



U.S. Department of Agriculture
Office of Inspector General
Midwest Region

Audit Report

Animal and Plant Health Inspection Service Safeguards to Prevent Entry of Prohibited Pests and Diseases into the United States

Note: This report has been provided to the Department of Homeland Security (DHS), Office of the Inspector General. Under the Homeland Security Act of 2002, the APHIS import and inspections functions will be transferred to DHS. The transfer is expected to be effective by March 1, 2003.

Report No. 33601-3-Ch
FEBRUARY 2003



UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

Washington D.C. 20250



DATE: February 20, 2003

REPLY TO
ATTN OF: 33601-0003-Ch

SUBJECT: Safeguards to Prevent Entry of Prohibited Pests
and Diseases Into the United States

TO: Bobby R. Acord
Administrator
Animal and Plant Health Inspection Service

This report presents the results of our audit of the Animal and Plant Health Inspection Service's (APHIS) controls and procedures to prevent the entry of pests and diseases into the United States through its program of border and port inspections. Our primary emphasis throughout the audit has been on key areas such as risk assessment, staffing, inspection procedures at the ports, and the collection and reporting of inspection data. In addition, in response to external events that took place during our fieldwork, we have incorporated special review areas into our audit. For instance, we made a special review of both APHIS' and FSIS' controls to prevent the incursion of Foot and Mouth Disease during the major outbreak in early 2001; this was covered in a separate report issued in July 2001. Also, following the events of September 11, 2001, we have placed additional emphasis on APHIS' activities related to homeland security concerns.

The APHIS response to the official draft report is included 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 reached management decisions on Recommendations Nos. 12, 16, 21, 22, 28, 30 and 32. Please follow your agency's internal procedures in forwarding documentation for final action to the Office of the Chief Financial Officer.

Management decisions have not yet been reached on Recommendations Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 19, 20, 23, 24, 25, 26, 27, 29, 31, 33, 34, 35, 36 and 37. Management decisions can be reached on these recommendations once you have provided the additional information outlined in the report sections, OIG Position.

In accordance with Departmental Regulation 1720-1, please provide a reply within 60 days describing the corrective actions taken and planned, including timeframes for their implementation. Please note that the regulation requires that management decisions be reached on all recommendations within a maximum of 6 months of report issuance.

/s/

RICHARD D. LONG
Assistant Inspector General
for Audit

Executive Summary

Safeguards to Prevent Entry of Prohibited Pests and Diseases into the United States Audit Report No. 33601-3-Ch

Results in Brief

The Animal and Plant Health Inspection Service (APHIS) is responsible for inspecting agricultural products entering this country from abroad to detect and intercept foreign pests or diseases that could threaten U.S. agriculture. We performed this audit to evaluate the effectiveness of APHIS' inspection programs. After the events of September 11, 2001, we expanded our review to consider the possibility of an intentional introduction into the United States of organisms harmful to the Nation's food supply.

The main objectives of our review were to determine whether APHIS properly assessed the risks associated with the many ways in which pests and diseases could enter this country, whether it staffed the ports¹ accordingly, and whether its inspections at the ports were adequate to intercept infested or diseased product before it entered the United States.

We concluded that APHIS needs a more effective systematic assessment of the risks involved with various pests and the pathways by which they can enter. APHIS does have a statistically based risk-assessment system to evaluate the effectiveness of its ongoing inspection operations, as well as a separate system that records overall inspection activity and interception rates. However, the agency has not ensured that the various ports and other entry points apply a consistent methodology for collecting the data for either system, nor implemented an organizational strategy for interpreting and applying the results obtained from them. In at least two instances, the risk-assessment system indicated that traditional inspection methods were only intercepting a fraction of the pests that were actually incoming through ports of entry, as follows:

- In FY 2000, Plant Protection and Quarantine's (PPQ) risk-assessment system showed a potential Quarantine Material Interceptions (QMI) rate of 5.9 percent in air passenger baggage, while PPQ's overall inspection efforts resulted in a QMI rate of only 1.5 percent.
- During this same period, PPQ was averaging a QMI rate of 0.2 percent in vehicles entering the country, while the risk-assessment system indicated a possible interception rate of 2.8 percent.

¹ Ports are defined as airports, seaports, and border crossings.

APHIS has not taken systematic or comprehensive action to determine the reason for these apparent “performance gaps,” or to effect their closure. Further, the risk-assessment system itself contained several flaws.

- The program was targeted at carriers and cargoes for which inspection activities already existed. It gathered little or no information about other carriers and cargoes—on one border rail shipments, road crossings unstaffed by APHIS, etc.—for which inspection activities were minimal.
- The data collected for the program, which required statistical projections, was generally based on samples that were not collected in accordance with the statistical sampling plans required by PPQ Headquarters. This occurred at 60 percent of the ports we visited.
- The ports generally did not recommend changes based on the risks identified by the program, and APHIS’ Headquarters had no system to ensure the program results obtained at any given port were disseminated nationwide as appropriate. For instance, although one port reported that 23 percent of cargo aircraft arriving from certain areas contained pests, no other port was informed of this finding.

Despite the conditions noted above, APHIS managers concluded that their inspection staff was correctly concentrated on air passengers and their baggage. At the ports we visited, approximately 65 percent of APHIS’ inspection staff was assigned to inspect air passengers and baggage at international airports, even though this pathway had one of the lowest recorded reportable pest interception rates, 0.2 percent. More staffing was needed for the inspection of air, maritime, and rail cargo or for clearing cruise ships arriving from foreign ports.

- Staffing at cargo ports was based on a pest interception count that did not consider the magnitude or potential distribution of the shipment. APHIS gave the same value to the interception of one piece of fruit from an air passenger as it gave to the interception of a 2000-pound case of fruit from a cargo container.
- Only one or two inspectors were assigned to clear cruise ships because a flawed APHIS study showed these vessels to be low risk. A separate review undertaken by one port of arrival determined that 76 percent of inbound cruise ships from low-risk countries contained families of live insects on their decks.

Staffing allocations impacted the effectiveness of APHIS’ inspection program at several ports, notably the inspections of rail cargo with secondary inspections at certain locations around the country.

Although APHIS has historically considered Canadian shipments low risk, it nevertheless recognizes a problem posed by “transient cargo.” Officials of the APHIS region through which much of the transient shipments pass between Mexico and Canada stated their belief that more inspectors are needed to monitor transient cargo. Currently, APHIS inspectors at border crossings rely on referrals from the U.S. Customs Service when agricultural products arrive at unstaffed crossings. However, better coordination is needed with Customs.

APHIS’ reliance on the Customs Service at the border crossing has similarly affected its participation in the Line Release Program on one border, a program designed to facilitate high-volume, low-risk shipments. Under this program, Customs allows shippers to bring products into the United States with little or no inspection. Because this is actually a Customs program in which APHIS participates, APHIS has issued no guidance on screening applicants, testing shippers’ compliance with APHIS regulations, and sanctioning violators.

Staffing and guidance problems also impacted the comprehensiveness of APHIS inspections. Because APHIS has no requirement that inspectors unload cargo for a complete inspection, even on a sampling basis, inspectors have concentrated on only a portion of the containers. A study performed by one State showed that partial inspections miss about 60 percent of the pests found during complete unloading.

APHIS has issued specific guidance on monitoring foreign garbage disposal, but port inspectors did not monitor contractor activities with the required regularity. One waste hauler was completely unsupervised because APHIS had never entered into an agreement with it to dispose of foreign garbage.

Because APHIS’ programs of risk-assessment were unsystematic, APHIS’ report of accomplishments for FY 2000 under the Government Performance and Results Act (GPRA) was based on inaccurate and incomplete information. APHIS’ border accomplishments, for example, were based solely on its work on the U.S.-Mexico border, which is more heavily staffed. No data was included from the U.S.-Canada border. Although the GPRA report represented all reported compliance rates as being statistically derived, we found that they were, in fact, based on questionable computations that mixed both statistical and nonstatistical data. No attempt was made to compare the QMI rates from APHIS’ risk-assessment system to the agency’s overall inspection results as a measure of their effectiveness.

* * *

Other objectives of this audit concerned background checks of APHIS employees at airports, and APHIS' monitoring of Transportation and Exportation (T&E) shipments. In these areas, we noted several deficiencies:

Background checks. APHIS did not complete criminal history record checks of its employees who worked at international airports and other high-security locations within the required 45 days. In many cases, the 45-day deadline passed before APHIS even initiated the checks.

T&E shipments. Finally, we found that despite APHIS' commitment from a prior audit to strengthen its monitoring of T&E shipments, these shipments continued to go untracked. T&E shipments consist of cargo that arrives at a U.S. port with an ultimate destination of either Canada or Mexico and therefore does not need to be inspected. Over 90 percent of the T&E shipments we reviewed could not be accounted for as having left the country.

**Key
Recommendations**

We are recommending that APHIS redirect its risk studies to assess the threat from carriers and cargoes that other indicators show are a potential risk or that have received little study under the current risk assessments. APHIS needs to ensure the studies are valid, that ports are notified of the studies' results, and that staffing is commensurate with the risks disclosed. For database input, ports should provide second-party reviews before forwarding the data to Headquarters.

We are also recommending that APHIS develop guidelines to ensure that inspections are performed where warranted and that they are thorough when performed. The guidelines need to direct port involvement in the Line Release Program and institute procedures for unloading sample containers when tailgate inspections are inadequate. APHIS also needs to ensure that all rail cargo is subject to inspection, that border crossings make use of the advance notice they receive of incoming rail shipments to schedule inspections, and that ports strengthen their oversight of foreign garbage disposal.

Finally, we are recommending that APHIS coordinate activities over T&E shipments; implement controls over the collection, calculation, and reporting of performance data for GPRA; and ensure that employees who do not have a completed background check are not assigned to work in secure areas at commercial airports and military bases.

Agency Response

In their response to the official draft report, dated September 27, 2002, APHIS officials generally agreed with the findings and recommendations as presented and are currently engaged in taking corrective actions. Actions on some recommendations have been completed, while others are in process.

Portions of the APHIS response are incorporated into the Findings and Recommendations section of the report. The full text of the response is included as exhibit A of the audit report.

OIG Position

We generally agreed with APHIS' responses to the recommendations and have reached management decisions on Recommendations Nos. 12, 16, 21, 22, 28, 30 and 32. Management decisions have not yet been reached on Recommendations Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 19, 20, 23, 24, 25, 26, 27, 29, 31, 33, 34, 35, 36 and 37. Management decisions can be reached on these recommendations once we receive the information specified in the report sections OIG Position.

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Background and Objectives

Background

The Animal and Plant Health Inspection Service (APHIS) was established in 1972. APHIS conducts an Agricultural Quarantine Inspection (AQI) program to maintain the risk of introduction of invasive species of pests and diseases into the United States at acceptable levels to protect American agricultural resources, maintain the marketability of U.S. agricultural products, and facilitate the movement of people and commodities across the borders. Along with manual inspections, APHIS personnel use alternative inspection methods and technologies such as x-ray systems and detector dogs.

APHIS inspectors work at U.S. ports of entry (port) to screen passenger baggage, vehicles, cargo, mail, and ship and airline food supplies for prohibited agricultural materials that may contain exotic pests or diseases. These 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 and the cost of pest control and eradication programs. APHIS is one of three Federal Inspection Service (FIS) agencies responsible for monitoring the entry of cargo and passengers into the United States. The other FIS agencies are the U.S. Customs Service in the Department of the Treasury, and the Immigration and Naturalization Service (INS) in the Department of Justice. APHIS' Plant Protection and Quarantine (PPQ) is responsible for implementing effective controls to ensure that threats from foreign pests and diseases to U.S. agricultural and natural resources are minimized.²

APHIS Headquarters is in Riverdale, Maryland, and PPQ has two regional offices (three when our audit began) and 141 field offices nationwide. APHIS helps to facilitate trade for both importers and exporters, and its PPQ unit is central to the successful flow of commodities into and out of the United States. PPQ is responsible for ensuring that healthy seeds, bulbs, timber, flowers, vegetables, fruits, and a multitude of other agricultural commodities can be imported without risk to agriculture and natural resources. APHIS' Veterinary Services (VS) unit ensures that animals and animal products, can be imported into this country without threatening the health of U.S. animals.

The AQI represents the largest single part of the APHIS budget, as well as being the agency's most visible program. In fiscal year 2001, APHIS spent about \$223 million for AQI activities and had 2,170 inspectors and 1,141 technicians located at 141 land, sea and air ports-of-entry. The 2002 budget was about \$405 million (includes a \$50 million supplement for Homeland Security) for AQI activities. During fiscal year 2000 PPQ made over 13 million inspections of the following:

² Under the Homeland Security Act of 2002, APHIS; import and entry inspection functions will be transferred from the Department of Agriculture to the Department of Homeland Security. This transfer is expected to be effective by March 1, 2003.

- over 198,751 maritime cargo shipments,
- 51,491 ships,
- 1,310,735 vehicles and buses,
- 170,137 truck cargo shipments
- 373,060 aircraft,
- 10, 629,737 air passengers, and
- 400,327 air cargoes.

In 1999, the National Plant Board, an independent organization that was requested by APHIS to study inspection methods, issued its Safeguarding Report to APHIS. The Board's Report included 307 recommendations for improving inspection activities. We considered this report and its recommendations as we conducted our audit and prepared this report.

Also, as a result of the Foot and Mouth Disease (FMD) outbreak in Europe and South America in 2001, we refocused our audit work at that time to review the agency's inspection controls to guard against the threat of an FMD outbreak in the United States. As a result of that work, we issued Audit Report 50601-0003-Ch in July 2001.

Objectives

The objective of this audit was to evaluate the adequacy and effectiveness of APHIS' operations to prevent or minimize the introduction of harmful, exotic pests and diseases into the United States. To accomplish this objective, we reviewed and assessed APHIS' policies and procedures for (1) identifying and assessing risk among the various types of imported goods to prevent the entry of exotic pests and diseases into the United States, (2) providing inspection coverage at all major ports-of-arrival of cargo and passengers, particularly during times of high-volume traffic, (3) conducting inspections at airports, seaports, and land-border crossings, (4) accurately collecting and reporting data on inspection and interception activity, (5) ensuring that sealed Transportation & Exportation shipments entering the United States exit the country under seal as required, (6) reviewing the agency's procedures over employee security clearances, and (7) reporting the agency's accomplishments under the Government Performance Results Act (GPRA). In addition, we evaluated the oversight of program operations provided by APHIS Headquarters and the three regional offices, including their corrective actions on problems identified in previous audits or by APHIS-sponsored studies.

Findings and Recommendations

Objective 1: AQI Monitoring

Agricultural Quarantine Inspection Monitoring (AQIM) was put into place to assess the risk posed by agricultural pests approaching ports and border crossings and to measure the effectiveness of the Agricultural Quarantine Inspection (AQI) program at mitigating that risk. We determined that APHIS did not target its monitoring to measure the real threat of foreign pest infestation, did not always collect viable data, and even when such data was collected, did not use it to assess the risk of pest infestation and make needed changes to mitigate that risk. As a result, APHIS:

- concluded that its inspection staffs were correctly concentrated at airports, even though some AQIM studies showed other ports may carry higher risks,
- could not ensure that pests were not entering through rail cargo; and
- took no action to improve the effectiveness of the current inspection programs.

We attributed the above problems primarily to an absence of emphasis and oversight of risk assessment activities by PPQ management. AQIM responsibilities were largely left unassigned at the ports, and where assignments were made, AQIM activities were often limited to clerical duties.

AQIM consists of monitoring activities at various PPQ ports of entry and border crossings. AQIM officials statistically select a number of measurable units, such as air passengers or cargo shipments, and an inspector inspects each unit (i.e., passenger baggage, cargo, etc.). When PPQ confiscates regulated plant or animal products from baggage, cargo, mail, aircraft, or vessels because of prohibition, permit denial, pest risk, or abandonment, they report them as Quarantine Material Interceptions (QMI). QMI's are counted in units, with a QMI unit being one material from one country of origin on one shipment. The QMI rate would be the number of QMI's divided by the number of inspections. Any given QMI may or may not contain a reportable pest. Such pests, once identified, are reported separately in the Work Accomplishment Data System (WADS).

For example, if a review of 100 air passengers arriving at an airport discloses 2 interceptions of prohibited plant or animal products, then the QMI rate for that route of entry is 2 percent. The higher the percent, the greater the risk that pests can enter the country through that route, and the greater the need for PPQ to increase its inspections along that route.

PPQ reports pest interceptions that may be a threat to U.S. agriculture as reportable pests. The pest interception rate, as discussed in this report, is the number of reportable pests divided by the number of inspections. This differs from the QMI rate, which is confiscated product that may or may not contain pests.

Routes of entry are known as “pathways.” At the time we began our fieldwork in April 2001, PPQ had identified 9 pathways and implemented a total of 117 AQIM activities at 66 ports and border crossings that constitute these pathways. Of those 9, the 7 “major” pathways and their 109 activities included the following:

<u>Pathway</u>	<u>Number of Activities</u>
Air Passenger	25 airports
Air Cargo	18 airports
Vehicle Traffic (Southern)	11 U.S.-Mexico border crossings
Vehicle Traffic (Northern)	12 U.S.-Canada border crossings
Truck Traffic (Southern)	8 U.S.-Mexico border crossings
Truck Traffic (Northern)	12 U.S.-Canada border crossings
Maritime Cargo	23 maritime ports

The number of AQIM activities exceeded the number of ports because in many instances, a single port operated multiple AQIM activities (as in a case of Houston, Texas, which incorporated separate AQIM activities for air passenger, air cargo, and maritime traffic). We reviewed 25 AQIM activities at 15 large ports.

Finding No. 1**AQIM Activities Were Not Implemented To Assess the Risk of Pests Entering the Country Through New Pathways**

AQIM activities were targeted primarily at those pathways traditionally covered by APHIS PPQ inspections (e.g., air passenger baggage) and consequently did not determine the actual risk of foreign pests and diseases entering through other pathways. Commitment to the activities at the ports was often poor, and because many ports were not adequately staffed by PPQ personnel (see Objective 2), the activities were often used to supplement the agency's traditional inspection activities where staffing was available. As a result, APHIS did not use AQIM to assess the agency's overall effectiveness at mitigating the risk of foreign pest entry, and thus could not learn what potential vulnerabilities existed within its inspection program.

APHIS traditionally concentrates its PPQ inspection efforts on known, agriculture-related cargoes entering the country through large, international ports or border crossings. Monitoring of these traditional pathways has shown QMI rates as low as 2.6 percent, whereas the few monitoring projects performed of nontraditional pathways have shown reportable pests interception rates of up to 27 percent.

One example of an invading foreign pest that did not use a traditional pathway was the Asian Longhorned Beetle. The entry of this pest remained undetected until after it was well established in this country and had caused millions of dollars in damage to hardwood trees. Traceback activities performed subsequent to the outbreak disclosed that the beetle had entered the country in hardwood packing materials associated with non-agricultural products such as steel manhole covers. This type of product was not previously inspected by APHIS.

The AQIM Handbook states that AQIM activities were put into place to determine the threat of agricultural pests approaching all ports and border crossings and to determine how effective AQI activities are at managing the threats.

The Handbook provides direction as to the areas to be covered by the surveys. The Handbook gives AQIM officials at the ports the discretion to conduct activities beyond the specific instructions given in the Handbook, but because many ports have not appointed AQIM officials or have limited the scope of their duties and authorities, this is seldom done. As a result, few AQIM activities are done outside of the areas described in the Handbook.

We found that under the current guidelines set forth in the Handbook, AQIM surveys are heavily directed toward pathways already covered by traditional inspections. Examples of these pathways include air passenger baggage,

trucks and other vehicles entering through Canadian and Mexican border crossings, and air and maritime cargo containers. Inspections performed as part of these surveys do achieve positive results because they generally include the unloading of cargo containers, a measure that is not normally performed as part of APHIS' traditional inspection procedures. However, some of these pathways are only partially covered, while other potential pathways into the country are entirely excluded from coverage in AQIM activities.

During our audit, we encountered two monitoring projects performed as part of a local initiative by one port. One of these projects, which targeted shipments of tile in maritime cargoes, revealed a pest interception rate of 27 percent; the other survey, whose purpose was to identify countries whose air cargo shipments were of particularly high risk, disclosed a 23.7 percent interception rate for actionable pests in cargo flights originating from specific geographic regions. (See Finding No. 3.)

