

**DEPARTMENT OF HOMELAND SECURITY**  
**Office of Inspector General**

Targeting Oceangoing Cargo Containers 2007  
(Unclassified Summary)



*Office of Inspector General*

**U.S. Department of Homeland Security**  
Washington, DC 20528



**Homeland  
Security**

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### Preface

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

This report represents an abbreviated version of our official use only report assessing the Automated Targeting System used by Customs and Border Protection inspectors at ports to help select intermodal cargo containers for inspection. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The information contained in this report has been developed to the best knowledge available to us, and had been discussed in draft with appropriate management officials. It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink that reads "Richard L. Skinner".

Richard L. Skinner  
Inspector General

## Introduction

Section 809(g) of the Coast Guard and Maritime Transportation Act of 2004 requires us to evaluate and report annually on the effectiveness of the cargo inspection targeting system for international intermodal cargo containers. The objective of this audit was to evaluate the U.S. Customs and Border Protection's (CBP) use of the Automated Targeting System (ATS) to identify high-risk shipments. In addition, we reviewed whether recommendations contained in our previous report on ATS, *Audit of Targeting Oceangoing Cargo Containers*, OIG-05-26, dated July 2005, were implemented.

## Background

CBP has a leading position within the Department of Homeland Security in preventing terrorists and weapons of mass destruction from entering the country. As part of this responsibility, CBP has a mission for protecting oceangoing cargo containers from being used as a means of bringing weapons of mass destruction or other cargo linked to terrorism into the country, while not unduly impeding the flow of legitimate trade and travel. CBP addresses the issue of a large volume and limited resources for inspecting oceangoing containers by using the ATS to assist them in determining which shipment of containers to place on hold for examination.

The ATS is a complex model of weighted rules that assist CBP Officers in determining which shipments<sup>1</sup> to place on hold for examination. CBP Officers use the ATS to review electronic data submitted by ocean carriers, importers, and brokers on all arriving shipments by assigning a risk score. These scores help CBP Officers make decisions to release or further evaluate the specific cargo.

Our first ATS audit report, *Audit of Targeting Oceangoing Cargo Containers*, OIG-05-26, dated July 2005, dealt with the ATS and its operating environment. We concluded that improvements were needed in the data to which the ATS targeting rules are applied, and the use of examination results to refine the ATS targeting rules. Also, physical controls over containers selected for examination needed improvement. We made several recommendations for improvement. CBP concurred with all recommendations.

Our second ATS audit report, *Audit of Targeting Oceangoing Cargo Containers*, OIG-07-09, dated November 2006, focused on sources of information, performance measures, the impact of ATS targeting scores on inspection activity, and CBP targeter training. We concluded that CBP did not fully utilize other sources of intelligence information available. Also, national ATS performance measures were still being developed for determining the effectiveness of the ATS. Furthermore, we found that additional guidance for inspection of shipments with elevated ATS scores was needed. Finally, we concluded that the ATS targeters were receiving or in the process of receiving the required Sea Cargo Targeting Training. We made several recommendations for improvement. CBP concurred with all recommendations and outlined planned corrective actions.

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<sup>1</sup> A shipment of commodities may be included in a single container or it may be so large that it is included in multiple containers.

This audit was performed at various Department of Homeland Security locations along the east coast; and covered transactions and procedures current as of June 2006. We gathered information through structured interviews, document analysis, data collection instruments, and observation of operations. Our audit work included follow-up on CBP corrective actions for recommendations from the ATS audit report OIG-05-26, dated July 2005. We conducted our audit between June 2006 and September 2006 under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards.

## **Executive Summary**

CBP is not consistently monitoring entry data for all shipments, resulting in some high-risk containers being allowed to leave ports without mandatory examinations. Furthermore, flaws in the Cargo Enforcement Reporting and Tracking System may result in improper container releases, and CBP still has not automated its integration of examination findings into ATS. Finally, some ports need to improve their controls over high-security bolt seals.

We recommend that the Commissioner of Customs and Border Protection develop a mechanism that will ensure that shipments designated as high-risk are not released from CBP custody without mandatory examination, strengthen procedures at the ports to prevent containers from leaving ports without undergoing required inspections, develop systematic procedures to extract oceangoing container examination results information and begin using it to refine existing targeting rules and developing new rules. Also, we recommend that the Customs and Border Protection require field offices and their respective ports of entry to implement all the requirements of current policies, which deal with the accountability and control over high-security bolt seals. CBP concurred and has taken action to implement the recommendations in our report. Subsequent to the end of our fieldwork, CBP took actions to improve procedures for ensuring that high-risk containers are examined.

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