
Office of Inspector General

Audit Report

Security for Passenger

Terminals and Vessels, U.S. Coast Guard

Report Number: MA-1998-204

Date Issued: September 11, 1998





**U.S. Department of
Transportation**

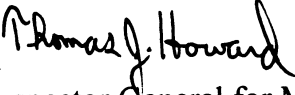
Office of the Secretary
of Transportation

Office of Inspector General

Memorandum

Subject: **ACTION:** Report on Security for Passenger
Terminals and Vessels, U.S. Coast Guard
MA-1998- 204

Date: September 11, 1998

From: Thomas J. Howard 
Deputy Assistant Inspector General for Maritime
and Departmental Programs

Reply to
Attn of: JA-40

To: Chief of Staff
U.S. Coast Guard

This report presents the results of our audit of U.S. Coast Guard oversight of security for passenger terminals and vessels. The objective of our audit was to determine whether the Coast Guard ensures operators of passenger terminals and passenger vessels have security plans intended to safeguard passengers and property.

Security plans are intended to prevent or deter unauthorized access and the introduction of prohibited weapons, incendiaries, and explosives into/onto passenger terminals and vessels. The plans must provide the means to meet requirements for low, medium, and high security threat levels. At low threat levels, an unlawful act against a terminal or vessel is possible but not likely. This is the level for which operators must maintain security indefinitely, i.e., these are normal, everyday security measures. Comparatively, during high threat levels, operators must increase security measures because an unlawful act against a terminal or vessel is considered probable or imminent, and intelligence indicates terrorists have chosen specific targets. At the time of our audit, the Department of Transportation's Office of Intelligence and Security considers the overall threat of maritime terrorism in the United States as low.

RESULTS-IN-BRIEF

The Coast Guard has been effective in ensuring that operators of passenger terminals and vessels have security plans intended to safeguard passengers and

property. The Coast Guard identified 66 passenger terminal facilities and 133 passenger vessels, all cruise ships, requiring security plans. We found the Coast Guard had security plans for each of the cruise ships and all but one of the terminal facilities. The Coast Guard was working with the Government of Samoa to obtain a security plan for the remaining terminal facility.

From January 1997-August 1998, the Coast Guard issued 11 Domestic Threat Advisories based on information from the Department of Transportation's Office of Intelligence and Security regarding potential terrorist threats. None of the Threat Advisories resulted in an increased threat level for passenger facilities and vessels.

The Coast Guard also made cursory assessments of compliance with security plans at passenger terminals and onboard passenger vessels while performing other required inspections. We confirmed that at the time of our visit, security practices for four cruise ships were consistent with security plans.

We also confirmed a previous Coast Guard determination that security practices at the Port of Miami were not consistent with security plans. As a result, the Captain of the Port for the Marine Safety Office directed all operators of passenger terminals within its jurisdiction to update their security surveys and provide any proposed changes to their terminal security plans for review.

BACKGROUND

In 1985, terrorists killed a United States citizen during the seizure of the cruise ship Achille Lauro. The following year, Congress enacted the Omnibus Diplomatic Security and Antiterrorism Act. Title IX, which constitutes the International Maritime and Port Security Act, provides the Coast Guard with the authority to prevent or respond to acts of terrorism on navigable waters, at ports, and on vessels subject to U.S. jurisdiction. Also, in 1986 the United Nation's International Maritime Organization published Circular 443 "Measures to Prevent Unlawful Acts Against Passengers and Crews on Board Ships" to provide member governments with guidance for reviewing and strengthening port and onboard security.

In subsequent years, the Coast Guard encouraged voluntary compliance with International Maritime Organization Circular 443. However, the Coast Guard found that voluntary compliance did not produce the industry-wide level of security necessary to ensure that acts of terrorism are deterred, or responded to, in

the best possible manner. Consequently, in 1996, the Coast Guard published Title 33 Code of Federal Regulations Part 120, Security of Passenger Vessels, and Part 128, Security of Passenger Terminals, as an interim rule. These regulations require operators of passenger vessels and passenger terminals to submit security plans, implementing the measures included in International Maritime Organization Circular 443, to the Coast Guard by October 16, 1996, or at least 60 days before embarking or transferring passengers, whichever is later. The final rule will be effective on October 1, 1998 with little change from the interim rule.

As of January 1998, the Coast Guard had identified 66 passenger terminal facilities and 133 passenger vessels, all cruise ships, requiring security plans. Cruise ships can accommodate up to 3,000 passengers. In 1997, the North American cruise ship market served 5 million passengers, according to statistics kept by the Cruise Lines International Association. By the year 2000, this market is expected to serve 7 million passengers annually.