Even a fully comprehensive AQIM risk assessment system would not guarantee the detection of a pest such as the Asian Longhorned Beetle in time to prevent an outbreak. However, the early detection and deterrence of even one such pest could prevent large-scale damage to U.S. agricultural interests. Thus, we concluded that PPQ needs to re-examine its approach to the risk assessment process and develop more broadly applied survey techniques that provide at least some measure of coverage to all major pathways through which harmful pests may enter the country.

**Recommendation
No. 1**

Redirect AQIM activities to cover all potential pathways through which pests and diseases could enter the United States, including those which are not currently covered by normal PPQ inspections.

Agency Response.

Agency officials agreed that AQIM activities should be expanded to cover all pathways. AQIM activities are currently planned for the rail and express "package" pathways. A subgroup of the National AQIM Team was formed during September 2002 to begin planning, developing, and implementing AQIM activities for these pathways during January 2003. This group will also revise and increase the AQIM activities for the truck cargo pathway. In addition, agency officials stated they have put considerable resources into strengthening scientific support for inspection activities.

OIG Position.

Before we agree to reach management decision, we need some additional information. We need a more descriptive explanation on the rail and express "package" pathways. We also need to know when the AQIM activities for the

truck cargo pathway will be implemented. We also request further explanation concerning cargo of noninterest, considering that the Asian Longhorned Beetle entered through this pathway.

Finding No. 2**Risk Assessment Data Collected From AQIM Activities Was Not Always Valid**

PPQ personnel at the ports-of-entry we visited had generally not collected meaningful AQIM data on the efficiency of the inspection system. Twenty percent of the monitoring activities did not report their results within the required timeframe. Sixty four percent of the ports participating in AQIM for FY 2001 failed to collect viable data. Overall we attributed this problem to a lack of oversight by PPQ Headquarters and the regional offices, which allowed the ports to leave unfilled key personnel positions related to AQIM planning, training, operations, and oversight. As a result, APHIS' conclusion that it has identified the high-risk pathways into the United States and assigned PPQ inspectors to high risk ports of entry was without statistical validity.

PPQ's AQIM Handbook, Chapter 1, specifies that the AQIM process of collecting information about PPQ monitoring of the various pathways into the country, as well as the types of pests and diseases which enter the United States through them, is to be based on proven statistical techniques. We found that of the 25 activities we reviewed, 16 activities at 12 ports did not meet this requirement. The samples collected either were not selected randomly or were insufficient in number.

Samples Not Selected Randomly

AQIM is based on statistical sampling procedures that require proper implementation to ensure that any projections made from those samples are statistically valid. Although the sampling plans are developed at the port level, the AQIM Handbook stresses the need for the samples to be random in that each sampling unit must have an equal chance of being selected and each selection is independent of all other units selected.

We found that these procedures were not being followed for nine of the activities we reviewed. For example, PPQ arbitrarily selected cargo shipments or vehicles for AQIM inspections without following any sort of sampling plan or random means of selection.

Samples Not Selected in Sufficient Numbers

The number of samples to be selected over a given time period are stipulated by statisticians in APHIS Headquarters. However, we found that PPQ

personnel consistently selected fewer sampling units than the numbers required by the statistical sampling plans. For example, the tracking report submitted by an airport for the first 10 months of fiscal year 2001, showed that the AQIM Air Cargo Unit had completed only 17 (40 percent) of the 43 required air cargo samples; the AQIM Air Passenger Unit for this same airport had completed only 1,695 (46 percent) of the 3,650 required sample selections during this same period. A PPQ Headquarters official stated that he monitors the number of AQIM samples that the ports select, and contacts the ports to inform them when they are behind on their samples. However, he said that he does not have the authority to make the ports select the required number of samples.

In addition, by the reporting date of August 15, 2001, 35 of the 125 AQIM activities nationwide did not submit monthly reports in a timely manner. For fiscal year 2001, almost 50 percent had failed to meet the required number of sample selections. No followup was performed by Headquarters to determine the reason for this noncompliance. As a result of these failures to select the required number of samples, any projections made based on them would be without validity.

One of the FY 2000 AQIM activities was Air Passenger. The ports are required to select 3,650 passengers for AQIM inspections during the year. However, 10 of the 27 ports did not meet the selection requirement. For example, one port selected only 2,353 (64 percent of the required total), while another selected only 1,387 (38 percent). The remaining eight ports averaged only 75 percent of the number required by the statistical sampling plan.

The inadequate sampling methods resulted from a lack of oversight by PPQ Headquarters and the regional offices, which allowed the ports to leave unfilled key personnel positions related to AQIM planning, training, operations, and oversight. The PPQ Handbook specifically directs each port director to designate an AQIM coordinator to manage activities such as training of personnel, development of standard operating procedures for AQIM implementation at the port, monitoring AQIM operations, and reporting of results to appropriate officials.

We found that for six activities at three ports, the port directors had not designated an AQIM coordinator to fulfill the responsibilities of managing the activities at the port level and ensuring that critical functions such as sample selection and reporting of results were being properly accomplished. The AQIM coordinators for 19 activities at 12 ports were not always assigned duties that covered the critical functions needed to ensure a successful AQIM program. In these cases, the responsibilities of the AQIM coordinators were generally limited to entering the sampling results from their activities into PPQ's database. At two ports, the coordinators were unaware of the objectives of the AQIM program.

As noted above, one responsibility of the AQIM coordinator is to ensure that all assigned personnel are properly trained to perform their designated functions. We concluded that the absence of functioning coordinators contributed to the lack of training provided to PPQ inspectors, and the consequent fact that they had only limited knowledge of the AQIM program or the relevance of their own assigned roles in it. For example, inspectors at two of the ports believed that APHIS had implemented the AQIM program solely to reduce employee overtime and possibly to eliminate the jobs of some inspectors.

We concluded that the effectiveness of the AQIM program is diminished by the failure of PPQ management at the ports to require their personnel to properly implement the activities and select their samples in a statistically valid manner. To address these problems, PPQ Headquarters and the regional offices need to assume a more active role in monitoring the ports to ensure that they are following required AQIM procedures. In addition, PPQ port directors need to ensure that key positions such as the AQIM coordinator are staffed with personnel who are performing all the functions associated with these positions.

**Recommendation
No. 2**

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

Agency Response.

The agency agreed with the recommendation. Their response stated that a system is in place to oversee AQIM activities at the ports. The response also stated that the agency developed a combined action plan that will ensure that national AQIM activities are properly managed and implemented at each port. In addition, APHIS established and filled an SES position with a focus on bringing national consistency in the implementation of AQI programs, including AQIM. The first effort of this position is the design and implementation of Standard Operating Procedures. The procedures will be implemented in early 2003.

OIG Position.

Before we agree with the actions described above, we need an explanation of the system that has been put in place to oversee AQIM activities at the ports and when this system was implemented. We also need a description of the combined action plan that was developed to ensure national AQIM activities are properly managed and implemented at each port.

**Recommendation
No. 3**

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

Agency Response.

APHIS agreed with the recommendation. The agency stated that PPQ will revise performance elements and standards that will hold employees and their managers accountable for performing these functions. The State Plant Health Directors or Port Directors will identify a supervisor who will be responsible for maintenance and management of AQIM activities.

OIG Position.

We agree with APHIS plans to ensure that AQIM coordinators are appointed and Risk Management Teams are in place to perform AQIM functions. Before we can accept management decision, we need the agency's timeframes for completing these actions.

Finding No. 3**Potentially Valid AQIM Results Were Not Used To Implement Risk-Mitigation Procedures**

PPQ generally did not use the results of its AQIM reviews to identify the risks posed by new pathways through which pests and diseases could enter the country, or to evaluate the effectiveness of existing inspection procedures at mitigating those risks. The ports did not always have active Risk Management Teams in place, whose job it would be to review such results and make recommendations for needed changes. Even when ports did make recommended changes, PPQ Headquarters had no system to assess the results of the reviews or to ensure that results obtained at one port could be disseminated to other ports and regional offices. We identified at least one instance in which a previously unknown pathway discovered by one port was allowed to remain open because other ports were not made aware of its existence. In most cases, such pathways would not even be discovered because the reviews that might have identified them were not performed. We concluded that although the AQIM system had shortcomings that reduced its accuracy, the large discrepancies between AQIM and WADS interception rates—which indicated that 8.3 percent of the prohibited plant and animal products in vehicles crossing the borders were actually intercepted—strongly indicated the need for PPQ to reevaluate its current inspection processes.

The AQIM Handbook states that it is essential to have an infrastructure such as Risk Management Teams at work locations to deal with risk analysis and to assist management in making risk-based decisions. Based on the results of its reviews, the Risk Management Team may determine that a change in existing inspection patterns at the local port level would improve the overall effectiveness of the inspection programs, and make the necessary recommendations to the port director. If AQIM activities identify a harmful new pest or disease, or a pathway not previously targeted by existing inspection programs, these results should be reported to PPQ Headquarters so that other ports across the country can be put on notice of the newly-discovered threat and can adjust their own inspection patterns accordingly.

Of the 25 AQIM activities we reviewed, only 13 had Risk Management Teams assigned, and only 8 of the 13 teams were active in performing AQIM-related duties. We found that in one case where a port did have an active committee and reported pertinent test results, the results were not used to close off a pathway through which harmful pests were entering the country on an ongoing basis. The reports involved tests of cargo aircraft and of shipments of tiles.

Cargo Aircraft

On March 9, 2000, the Pest Risk Management Committee for one port, issued a report on the results of an AQIM study of the pest risk posed by cargo aircraft, especially their cargo compartments. This study, titled “Cargo Aircraft as a Pathway of Exotic Pest Introduction,” measured risk by making on-board inspections of 703 randomly selected cargo aircraft that arrived from foreign countries during the period of September 1, 1998, through August 31, 1999. Of the 703 samples, 74 (10.5 percent) were found to contain at least one reportable pest. However, cargo aircraft arriving from a specific geographic region revealed a much higher rate, with 49 out of 207 aircraft (23.7 percent) containing actionable pests. The interception rate of reportable pests from this region was substantially higher than the rates observed from any other region, and more than twice the general average.

Based on these results, the Pest Risk Management Committee made eight recommendations for corrective actions, including a recommendation that PPQ commit additional resources to board and thoroughly inspect cargo aircraft arriving from areas that produced the highest pest approach rates. However, at the time we interviewed PPQ Headquarters officials regarding this problem in January 2002, nearly 3 years after the issuance of the report, the officials stated that they had taken no action on the committee’s recommendation. They stated that they had not addressed the report’s recommendation because it was not an “official” report performed by PPQ Headquarters, and they had not yet reviewed the report to evaluate the validity of the study’s conclusions.

The PPQ Port Director stated that the port had not increased inspections of cargo aircraft because they did not have the resources for such inspection activity.

Shipments of Tiles

In another AQIM study performed during a period of June 1, 2000, through May 31, 2001, the port surveyed 108 shipments of tiles to determine the extent to which pests were entering the United States through this pathway. The survey disclosed that almost 27 percent of the shipments contained pests considered harmful to United States agriculture industry, such as snails, which were found to attach themselves to the tiles. Other ports that receive shipments of tile should be alerted to this problem so that inspections can be performed.

Although this AQIM report was issued on September 28, 2001, PPQ Headquarters has not taken any action to date on this information and has not taken steps to share the information with other ports that receive

shipments of tiles so that more attention could be given to this particular pathway. Headquarters did not regard the study as officially sanctioned. Furthermore, PPQ Headquarters did not require additional inspections of tile shipments or a permit process that requires tile shipments to be fumigated before transit to the United States.

The above examples show the value of local AQIM studies in measuring the risk of pests entering the United States through specific pathways. Also of value is a comparison between the interception rates obtained from AQIM studies and the interception rates determined by PPQ's ongoing inspections, as reflected in the WADS. Such a comparison demonstrates the effectiveness of APHIS' current inspection programs by showing the number of infested shipments PPQ identifies compared to the number of infested shipments it lets pass uninspected. In both instances where APHIS performed these comparisons, the results were dramatic. Specifically:

- PPQ's 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.

Recommendation

No. 4

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

Agency Response.

APHIS responded that procedures to compute differences between AQIM and actual interception rates have been in place since 1997. Examples of these analysis for several pathways (air passenger and southern border vehicle) were provided to OIG during the audit. The analysis utilizing AQIM and WADS are the primary measure of the effectiveness of present inspection procedures in these pathways. APHIS also stated that the significance of the risk presented in the gap must be considered. Training sessions and documentation have been provided to PPQ managers to properly use this information. Much of the

prohibited material is low risk and only 1 percent is actually infested with agricultural pest or disease. The agency also stated that they are currently taking corrective action to better mitigate the high risk items in the gap. PPQ's Port Operations staff met with representatives of the tile industry in February 2002 to begin pest mitigation efforts on pests associated with tile. The results of the discussion were shared with the Eastern Region which in turn disseminated this information to all maritime ports receiving tile from the region in question. The agency stated further that the port presented only a portion of their cargo aircraft study in their findings. The local team discussed cargo aircraft risk mitigation and has revised and implemented new boarding procedures.

OIG Position.

We agree with the efforts currently being made to utilize WADS and AQIM information to improve the efficiency and effectiveness of AQI port activities and to take corrective action to mitigate the high risk items in the gap. The agency's meeting with the tile industry demonstrated positive efforts to mitigate the risks of pests associated with tile. We believe that more efforts are needed to measure the gaps between the AQIM and actual interception rates. At the time of the audit, this measurement was made for only two pathways (air passenger and southern border vehicle). The gaps disclosed by the analysis of the two pathways showed a significant difference between the AQIM interception rates and the actual interception rates. We believe that the differences demonstrated a need for APHIS officials to identify and correct the inspection problems that created the major gaps between AQIM and actual inspection rates. A portion of the study of cargo aircraft identified a serious problem with pest infestation of cargo aircraft from specific regions. We believe that the study results should have prompted Headquarters analysis of the results to develop procedures to reduce the risk of pest introduction of pests from cargo aircraft arriving at all U.S. airports.

Before we can accept management decision, officials need to develop procedures to analyze the gaps between AQIM and actual inspection rates to identify inspection problems that need corrective actions. Also, they need to develop procedures to mitigate the risk of pest introduction by cargo aircraft.

Recommendation

No. 5

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

Agency Response.

APHIS responded that the Eastern Region notified the maritime ports that received shipments of tile of the results of the study. The cargo aircraft study has been turned over to PPQ's Center for Plant Health Science and Technology for further analysis, validation, and development of national pest mitigation strategies or procedures, if appropriate.

OIG Position.

Before we can reach management decision, APHIS officials need to provide timeframes for PPQ's analysis of the cargo aircraft study and the development of appropriate national pest mitigation strategies and procedures.

**Recommendation
No. 6**

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

Agency Response.

The agency responded that PPQ is continuously working to improve notification of AQIM results within and between all levels of the organization. The response provided a list of communication channels that could be used to disseminate information about AQIM results through out the agency.

OIG Position.

We agree that the agency should continuously work to improve the notification of AQIM results to all levels of the agency. We believe that APHIS needs to develop procedures that will assign this responsibility to specific staff members to ensure that all significant AQIM results are shared with all levels in the agency. Before we can reach management decision, we need agency timeframes for the development and issuance of these procedures.

Objective 2: Staffing

PPQ did not always distribute its resources according to the magnitude of risk or traffic volume. PPQ assigned the greater share of its inspection staff to inspect the baggage of air passengers. PPQ officials considered other pathways as low risk based either on studies it had performed or on the assumption that the U.S. Customs Service would notify APHIS of any agricultural inspection needs. We found that these other pathways either revealed a risk as high as air passenger arrivals or experienced a volume of traffic great enough to require a full-time USDA presence.

Title 7, CFR 330.105, dated January 1, 2000, states that in order to prevent the dissemination of plant pests and diseases into the United States from any place outside the United States, any imported product shall be subject to inspection by an inspector at the port of first arrival.

PPQ assigned the majority of its inspectors to air terminals based on its analysis of risk, volume of traffic, and logistics. The Airport and Maritime Operations Manual stated “The inspection of passengers and their baggage is the highest priority of PPQ at airports since it represents the avenue of highest risk for pest introduction.” PPQ counts the number of times that pests or prohibited products are intercepted at various ports of entry from various carriers (air passengers, air cargo, etc.), and the ratio of interceptions to the total inspections for that pathway reflects the risk of the pathway. The volume of traffic itself is given added weight to staffing considerations. For example, international air passenger flights arrive hourly at selected airports and consequently account for a concentration of inspectors at airports.

PPQ staffing allocations were based on the regional office’s analysis of port logistics, data reported in the Work Accomplishment Data System (WADS), and their determination of the port’s staffing needs. Staffing was assigned to border crossings and to the inspection of air, maritime, and rail cargo shipments as a result of these analyses. Staffing was assigned to the clearing of cruise ships based on a separate study of six ports. We found flaws in the cruise ship study. We also noted that PPQ staffing allocations on one border did not take into consideration the volume of traffic at each border crossing. For example, several inspectors were assigned to one border crossing, while only one inspector was assigned to another even though the latter had almost 3 times more truck traffic and almost 10 times more rail traffic.

It was through one of these pathways that a pest destructive to hardwood trees, the Asian longhorned beetle, is believed to have entered the United States.

Finding No. 4.**PPQ Needs to Strengthen Inspection Coverage at Border Crossings**

Inspection coverage at border crossings needed strengthening to provide a reasonable barrier against incoming pests and diseases, or to detect improperly marked cargo. APHIS Headquarters officials had traditionally considered one border a low risk and therefore did not approve hiring additional staff along it. These officials also indicated they relied on the U.S. Customs Service to refer all agricultural products to PPQ for inspection. However, Customs inspectors do not necessarily possess the expertise to recognize potential problems with incoming agricultural shipments. Furthermore, regional PPQ managers have stated that they need additional staff at this border to monitor transient cargoes.

Although all crossings on this border were staffed by U.S. Customs, not all were staffed by PPQ. According to APHIS officials, of those crossings that had PPQ employees assigned to them as of January 2002, several of the crossings were staffed by 2 or fewer inspectors

Because of these staffing shortages, PPQ was not always able to: provide 24-hour inspection coverage; inspect a reasonable percent of the total traffic flowing through the staffed border crossings; complete thorough inspections of the traffic selected for inspection; and inspect rail containers at all staffed crossings. Of the border crossings not staffed by PPQ, seven had a significant number of trucks entering the United States. Three of these had significant rail traffic as well. We concluded that PPQ should staff at least these seven border crossings in addition to the ones already staffed. PPQ should similarly assess the other crossings to determine the number of inspectors needed at each crossing.

An APHIS Headquarters official stated that U.S. Customs referred all agricultural products to PPQ for inspection. However, based on our work at the border crossings, we determined that this did not always occur. PPQ border personnel informed us that when PPQ is not present, U.S. Customs releases all agricultural shipments that PPQ did not specifically request them in writing to hold. At one border crossing, U.S. Customs officials informed us that they did not always make referrals to PPQ when PPQ was not present. Therefore, they would allow entry of these trucks into the United States. A comparison of the interception rates involving vehicles varied considerably between one border crossing which was staffed by PPQ, and a nearby crossing which was not. The number of interceptions was nearly 10 times greater for the month of June 2001.

We found that one port established a second shift that allowed them to inspect a higher percentage of vehicles than ports with one shift. PPQ

officials stated that the second shift worked well where it was implemented, and allowed inspection of a larger percentage of incoming traffic.

In conclusion, we found that PPQ did not staff all border crossings. Although most border crossings were open 24 hours a day, not many ports established two shifts. The interception rates were much higher at ports staffed by PPQ inspectors, compared to ports where PPQ relied on U.S. Customs to perform the inspections. We determined that PPQ needed to assess the number of inspectors needed at each of the border crossings to adequately inspect the growing volume of trucks and passenger vehicles crossing the border.

**Recommendation
No. 7**

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

Agency Response.

APHIS officials stated that assessment of border staffing was done in 2001 and revisited in 2002, with 11 new employees having been brought on board since 2001. In the FY 2004 budget, APHIS requested 126 new inspector positions along the border. Shift work has been implemented at one border crossing, and is planned for some other locations; however, shifts cannot be implemented until staffing has been increased. Future reassessment of staffing along the border will occur as ports continue to collect AQIM data.

