efforts pursuant to this end have yet to yield the necessary agreement.

**Finding 3: APHIS Needs To Take And/Or Coordinate Corrective Actions  
On Unresolved Issues From Our Prior Audit**

Some of the specific areas of concern for OIG have centered on some difficult issues for APHIS and CBP. Many of the issues raised in this section are issues that need further discussion between the Departments to resolve.

OIG has raised the issue of collection and use of AQIM data. Collection of AQIM data is essential for understanding the level of risk posed by any specific mode of importation that could provide a pathway for the introduction of pests. Collecting these data can be resource intensive and it is important to focus effort initially on high volume pathways. OIG correctly indicates areas where better data might prove useful in elucidating risk, including rail cargo across the Northern border. We will raise this issue in discussions with CBP and explore policy options available to APHIS.

Line release programs were also highlighted by OIG, and while APHIS does not have written policies regarding these CBP programs we do have input into what is included. The realm of agricultural related products is very large and to exclude all potential items of concern to agriculture from line release programs would probably nullify them completely. For example, who could have predicted that a major concern for us would be artificial Christmas decorations? APHIS will attempt to follow through with this recommendation but it will be broad and we will still have to be involved in direct oversight and any adjustments to these programs except those like BCR that we develop. Our general presumption, until assured of low risk, is that the policy should be no items of agricultural interest in Line release programs.

The issues associated with Transportation and Exportation (T&E) shipments and Rail Cargoes are of real concern to APHIS. These issues are impacted by lack of resources in CBP, which reflects the history of staffing on the Northern border, currently compounded by the vacancy level in CBP Agriculture Specialist positions. APHIS' policies in these areas would not be meaningful until sufficient resources are available to carry out those policies. We also note that a close working relationship with APHIS and CBP is needed before we make headway on this issue. APHIS plans to discuss these issues with CBP.

OIG raised the need for more full de-vanning and agriculture inspection for a subset of all cargo is necessary assesses the risk that the cargo poses to introduction of agricultural pests. APHIS will raise this issue in discussions with CBP.

Targeting of high-risk importers is an area that is being raised in this OIG report as an issue as yet unresolved from previous audits. APHIS has made considerable progress toward addressing this issue. We have established and filled two positions to be stationed at the CBP National Targeting Center. APHIS expects our presence at the Targeting Center will help foster a good relationship with CBP. In addition to building and refining rule set to target for agroterrorism, the individuals will develop compliance rule sets that will let us target high risk cargoes including cargo imported by previous violators. APHIS has also negotiated and implemented access to the CBP Automated Targeting System (ATS) for sixteen users. APHIS will use information from ATS to improve risk assessment information for better targeting and for tracing high risk cargo. Together these actions bring us much closer to achieving the goal that OIG describes of targeting high-risk importers and high-risk cargo.

Again, APHIS and FSIS appreciate the opportunity to respond to the key findings and recommendations identified by this review. We believe our actions will address the issues identified with the transition and coordination of border inspection activities between the US Department of Agriculture and DHS.

Information copies of this report have been distributed to:

Administrator, APHIS	9
Attn: Agency Liaison Officer	
U.S. Government Accountability Office	1
Office of the Chief Financial Officer	
Director, Planning and Accountability Division	1
Office of Management and Budget	1