SCOPE AND METHODOLOGY

We conducted our audit during January through June 1998 in the Coast Guard Marine Safety and Environmental Protection Directorate, Office of Compliance in Washington, D.C.; the National Maritime Center in Arlington, Virginia; and marine safety offices in Long Beach, California and Miami, Florida. Also, we conducted our audit in the Department of Transportation's Office of Intelligence and Security; in passenger terminal facilities for the World Cruise Center in Los Angeles, California and the Port of Miami in Miami, Florida; onboard the cruise ships Jubilee, Viking Serenade, Leeward, and Grandeur of the Seas; and in offices for the Federal Bureau of Investigations in Long Beach, California. Further, we discussed terminal and cruise ship security with the Vice President of International Operations for the International Council of Cruise Lines. The audit covered the period October 1996 through June 1998.

We conducted our audit in accordance with Government Auditing Standards prescribed by the Comptroller General of the United States. To address our objectives, we reviewed legislation, regulations, and Coast Guard guidance, procedures, and management controls. Also, we reviewed 17 security plans (2 terminal facilities and 15 cruise ships) to determine whether they met regulatory requirements. Further, we observed security practices for a low threat level at both of the terminal facilities and onboard 4 of the 15 cruise ships to determine whether operators followed security plans. We did not observe security practices that would be required at medium or high threat levels.

Exhibit A identifies the facilities and vessels included in our audit. We reviewed

personnel rosters, training records, and security reports at terminal facilities and onboard cruise ships. We also reviewed security surveys, vulnerability assessments, and other records kept by Coast Guard marine safety offices in Long Beach and Miami.

RESULTS

The Coast Guard ensured that operators of passenger terminals and passenger vessels had security plans intended to safeguard passengers and property against unlawful acts. The Coast Guard also made cursory assessments of compliance with security plans at passenger terminals and onboard passenger vessels while performing other required inspections. We confirmed that at the time of our visit, security practices for the four cruise ships visited were consistent with security plans. Further, we confirmed Coast Guard findings that security practices need strengthening at the Port of Miami.

Operators Had Security Plans Examined By The Coast Guard

Coast Guard Captains of the Port and the Coast Guard National Maritime Center examine security plans for passenger terminals and vessels, respectively, to determine whether they articulate the security program required by Federal regulations. The Coast Guard does not approve security plans. However, the Coast Guard requires Captains of the Port and the National Maritime Center to return plans not meeting Federal requirements to terminal and vessel operators, with an explanation of why the plans do not meet the requirements. Further, Captains of the Port may terminate operations if a passenger terminal or passenger vessel does not have a plan, or a letter from the Coast Guard stating normal operations may continue until the Coast Guard examines the plan.

Title 33 Code of Federal Regulations, Parts 120 and 128, state that security plans must conform to International Maritime Organization Circular 443. Coast Guard Navigation and Inspection Circular 3-96 includes the Security Plan Evaluation Guide, which the Coast Guard developed using the guidelines contained in International Maritime Organization Circular 443. This circular provides the Coast Guard and industry with guidance regarding the examination of plans and security measures that passenger terminals and vessels should take at low, medium, and high threat levels.

In January 1998, we contacted each of the Coast Guard's marine safety offices to identify passenger terminal facilities requiring security plans. We identified 66 terminal facilities. Captains of the Port had examined security plans for 65 of

these facilities, finding the plans met the requirements of 33 Code of Federal Regulations 128. As of July 1998, the marine safety office in Honolulu, Hawaii was working with the Government of Samoa to develop a security plan for the remaining facility, which processes about 10,000 passengers annually.

Also in January 1998, the National Maritime Center had identified 133 passenger vessels, all cruise ships, requiring security plans. The National Maritime Center found each of these plans met the requirements of 33 Code of Federal Regulations 120. The Coast Guard relies on Captains of the Port to verify, during annual safety examinations, that passenger vessels have security plans. According to the Chief for the Center's Passenger Vessel Security Division, Captains of the Port have not identified any passenger vessels operating without a security plan examined by the Coast Guard.

The Coast Guard's Security Plan Evaluation Guide identifies the areas - 12 for terminals and 11 for vessels - that operators should cover in their security plans. To confirm whether operators covered these areas, we reviewed security plans for the World Cruise Center in Los Angeles, the Port of Miami, and 15 cruise ships. We found that, with few exceptions, security plans conformed to the Security Plan Evaluation Guide. Specifically, the World Cruise Center did not cover the use of barriers for security, neither the World Cruise Center nor the Port of Miami covered lighting for security during darkness, and one cruise ship did not cover the use of alarms.