APHIS plans to place new PPQ officers at ports with large volumes of cargo traffic, but in some locations intensive inspections cannot be performed until needed office space and inspection facilities are built. USDA is negotiating with the General Services Administration on a long-range plan to meet these infrastructure needs. PPQ has requested approximately \$3.5 million for improvements to inspection facilities along the border as part of the FY 2004 budget. In addition, discussions have begun with foreign agriculture officials regarding possible sharing of existing border facilities. PPQ expects these facilities to become available in 2005 or 2006.

OIG Position.

We concur with the actions being taken by APHIS. To reach a management decision, APHIS officials need to provide us with the agency's estimated timeframes to complete a full assessment of the staffing needs for the border. Final action would take place upon the actual completion of the assessments.

Finding No. 5. PPQ Staffing Allocations Need To Consider The Volume Of Product Intercepted From Incoming Air, Maritime, And Rail Cargo

PPQ's inspection coverage for cargo shipments at all ports of arrival was not based on adequate analysis of the volume and distribution of incoming cargoes. PPQ policy gave priority to inspection of air passenger baggage rather than cargo shipments. As a result, large volumes of cargo could enter the United States without being subject to PPQ inspection. This increased the chances of pest infestations such as the Asian Longhorned Beetle, which infested the hardwood trees in several areas of the United States.

The Airport and Maritime Operations Manual ranks clearing passengers first and air cargo second out of seven tasks at the airports in the prevention of the introduction of pests.

We compared the air passenger staffing levels at eight airports to the staffing levels for cargo facilities located in the same cities. Our reviews of inspection activities at the various worksites disclosed that additional and more intensive inspections were needed for cargo shipments. At the 8 PPQ airport sites we visited, 271,511 air cargo inspections identified 9,730 reportable pests for a 3.6 percent interception rate during FY 2000. In comparison, 4,508,173 passenger baggage inspections identified 8,444 reportable pests for an interception rate of less than 0.2 percent during the same period. Based on the interception ratios, we concluded that additional efforts with air cargo could result in a substantial increase in pest interceptions.

PPQ had developed staffing models to determine the number of employees needed to perform inspections of air passenger baggage, air cargo, maritime cargo, and rail cargo. A 12-month period was used for the historical basis of activity at each port. Four models were created: airport, maritime, inspection station, and Mexican border crossing.

PPQ officials stated that these staffing models worked well for the air passenger clearance function but did not work well for cargo because of the variance in activities. Furthermore, PPQ did not always base staff allocations on the staffing models. To determine the needs of any given port, PPQ emphasized the regional office's analysis at the port. As part of their staffing allocation review, regional PPQ offices analyze activity levels reported on the WADS report and on inspection reports, and regional officials visit each port to observe the logistics. We found three main problems with PPQ's staffing analysis: it did not take into account the volume of the interceptions, it did not take into account the size and potential

distribution of the product, and it relied on WADS data that was not accurate. (For the issue of WADS accuracy, see Finding 12.)

- Staffing did not account for differences in the volume of interceptions. By reviewing the WADS interception data, PPQ was placing more emphasis on numbers of interceptions than on their magnitude. We found that the WADS report gives the same significance to the interception of one piece of fruit from a passenger as it does to the interception of a 2000-pound case of fruit from a cargo shipment—both are reported as one interception. If PPQ seizes three different pieces of fruit from one passenger, it counts these as three interceptions, while if it finds a large shipment of prohibited fruit in a cargo shipment, it counts this as one interception. Likewise, a pest interception from these shipments would be recorded as one reportable pest in each case, even though a cargo shipment could contain large numbers of that reportable pest.
- Staffing did not account for differences in size and potential distribution of the product. Large cargo shipments of agricultural product are normally broken down into smaller boxes for further distribution, whereas the contents of passenger baggage will likely have only one destination. PPQ did not include the size of the intercepted product as a factor in staffing considerations. For example, during one air cargo inspection PPQ intercepted 5.9 tons of product infested with exotic pests, and during one maritime cargo inspection, it intercepted 55 tons of product infested with pests. The largest air passenger interception on record was only 30 pounds of prohibited product. Hundreds or thousands of boxes of product from a cargo shipment could, through redistribution, pose a more serious threat than one or two pieces of product smuggled by a passenger. If the cargo product is infested with actionable pests, crops in many different areas in the United States could be exposed to those pests.

The contrast in staffing between airports and adjacent seaports, and the results of that staffing, was best demonstrated at one port of arrival. This maritime port inspected 8,262 of 4.4 million containers in FY 2000, or 0.2 percent of the containers that entered the United States through that port. Their inspections resulted in 379 reportable pest interceptions, or an interception rate of 4.6 percent. In contrast, a nearby airport, with a larger staff to inspect air passengers and air cargo, performed 869,595 passenger inspections and 47,415 cargo inspections. These inspections resulted in 3,694 reportable pest interceptions from air passenger baggage, or a pest interception rate of 0.4 percent, and 1,238 pest interceptions from air cargo shipments, or a pest interception rate of 2.6 percent.

The need for more inspection of cargo can also be demonstrated by the volume of rail containers entering the United States through one worksite. During fiscal year 2000, over 320,000 loaded rail containers entered the United States through this worksite. An inspector assigned to the worksite stated that he concentrated on passenger vehicle and truck cargo inspections. He also did not review shipping manifests to determine if any of the shipments were of agriculture interest and subject to inspection by PPQ in other areas, which receive 90 percent of the rail shipments entering the United States. The remaining 10 percent of the rail cars, approximately 32,000, were destined for locations not staffed by PPQ and therefore not subject to PPQ inspection.

**Recommendation
No. 8**

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

Agency Response.

APHIS officials responded that PPQ requires Port Directors to annually assess staffing needs; also, a systematic review of ports was implemented in November 2001. Teams from Headquarters and each regional office reviewed staffing at major ports of entry, and assessed the ports' needs based on the volume and type of cargo entering the port, the risk associated with the cargo, capacity of port facilities, and intensity of inspections needed. Based on the findings, the teams submit reports to the applicable regional offices. Officials stated that funding is not currently a barrier, but the agency is experiencing problems with recruiting sufficient qualified personnel at high-volume locations due to the cost of living in such areas. PPQ has revitalized its recruitment efforts with the appointment of a full-time coordinator, a focus on local recruiting, and pre-employment testing to ensure high-quality candidates.

OIG Position.

In our previous discussions with PPQ officials, the above-referenced study had not been brought to our attention; thus, we have had no opportunity to analyze or evaluate it. In order to reach management decision on this recommendation, APHIS needs to provide us with clarification as to whether this study was a one-time project or part of an ongoing, multi-year effort. If the review has been completed, APHIS needs to provide us with its conclusions resulting from the study and its plans to implement the needed staffing changes, including timeframes. If the study is still ongoing, APHIS needs to additionally provide us with the timeframes for its completion.

**Recommendation
No. 9**

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

Agency Response.

PPQ officials agreed that ports need to be adequately staffed to allow for efficient and effective inspections of cargo shipments. The corrective actions for this recommendation are included in the response to Recommendation No. 8.

OIG Position.

As noted under Recommendation No. 8, to reach management decision APHIS officials need to provide us with their plan for reallocating personnel based on the stated criteria, including timeframes for completion of the necessary corrective actions.

Finding No. 6. PPQ Needs to Improve Inspections of Cruise Ships

PPQ did not ensure that cruise passengers and baggage arriving from foreign ports received inspection coverage commensurate with the risk. The agency made assignments on the premise that considered cruise ships to be low risk based on the results of a 12-month national study. The results of this study were flawed, however, because the sample was not randomly selected and did not include cruises arriving on weekends from countries classified as high risk. One port found during an independent study that 76 percent of cruise ships arriving from foreign ports carried harmful insects on their decks.

The Airport and Maritime Operations Manual, dated January 2000-2001, pages 3.101 and 3.102, states that “Inspection is divided into two phases, primary and secondary inspection. Primary inspection involves the screening of baggage by questioning the passenger, reviewing the declaration, and visually observing the passenger’s baggage for referral for further examination. All persons and baggage are subject to inspection at the port of arrival. Secondary inspection can consist of as little as detailed questioning or as much as a thorough inspection of passenger’s baggage.” It also states “High risk baggage should receive a thorough examination.”

APHIS performed a 12-month national study, ending in April 1999, tracking cruise ships arriving from the Bahamas, Mexico and the Caribbean at six ports in the United States. Based on this study, APHIS officials concluded that all cruise ships were low risk and assigned only one or two PPQ inspectors per cruise ship. We found several deficiencies with the study:

- The cruise ships were not selected on a random basis, and only three passengers per cruise ship were sampled;
- Cruises arriving on the weekend were excluded from the study. PPQ management did not approve inspectors to work the overtime necessary to include cruises arriving on the weekend; and
- The six-port study included only cruises arriving from the Bahamas, Mexico, and the Caribbean, which are low-and-medium risk countries³. Cruises from high-risk countries such as Jamaica, Haiti, Colombia, and Ecuador arrived on weekends and therefore were excluded from the study.

The PPQ Animal Products Manual identified Foot and Mouth Disease in Ecuador and hog cholera in Ecuador and Jamaica. Many different species of pests have been identified in cut flowers from South America and the West Indies. None of the cruises from these countries were included in the national study.

On the basis of the six-port national study, PPQ issued its policy concerning inspection of cruise ships. That policy, dated August 22, 2000, states that “Passengers and baggage on Caribbean, Mexican, and Bermuda cruise ships will not be routinely cleared by PPQ.... Exceptions may be made to any voyage determined to be high risk or out-of-the-ordinary by the local port with concurrence of the regional staffs.”

We reviewed the documentation provided to us, and found that no pests were intercepted during the study but that prohibited products were. The interception rate for the prohibited product was 2.7 percent at the six ports, comparable to the interception rate found in the AQIM inspections of air passengers (2.6 percent for the Central and Western Region in FY 2000). APHIS considers air passengers to be of the highest priority.

PPQ officials at one of the six ports used in the national study also performed their own pilot study of cruise ships arriving on Monday through Friday; again, PPQ management did not allow the inspectors to work overtime. However, even under these conditions, the study found that 16 of the 21 inspected cruise ships contained families of live insects on the decks (76-percent infestation rate). In addition, this study included boarding the ships to review the decks which found harmful pests whereas the National study did not. For example, a large termite swarm was visible throughout one ship. The independent study concluded that cruise ship decks were a potentially important pathway of pest introduction from the Caribbean basin.

³ The Risk Assessment of Countries by Geographic Area contained in the APHIS PPQ Work Accomplishment Data System (WADS) manual classified countries as high, medium, or low risk.

At this port, we discussed with PPQ inspectors their procedures for inspecting cruise ships. We found that they assign one PPQ officer to monitor the disposal of garbage on the ship, review the garbage records maintained by the cruise ship, inspect the refrigerator and freezer storage, inspect the incinerator room, and then observe and inspect passengers as they disembark. Sometimes a second inspector is assigned, if available. In contrast, PPQ normally assigns between 6 and 11 officers and technicians to clear a single international airline flight and inspect 200 to 300 passengers.

We accompanied a PPQ officer clearing a cruise ship with 2,300 passengers that arrived from Jamaica, a high-risk country, and the Cayman Islands. During the inspection of the refrigerator, the inspector documented various prohibited fruits and vegetables originating from Costa Rica, Guatemala, the Dominican Republic, and Chile. After the inspection of the ship and review of the documentation, two PPQ inspectors observed the passengers disembarking. We found that there were too many passengers for one or two PPQ inspectors to question or search effectively. As noted above, the Airport and Maritime Operations Manual states that all persons and baggage should be subject to inspection at the port of arrival. Since this ship arrived from a high-risk country, there could be a risk that passengers could bring prohibited products into the United States.

PPQ officials suggested that a study be performed of cruise ships arriving on the weekends; so that they can assess the pest risk of such cruises. Air passengers from Jamaica are considered high risk for prohibited products such as yams, but PPQ has not assessed whether the same risk exists for cruise passengers. As of the date of our visit, PPQ in this port had not received approval to perform the study.

In response to a March 2000 OIG audit of PPQ activities, in which OIG recommended that PPQ assign sufficient staff/resources to properly process cruise ship passengers arriving from foreign ports, PPQ stated that they had begun a new initiative to increase the number of compliance agreements with cruise ships to free up PPQ staff to perform other functions. At the time of our audit; however, no changes had been implemented.

**Recommendation
No. 10**

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

Agency Response.

PPQ officials stated that a new risk assessment of foreign vessels (garbage, deck, and structure) entering U.S. ports was completed in early 2002 and its results submitted to the PPQ regional offices for comment. Once these comments are considered, PPQ will revise the national ship-boarding policy as needed to further mitigate risk. This is expected to be completed by March 30, 2003.

PPQ officials agreed that it may be desirable to perform an assessment to identify whether cruises from countries already classified as high risk are actually “high risk” when arriving at U.S. ports of entry. Port Operations will submit a request to perform such an assessment. The response noted that vacation cruises from various ports, including Jamaica, were the subject of the Cruise Ship Monitoring Survey conducted from April 1998 to March 1999. Jamaica is not a high-risk origin for cruise ship passengers based on years of operational data from WADS, pest interception data, and the 1998-1999 survey. They noted that while ships may stop in Jamaica, both the ships and passengers originate in the U.S. By contrast, air passengers from Jamaica may be from any location and thus the potential is there for them to bring items purchased commercially or home grown.

OIG Position.

The purpose of our finding was not to conclude or suggest that the relative risk of incoming cruise ships was proportionally greater than that of incoming air traffic. Nonetheless, even though cruise passengers are generally Americans, they still have the opportunity to obtain prohibited items from foreign ports just as air passengers would. Our recommendation was simply that PPQ perform reliable studies to evaluate the relative degree of risk for staffing assessment purposes.

We were not previously aware of the 2002 study referenced in the response, and thus cannot comment upon its methods or results. However, our audit did disclose limitations on both the WADS system and the earlier cruise ship studies that could call into question any risk-assessments based solely on these sources.

We do concur with PPQ’s action in performing a new study of cruise ships, and with the timeframes for issuance of revised ship-boarding policies. To reach a management decision, APHIS officials need to provide us with a copy of the referenced 2002 study, as well as a description of the new policies that will be implemented as a result.

**Recommendation
No. 11**

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

Agency Response.

PPQ officials stated that the agency is in the process of revising its policy and procedures for the clearance of cruise ships and their passenger baggage for Caribbean, Mexican, and Bermudan cruises. As noted in the response to Recommendation No. 10, new policy on these types of cruises should be issued within 6 months. Appropriate staffing levels, policies, and procedures for cruise ships from destinations other than those listed above will be determined after CPHST conducts assessments to identify the risk of cruise ships arriving from other countries. This study is expected to be completed within 12 months.

OIG Position.

We agree with the actions and timeframes contained in the response. Management decision for this recommendation can be reached when the additional information requested for Recommendation No. 10 has been provided.

Objective 3: Agricultural Quarantine Inspections

As constituted, PPQ's inspection activities do not result in the most efficient means of detecting foreign pests and diseases at U.S. ports and borders. We concluded that inspection activities could be more efficient if APHIS established requirements for these activities at the ports of entry and if it emphasized the guidelines that were already in place. In the absence of requirements, PPQ inspectors:

- seldom made in-depth inspections of cargo, even on a sampling basis; and
- provided little or no monitoring of shipments crossing the border under the Line Release Program.

PPQ did not use WADS reporting data to determine the amount of risk associated with rail traffic and consequently did not assign a staff commensurate with the volume of traffic. PPQ also provided little or no monitoring of the disposal of foreign garbage because few ports had compliance officers on hand to perform the monitoring. In addition, PPQ made no concerted attempt to target importers with a history of smuggling for increased monitoring.

Finding No. 7. More Thorough Inspections of Containers Needed to Detect Pests and Diseases

We found that other than as part of the AQIM process, PPQ infrequently unloaded incoming freight containers to perform a comprehensive inspection of their contents. Under PPQ's AQIM procedures, inspectors would be required to unload ("devan") selected containers; however, as noted in Finding No. 4, certain pathways such as rail shipments are not covered by AQIM, and thus are not subject to devanning. In addition, PPQ inspectors at some ports of entry stated that they are unable to unload containers because they lacked either the necessary personnel or facilities; inspectors at other ports stated their reluctance to devan cargoes because of the time and cost. A study performed jointly by PPQ and a State has shown that the majority of pests and diseases that may be in a given shipment are not likely to be detected by traditional inspections which concentrate on only a portion of the containers.

APHIS' Aircraft and Maritime Operations Manual, Chapter 3-5 (dated December 1, 2001) states that when a PPQ officer determines that a particular shipment contains items of agricultural interest and selects it for inspection, the inspection requirement can be met through either of two

methods. One of these involves a simple review of the manifest or other paperwork accompanying the shipment.

These inspections generally preclude the PPQ inspector from actually observing all of the cargo. PPQ officials have stated that the time and expense of devanning shipments would preclude any possibility of making this the standard method for performing inspections of incoming freight containers. We agree that completely unloading all incoming containers would not be possible, except on a test basis or in cases where a container may hold cargo known to be high risk. A study performed jointly by PPQ and a State Department of Agriculture⁴ indicated that, on average, partial inspections would miss about 60 percent of the pests that would be found by actually unloading complete cargoes.

At one port, WADS data on incoming maritime containers indicated an overall reportable pest interception rate of about 2.0 percent. AQIM studies performed on incoming maritime cargoes during this same period, which involved devanning the containers, disclosed a pest interception rate of about 20.3 percent. This interception rate could be higher than those for other ports because this port has an active Risk Management Team that has taken innovative approaches in handling its AQIM process. Nevertheless, these figures do help to illustrate an effective means of identifying and intercepting pests or mismanifested cargoes.

The interception rates PPQ has experienced from devanning containers for AQIM purposes or for special studies demonstrates that this practice should be part of all inspection programs. Thus, we believe that each port of entry should have a plan in place to devan randomly-selected containers on a periodic basis, so that any incoming container would have at least a chance of being selected. In addition, PPQ should require more frequent devanning of cargoes deemed to be of high-risk, as well as cargoes being handled by shippers and importers with a history of smuggling or other compliance problems. Ports and crossings, which do not currently have facilities available to devan cargoes, should seek to make arrangements with the U.S. Customs Service to share facilities that Customs either operates or contracts with. Through these means, PPQ could reduce the potential for smuggling and increase its chances of detecting incoming pests and diseases present inside incoming cargo containers.

**Recommendation
No. 12**

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 and cargoes which involve shippers and importers with histories of smuggling or other violations.

⁴ Final Report on Cooperative Efforts to Manage Pest Risk in South Florida, dated August 1996.

Agency Response.

PPQ officials noted that ports participating in AQIM projects already devan selected cargo shipments, and current SITC protocols require devanning for thorough investigations of possible smuggling of prohibited cargo. Soon, guidance will be provided to PPQ ports to ensure that the appropriate inspection intensity is applied consistently to high-risk cargo. Uniform procedures will ensure that all ports are devanning a sample of cargo containers, dependent on available facilities and resources. This guidance will be developed and distributed to PPQ personnel by June 2003.

OIG Position.

We accept APHIS' management decision. Final action can be reached upon issuance of the proposed guidance.

Recommendation No.13

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

Agency Response.

PPQ officials responded that they are working with GSA to obtain additional facilities for inspection and devanning at ports-of-entry. The FY 2004 budget for PPQ allocates approximately \$3.5 million for improvements to border inspection facilities, and PPQ is exploring the contracting process required to establish Cargo Examination Sites at ports with limited inspection facilities. Such sites would provide additional devanning locations. Also, as part of the FY 2004 budget PPQ has requested 126 new inspector positions.

OIG Position.

To reach a management decision, APHIS needs to provide us with its timeframes for having the necessary facilities, procedures, and personnel in place to ensure that each PPQ-staffed port of entry is devanning selected cargoes, either directly or through contractual arrangements with U.S. Customs or other entities.

Finding No. 8. Controls Over the Line Release Program Need Strengthening

PPQ has not established any written, formal procedures for the review and approval of applications for participation in the Line Release Program, under which shippers and importers can bring in products deemed to be high-

volume and low-risk with little or no inspection. In addition, the agency has not developed guidelines for enforcement actions to be taken against program participants who are found to be involved in smuggling or other serious violations. A PPQ Headquarters official stated that APHIS had not developed such controls or procedures because the Line Release Program is actually a U.S. Customs Service program in which PPQ merely participates when products of agricultural interest are involved.

Without the controls provided by procedures for determining eligibility, monitoring compliance, and enforcing regulations, PPQ has no assurance that agricultural products shipped into the United States under this program are free of pests and diseases. In at least two instances, our review found that APHIS was aware of shippers who were involved in smuggling activities but did not take timely action to restrict their participation or remove the shippers from the program.

The U.S. Customs Service requires a broker or importer to submit an application that includes a sample of an actual invoice for the products to be processed under the Line Release Program. To qualify for the program the shipper, importer, and commodity must have a history of invoice accuracy, be free of enforcement concerns, and be selected by local Customs districts on the basis of high volume and risk assessment. Customs' approval for line release allows the shipment to enter the country without inspection. A U.S. Customs compliance directive dated June 25, 1997, outlines the requirements and procedures for conducting compliance measurement programs such as the Line Release Program. However, these Customs procedures do not specify any coordination with APHIS, or outline the responsibilities of each agency with respect to the other. A Customs Service official stated that it is the responsibility of each U.S. Customs Service port of entry to develop and implement a monitoring system for the Line Release Program.

The U.S. Customs Service verifies the information contained in each line release application against the information contained in its own database before it is presented to PPQ. As part of this screening process, Customs checks for any evidence of serious program violations committed by the applicant. However, since APHIS has no specific requirement to report to Customs all violations involving agricultural products, there is no assurance that Customs' screening process would disclose such instances.

Once Customs has completed its own screening, any application involving agricultural products is then given to PPQ for review before Customs authorizes the importer to participate in the program. Applications for approval involving agricultural products are processed and approved on behalf of APHIS by a PPQ officer specially designated for this function.

Applications not involving agricultural products are handled directly by U.S. Customs, with no involvement by PPQ.

PPQ participates in the Line Release Program at nine border crossings. Although another Border Cargo Release Program is operated by APHIS and Customs, that program is separate and distinct from the cited program and was found to have more effective procedures in place for eligibility determinations and enforcement actions. Although air and maritime cargoes are also theoretically covered by Line Release Programs, we found that no shipper or importer had participated in the programs. PPQ officials stated that their Line Release Program requirements were so stringent that shippers and importers did not participate in the programs.

Our visits to four border crossings, as well as discussions with PPQ's program coordinator, disclosed that PPQ has not established meaningful eligibility guidelines for the approval of importers to ship agricultural products into the country under Customs' Line Release Program. We also found that PPQ does not periodically inspect shippers and importers participating in the Line Release Program, and that no specific procedures exist for enforcement actions to be taken against program participants found to be committing acts of smuggling or other serious violations. The following paragraphs describe the conditions we noted.

Lack of PPQ Eligibility Guidelines For The Approval of Importers

Overall, we found that PPQ has not implemented requirements and procedures that would assist the U.S. Customs Service, port directors, and the Line Release Program Coordinator in identifying and rejecting applicants for the Line Release Program who have histories of smuggling activities or other serious violations. For instance, although the U.S. Customs Service performs its own screening of applicants before sending them to PPQ for approval, this process may not be effective because there is no requirement for PPQ personnel at border crossings to enter instances of smuggling or other serious violations into Customs' Treasury Enforcement Communications (TEC) System. Since this is the system used by Customs during its screening process for line release applications, an applicant involved in previous violations involving agricultural products may not be detected by Customs before the application is given to PPQ for approval.

The PPQ program coordinator, who is responsible for reviewing and approving all line release applications, stated that when an application is received from U.S. Customs, the review process includes a discussion with the applicable port director regarding their knowledge, if any, of the applicant's compliance history. PPQ approves or disapproves an application based on the recommendation of the applicable port director. [

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We also found that the approving PPQ officer did not use the PPQ Smuggling Interdiction and Trade Compliance (SITC) violators' database, which identifies known smugglers and other serious violators, to screen applicants for the Line Release Program. She stated that she had not been aware of the existence of this database prior to the time of our review. [

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Lack of Controls To Ensure Periodical inspection of Importers

We found that PPQ personnel at the border crossings we visited did not periodically inspect shipments entering the country under the Line Release program to test for compliance by approved shippers and importers. [

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Lack of Specific Procedures For Enforcement Actions To Be Taken Against Violators Already Participating In The Program

In cases where Line Release Program participants are found to be committing serious violations such as smuggling, there is no procedure for [

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In another instance, PPQ officials were aware that a shipper was involved in smuggling as far back as December 1997. However, the shipper was not removed from the Line Release Program until February 2001, following a review of the shipper's activities by OIG-Investigations and APHIS Investigative and Enforcement Services (IES).

In contrast, PPQ did develop procedures for the Border Cargo Release Program, which is the equivalent of the Line Release Program. This program includes guidelines that provide for approving products to be included in the program, spot-checking of shipments for compliance purposes, and the imposition of sanctions when shippers are found to be smuggling. To ensure the integrity of PPQ's participation in the program, the agency needs to have procedures in place to identify importers and shippers involved in smuggling and other serious violations and notify U.S. Customs so they can be removed from the program.

On April 5, 2002, we issued a Management Alert to APHIS Headquarters regarding the Line Release Program. In its response to the Management

Alert dated April 19, 2002, APHIS agreed to develop written procedures governing the Line Release Program and investigate the automation of the current system.

**Recommendation
No. 14**

Develop written procedures governing the Line Release Program.

Agency Response.

The agency agreed with the recommendation. A group has been formed, the BRASS Review Group, with representatives from nine border service ports, the Eastern and Western Regions, and Headquarters. PPQ officials estimated that this task would be completed within approximately 6 months.

OIG Position.

We concur with the actions proposed by APHIS. However, we note that these are the same corrective actions proposed in the agency's response to our Management Alert, which was provided to us on April 19, 2002. At that time, as now, the agency cited a 6-month timeframe for completion of the proposed actions. In addition, the response to Recommendation No. 15 states that the BRASS system will soon be taken out of service by U.S. Customs. To reach a management decision PPQ needs to provide us with an updated response, including timeframes, that takes into account the expected discontinuation of the BRASS system.

**Recommendation
No. 15**

[] Line Release Program participants on an ongoing basis, including up-to-date information from all ports of entry on any program violations committed.

Agency Response.

APHIS agreed with the corrective actions, but because of the expected discontinuation of the U.S. Customs BRASS database the original corrective actions proposed in response to the Management Alert have been changed. Since PPQ relies on this database, further work on IT compatibility and budgets pertaining to this issue await decisions from U.S. Customs. However, PPQ has completed other database work with Customs on its new Automated Commercial Environment and International Trade Data Systems. In addition to other functions, PPQ plans for these systems to handle PPQ Line Release Program participants on an ongoing basis, including up-to-date information from all ports of entry on any program violations committed. U.S. Customs []].

OIG Position.

We concur with PPQ's [] Customs system to monitor the operations of the Line Release Program. However, because of the expected [] timeframe, interim action is needed. To reach a management decision, APHIS needs to clarify its plans, [] the operations of the Line Release Program.

Finding No. 9. More Inspections of Inbound Rail Containers Are Needed

Since PPQ issued its Stakeholders Safeguarding Report⁵ in 1999, the agency has taken some steps to improve its monitoring of inbound rail containers. However, we found that additional improvements are needed. PPQ officials generally cited a lack of staffing although none of the ports we visited had made use of staffing models to determine their actual needs. PPQ officials also suggested that rail shipments that are not inspected at the border crossings may still be inspected when they reach their inland port of arrival. We found, however, that any rail cargo not destined for certain designated inland cities may not be inspected once it enters the country. Consequently, there is minimal assurance that plant and animal pests and diseases, as well as plant and animal products smuggled via rail containers, will be detected.

Title 7 CFR 330.105(a) requires that PPQ inspect plants and plant products at the port of first arrival in the United States. The 24 crossings on one border alone handle about 1.2 million rail containers annually, but PPQ did not staff all of these crossings. Our visits to five of these crossings disclosed that only one holds rail shipments for inspection. The remaining ports depended on referrals from U.S. Customs officials, whose agency mission and areas of expertise do not necessarily provide them with the same qualifications possessed by PPQ officers to recognize incoming cargoes of agricultural interest.

For example, one crossing we visited [] containers in FY 2001). PPQ personnel at this crossing []. In FY 2000 alone, over 94,887 maritime containers from one foreign port were placed on rail cars for delivery to cities in the continental United States.

At the time of our visit, this crossing had only a PPQ officer assigned. This officer had been given password access to U.S. Customs' Automated Manifest System, which would allow him to identify suspect rail cargoes by reviewing their cargo manifests. For maritime cargo, the manifests are

⁵ Safeguarding American Plant Resources, Stakeholder Review of the APHIS-PPQ Safeguarding System dated July 1, 1999.

available before the shipments arrive, and the PPQ officer can hold rail cargoes for inspection by notifying Customs.

We found that the PPQ officer did not use the Automated Manifest System to identify incoming rail cargoes for inspection, and in fact could not even remember his password to access the system when asked to demonstrate it. Both the PPQ officer and port director stated that because of the time needed to hold and inspect rail shipments, the PPQ officer assigned to this port could be more effective by concentrating on the road crossings.

Another major rail pathway involves Asian cargoes. We visited a major rail crossing and found that PPQ officers there had not been regularly assigned to read manifests and other pertinent documents and perform the initial inspections of the rail cargo. PPQ relies mainly on U.S. Customs for train referrals.

Without regular reviews of incoming manifests, PPQ officers could very easily miss incoming cargoes that might be considered high-risk. For instance, solid wood packing materials from China could enter through this pathway, and these materials have been found to harbor the Asian Longhorned Beetle.

Similarly, another border crossing had only a single PPQ officer assigned. This officer, whose primary responsibilities included inspections of vehicles and truck cargo, did not perform inspections of [] containers that entered in FY 2000.

Recognizing the need to supplement its inspection activities at the border crossings, PPQ's Central Region began an Inland Cargo Inspection Program in late FY 2000. In fiscal year 2001, five cities are included in this program: [] According to WADS data, these five ports performed 4,503 rail container inspections and cleared an additional 10,660 rail containers based on a review of shipping documents.

For those rail containers that were inspected at the five cities listed above, we noted an interception rate of 1.1 percent. This interception rate is significant when compared with the interception rates documented at eight major airports we visited during this same timeframe. Although the reportable pest interception rate for rail cargo is lower than the 3.8-percent interception rate documented for air cargo inspections, it is far higher than the 0.2-percent interception rate for air passengers.

PPQ officials at the various ports generally stated they needed more staffing. As noted under Finding No. 5 of this report, PPQ does not use the resource allocation models it has to help port managers determine appropriate staffing distributions among the various work activities at each port (such as air

passenger, air cargo, maritime, and rail). PPQ officials questioned the usefulness of these staffing models. However, considering that a single interception of rail cargo might yield several tons of agricultural product contaminated with unwanted pests or diseases, we concluded that APHIS needs to perform a staffing assessment that would allow agency officials to determine what percentage of its available personnel should be assigned to this area.

According to APHIS' Stakeholders Safeguarding Report, issued in 1999, rail shipments along one border were not adequately monitored and the pest risk for this pathway was unknown. It was not until FY 2001 that PPQ started to maintain records in the WADS to show the number of rail examinations performed. However, rail cargo is not an area covered by AQIM (see Finding No. 1 of this report), which is currently PPQ's only tool for assessing the relative risk associated with the various pathways by which pests, diseases, or smuggled items can enter the country. PPQ has taken positive action by instituting the Inland Rail Inspection System; however, not all rail cargo is subject to these inspections.

[

]. That most of these shipments are actually maritime cargoes means that these rail cargoes can originate in any country in the world.

Considering the volume of rail containers, PPQ should develop a monitoring standard and Headquarters should prepare a pest risk assessment on rail shipments.

**Recommendation
No. 16**

Include rail cargo in PPQ AQIM risk-assessment system to determine the relative degree of risk associated with this pathway.

Agency Response.

Agency officials agreed with the recommendation. A subgroup of the National AQIM Team was formed in September 2002 to plan, develop, and implement collection of data needed to assess the risk of the rail pathway. Implementation is scheduled for Spring 2003.

OIG Position.

We concur with APHIS' management decision. Final action can be reached when the risk-assessment procedures are actually extended to the rail pathway.

**Recommendation
No. 17**

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

Agency Response.

PPQ officials believed that better results could be obtained by using its resources to help develop Customs' new Automated Commercial Environment and International Trade Data Systems, which they believe will address many of the shortcomings which have been noted in the AMS system over the years. Such shortcomings include the fact that AMS [

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PPQ has completed its business case and system requirements for the new system. U.S. Customs plans to make the new systems operational within [].

OIG Position.

We concur that, based on the descriptions provided, the new system under development will be an improvement on AMS. We also concur with the fact that AMS possesses the noted drawbacks, which make it a less-than-ideal tool for identification of incoming, high-risk cargo.

However, until the new systems are operational, AMS remains the only automated tool available to PPQ officers for identifying high-risk rail cargoes. Even though not all border crossings are equipped to inspect rail shipments, those that have the ability to do so should be required to use AMS until the new systems are available. In addition, border crossings that do not have the capability to stop and inspect rail shipments could make use of AMS to identify high-risk shipments and forward this information to destination points which can, such as those cities designated for the Inland Cargo Inspection Program.

To reach a management decision on this recommendation, PPQ needs to provide us with the interim actions, including timeframes for implementation, which will be taken to identify high-risk cargoes until the new U.S. Customs automated systems are available

**Recommendation
No. 18**

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

Agency Response.

PPQ officials stated that in the short term, they are working on developing the Automated Tracking System (ATS) to set up rules that would automatically check bills of lading and entry data to ensure that all imported rail cargo is subject to selection for inspection. This could be done for any border crossing or inland site. Immediate action is being taken on this issue in the hiring of more PPQ officers over the next 2 years for inland and border sites; some of these will be designated for inspections of rail cargo. In the long term, the International Trade Data System under development for all government agencies is expected to be able to target and set up inspections for incoming high-risk rail cargoes.

OIG Position.

We concur with the corrective actions under development. To reach a management decision, PPQ needs to provide us with its timeframes for having the new ATS functions implemented as part of PPQ's system of rail cargo inspections.

Finding No. 10. APHIS Needs To Strengthen Its Monitoring Of Firms That Dispose Of Foreign Garbage

At 9 of the 13 air and sea ports of entry reviewed, PPQ did not effectively monitor the handling and disposal of foreign garbage by private firms—caterers, garbage haulers, and incinerator operators—operating under compliance agreements to prevent the introduction of pests and diseases into the United States. Specifically, PPQ did not monitor these firms on a monthly basis and did not ensure that equipment at these firms was functioning properly. Moreover, there was no standard surveillance checklist for PPQ inspectors to complete that included all aspects of animal disease exclusion activities. Ports generally responded that monitoring was deficient because there were few staffpersons assigned to this activity. Because garbage may contain pests and diseases, the proper control and disposal of the garbage is vital to keeping these agricultural hazards out of the United States.

The Airport and Maritime Operations Manual states that PPQ's role of controlling garbage is one of supervision. PPQ authorizes firms to handle and dispose of garbage through the use of compliance agreements. To ensure the firms meet the terms of the agreements, which reflect Federal requirements for garbage disposal, the operations manual requires PPQ

- to monitor all firms' operations at least once a month,
- to supervise the handling, collection, transportation, sterilization or incineration, and disposal of regulated garbage at maritime ports with approved facilities,
- to ensure that garbage is incinerated at a minimum temperature of 212 degrees for 30 minutes, and
- to supervise the recalibration of the sterilization temperature recording device twice a year.

We reviewed PPQ monitoring of garbage handling under 107 compliance agreements at 7 airports and 6 maritime ports. At four airports and five maritime ports, PPQ had either not monitored firms on a monthly basis, ensured that the equipment at these facilities was functioning properly, or developed a monitoring log to account for monitoring activities or maintain their consistency. Examples of the conditions noted were as follows:

- One maritime port had not monitored the handling and disposal of foreign garbage by private firms and had not observed the recalibration temperature recording devices on sterilizers used to dispose of garbage. Under its one compliance agreement with a steam sterilization facility, PPQ is required to verify the sterilizer's temperature using a thermocouple. We were unable to determine if the port met this requirement because no documentation was maintained. During the 8-month period October 2000 through May 2001, the port removed and disposed of over 85 tons of garbage from 58 vessels, but PPQ had no documentation to account for its monitoring of this disposal.
- During the period of February 2001 through March 2001, PPQ at another maritime port supervised the recalibration of sterilizers for the first time since 1998 for two facilities and since 1999 for one facility. In addition, this PPQ unit had not monitored the handling and disposal of over 71 tons of garbage from 146 vessels during the period October 2000 through May 2001.
- The PPQ unit at a large airport had compliance agreements with three caterers, one garbage hauler, and one facility for incinerating garbage. During fiscal year 2001, PPQ did not monitor the catering firms' garbage handling activities on a monthly basis. PPQ did not monitor the caterers' operation during 5 of the 12 months for two firms and during 6 of the 12 months for one firm. PPQ had not performed any monitoring visits to the garbage hauler to determine if the conditions in the compliance agreement were met. The incinerating facility, located in another city, was monitored three times by PPQ during FY 2001. A second waste hauler that transported foreign garbage from the airport received no monitoring because it had not entered into a compliance agreement with

PPQ, and PPQ management was unaware of its operation prior to our audit.

- Similar conditions were also noted at two more international airports, and at the two maritime ports. Although one of these had issued one firm a \$250 fine in July 2000 for using leaking containers, it did not document any monitoring. An official at another said monitoring visits were performed quarterly, not monthly. Inspectors at yet another airport said inspections were performed when compliance agreements were renewed.

PPQ officials stated that the lack of staff and resources prevented PPQ from performing the required monitoring of the firms' garbage handling activities. The supervisory PPQ inspector at one port said that the port did not have a compliance officer since 1998. Even though this port received three complaints that year about the same firm, PPQ did not resume monitoring until May 2001. Similarly, another PPQ office did no monitoring for the early months of FY 2001 and only resumed monitoring after the outbreak of Foot and Mouth Disease in Britain raised concerns about beef imports to this country. PPQ issued three violation letters to the garbage collection firms in May 2001.

We also noted that there was no standardized or uniform surveillance checklist for PPQ inspectors to complete that included all aspects of animal disease exclusion activities. The surveillance methods used by PPQ inspectors to document their monitoring reviews varied from port to port. For example, at one airport, PPQ inspectors used a detailed surveillance checklist, while inspectors at another airport used only a surveillance activity report. Inspectors at a third had no monitoring or surveillance logs at all. Inspectors at another did not start using a compliance log to document their monitoring of garbage handling and disposal until May 2001. Inspectors at another had developed a monitoring checklist, but did not always complete the checklists.

To ensure that all aspects of animal disease activities are included in PPQ monitoring visits, PPQ, assisted by the Veterinary Service, should develop a standardized and comprehensive monitoring checklist for PPQ inspectors to use when monitoring firms operating under compliance agreement.

Garbage arriving from outside of the United States ([]) is restricted to prevent the entry and dissemination of plant pests and animal diseases. Untreated garbage is a known pathway for animal diseases such as Foot and Mouth, hog cholera, and vesicular swine fever. Therefore, all firms handling foreign garbage need to enter into compliance agreements to meet PPQ standards, and PPQ needs to monitor the firms' performance in meeting those standards.

**Recommendation
No. 19**

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

Agency Response.

PPQ officials stated that they would consult with VS on the inclusion of additional items for monitoring activities. Further, a checklist will be developed for those activities that are currently stated in the Airport and Maritime Operations Manual but are not covered by PPQ Forms 288 or 252R.

OIG Position.

We concur with the proposed corrective actions. To reach a management decision, PPQ officials need to provide us with their timeframes for implementation of the agreed-to actions.

**Recommendation
No. 20**

Direct all PPQ units to enter into compliance agreements with all firms handling foreign garbage.

Agency Response.

Within the next 2 weeks, PPQ Headquarters will issue a memorandum to the field units specifying that any entity handling garbage must be either under a compliance agreement or directly supervised by PPQ. PPQ is developing a contract for the development of an electronic database that would provide template compliance agreements, and review and monitoring schedules. Within the next year, a risk assessment of airline garbage should be conducted to determine that this utilization of PPQ staff is appropriate for the level of risk.

OIG Position.

We agree with PPQ's actions, both taken and proposed, to ensure that compliance agreements are in place with all firms handling foreign garbage. To reach a management decision, PPQ officials need to provide us with timeframes for the preparation of the contract for the development of the electronic database and the implementation of the database.