However, these omissions did not adversely affect security for the terminals and the cruise ship. During our on-site visits, we observed that the World Cruise Center used barriers to keep people away from restricted areas; the World Cruise Center and the Port of Miami provided security lighting between sunset and sunrise; and the cruise ship used closed circuit television to monitor restricted areas as an alternative to alarms. Exhibit B summarizes the results of our review.

Threat Levels Are Considered Low

In addition to examining security activities for passenger terminals and vessels, Coast Guard Captains of the Port conduct port vulnerability assessments annually for every passenger vessel terminal within their areas of responsibility. For 1997, the vulnerabilities for the World Cruise Center and the Port of Miami were assessed at the midpoint of a five point scale (Very Low-Very High). The vulnerability assessments look at factors such as the location and layout of the terminal, dependence on essential services, access points, security staff, and existing security measures. The Department of Transportation's Office of Intelligence and Security includes the results of the assessments in its annual report to Congress on the threat from acts of terrorism to the maritime community.

Further, the Department of Transportation Office of Intelligence and Security issues Information Circulars to inform the various transportation modes about potential terrorist threats. Based on the Information Circulars, the Coast Guard issued 11 Domestic Threat Advisories during January 1997-August 1998. None of the Threat Advisories resulted in an increased threat level.

The Navigation and Inspection Circular 3-96, notes that at high threat levels Captains of the Port and other appropriate Federal agencies will be actively involved in assuring the security of affected vessels and terminals. The Federal Bureau of Investigation is the designated lead agency for response to domestic maritime terrorist incidents.

Coast Guard Made Cursory Assessments of Compliance with Security Plans

Navigation and Inspection Circular 3-96 requires Captains of the Port to annually “examine” security activities for passenger terminals and vessels. The scope of these examinations is intended to be limited. These examinations are in addition to other routine inspections required to be made by the Coast Guard. According to a 1994 Coast Guard assessment, the “examination” for a passenger terminal should take 25 minutes: 5 minutes to verify a security plan, 5 minutes to review reports of unlawful acts, and 15 minutes to observe security practices. The “examination” for a vessel should take 10 minutes: 5 minutes to verify a security plan and 5 minutes to review reports of unlawful acts.

World Cruise Center: The Coast Guard’s marine safety office in Long Beach was examining security activities for passenger terminal facilities at the World Cruise Center. To illustrate, in August 1997, inspectors examined the process used by the World Cruise Center to check-in passengers. At the same time, the inspectors examined measures for identifying people using the World Cruise Center, such as baggage handlers and security forces. Further, in January 1998, inspectors examined terminal lighting and night time security, and security when passengers, visitors, and crewmembers transferred to/from three different ships. These examinations did not disclose significant security deficiencies.

During our visit, we confirmed that security practices, employed during our visit, were consistent with security plans at the World Cruise Center. We observed security forces testing screening equipment, placing vehicle and pedestrian traffic flow devices, and testing gates and doors. During the disembarking and boarding of passengers, security guards kept vehicles from accessing restricted terminal facilities such as piers, warehouse areas, and the ship gangways. Also, security guards kept us from entering restricted areas. We observed security guards processing all passengers through a metal detector, and X-raying all hand-carried

property as well as randomly selected cabin baggage. Additionally, security guards observed ship stores and provisions being loaded aboard ships.

Port of Miami: The Coast Guard's marine safety office in Miami was examining security activities for passenger terminal facilities at the Port of Miami. To illustrate, in January 1998, inspectors examined terminal facilities and tested shoreside and shipboard security. The examination disclosed security deficiencies such as unlocked doors to restricted areas, inadequate screening of persons seeking access to terminal facilities, and inadequate or damaged fencing and gates. Further, the inspectors gained unauthorized access to a cruise ship, including the ship's bridge. As a result of the Coast Guard's examination, the Port of Miami agreed to take various actions to correct security deficiencies, such as equipping doors with locks to prevent unauthorized opening, reviewing procedures for screening persons, installing higher fencing, and repairing gates.

During our visit in June 1998, we found security practices at the Port of Miami were still not consistent with security plans. We gained entry, unchallenged, through several restricted areas to ship gangways. However, security guards kept us from boarding the ships. Also, terminal personnel such as stevedores, porters, and truck drivers frequently did not display required identification cards. Further, metal detection equipment, operated in terminal facilities for one of the two ships visited, did not work properly for hand-carried property. To illustrate, the equipment did not identify a heavy metal belt buckle worn by a Coast Guard inspector accompanying us during our visit. We also found security personnel did not randomly screen cabin baggage -- one cruise line informed us they first began screening cabin baggage the day of our visit and the other has never screened cabin baggage.