**Recommendation
No. 21**

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

Agency Response.

PPQ officials stated that the memo being sent to field units referenced in the response to Recommendation No. 20 would also restate the requirements for monitoring and recalibration of sterilizer units.

OIG Position.

We accept APHIS' management decision. Final action would be concurrent with the issuance of the agreed-to policy memorandum.

Finding No. 11. APHIS Did Not Target Importers Whose Shipments Have Historically Posed the Greatest Risk

PPQ risk management procedures do not require inspectors at the ports to target cargo shipments by importers with a history of smuggling violations. As a result, the ports did not perform profile inspections of such shipments. We concluded that PPQ may have missed opportunities to intercept prohibited products or improperly manifested cargo from entering the United States.

APHIS' Smuggling, Interdiction, and Trade Compliance (SITC) Team maintains a database which identifies importers, shippers, and brokers that have a history of smuggling violations. The ports, which have access to this database, have the option of using it to select shipments for inspection or not to use it. PPQ officials at 6 airports and 2 border crossings did not use the database. At the time of our audit, the database identified 78 violators with a total of 97 smuggling violations. The database also identified nine violators with a prior history of smuggling violations. As cited in Finding No. 8, one of the violators continued to participate in a Line Release Program after being penalized \$5,000 for smuggling products into the United States using a greenhouse certificate. Although this firm had a history of smuggling violations and pest infested shipments, PPQ did not take action to prevent or limit the shipper's participation in the Line Release Program.

During April 2001, PPQ and the SITC team agreed to prepare a draft policy that would require PPQ to target for inspection those shipments from repeat violators. However, as of May 2002, the agency had not worked out the policy, and could not provide a time estimate of when this would be accomplished.

Recommendation No. 22

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

Agency Response.

PPQ officials stated that guidance would be provided to all PPQ ports to ensure that appropriate inspections are applied to high-risk cargo, including shipments from importers with a history of violations. This will be part of the uniform procedures that will ensure that all ports are devanning sampled cargo containers, and the guidance will be developed and distributed by June 2003.

OIG Position.

We accept APHIS' management decision. Final action would be completed when the agreed-to guidance has been distributed and new policy implemented.

Objective 4: WADS System

Finding No. 12. APHIS' System Of Measuring Inspection Activity Needs Improvement

We found that data on PPQ inspection activities, as recorded in the WADS, was incomplete and inaccurate. PPQ employees assigned to collect and input WADS information had often not received formal training on how to perform their duties, and thus did not fully understand the procedures and requirements associated with the system. In addition, the ports had not provided for second-party reviews or established adequate controls to ensure that data was being timely and accurately input, and neither PPQ Headquarters nor the regional offices provided supervision or oversight to ensure consistency between the ports. As a result, WADS information input at various ports was incorrect, lacked consistency, and could not always be verified due to a lack of source documentation. WADS data is used in making risk assessments, determining staffing needs, and reporting under the Government Performance and Results Act. Thus, inaccurate or unsubstantiated reporting of inspection activity in WADS can seriously impact PPQ's ability to operate its programs and assess the results of those operations. In all, our visits to 22 ports of entry disclosed that 19 had reported data that was either incorrect or unsubstantiated.

The WADS system was implemented by PPQ in 1985 to track work accomplishment activity and to assist APHIS Headquarters in planning work assignments. The WADS database includes a daily record of inspection activity, broken down by pathway (such as air or maritime passengers and cargo, trans-border vehicles or pedestrians, railway traffic, and international mail). In addition to recording inspection activity, the WADS system also tracks interceptions of prohibited products and records their disposition (i.e. re-exported, fumigated and released, destroyed, etc.). WADS identifies and tracks inspections and interceptions at the ports using 12 different program categories (e.g. Maritime, Airport, Land Border programs), as well as numerous codes to denote specific activities under each program category. Each port is responsible for collecting and entering information on the system; this information includes such data as the number of inspections performed and the number and type of pest interceptions. The system is also intended to track "universe" data on the total number of units (such as passengers, ships, planes, or vehicles) that entered the port, whether or not they were inspected. Each port transmits this data to the applicable PPQ regional office on a monthly basis. The regional offices, in turn, compile the data from their ports and forward this to the national WADS database maintained at PPQ Headquarters.

We found, however, that neither PPQ Headquarters nor the regional offices had provided oversight to ensure that the ports were entering data in an accurate, timely, or consistent manner. Our visits to 15 ports incorporating 22 worksites disclosed a number of variations in the way data was being interpreted for entry into the system, so that identical inspection activities performed at different ports could be recorded (and thus later interpreted) in different ways. Some ports failed to maintain documentation to substantiate the information entered into WADS, while others were unable to reconcile WADS data to source documentation. Also, since ports generally did not assign personnel to perform oversight functions such as second-party reviews, such errors were generally not discovered before being transmitted to the regional offices and Headquarters for inclusion in the nationwide WADS summaries. The problems we noted at the ports are summarized in the following paragraphs.

Lack of Consistent Methods in Compiling and Reporting Data

We found that ports were not always compiling, classifying, and entering WADS data in a consistent manner. Port officials generally attributed this to a lack of clear instructions on how to perform these functions; however, we also found that ports generally did not assign personnel to perform second-party or other supervisory reviews to ensure the accuracy or timeliness of the entered data. The following examples illustrate the incorrect procedures that led to errors in WADS reporting.

- Pest interceptions discovered in rail shipments were not always reported by PPQ personnel assigned to one airport. Over a 10-month period, we found that 8 out of 34 (24 percent) of the reportable pests found during rail inspection activities were not entered into the WADS system. A PPQ official stated that it was the policy at this port to report pest infestations in WADS only after the intercepted pests have been identified. However, because WADS information is transmitted to the regional office on a monthly basis, the port does not input to WADS any pest interception in which the pest is not identified during the same month as the original QMI. The PPQ official we interviewed acknowledged that because of this, the port was understating its reported interceptions in WADS. Other ports we visited were reporting intercepted pests in the month that it was identified.
- A port reported all bus and vehicle inspections under the category for "Vehicle Inspections," even though WADS includes a separate category for bus inspections. Because the port maintained no supporting records to distinguish inspections of passenger vehicles from busses once these had been entered into WADS, both categories incorrectly reflected the number of inspections performed as well as the number of related pest interceptions. PPQ officials admitted that they had incorrectly reported

bus and vehicle inspection activities and were not aware of this particular error until the time of our fieldwork. Neither the port director nor the PPQ technician who entered the information had realized that busses were supposed to be reported under a separate category.

- We checked eight line items from the February and March 2001 WADS reports for a maritime port and found that reports reflected incorrect information for two of the eight.

When entering data into the WADS system, PPQ personnel at the port understated the total number of passenger/crew arrivals in the WADS report by including only those who arrived on vessels that were actually boarded by PPQ officers. The WADS guidelines state that PPQ inspectors are to “report the number of passengers and/or crew disembarking from all vessel arrivals. These are passengers/crew subject to inspection.”

For the month of February 2001, PPQ inspectors at the port boarded only 120 (45 percent) of the 269 vessels that arrived in port. In WADS, the port reported a total of 25,519 passenger/crew arrivals, and 25,469 passenger/crew inspections. Based on this data, it appears that the PPQ inspected nearly 100 percent of the passengers and crew who arrived by ship for that month. However the “universe” of incoming passengers and crew that was reflected in WADS ignored those incoming on the other 149 vessels that PPQ inspectors did not board. Similarly, for March 2001, the WADS report showed that PPQ had inspected 35,865 passengers and crew out of 35,946 passengers who disembarked (99.8 percent). However, this figure did not reflect the fact that inspections had occurred on only 127 of 354 vessels (36 percent) during that month. APHIS had not obtained information on the number of passengers and crew who arrived on the uninspected vessels.

In addition, we found that the port understated the overall number of inspections performed by failing to report inspections of solid wood packing materials under the category “Regulated Maritime Cargo Inspections.” Although solid wood packing materials are often used in shipments of unregulated items, the WADS manual specifies that for WADS reporting purposes they are to be included in this category. Thus, for February 2001, the report showed only 249 (64 percent) of the 390 inspections that should have been reported, while for March 2001 WADS only reflected 202 inspections (66 percent) of the 306 inspections which should have been reported under this category.

The port director stated that WADS input was handled by a single PPQ technician, and this duty was rotated from time to time rather than having a single person assigned to this duty. In addition, the technician

inputting the WADS data continued to have other duties assigned. The technician assigned to WADS duty at any given time is provided no formal training, and has only the manuals to go by, along with any knowledge and information passed along by the person previously assigned to this duty. The port director believed that the problems we found could be attributed to these factors.

- PPQ inspectors at another port routinely used estimates when entering the number of cruise ship arrivals into WADS. The PPQ personnel responsible for inputting the data stated that this was done because they did not maintain the necessary documentation. Similarly, at a southern border crossing, PPQ personnel waited until the end of their shifts to fill in their activity logs, the source document from which the WADS data was input. Therefore, the WADS data was based on unreliable information.

Although some formal training had been provided to PPQ personnel who performed WADS duties, the ports we visited generally stated that there had been no recent formal training. Many of the PPQ inspectors responsible for WADS functions at the time of our field visits had inherited these duties from other employees, from whom they had received their training; as a result, some of these employees had received only minimal instruction in their duties. In other instances, employees performed WADS reporting functions on a part-time basis, and in addition to their regular inspection duties.

Lack of Controls Over Timeliness and Accuracy of WADS Entries

We found that ports generally had not implemented adequate controls to ensure that WADS data was input in a timely and accurate manner. This was due in large part to a lack of second-party or other supervisory reviews during the WADS input process. A PPQ Headquarters official informed us that there were no written policies requiring second-party reviews of WADS data. This same official stated that if the person inputting the information correctly used the code sheets provided, and if port officials reviewed the data before sending it to Headquarters, the data would be correct.

However, we found that port officials only conducted cursory reviews to determine whether input data appeared reasonable, not to verify its accuracy. And, as noted in the previous section, PPQ personnel at the ports often did not understand how to properly input data because of inadequate training and/or written instructions. The following examples illustrate the conditions we noted.

- We found that the PPQ office at an airport had been submitting WADS reports with incomplete data to the regional office over a period of

several years. The office had numerous bins containing nonperishable samples that had been seized as far back as 1996 but had never been analyzed. None of these had ever been reported as interceptions in WADS. A PPQ official attributed the backlog and the consequent failure to report the interceptions in WADS to several factors, including the lack of controls to ensure that the samples were timely analyzed and the results input to WADS. In all, we found that approximately 1,200 pest interceptions had never been analyzed and input into WADS.

- WADS reports for a land border crossing significantly understated the number of inspections and interceptions that were completed. For our initial review, we selected the inspection category “Interceptions – Plant Materials, Co-op,” which identifies interceptions of plant materials entering by truck. For this category, the workstation reported 176 interceptions for the month of February 2001; however, the WADS summary for the border crossing, which incorporates all inspection activity for the workstation, reflected none of these. We expanded our analysis and found that the border crossing had failed to report approximately 4,000 inspections performed at the workstation from November 2000 through March 2001. According to officials, this occurred because the workstation did not provide summary reports of their inspection activities on a timely basis, and PPQ officials at the border crossing never entered those workstation summary reports that were sent in late. During this 5-month period, the exclusion of the workstation data caused this border crossing’s reported inspections in this category to be understated by 43 percent. The workstation interceptions in this category totaled 642 for this period, and the failure to include them in WADS caused the reported interceptions for the border crossing to be understated by 31 percent.

Documentation Was Not Maintained To Support WADS Information

At four of the ports we visited, we found that PPQ did not maintain documentation on file to substantiate the information contained in WADS. In part, this occurred because managers did not assign specific responsibility for maintaining the source documents; in addition, the WADS manual contains no specific references to what documents should be retained, or for how long. In all, we found that 4 of the 15 ports we visited had either lost or disposed of documentation supporting information entered into the WADS system.

- For example, one port was unable to supply source data to substantiate the 674 phytosanitary certificates for incoming fruits and vegetables that had been entered into WADS for the month of February 2001. Similarly, we were unable to verify the reported 822 regulated cargo clearances for February 2001; the PPQ officer responsible for ensuring

the data stated that he had not kept documentation to show how the number was arrived at.

- For that same month, we were unable to verify the 1,579 plant product interceptions that were shown as having occurred during the month. We traced the reported interceptions to the PPQ Form 288 (Ship Inspection Report), but found only 663 interceptions reported there, a difference of 916 interceptions. The PPQ supervisor stated that it was not uncommon for the port to lose several of the 288 reports in a given month because no one person is assigned responsibility for overseeing them. In addition, the PPQ supervisor agreed that many of the numbers on the WADS summary did not represent actual inspections, but just daily averages. Because of the port's lack of controls, only 42 percent of the reported interceptions could be substantiated.
- The WADS report for an airport showed only 6 interceptions of reportable pests for February 2001, the PPQ Interception Report showed 14. Similarly, the March Interception Report showed 15 interceptions of reportable pests, but only 3 of these were carried forward into WADS. We asked PPQ officials the reason for this discrepancy, since the Interception Reports should have been the source documents from which the WADS information was input. PPQ officials could not explain why the two reports did not match, and stated that there was no reliable way that we could trace the numbers from the Interception Reports.
- A maritime port did not maintain supporting documents to substantiate the Reportable Pest Interceptions (totaling 26 in one month we reviewed and 19 in the other) reported in WADS. When we brought this to the attention of the port director, she agreed that there was a problem and amended the WADS data to reflect zero interceptions for each month. We also found that we could not reconcile the Interceptions of Reportable Pests or fumigations for the 4 months we reviewed, from March through June 2001. We discussed these discrepancies with the Port Director, and she again agreed that these should not be reported because of the lack of documentation. As a result, she revised the Reportable Interceptions in WADS.

A PPQ Headquarters official expressed his belief that by the time WADS information reached Headquarters, it would have been sufficiently reviewed to ensure its timeliness and accuracy. However, we found that even though PPQ Headquarters does from time to time conduct reviews at the ports, no documentation existed to show that WADS had ever been included in such reviews. Thus, Headquarters officials had little assurance that the ports were following procedures. In addition, we noted instances where the procedures themselves were not clear, such as in the area of record retention and documentation requirements. In our audit work at the regional offices, we

likewise found that the regions had not conducted adequate reviews to evaluate ports' systems for ensuring the accuracy of WADS information.

Unreliable data entered into WADS not only affects the ports and their workstations, but also becomes an unreliable planning tool for both the Regional and Headquarters offices. Since neither the workstations nor the Regional offices verify the data, the WADS reports that get transmitted from the workstations to the regions and then to the Headquarters offices contain the same errors and omissions. This data is the basis of risk assessments, staffing models, and AQI monitoring evaluations, as well as the reports filed under the Government Performance and Results Act.

**Recommendation
No. 23**

Require each port to institute a system of a second-party reviews to ensure the accuracy of WADS data entered into the system.

Agency Response.

Agency officials responded that the accuracy of WADS data is being addressed on various fronts. A contract was awarded to an information system company to develop a centralized system for data collecting and reporting. This contract also calls for the development of solutions for quality assurance and validation of port data. The Eastern and Western Regions developed Quality Assurance Data Management Plans to address various issues surrounding data quality.

OIG Position.

We agree with the agency actions to ensure the accuracy of WADS data. Before we can reach management decision, agency officials need to provide timeframes for the development of the centralized data system and implementation of the Eastern and Western Regions' Quality Assurance Data Management Plans to address the issues surrounding data quality.

**Recommendation
No. 24**

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

Agency Response.

A systematic approach to check operational data, such as WADS, has been developed and is currently used by all personnel conducting port, staffing, and AQIM review.

OIG Position.

We agree with APHIS' assessment that a systematic approach is needed to ensure the timeliness and accuracy of WADS data. To reach a management decision, APHIS officials need to provide sufficient additional information for us to evaluate the new system referenced in the response.

**Recommendation
No. 25**

Ensure that all PPQ personnel assigned to WADS duties at the ports have been provided with adequate training.

Agency Response.

The agency responded that as part of the port review process, personnel responsible for collecting and entering WADS data are provided training in data collection and submission. Once the centralized data collection and reporting tools are deployed, personnel will be trained and/or provided with materials on the use of the system. The train-the-trainer methodology will be used to implement the training.

OIG Position.

We agree with the agency's proposed actions to provide training to staff assigned WADS duties. Before we can reach management decision, the agency needs to provide timeframes for the implementation of the centralized data collection and reporting, the training of personnel on the use of the system, and train the trainer programs.

**Recommendation
No. 26**

Revise the WADS manual to provide better instructions to PPQ personnel at the ports regarding the retention, collection and input of data.

Agency Response.

The agency agreed with the recommendation and stated that detailed user documentation on all aspects of data handling from input to collection to retention is one of the tasks of the centralized system for the data collection and reporting contract. Comments from the ports will be used to enhance the new WADS manual.

OIG Position.

We agree with the agency's efforts to provide better instructions to PPQ personnel regarding retention, collection, and input of data. Before we can reach management decision, the agency needs to provide timeframes for the implementation of the centralized system and development of the new WADS manual.

Objective 5: T&E Shipments

Finding No. 13. PPQ Needs To Establish Control Over Transportation And Exportation Shipments

PPQ did not adequately track Transportation and Exportation (T&E) shipments from the time they entered the country to the time they left, and did not always follow up on shipments that were not recorded as leaving the country. T&E shipments consist of cargo that arrives at a U.S. port with an ultimate destination of either Canada or Mexico. Normally, T&E shipments consist of fresh fruits and vegetables that are known hosts for harmful pests such as fruit flies. Because these shipments are destined for further exportation, they are allowed to cross the country under conditions outlined in the broker's permit, including a limited time for transit. APHIS failed to implement recommendations from a prior audit that would have ensured adequate tracking of T&E shipments. During this audit, we found similar conditions, in that 3,714 of 3,962 T&E shipments entering the country through 6 ports of entry could not be accounted for as having left the country. Many more did not leave in a timely manner, raising a question of whether the cargoes that actually left were the same as those that entered.

7 CFR 352.10 (b) (1) states that prohibited and restricted cargo must be exported immediately—that is, the shortest interval of time required to transfer the product from the United States commensurate with the risk of plant pest dissemination. The T&E exit time varies based on the amount of time it would take the shipment to get from the port of entry to the port of exit, which is specified on the permit. For example for a shipment of mangoes entering the country at Laredo, Texas, and exiting at Detroit, Michigan, the shortest interval of time denoted on the permit was 7 days. T&E guidance issued in October 1998 requires that the port of entry track the T&E shipments. The Transit Methods and Procedures, issued May 28, 1998, state that documentation notifying PPQ of entry and exit will be required for all transit shipments. However, the regulations are silent on the method PPQ is to follow to ensure the immediate export of T&E shipments.

In a prior audit issued in August 1999 (Report No. 33099-3-Ch), we found that APHIS did not have adequate controls to verify that T&E shipments did in fact leave the country as required. Specifically, we found that 199 T&E shipments (11 percent of those entering the country between April and November 1998) could not be accounted for at the designated ports of exit. APHIS response to this audit stated, in part, that APHIS officials at both Southern and Northern border ports will;

1. form working groups to ensure that both parties are properly notified of all T&E shipments enroute to their border crossings,

2. implement proper notification and tracking procedures for all T&E shipments, and
3. take follow-up actions on overdue or missing T&E shipments.

Our review of T&E shipments disclosed that PPQ had not established adequate tracking systems to ensure the shipments exited the United States within the required time periods. We found during our current audit that APHIS had not made any substantive improvements. APHIS had not established a uniform, tracking system for use by all ports, and it had not established procedures to be followed by the ports of entry and ports of exit. Moreover, the agency had not performed oversight to ensure that ports were taking appropriate followup action to ascertain the status of missing shipments, or to refer cases to Investigative and Enforcement Services (IES), for appropriate enforcement actions against shippers who do not follow program requirements.

We judgmentally selected six ports of entry that received T&E shipments. During a period of September 2000 through February 2001, 4 of the 6 ports of entry received a total of 3,895 T&E shipments.⁶ The other two ports of entry received 67 shipments during a period of February 2001 through July 2001. APHIS was unable to provide documentation confirming the exit of 3,714 of these shipments, or 94 percent of the total number.

PPQ began tracking T&E shipments in certain locations in October 2000. Other ports of entry did not have tracking systems in place.

As in our August 1999 audit, we found that PPQ officials at the ports were unclear as to whose responsibility it was to track and reconcile T&E shipments. At each port, PPQ officials neglected to take responsibility for tracking the T&E shipments. According to the T&E guidance issued in 1998, monitoring of T&E shipments will be conducted at the port of entry.

T&E Shipments at Two Eastern Ports of Entry

A total of 3,657 T&E shipments entered the country through two airports to exit through the U.S.- Canada border. The T&E permits issued by one airport PPQ work unit allowed 2 days for the shipments to exit the country through the land border crossings. The T&E permits issued by the other PPQ work unit allowed 7 days for the shipments to exit the country through a border crossing.

Of the 3,657 T & E shipments, 3,464 originated at one airport. However, PPQ officials at the airport and at the port of exit could not provide us with documentation that would show that these shipments actually left the

⁶ This total includes an additional 49 shipments we reviewed between April and July 2001 in one port.

country. PPQ officials at the port of exit stated that they do not track or attempt to reconcile T&E shipments that exit at their port. The PPQ officials stated that they relied on Customs' computerized bonding system to track T&E shipments. However, these officials indicated that they could not recall when a Customs official ever notified them about a missing shipment.

For the remaining 193 of the 3,657 T&E shipments, which originated in another port of entry, the PPQ Unit was unable to provide us with exit dates for the shipments designated to exit the country. The port of entry faxed the information on the 193 shipments to the port of exit, but this PPQ unit did not use the data to track the status of the shipments or to ensure that all the T&E's were in fact accounted for. Officials at the port of arrival stated that they do not track T&E shipments once they leave the port. These officials stated that once the T&E shipments are sealed and the information faxed to the port of exit, it becomes the port of exit's responsibility to ensure that the shipments leave the country.

Because we obtained our sample of 193 T&E shipments from the port of exit, there is no assurance that the port of arrival was sending all T&E data to the port of exit, or that PPQ was aware of the total number of T&E's that were to leave the country. The 7-day period allowed by the PPQ unit for shipments to leave the country is excessive when compared to T&E permits issued by the two other units which allowed 7 days and 2 days, respectively for shipments to exit the country.

Arrivals at One Land Border Crossing

We reviewed 115 T&E shipments originating at a land border crossing during the period September 1, 2000, through February 28, 2001. Since the import permits applicable to these loads required exportation within 7 days, all the shipments reviewed should have been exported no later than March 7, 2001. However, we identified 21 shipments for which PPQ had no evidence of export. Four of the 21 shipments arrived as early as October 2000. PPQ did not initiate a reconciliation process until April 2001 and did not contact the broker until May 11, 2001. As of August 8, 2001, PPQ still had not received documentation from the broker for 7 of the 21 shipments. A PPQ official stated that they planned to refer these shipments to IES, only after we questioned the delay in referral.

PPQ port officials stated that prior to April 2001 they had not been monitoring T&E shipments to determine if the shipments had been exported because the port lacked staffing and because PPQ had issued no guidance concerning the reconciliation of T&E shipments. Tracking began in March 2001 with the initiation of a pilot program at the border crossing. PPQ officials stated that the pilot program was designed to put the ports on-line and track T&E shipments electronically.

The electronic tracking system was to assist PPQ personnel in monitoring the status of T&E shipments and taking action on shipments that do not exit the country within timeframes provided for in their permits. However, the system was not effective because its data was not updated in a timely manner. We judgmentally reviewed 49 T&E shipments to determine their status as of our review date of August 8, 2001. As of that date, the system disclosed that only 17 (35%) of the 49 shipments had exited the country in a timely manner, the system contained no entries to show the status of the remaining 32 shipments. As of our review date, these shipments had exceeded the 7-day limit to exit the country by periods ranging from 9 to 103 days. PPQ personnel had not followed up on these missing shipments and could not tell us whether they had in fact exited the country. Through an independent review of U.S. Customs tracking system, we were able to confirm that 13 of the 32 shipments had exited the United States within the required 7-day timeframe. However, PPQ was unable to provide support for the remaining 19 shipments.

We questioned APHIS officials about the delinquencies, and they stated that they have a large backlog. PPQ officials stated that the port of exit was responsible for entering the exit information for the shipments, but because the port of exit had not been doing this, a PPQ officer had been detailed from the port of entry to where he discovered the backlog. PPQ officials also admitted that they do not often enter the T&E shipments into the system right away.

As of August 13, 2001, we determined that 30 of the 49 shipments had actually left the country. PPQ officials could not determine the actual date PPQ entered the closing dates into the system.

Midwest Port of Entry

One Midwest port of entry did not track T&E shipments. T&E shipments that enter through this port are normally taken off an airplane under seal, loaded on a truck, and the shipped out of the country. We obtained a list of 74 T&E shipments that entered the country through this port during a period of September 2000 through February 2001. PPQ officials stated that records showing that the shipments had left were probably at the port of exit. We judgmentally selected 30 of the 74 shipments and found that PPQ could not provide evidence that 12 of these shipments left the country. For four other cases, PPQ records did not show the shipments left the country although airline records reported the shipments left the country. The T&E permits issued by the port of arrival did not specify timeframes for the shipments to exit the country. Without established timeframes, PPQ cannot readily determine if the T&E shipment left the country in a timely manner.

According to PPQ officials, there is no written guidance stating how shipments should be tracked. In practice, the port of arrival notifies PPQ at the port of exit via fax, this port will in turn call the port of arrival to check on any shipment that does not reach them in a few days. The port of arrival will then contact the airlines to determine if the shipments actually left the country. This information is all communicated verbally, with no documentation kept.

Western Maritime Units

Two maritime units did not start to track T&E shipments until October 2000. For a period of February 1, 2001, through July 2001, we identified 67 T&E shipments of primarily fresh fruits and vegetables that entered the United States. For 19 of the 67 shipments PPQ had no information to show that the shipments exited the country within the required 6-hour period through the designated land border crossing. According to PPQ, there was no documentation because the shipping line did not adhere to the conditions prescribed in the T&E permit. During the audit PPQ followed through and obtained information to show that all but 1 of the 19 shipments exited the country. For nine T&E shipments, the shipments did not exit the country within the 6-hour period as required by the T&E permits. The delays ranged from 1 to 15 days.

PPQ plans to expand its pilot program to allow ports along the Southern border and some ports on the Northern border to access the central data base and track T&E shipments. PPQ plans to have all the ports tracking T&E shipments on line, within the near future. However, other ports are tracking T&E shipments manually through a review of the manifest.

We concluded that APHIS needs to establish uniform procedures for monitoring and reconciling T&E Shipments. These procedures should require ports of entry and exit to coordinate their efforts to monitor and reconcile the shipments. APHIS should also ensure that the procedures address overdue or missing shipments and establish a timeframe for referrals of shipments to IES.

Recommendation No. 27

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

Agency Position.

PPQ agreed with the recommendation, and stated that a draft of new guidelines for T&E work was completed in August 2002 and is in the

comment phase. These will include additional use of SITC and IES for noncompliance. These guidelines, and a new T&E tracking database, will be implemented by mid-2003.

OIG Position.

We concur with the plan for increased emphasis on the use of IES and SITC in cases of noncompliance, but need clarification on how the problem with timeliness of referrals will be addressed. In addition, the response did not specifically address the lack of coordination between entry and exit ports, or the need for reconciliation of incoming and outgoing shipments to identify those that fail to exit the country on a timely basis. To reach a management decision on this recommendation, APHIS officials need to clarify how these conditions will be corrected and provide timeframes for the implementation of corrective measures.

**Recommendation
No. 28**

Direct all work units to include, in each T&E permit, reasonable time restrictions within which the shipment must exit the country based on the distance between the ports of entry and exit.

Agency Position.

PPQ officials agreed that reasonable time limits should be listed on all T&E permits, but believed that ports should have the discretion to establish reasonable time limits based on their particular circumstances. In one case, for example, PPQ noted that containerized cargo discharged from a seagoing vessel might remain in the port for a period of days before being moved due to the shortage of trucks to haul the containers. Overall, PPQ believes that 7 days is a reasonable timeframe but will immediately begin monitoring the ports for any T&E shipments that remain beyond 7 days.

OIG Position.

The port mentioned in the response was not the only one at which we found deficiencies; at one port, for example, permits were being issued with no timeframes for exit at all. Even within a single port, different time restrictions for exit might be appropriate based on the circumstances surrounding individual shipments. We agree with PPQ's decision to monitor ports and review their permits to ensure that reasonable timeframes are included, however, and concur with PPQ's management decision. Final action can be reached when the agency provides documentation that the review process has been implemented.

**Recommendation
No. 29**

Reconcile T&E shipments at all ports to account for shipments that entered the country for which records do not reflect reexportation.

Agency Position.

PPQ officials agreed that this should be taking place at all ports, and stated that within 2-3 years this could be done more accurately and at lower cost through the use of electronic means such as radio frequency and other tracking systems. PPQ is working on these systems in conjunction with the U.S. Department of Transportation, and they are expected to be ready for testing by 2004.

OIG Position.

We still believe that interim measures are needed to provide adequate controls until the new electronic tracking devices can be placed into service, since these will not be available for nearly 3 years. The new guidelines and tracking system referenced in the response to Recommendation No. 27 may provide the necessary controls, but to reach management decision on this recommendation APHIS officials need to provide us with a description of the procedures and controls that will be in place to track T&E shipments until the electronic tracking systems are implemented.

Objective 6: Background Checks

Finding No. 14 APHIS' Employee Background Checks Not Timely Made

APHIS did not complete criminal history record checks in accordance with Federal Aviation Administration (FAA) requirements. APHIS hiring policies for employees assigned to work in secure areas of commercial airports did not ensure proper background checks. FAA regulations currently require that criminal history record checks be completed on all personnel assigned to secure areas of major commercial airports within a maximum of 45 days of their beginning work. In contrast, criminal history checks of newly hired APHIS inspectors were often not even initiated within 45 days. In addition, APHIS does not perform background checks on temporary employees. The newly hired and temporary employees had access to aircraft and airport operation areas before background checks were completed. As a result, employees whose backgrounds are unknown to APHIS have access to aircraft in violation of FAA security procedures.

Title 49 USC Sec. 44936 requires that a criminal history record check be conducted for each individual employee in, or applying for, a position in which the individual has unescorted access to aircraft and secured areas of airports. A special transitional rule (Public Law 106-528, dated November 22, 2000) allows an employee to be given access to secure areas for a period of up to 45 days before the results of the criminal history record check are completed, provided that the request for the check has been submitted to the appropriate Federal agency and the employment investigation has been successfully completed. Neither of these citations differentiates between fulltime or temporary employees. However, we determined that APHIS procedures did not follow this requirement.

APHIS had hired over 1,100 new personnel within the last year, and only 12 percent of those we sampled had had criminal history record checks completed as of October 24, 2001. According to an FAA official, the FAA requires a fingerprint and criminal history check to be initiated by the FBI before employees assume their duties at commercial airports that would grant them unescorted access to secure areas. APHIS performs a National Agency Check and Inquiry (NACI) for officers and technicians, but not until after the employee has been working at his or her assignment, which includes having access to secure areas of the airports. We found that PPQ officers also receive a comprehensive background check (which can take up to 9 months to complete) in addition to the NACI check; PPQ technicians receive NACI checks only; and temporary employees receive no background checks, even though all three positions are given the same access to secure areas in the airports. Airport officials indicated that they did not perform any background checks on APHIS employees because they relied on APHIS to do so.

We issued a Management Alert to APHIS on December 7, 2001. In response to the Management Alert, APHIS agreed to several actions.

**Recommendation
No. 30**

Immediately identify all employees who do not have at least a satisfactorily completed NACI background check. Take immediate interim measures, as needed, to ensure that such employees are not assigned to positions that allow them access to secure areas at facilities such as commercial airports and military bases.

Agency Response.

APHIS officials stated that they have completed a review of the NACI status of all employees as of December 31, 2001. The results were provided to Regional and Port Directors, as well as supervisory personnel at commercial airports. These officials were instructed to take immediate action to ensure that employees lacking a completed NACI check were not to have unescorted access to secure airport areas.

OIG Position.

We concur with APHIS' management decision. Final action can be reached when APHIS provides the necessary documentation to OCFO to show that the APHIS personnel at the commercial airports have implemented the agreed-to actions.

**Recommendation
No. 31**

Immediately notify the FAA that, contrary to information contained in the memo sent to that agency on October 5, 2001, NACI background checks are not being performed on inspection employees at the time they are employed by APHIS. In addition, coordinate with the FAA on this issue so that appropriate decisions can be made regarding the level of security clearance granted to employees for whom background checks have not yet been completed.

Agency Response.

APHIS officials agreed to draft a letter to replace the one sent to the FAA on October 5, 2001, to ensure that FAA officials had accurate information as to the status of PPQ's efforts to complete NACI checks on its employees assigned to secure areas of airports.

OIG Position

We agree with the corrective action specified. To reach management decision, APHIS needs to clarify that the proposed letter to the FAA has actually been sent.

**Recommendation
No. 32**

Amend APHIS' hiring policies to include pre-employment NACI or other basic background checks for all inspection employees assigned to airports or other secure locations.

Agency Response.

In its earlier response to the Management Alert, APHIS officials agreed to amend their hiring policies to include a pre-employment check for all employees requiring unescorted access at commercial airports. In the response to the official draft report, they stated that the amended policy was implemented in September 2002. The preliminary NACI check is intended as a supplement to the full background investigation, which is completed after appointment. Unescorted access to secure areas of airports is granted only after completion of the full NACI check.

OIG Position.

We accept APHIS' management decision, and believe that this should be sufficient for final action as well.

**Recommendation
No. 33**

Immediately develop and implement a tracking system to follow-up on all cases where employees do not properly complete and return security forms needed to initiate NACI checks within a reasonable timeframe.

Agency Response.

APHIS agreed to use the existing Security Entry Tracking System (SETS) automated database to track the status of all pending security clearance requests in the agency to ensure timely completion. They stated that they are working with OCPM on training agency employees on the accurate completion of the forms needed for clearance to reduce the error and return rates of these forms.

OIG Position.

To reach management decision on this recommendation, APHIS needs to provide us with its timeframes for implementing the tracking system.

Objective 7: GPRA Reporting

Finding No. 15. APHIS' FY 2000 GPRA Report Was Not Adequately Supported

APHIS' system for compiling data in support of its FY 2000 annual report under the Government Performance and Results Act (GPRA) did not result in accurate information being presented in the report. The agency derives its GPRA information from AQIM activities and the WADS database, both of which we found to be inaccurate or incomplete (See Findings Nos. 2 and 12). APHIS' performance indicators did not provide complete measurements of the effectiveness of the PPQ inspection programs. In addition, APHIS did not have controls to verify the accuracy of the information before it was reported under GPRA. As a result, management decisions based on any of the three GPRA performance indicators covered in our audit were without foundation.

The purpose of GPRA is to improve the efficiency and effectiveness of Federal programs by setting goals for program performance and by measuring the results of agency activity toward those goals. The annual GPRA program performance report provides feedback to managers, policymakers, and the public by comparing the annual goals to the actual achievement.

One of the purposes of PPQ's AQIM program (discussed under Objective 1) is to generate the necessary statistics for GPRA reports. AQIM uses statistical sampling to collect information about agriculture-related products imported into the country. The results of these statistical samples are projected over the total "universe" of agricultural imports to estimate the percentage of incoming cargo shipments that contain pests or items prohibited for import into the United States. The "compliance rates" quoted in the three performance measures included in APHIS' GPRA report are based on these percentages. For instance, if AQIM estimates that 2 percent of incoming air cargo contains pests or diseases, it would report a compliance rate of 98 percent for this performance measure.

The WADS system (discussed in Finding No. 12) records the number of inspections performed by APHIS personnel at the borders and ports-of-arrival, as well as the results of those inspections. WADS data is used to calculate the "additional compliance rate," which represents the percentage of inspections that resulted in incoming shipments being brought into compliance by fumigation or other means. The additional compliance rate is added to the AQIM-based compliance rate to determine the overall compliance rate reflected in the GPRA reports.

We performed reviews of all three of the performance indicators used in APHIS' FY 2000 GPRA report that relate to PPQ's border and port

inspections. These three indicators measure the compliance rates at U.S. borders for (1) international air passengers, (2) border vehicles, and (3) cargo (sea and air). We found deficiencies with all three indicators, as described below.

a. Performance Indicators Did Not Measure Inspection Activities

The use of compliance rates to measure PPQ's performance did not provide a reliable measurement of PPQ's effectiveness in excluding agricultural pests and diseases from the United States for two of the three performance indicators—air passengers and border vehicles. As noted on the previous page, the compliance rates reported for these performance indicators consist of two elements: (1) the AQIM compliance rate, which reflects the percentage of incoming shipments that the agency's AQIM studies indicate to be free of prohibited pests, and (2) the agency's actual interception rates, derived from the WADS reports. To obtain the "overall compliance rate," APHIS adds these two figures together. APHIS is in effect saying that the combined percentages of estimated pest-free shipments and actual pest-intercepted shipments reveal how well those shipments are complying with APHIS regulations and consequently how well PPQ is performing.

PPQ's performance would more accurately be measured by determining the "performance gap" between the statistically projected interception rate determined by AQIM activities and the actual interception rate recorded in WADS. One of the primary stated purposes of AQIM is to evaluate the effectiveness of PPQ's existing inspection programs (serve as a quality control program), the same information that should be reported under GPRA. Such determinations can only be made, however, by comparing the statistically projected estimates of approaching shipments containing pests or diseases to the actual pest interception rates reflected in WADS. In other words, PPQ's performance is realistically measured by the number of infected shipments it identifies compared to the number of infested shipments it should identify. If the QMI rate reflected in WADS is lower than the rate computed under AQIM, it indicates that PPQ's current inspection methods are not identifying all incoming shipments that contain unwanted pests or diseases.

PPQ's analysis of the FY 2000 AQIM results measured the performance "gaps" for air passenger baggage and for border vehicles. For air passenger baggage, AQIM estimated an approach rate of 5.9 percent as compared to an actual QMI rate (from WADS) of 1.5 percent. Based on these percentages, PPQ estimated that its inspectors at the airports had missed over 2.5 million QMI's during FY 2000. Likewise, the AQIM results for incoming motor vehicles disclosed an estimated approach rate of 2.8 percent and an actual interception rate of only 0.2 percent. Based

on this comparison, PPQ estimated that its inspectors missed 91.7 percent (approximately 2.3 million) of the potential QMI's for motor vehicles entering the United States. PPQ did not make similar comparisons for cargo.

According to an APHIS official, these “gaps” in performance were not used as the basis of the agency’s GPRA reporting because they would have been too confusing for readers to understand. However, we concluded that the addition of the performance gaps to the compliance rates in the Annual Performance Report would provide a more complete picture of PPQ’s performance in preventing pests and diseases from entering the United States.

b. The Annual Report Provided Misleading Performance Indicators

The FY 2000 and 2001 Annual Performance Plans and the 2000 Annual Performance Report did not fully disclose the procedures used in calculating the compliance rates that reported PPQ’s performance under GPRA. The compliance rates reported for international air travelers, border vehicles, and cargo (sea and air) were reported as having been statistically derived, but included non-statistical adjustments that were not disclosed in the report.

The FY 2000 performance report showed the following targeted and actual compliance rates for that fiscal year:

Figure 5: Targeted and Actual Compliance Rates Reported in the FY 2000 GPRA Report.

Pathway	FY 2000 Target Rate	FY 2000 Actual Rate
International Air Passengers	95.4%	95.2%
Border Vehicles	97.1%	97.1%
Cargo	96.5%	97.3%

The wording contained in the report clearly indicates that all of the information used to compute these compliance rates was statistically derived. The report states that, “It is important to note that compliance rates are based on statistical sampling; the margin of error is +/- 0.5 percent. The actual performance results, which are listed in the table above, are the midpoint of the range. The data used to measure the performance goal are collected through Plant Protection and Quarantine (PPQ) AQI Monitoring activities.”

In actuality, the statistical midpoint of the compliance rate for international air passengers, based on AQIM data, was only 93.8 percent. However, an upward adjustment of 1.4 percent was made to reflect the

percentage of inspections recorded in WADS that resulted in interceptions of prohibited items. The explanation in the GPRA report, noted above, makes no mention of the inclusion of this non-statistical data. Similar adjustments were made to the compliance rate for border vehicles, in which the AQIM projected midpoint compliance rate of 96.9 percent was increased by the 0.2 percent actual QMI rate derived from the WADS reports.