As a result of our findings of continuing security deficiencies at the Port of Miami, the Captain of the Port for the Coast Guard Marine Safety Office in Miami directed all operators of passenger terminals within its jurisdiction to update their security surveys. Further, operators were directed to provide the Captain of the Port with proposed changes to their terminal security plans for review.

Passenger Vessels: Coast Guard inspection activity reports show marine safety offices made safety inspections for the cruise ships Jubilee, Viking Serenade, Leeward, and Grandeur of the Seas within the past year. These inspections did not identify any security deficiencies. We found security practices for the four cruise ships, on the day we visited, were consistent with security plans. We

observed staff screening passengers through the use of non-picture identification cards that were cross-matched to passenger rosters; visitors through a sign in/out log; and ship's crew through picture identification cards. Also, staff kept daily records of security routines and incidents. While each of the four ships experienced incidents such as quarrels between passengers and/or ship's crew, only one ship experienced an unlawful act that required reporting to the Coast Guard. The operator properly reported this act.

GOVERNMENT PERFORMANCE AND RESULTS ACT

The Government Performance and Results Act requires each agency to develop a strategic plan that includes objective, quantifiable, and measurable performance goals for accomplishing major program activities. The Coast Guard's 1998 Performance Plan for the Marine Safety and Environmental Protection Program includes a goal to "Reduce risk from terrorism to U.S. passengers at foreign and domestic ports and designated waterfront facilities." The Coast Guard is developing performance measures, strategies, and activities to achieve this goal.

RECOMMENDATION

We recommend that the Chief of Staff direct the Captain of the Port for the Marine Safety Office in Miami to conduct a followup inspection to ensure that operators of passenger terminals at the Port of Miami take necessary actions to correct security practices.

ACTION REQUIRED

Please provide a written response to our recommendation within 30 days. We appreciate the courtesies and cooperation of Coast Guard representatives. Please call me at (202) 493-0331 or Jerome Persh at (202) 366-1504, if you have any questions concerning this report.

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**Passenger Terminal Facilities and Vessels
Included in Audit**

<u>Terminals</u>	<u>Plans Reviewed</u>	<u>Security Observed</u>
Port of Los Angeles (World Cruise Center)	X	X
Port of Miami	X	X
 <u>Operators/Vessels</u>		
Carnival Cruise Lines		
• MS Celebration	X	
• MS Jubilee	X	X
Norwegian Cruise Line		
• MS Norwegian Majesty	X	
• MS Leeward	X	X
• MS Windward	X	
Royal Caribbean International		
• MS Nordic Empress	X	
• MS Grandeur of the Seas	X	X
• MS Viking Serenade	X	X
Costa Cruise Lines		
• MV Costa Victoria	X	
Premier Cruises		
• SS Seabreeze	X	
Holland American Line		
• MS Noordam	X	
• MS Ryndam	X	
Celebrity Cruises Inc.		
• MS Century	X	
Princess Cruises		
• Dawn Princess	X	
International Shipping Partners		
• MS Regal Empress	X	

EXHIBIT B

Summary: Review of Security Plans

DEVELOPMENT OF SECURITY PLANS		Vessels		Terminals	
		YES	NO	YES	NO
1	Does the plan identify the Security Officer?	15	0	2	0
2	Does the security plan contain standard operating procedures for responding to security violations?	15	0	2	0
3	Does the plan specify that alarms, when used, are to activate an audible or visual alarm in a permanently manned station?	14	1	2	0
4	Does the plan address lighting for security during darkness?	15	0	0	2
5	Does the plan specify the kind of communications to be used for a breach of security, an unlawful act, or other emergency?	15	0	2	0
6	Does the plan require that screening, when conducted, be done manually, electronically, or by an equivalent means acceptable to the Coast Guard?	15	0	2	0
7	Does the plan require that each piece of baggage be marked, labeled or tagged, or otherwise identified as belonging to a particular passenger?	15	0	2	0
8	Does the plan describe the system used to identify and control personnel?	15	0	2	0
9	Does the plan outline designated restricted areas?	15	0	2	0
10	Does the plan outline coordination plans and procedures between vessels and terminal facilities?	15	0	2	0
11	Does the plan include required actions for low, medium, and high threat levels?	15	0	2	0
12	Does the plan include a requirement that barriers and their boundaries, when used between restricted and unrestricted areas in the terminal area, be clearly defined by walls, fences, environmental design, or other security barriers that are either permanent or temporary?	N/A	N/A	1	1

NA- Not applicable.