The APHIS statistician believed that the method used to compute the compliance rates was valid. Our statistician concluded that the direct combination of statistical and non-statistical information would not result in valid conclusions regarding the overall compliance rates. Moreover, because the performance report provides misinformation about the derivation of the data, the reader is not given the opportunity to arrive at his/her own conclusion about its validity.

PPQ based the reported compliance rate for cargo (sea and air) on a somewhat different computation, using the AQIM-projected midpoint compliance rate of 95.6 percent and adjusting this by the number of shipments per WADS that were made “enterable” through fumigation or other means. (According to the FY 2000 WADS report, 1.7 percent of cargo shipments inspected by PPQ needed fumigation.) APHIS officials’ rationale for this adjustment was that the fumigations brought the shipments into compliance, thus increasing the overall compliance rate. While this methodology appears more logical than that used to compute the overall compliance rates for air passengers and border vehicles, it still represents the direct combination of statistical and non-statistical data, a fact not disclosed anywhere in the GPRA report.

c. AQIM Data Was Unreliable

As noted in Finding No. 2 of this report, AQIM inspections were not always performed according to the requirements of the statistical sampling plans provided to the ports by PPQ Headquarters. Examples of this are noted below.

Projections were made from non-statistical samples. We visited three maritime ports and three airports that were included in APHIS’ GPRA sample. We found that 365 of 2,993 AQIM inspections identified in the FY 2000 summary report of AQIM activities were not randomly selected. Overall five of the six ports we visited that were included in APHIS’ GPRA-reporting process were not selecting AQIM samples in a statistical manner, as required by Chapter 2 of the AQIM Handbook.

Reported data was not always based on comprehensive inspections. PPQ inspectors did not always inspect samples that could be considered representative of the incoming shipments. For example, of

57 worksheets we reviewed from AQIM inspections at one port that required statistical sampling, only 30 showed that the samples were actually selected from a hypergeometric table—a system that determines the number of boxes that will constitute a representative, statistical sample from a container. Of the other 27 inspections, 14 did not document any selection method, and 13 were recorded as being “100 percent inspections.” However, according to the port director, in some of these instances the inspectors were merely “walking around the boxes” when they documented that 100-percent inspections had been performed. Therefore, we believe that there is little assurance that these shipments were properly inspected.

Sample sizes were smaller than required. As noted in Finding No. 2, ports routinely selected fewer shipments for AQIM inspection than the numbers required in the statistical sampling plan. This occurred at five of the six ports we visited. Although this by itself would not necessarily cause statistical projections to be inaccurate, it could be a contributing factor when combined with the other sampling problems noted above.

d. Scope Limitations Resulted in Misleading Reporting

The GPRA compliance rate for border vehicles, 97.1 percent, was based entirely on information reported from the U.S.-Mexico border and completely excluded AQIM and WADS information from the U.S.-Canadian border. APHIS’ National AQIM Coordinator stated that only 4 of the 10 Northern border ports operating AQIM vehicle programs were consistently reporting their results. The coordinator did not believe that this was representative of the entire Northern border or that he had sufficient control over the ports to get the information; thus, the Northern border data was not used for GPRA.

We concluded that this exclusion makes the reported compliance rate largely meaningless, since the Northern border accounted for an estimated 29 percent of the total vehicle traffic entering the United States in FY 2000. In addition, because of the considerable differences in the inspection programs being operated on the two borders, the compliance rate at one border would not necessarily reflect the rate at the other border. The FY 2000 GPRA report did not indicate that the reported compliance rate of 97.1 percent was only representative of one of the Nation’s borders.

In addition, the GPRA report did not fully describe the components of the cargo compliance rate. The report shows a 97.3 percent compliance rate based on maritime and air cargo inspections. However, through our review of the supporting documentation, we found that the reported cargo compliance rate also included land cargo inspections. Thus the

reader is once again misled because he/she will assume the compliance rate of 97.3 only represents maritime and air cargo inspections.

e. Cargo Compliance Rates Did Not Include Rail Cargo

None of the three performance indicators reflect incoming rail cargoes, since these are not covered under AQIM.

We concluded that APHIS' GPRA report did not credibly reflect agency accomplishments because the agency did not use methodology that provided realistic assessments of its success rates in preventing the entry of prohibited pests and diseases into the country. In addition, PPQ did not have adequate procedures to ensure that the data it used to prepare the reports was either complete or valid. According to APHIS officials, 16 different people calculate the 3 performance indicators we reviewed. However, APHIS does not have written GPRA reporting procedures for the indicators and does not maintain written instructions on how these indicators are calculated. Furthermore, APHIS' annual performance plan does not describe the procedures the agency should use to verify and validate the AQIM and WADS performance data. According to APHIS officials, verification of the information shown in the APHIS annual report is not performed at the Headquarters level. The GPRA staff performs a spot check of the data to ensure its reasonableness but not its accuracy. Officials agreed that because of this limited review only significant discrepancies would be noticed.

In some cases, validation of the data would not be possible under the inspection system we observed. For example, at one port, one of every six inspection worksheets we examined failed to document how the samples were selected. Also, in cases where PPQ officers walked around boxes and still indicated a 100-percent inspection, the number of boxes actually inspected would be in dispute. In all of these cases, it would be impossible after the fact to determine how many boxes the inspectors had actually examined, or whether that number would have equaled the number required had the hypergeometric tables been used.

We concluded that APHIS personnel responsible for preparing the GPRA reports need to take steps to ensure that future reports fairly and accurately present the results of PPQ's performance. These would include written procedures and controls over how to collect, calculate, and report the data; and how to verify and validate the data to ensure that information collected for use in the GPRA report is reasonably accurate. In addition, APHIS needs to ensure that compliance rates are based on information that presents a fair and accurate representation of APHIS' inspection operations, and that any scope limitations are disclosed in the report.

**Recommendation
No. 34**

Notify the Department and congressional offices that the FY 2000 and 2001 Annual Performance Reports are seriously deficient and should not be relied upon. Prepare a plan to accurately report in the FY 2003 Annual Performance Report.

Agency Response.

Agency officials responded that they were in the process of reviewing and revising their performance measures and indicators and are developing a new APHIS strategic plan.

OIG Position.

We agree with the agency's response to the recommendation. Before we can reach management decision, the agency needs to provide timeframes for the development of new performance measures and indicators for the FY 2003 Annual Performance Report.

**Recommendation
No. 35**

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

Agency Response.

Agency officials disagreed with the recommendation to include, in the annual performance report, the performance gaps between the actual approach rates and the AQIM estimated approach rates as performance indicators. They stated that compliance rates and customer satisfaction are external performance measures that should be reported to Congress annually, while the performance gaps between estimated and actual approach rates are internal performance indicators for use by agency officials. They also stated that performance gaps should not be used for GPRA reporting because they can be misleading for various reasons cited in the response.

OIG Position.

We agree that compliance rates and customer satisfaction are important performance indicators and should be included in the annual performance report. However; we also believe that the agency's performance in intercepting prohibited product - as demonstrated by the gaps between AQIM approach rates and actual approach rates recorded in WADS - is an important performance indicator which cannot be ignored in the GPRA reporting process. In fact, compliance rates that are computed without reference to these performance gaps cannot be either accurate or meaningful.

If agency officials believe that the performance gaps as currently presented are misleading, then the agency should review its methods of computing the gaps rather than simply excluding them from the process of determining compliance rates. To reach a management decision, APHIS officials need to provide us with a plan to take these important performance indicators into account in upcoming reports.

**Recommendation
No. 36**

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

Agency Response.

The agency's response stated that many internal controls are in place to provide guidance for the collection and reporting of performance data. This included data quality checks for WADS, and a national AQIM handbook that is available to all port offices. The response stated further that new and revised procedures and policies will soon be implemented to improve internal controls over data sources and data quality.

OIG Position.

The internal controls in place did not provide accurate and reliable WADS and AQIM data, as discussed throughout this report. We agree with the agency's actions to implement new and revised procedures and policies to improve internal controls over data sources and quality. Before we can reach management decision, the agency needs to describe the new procedures and policies that will improve internal controls over the collection, calculation, and reporting of performance data included in the Annual Performance Reports. The agency also needs to provide timeframes for the implementation of the new and revised procedures and policies.

**Recommendation
No. 37**

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

Agency Response.

The agency agreed that there were minor omissions in the annual reports. The agency stated that rail cargo was not included because the pathway had not been monitored in the past. Also it was never APHIS' intent to report compliance on the Northern border. The agency acknowledged the minor omissions and will clarify these points in future annual plans and reports.

OIG Position.

The omissions cited in the agency's response cannot be described as minor. Although the response states that it was never the agency's intent to include this information, the fact that the reports did not mention these scope limitations makes them highly misleading to any reader who is not aware of the methodology used in assembling the reported data. The reports' incorrect representation of the compliance rates as statistical projections further contributes to the inaccuracy of the picture they present of the agency's operations. These are serious flaws in the report that need to be corrected, and it is a requirement of GPRA that scope limitations be disclosed in the reports. We agree with the agency's plans to acknowledge and clarify these omissions in future reports. Before we can reach management decision, the agency needs to describe the verification and validation methods that will be used to ensure the accuracy of reported performance results and the timeframes for the implementation of the verification and validation methods.

Scope and Methodology

The audit was conducted at APHIS Headquarters and all three regional PPQ offices, recently consolidated to two regional offices. We also visited 22 of the 141 ports in the country. The 22 ports visited consisted of 7 airports, 6 maritime ports, and 9 land border and rail facilities. We based the selection of the ports for audit on the level of activity and geographic location. This was done to ensure airports, maritime ports, and land border crossings were included in the audit coverage in all PPQ regions. The audit was directed towards evaluating the safeguarding level provided by PPQ's Agricultural Quarantine and Inspection Programs. The period covered by this audit includes fiscal years 2000 through 2001; however, prior years were included when necessary.

Our audit was performed in accordance with generally accepted government auditing standards. To accomplish the audit objectives, we performed the following:

- Reviewed applicable laws and regulations, and guidance concerning APHIS role in safeguarding United States borders from the entry of foreign pests and diseases,
- Reviewed APHIS policies, procedures, and controls over the inspection activities at the ports of arrival,
- Interviewed APHIS and U.S. Customs officials at Headquarters, regional offices, and at the ports,
- Reviewed APHIS reports including: PPQ Form 212 (Cargo Hold and Record), PPQ Form 519 (Compliance Agreements), various inspection reports, PPQ Form 597 (Import Permits for Plants and Plant Products) used for T&E shipments. We also reviewed the FY 2000 GPRA report and supporting records, Workload Data Accomplishment Reports, AQIM Standard Operating Procedures, AQIM sampling plans, AQIM monitoring data and AQIM summary reports.
- Visited ports to observe inspection activities and to evaluate controls and procedures in place at the ports.

Exhibit A

APHIS' RESPONSE TO THE DRAFT REPORT



United States
Department of
Agriculture

Marketing and
Regulatory
Programs

Animal and
Plant Health
Inspection
Service

Washington, DC
20250

MEMORANDUM FOR THE ASSISTANT INSPECTOR GENERAL

FROM: Bobby R. Acord
Administrator

Bobby R. Acord
SEP 27 2002

SUBJECT: Audit Report #33601-3-Ch
APHIS Safeguards to Prevent Entry of
Prohibited Pests and Diseases into the United States

This correspondence is the Animal and Plant Health Inspection Service's reply to the recently issued draft audit. Our enclosed comments address each of the recommendations identified in the report.

Thank you for the opportunity to examine the report. We look forward to receiving the final version of the document.

Enclosure



APHIS - Protecting American Agriculture
An Equal Opportunity Employer

**OIG Audit No. 33601-3-Ch -APHIS Safeguards to Prevent Entry
of Prohibited Pests and Diseases into the United States**

Recommendation No. 1

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

Agency Response

The Agency does not agree that AQIM activities should be redirected but should be expanded to cover all pathways.

All pathways are not presently monitored. Data has been collected for several pathways and based on the results of AQIM in some pathways (i.e., pedestrians, cargo of non interest, empty containers) the decision was made to suspend AQIM monitoring. This decision was made because of limited resources and because the perceptions of the risk of these pathways were confirmed (extremely low to non-existent).

PPQ recognizes the fact that there are pathways that should be monitored, and expansion of AQIM activities is currently planned for [] rail and the express "package" pathways. A subgroup of the National AQIM Team was formed in September 2002 to begin planning, developing, and implementing of AQIM for these pathways. Implementation is scheduled for January 2003. This same subgroup will also revise and increase the AQIM activities for the [] truck cargo pathway.

PPQ has put considerable resources into strengthening the scientific support for the pest exclusion program and the capacity to detect smuggled materials. The Agency has added personnel to its Center for Plant Health Science and Technology (CPHST) and to the Smuggling Interdiction and Trade Compliance (SITC) program. Staffing was increased at critical high risk ports of entry. [] which receives thousands of containers each day has increased its staffing from [] since the events of September 11, 2001.

Recommendation No. 2

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

Agency Response

PPQ agrees with the recommendation.

Oversight of AQIM is a shared responsibility between headquarters, Regions, State Plant Health Directors, port managers, and local risk committees including the local AQIM coordinator. A system is in place to oversee AQIM activities at the ports. PPQ acknowledges that some local port AQIM coordinator positions have remained vacant due to frequent "turn-over" in the port and local position bidding processes required by the terms of local union contracts. These two factors result in current AQIM coordinators at a port changing tours of duty and job responsibilities.

PPQ recognizes this causes problems and these same problems were pointed out in two recommendations (OA34 and E 107) from the "Safeguarding American Plant Resources" A Stakeholder Review of the APHIS-PPQ Safeguarding System. PPQ developed a combined action plan to address these recommendations. When implemented, this action plan will ensure that national AQIM activities are properly managed and implemented at each port. This action plan also calls for risk analysis positions at all levels including local port risk analyst positions. In addition to providing local management of AQIM activities, port risk analysts will also ensure AQIM data collection, data quality, data organization, and interpretation and use of data to improve AQI operations.

In addition, the Animal and Plant Health Inspection Service (APHIS) has established and filled an SES position with a focus on bringing national consistency in the implementation of AQI programs, including AQIM. The first effort of this position is the design and implementation of Standard Operating Procedures. The Procedures will be available on-line and is scheduled to be piloted before the end of 2002 with full implementation in early 2003.

Recommendation No. 3

Require the Director of each port operating one or more AQIM activities to appoint an AQIM coordinator, and Risk Management Team to ensure that these employees are performing the functions associated with their positions.

Agency Response

PPQ agrees. See Agency Response in Recommendation No.2 above that refers to AQIM coordinator.

To ensure the formation of Risk Management Teams and coordinators performing the appropriate AQIM functions, PPQ will revise performance elements and standards. PPQ will hold the employees and their managers accountable for performing these functions. State Plant Health Directors or Port Directors will identify a supervisor who will be responsible for maintenance and management of AQIM activities. The supervisor will clarify and support local port coordinator roles to ensure that the coordinator position is not just a data entry person but truly responsible for overall AQIM activity at the port.

Recommendation No. 4

Institute procedures to compute the differences between AQIM and actual inception rates on an annual basis and take actions as appropriate to determine the reasons for large discrepancies so that corrective actions can be taken.

Agency Response

Procedures to compute the differences between AQIM and actual inception rates have been in place since 1997. Examples of these analyses for several pathways (air passenger and southern border vehicle) were provided to OIG during their audit visits. The results of this type of analysis utilizing AQIM and WADS are the primary measure of the effectiveness of present inspection procedures in these pathways. This effectiveness is an internal tool used by managers at various levels to improve the efficiency and effectiveness of AQI port activities. Training sessions and documentation have been provided to PPQ managers to properly use this information.

PPQ is aware of the many factors contributing to the large discrepancy that OIG refers to in the recommendation. While the large discrepancy or "gap" between AQIM and actual interception rates may appear large, the significance of the risk presented by this gap must be considered. Much of the prohibited material missed is low risk (apples, bananas, etc.) and approximately only 1% of this prohibited material (citrus, mangoes, etc.) is actually infested with agricultural pests or disease.

PPQ is currently taking corrective actions to better mitigate these high risk items in the gap. Several ports have implemented improved risk mitigation actions using AQIM results – [] . Results of AQIM [] helped identify the risk of rail cargo and led to expansion of rail cargo inspections in [] in 2001.

PPQ's mission is to efficiently use its limited resources to identify and combat the more destructive risks represented in this discrepancy or gap. Increasing inspection efficiency and reducing the approach rate are examples of PPQ actions to mitigate risk and improve compliance of agriculture regulations. Even absolute prohibition of all foreign agricultural items would not completely close the gap.

Findings—[] tile survey:

We would like to point out that data was actually shared. PPQ's Port Operations headquarters staff personnel met with the [] tile industry in [] in February 2002 to begin pest mitigation efforts on pests associated with tile. The results of the discussion were shared with the Eastern Region which in turn disseminated the survey to all maritime ports receiving [] tile.

OIG findings - []

The [] data are very misleading. Only a portion of the results of the cargo aircraft study is presented in their findings. The local [] team discussed cargo aircraft risk mitigation and has revised and implemented new boarding procedures.

Recommendation No. 5

Notify other ports, as applicable, of the results of the two [] AQIM studies so that these pathways can be appropriately covered.

Agency Response

PPQ's Eastern Region did notify maritime ports that receive shipments of [] tile about the results of the [] study.

The [] cargo aircraft study has been turned over to PPQ's CPHST unit for further analysis, validation, and development of national pest mitigation strategies or procedures, if appropriate.

Recommendation No. 6

Institute procedures to ensure that future AQIM results are reviewed and acted upon in a timely manner. Such procedures should include notification of applicable regional offices, State Plant Health Directors, and Port Directors.

Agency Response

PPQ is continuously working to improve notification of AQIM results within and between all levels of the organization. Examples: monthly national State Plant Health Director conference calls, monthly national AQIM team teleconferences, weekly regional State Plant Health Director teleconferences, Deputy Administrator's newsletter, National Association of Plant Protection and Quarantine Managers (NAPPQM) newsletter, PPQ's weekly activity highlights, and various local port newsletters and staff meetings. These channels of communication will be used to disseminate information about AQIM results which will guide the actions taken at the ports.

Recommendation No. 7

Assess in a timely manner the number of PPQ inspectors that are needed and whether a second shift is needed at each [] border crossing to address the growing concern over inspections at the [] border.

Agency Response

Assessment of the [] border staffing was done in 2001 and revisited in 2002. [] employees are on board since 2001. In the FY 2004 budget, we requested [] new inspector positions along the [] border. Shift work has been implemented in [], and is planned for some other locations. Staffing must be increased before additional shifts can be implemented. Future reassessment of staffing along the [] border will occur as ports continue to collect AQIM data.

The Agency plans to place new officers at ports with large volumes of cargo entries. However, in some locations intensive inspections cannot be performed until office space and inspectional facilities are built. USDA is currently negotiating with the General Services Administration (GSA) on a long-range plan to meet the infrastructure needs on the []border. PPQ has requested approximately \$3.5 million for improvements to [] border inspection facilities in the FY 2004 budget. Discussions have begun with [] agriculture officials regarding possible sharing of existing border facilities. PPQ expects these facilities to become available during 2005 or 2006.

Recommendation No. 8

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

Agency Response

PPQ requires Port Directors to annually assess staffing needs. In addition, a systematic review of ports was implemented in November 2001. Teams comprised of personnel from headquarters and each regional office reviewed staffing at major ports of entry. In conducting their assessment, the team considered the volume and type of cargo entering the port, the risk associated with the cargo, the capacity of facilities in which inspections are performed, and the intensity of the inspections needed; i.e., tailgate inspection or complete devanning. Based on these factors, the team submits a recommendation to the appropriate regional Position Management Committee for final action. Funding for positions is not currently a barrier. However, PPQ is experiencing problems with recruiting the number of qualified personnel needed at high volume locations due to the high cost of living in those locations. PPQ has revitalized its recruitment efforts with the appointment of a full time coordinator, a focus on local recruiting, and pre-employment testing to ensure high quality candidates.

Recommendation No. 9

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

Agency Response

PPQ agrees that ports need to be adequately staffed to allow for efficient and effective inspections of cargo shipments. See Agency Response to Recommendation No. 8.

Recommendation No. 10

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

Agency Response

A risk assessment of foreign vessels (garbage, deck and structure) entering U. S. ports was completed by the Policy and Program Development staff early in 2002. The analysis and recommendations were submitted to regional offices for comment. Once all comments are considered, PPQ will then modify recommendations if necessary and revise the national ship-boarding policy as needed to further mitigate risk. It is anticipated that this will be completed by March 30, 2003.

PPQ agrees that it may be desirable to perform an assessment to identify if cruises, from countries already classified as high risk, are actually "high risk" when arriving in U.S. ports of entry. Port Operations will submit a request to CPHST to perform this assessment when the next request for work activities is made by CPHST.

Vacation cruises from foreign ports, including Jamaica, were the subject of the Cruise Ship Monitoring Survey conducted April 1998 through March 1999. Jamaica is not a high risk origin for cruise ship passengers based on years of operational data from cruise ship passenger inspections (WADS), pest interception data (PIN 309) and the Cruise Ship Passenger Monitoring Survey. While some cruise ships include a port of call in Jamaica as a part of the voyage, passengers do not originate in Jamaica. Also, the cruise ships have U.S. and not foreign food stores. The passengers originate and disembark in the United States. Air passengers from Jamaica may be from any location and thus the potential is there for them to bring items purchased commercially or home grown.

Recommendation No. 11

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

Agency Response

The Agency is in the process of revising policy and procedures that address the clearance of cruise ships and cruise ship passenger baggage. As discussed in the Agency Response to Recommendation No.10, the vessel assessment has been completed and a revised policy should be issued within 6 months that covers the vessel only. The assessment of cruise ship passengers and baggage was completed and a policy was issued requiring the monitoring rather than routine clearance of cruise ship passenger baggage on Caribbean, Mexican, and Bermuda cruise ships. PPQ will combine the results of these two studies and determine the appropriate number of inspectors to clear cruise ships and passenger baggage based on risk.

Appropriate staffing levels, policies and procedures for cruise ships from destination other than those listed above will be determined after CPHST conducts assessments to identify the risk of cruise ships arriving from other countries. The study is expected to be completed in 12 months.

Recommendation No. 12

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 and cargoes which involve shippers and importers with histories of smuggling or other violations.

Agency Response

PPQ ports participating in AQIM currently devan selected cargo shipments on an ongoing basis. Current SITC protocols require devanning for a thorough investigation of possible smuggling of prohibited cargo. This SITC procedure is occurring at a number of PPQ ports of entry. The port of [], through its QCET program, has identified high risk cargo such as [] tile using devanning procedures.

Soon guidance will be provided to PPQ ports to ensure that the appropriate inspection intensity (i.e., via devanning) is applied consistently to high risk cargo. Uniform procedures will ensure all ports are devanning a sample of cargo containers, dependent on available facilities and resources. This guidance will be developed and distributed to PPQ personnel by June 2003.

Recommendation No. 13

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

Agency Response

PPQ is working with GSA to obtain additional facilities for inspection and devanning at northern border ports-of -entry .The PPQ FY 2004 budget allocates approximately \$3.5 million for improvements to northern border inspection facilities. PPQ is exploring the contracting process required to establish Cargo Examination Sites (CES) at ports with limited inspection facilities. These sites would provide additional devanning locations. Additional staffing has been provided to ports, especially on the northern border. In the FY 2004 budget, PPQ has requested [] new inspector positions for the northern border.

Also see Agency Response to Recommendation No. 8.

Recommendation No. 14

Develop written procedures governing the Line Release Program [].

Agency Response

The Agency agrees with this recommendation. A group has been formed; the BRASS Review Group, with representatives from the nine [] border service ports, the Eastern and Western Regions, and headquarters. It is estimated that this task will be completed within the next 6 months.

Recommendation No. 15

Develop an online system of records to maintain a database of Line Release Program participants on an ongoing basis, including up-to-date information from all ports of entry on any program violations committed.

Agency Response

Original: APHIS agreed that automating the current system would be extremely beneficial. It stated that an online system of records with links to multiple databases would require a review of the current BRASS system, current IT compatibility, and available budgetary resources. The BRASS Review Group will be charged with investigating the automation of the current system, along with developing recommendations and timelines for completion.

Amended Agency Response

The BRASS data system is owned and controlled by Customs. The PPQ BRASS Review Group has no control over maintenance or management of the BRASS database. The Review Group is working on getting access to the BRASS data from Customs for the purpose of identifying shippers known to smuggle cargo. However, Customs has told us it will stop using BRASS sometime soon (they told us this in June but have yet to suspend activity) and will begin to use another system. PPQ relies on this database, so further work on IT compatibility and budget pertaining to this issue awaits decisions from Customs.

PPQ, SITC in particular, is using other Customs databases; i.e., Automated Commercial System and Automated Targeting System (ATS), to identify repeat violators and to share this information with ports.

PPQ has completed other data base work with Customs on its new Automated Commercial Environment and International Trade Data Systems. In addition to many of the cargo clearance functions, PPQ plans for these systems to handle PPQ Line Release Program participants on an ongoing basis, including up-to-date information from all ports of entry on any program violations committed. PPQ has completed the business case and the requirements for these systems. Customs plans to roll out these systems in 5 years.

Recommendation No. 16

Include rail cargo in PPQ AQIM risk-assessment system to determine the relative degree of risk associated with this pathway.

Agency Response

PPQ agrees. A subgroup of the National AQIM Team was formed in September 2002 to plan, develop, and implement collection of data needed to assess the risk of the rail pathway. Implementation is scheduled for spring 2003.

Recommendation No. 17

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

Agency Response

Not all [] border crossings can hold and inspect incoming rail shipments since they do not have facilities to do such. Many trains go across the border points, and the whole train proceeds as an in-bond unit to such destinations as [].

Requiring all border crossings to use the current Customs' AMS is not always useful. The AMS has several drawbacks to make it an effective tool in the use of identifying and holding cargo:

1. AMS is a voluntary system. The rail lines are not required by law to use AMS, nor are they required to use it at each border crossing they use. Paper manifests may still be used at select locations.
2. Descriptions on manifests are free text. Due to the lack of standardized descriptions, it is difficult to target high risk commodities on this automated system.
3. Country of origin is required data for PPQ inspectional activities. Country of origin is not required on a manifest. Only the place of receipt and the port of lading are required on a manifest. Rail manifests from Mexico and Canada list Mexican and Canadian ports, respectively, even though the cargo may originate in another country.
4. What comes by train can come by truck. There are no automated truck manifests at this time. PPQ is highly dependent on Customs and brokers for these inspections.

PPQ is better served by using resources to develop the International Data System to overcome many of the shortcomings found on the Customs' AMS.

PPQ has completed work with Customs on its new Automated Commercial Environment and International Trade Data Systems. These systems will replace the Customs' AMS. In addition to many of the cargo clearance functions, PPQ plans for these systems to identify incoming rail cargoes of agricultural interest so that high risk cargoes can be stopped and inspected. Complete to date is the PPQ business case and PPQ system requirements for these systems. Customs plans to rollout these systems in 3-5 years.

Recommendation No. 18

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

Agency Response

Currently, PPQ is working on developing the ATS to set up rules that would automatically check bill of lading and entry data to ensure that all imported rail cargo is subject to selection for inspection. This could be done for any border crossing or inland site. ATS is the short term solution. The International Trade Data System under development for all Government agencies involved in trade activities. PPQ is actively pursuing this option as the future system to set up targeting for detection and inspection of high risk cargoes.

Immediate action being taken on this issue is the hiring of more officers over the next 2 years into inland and the Northern border sites; some of these officers will monitor and inspect rail cargo.

Recommendation No. 19

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

Agency Response

PPQ will consult with VS on the inclusion of additional items for monitoring activities. Further, a checklist will be developed for those activities that are currently stated in the Airport and Maritime Operations Manual that are not covered by PPQ Form 288 or PPQ Form 252R. The forms provide a checklist for monitoring garbage regulations aboard ships and in catering facilities, respectively.

Recommendation No. 20

Direct all PPQ units to enter into compliance agreements with all firms handling foreign garbage.

Agency Response

Within the next 2 weeks, PPQ headquarters will reiterate in the form of a memo to the field that any entity that handles garbage must be under a compliance agreement or directly supervised by PPQ. Requirements for monitoring and recalibration of sterilizer units will also be repeated. Additionally, PPQ is currently in the process of developing a contract for the development of an electronic database that would provide template compliance agreements, signed agreements and necessary review schedules, and monitoring schedules. Within the next year, a risk assessment of airline garbage should be conducted to determine that this utilization of PPQ staff is appropriate for the level of risk involved.

Recommendation No. 21

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

Agency Response

See Agency Response to Recommendation No. 20.

Recommendation No. 22

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

Agency Response

PPQ currently has procedures in place that requires PPQ inspectors to inspect shipments from importers with a history of violations. SITC uses a national database and a system of Trade Alerts to communicate information about importers with a history of violations to all PPQ ports.

Guidance will be provided to all PPQ ports to ensure that the appropriate inspections are applied to high risk cargo which includes shipments from importers with a history of violations. This will be a part of uniform procedures that will ensure all ports are devanning a sample of cargo containers, dependent on available facilities and resources. This guidance will be developed and distributed to PPQ personnel by June 2003.

Recommendation No. 23

Require each port to institute a system of a second party reviews to ensure the accuracy of WADS data entered into the system.

Agency Response

The accuracy of data issues is being addressed on various fronts. From an information systems perspective, a contract has been awarded to the information system company, CRI, to develop a centralized system for data collecting and reporting. Parts of the requirements in the task order are to propose a solution for quality assurance and validation of the port data.

Both the Eastern and Western Regions have developed Quality Assurance Data Management plans to address the various issues surrounding data quality. Data collection as well as quality checks would be routed through the PPQ State office for review before sending the revised data files onto the regional office. Headquarters will be reviewing these data management plans to determine feasibility of deployment nationwide.

Recommendation No. 24

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

Agency Response

The Agency agrees.

A systematic approach to check all operational data (like WADS) has been developed and is currently used by all personnel conducting port, staffing, and AQIM reviews. This approach addresses quality of data management at the ports of entry. This systematic approach is above and beyond what is called for in PPQ's Port and Program Review Guidelines.

Recommendation No. 25

Ensure that all PPQ personnel assigned to WADS duties at the ports have been provided with adequate training.

Agency Response

As part of the port review process, personnel responsible for collecting and entering WADS data are provided training in data collection and submission. Once the centralized data collection and reporting tools are deployed, personnel will be trained and/ or provided with materials on the use of the system. The train the trainer methodology will be used to implement the training.

Recommendation No. 26

Revise the WADS manual to provide better instructions to PPQ personnel at the ports regarding retention, collection, and input of data.

Agency Response

The Agency agrees with the recommendation.

Detailed user documentation on all aspects of data handling from input to collection to retention is one of the tasks of the centralized system for data collecting and reporting contract. Since the beginning of this year, the Regions have been collecting comments from the ports on the WADS codes. Comments received from the ports on clarifying code descriptions, adding codes, deleting codes, etc., will be used to enhance the new WADS manual. Many of the recommendations have already been incorporated into the current manual.

Recommendation No. 27

Establish uniform procedures for monitoring and reconciling T&E shipments. These procedures should (1) require ports of entry and exit to coordinate efforts to monitor and reconcile T&E shipments, (2) address overdue or missing shipments, and (3) establish timeframes for referral of shipments to Investigative and Enforcement Services (IES).

Agency Response

The Agency agrees that uniform procedures for monitoring and reconciling T &E shipments should be used. All ports were recently reminded to use specific safeguarding conditions in their permits. A draft of new guidelines for T &E work was completed in August 2002 and is in the comment phase. Additional emphasis is put on the use of SITC and IES for non-compliance. Once the new guidelines are rolled out, a T &E tracking database will also be implemented across PPQ. Guidelines and data base rollout is projected for mid-2003. Also, the CFR pertaining to commodities in transit is being reviewed due to its inability to address our current regulatory issues. A new regulation for transit shipments is planned for mid-2003. More steps to implement uniform procedures are described in our Agency Response to Recommendation Nos. 28 and 29.

Recommendation No. 28

Direct all work units to include in each T&E permit reasonable time restrictions within which the shipment must exit the country based on the distance between the ports of entry and exit.

Agency Response

It appears to PPQ that this recommendation is based on OIG's findings that the time to move T&E cargo is "excessive" for the port of [].

The Agency agrees that reasonable time limits (within which the shipment must exit the country) should be listed in all T&E permits. However, we believe that a port should have the discretion to establish a reasonable time limit based on all circumstances at a port. Generally, we believe that the time limit should not exceed a 7-day window. For example, in [] containerized cargo is discharged from a vessel is sealed and safeguarded and may stay in the port up to 7 days before exportation or treatment. This is because of frequent shortages of chassis and/or tractors to move the containers immediately. Given the circumstances, we believe our current practices are reasonable. The Agency will immediately begin monitoring the ports for any T&E shipments that remain beyond 7 days. Port leadership will be asked to enforce all safeguarding procedures to ensure that the delay in movement does not present a pest risk to U.S. agriculture.

Recommendation No. 29

Reconcile T&E shipments at all ports to account for shipments that entered the country for which records do not reflect reexportation.

Agency Response

The Agency agrees this should take place at all ports.

Since 2001, PPQ has assigned one person to track exits and collect data on northern border ports where high risk fruit shipments from Mexico are scheduled to exit the United States and enter Canada during the peak of Mexican fruit production. As of July 2002, about 99% of all shipments exited in a timely manner and those that failed to exit were referred to IES. IES has resolved about half of those cases.

PPQ believes that within 2-3 years this function can be performed more accurately and at a lower cost to the taxpayer by using electronic methods at the exit point, rather than increasing staffing for this task. PPQ started to explore radio frequency and other tracking systems in 2001. CPHST is working on these systems with the U.S. Department of Transportation. Systems meeting our needs should be ready for beta testing in 2004.

Recommendation No. 30

Immediately identify all employees who do not have at least a satisfactorily completed NACI background check. Take immediate interim measures, as needed, to ensure that such employees are not assigned to positions that allow them access to secure areas at facilities such as commercial airports and military bases.

Agency Response

Original: APHIS agreed to complete a review of affected employees' official personnel folders to verify their current clearance levels by December 21, 2001. Any affected employee who has not been cleared by, at a minimum, a NACI will be assigned work not requiring unescorted access to secure areas at commercial airports. APHIS is concurrently coordinating with the Department's Office of Crisis Planning and Management (OCPM) and the Office of Personnel Management (OPM) to institute an expedited preemployment criminal background check to meet minimum FAA security requirements for all APHIS employees needing unescorted access at commercial airports.

Amended Agency Response

APHIS has completed a review of the NACI status of all employees. The review was completed prior to December 31, 2001. The results of the review were released to Regional Directors, Port Directors and supervisory personnel at all commercial airports with instructions to take immediate action to ensure that employees lacking a completed NACI background investigation were not to have unescorted access to secure airport areas. When necessary, work and shift assignments were changed to ensure that no employee lacking proper clearances is assigned to secure areas of the airport.

Recommendation No. 31

Immediately notify the FAA that, contrary to information contained in the memo sent to the Agency on October 5, 2001, NACI background checks are not being performed on inspection employees at the time they are employed by APHIS. In addition, coordinate with the FAA on the issue so that appropriate decisions can be made regarding the level of security clearance granted to employees for whom background checks have not yet been completed.

Agency Response

APHIS agreed to draft a letter clarifying the memo originally sent to the FAA on October 5, 2001. In this letter, APHIS informed FAA of its efforts to implement an expedited "Advanced NAC" process whereby prospective employees would be cleared through at least a criminal history records check prior to establishing a reporting date, thus meeting FAA requirements. APHIS further stated that if this process has an adverse impact on its ability to fill positions due to unacceptable delays in getting the clearances, APHIS may appoint prospective employees but not assign them to work requiring unescorted access to secure areas in commercial airports.

Recommendation No. 32

Amend APHIS' hiring policies to include pre-employment NACI or other basic background checks for all inspection employees assigned to airports or other secure locations.

Agency Response

APHIS agreed to amend its hiring policies to include a pre-employment check for all employees (full-time and temporary) requiring unescorted access at commercial airports. They also agreed to delay reporting dates for prospective employees until the results of their criminal history records check are received. Prospective employees may be appointed prior to being cleared but not assigned to work requiring unescorted access.

Amended Agency Response

The amended hiring policy started September 2002. It is the current APHIS policy that individuals, qualified for employment by OPM and listed on employment certificates, receive an advance pre-employment NACI clearance prior to appointment. The pre-employment NACI is a cursory review of law enforcement databases and used as a factor in determining employment suitability. This preliminary NACI is intended to supplement the full NACI background investigation which is completed after appointment. Unescorted access to secure areas of the airport will commence after satisfactory completion of the full NACI.

Recommendation No. 33

Immediately develop and implement a tracking system to follow-up on all cases where employees do not properly complete and return security forms needed to initiate NACI checks within a reasonable timeframe.

Agency Response

APHIS agreed to use the existing Security Entry Tracking System (SETS) automated database to track the status of all pending security clearance requests in the Agency to ensure timely completion. APHJS stated that it is working with OCPM on training Agency employees on the accurate completion of the forms needed for clearance to reduce the error and return rates of these forms.

Recommendation No. 34

Notify the Department and congressional offices that the FY 2000 and 2001 Annual Performance Reports are seriously deficient and should not be relied upon. Prepare a plan to accurately report in the FY 2003 Annual Performance Report.

Agency Response

As acknowledged in responses to several previous recommendations, the AQIM and WADS data used to compute compliance rates are not perfect. Considerable efforts have been and are being made to improve data collection, data quality and reporting methods. The critical importance of the goals and measures is evident by the scrutiny and review that APHIS' annual performance plans and reports undergo each year by the Agency, by USDA, and by the Office of Management and Budget (OMB) prior to submission to Congress. In addition, APHIS' performance report was recently reported by govexec.com as effective.

Compliance is one measure of AQI performance. There are many other indirect measures that reflect AQI performance. Those measures include:

- Specific pest threats to U.S. agriculture eradicated or controlled in foreign countries
- Number of exotic pest and disease outbreaks in the United States
- Number of and economic impact of animal or plant health trade barrier issues resolved

The establishment of performance measures and goals is an evolving process. PPQ is in the process of reviewing and revising its performance measures and indicators. PPQ is also participating in the development of a new APHIS strategic plan.

Recommendation No. 35

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

Agency Response

The Agency disagrees with OIG's recommendation. APHIS believes that compliance and customer satisfaction are external performance measures that should be reported to Congress annually. Performance gaps between estimated and actual approach rates of agricultural materials are Agency internal indicators that managers, on all levels, should use to measure and make improvements to the efficiency and effectiveness of AQI operations.

The performance gap that measures the amount of prohibited agricultural material can be very misleading. For example, if none of the material is infested with a pest or disease there is no risk. Therefore, the size of the gap is insignificant because the performance gap never results in outbreaks.

The performance gap is best used in combination with a measure such as outbreaks (as stated in Agency Response to Recommendation No.34). For example, there have been fruit fly outbreaks in California. Those outbreaks may be an indication of a weakness in the exclusion efforts. Using the presence of an outbreak as an indicator and the details of the performance gap, PPQ can then evaluate specific pathways and act to improve its operation.

Recommendation No. 36

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

Agency Response

GPRA measures for AQI are compiled from a variety of sources (WADS, AQIM, pest interceptions). Many internal controls are already in place to provide guidance for the collection and reporting of performance data. For example: various national and regional data quality checks for WADS data are performed routinely; a national AQIM handbook is available at all port offices; regional program managers and Port Directors have responsibilities for AQIM collection and reporting; etc. In addition to these, as indicated in many of the previous Agency responses, new or revised procedures and policies will soon be implemented to improve internal control over data sources and data quality .

Recommendation No. 37

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

Agency Response

APHIS agrees that there were minor omissions in the annual reports. The report clearly indicates compliance rates for air and maritime cargo. Southern border truck cargo is also included in the calculations; however, truck cargo was not listed in the table that was in the report. Rail cargo is also not included because the pathway []. It was never APHIS' intent to report compliance on the northern border (vehicles or trucks) because of the constant difficulties of monitoring [] the northern border. This was explained to OIG in detail.

APHIS acknowledges these minor omissions and will clarify these points in future annual plans and reports.

Informational copies of this report have been distributed to:

General Accounting Office	(1)
Office of the Chief Financial Officer	
Director, Planning and Accountability Division	(1)