



Why This Matters

U.S. Customs and Border Protection (CBP) seaport threat assessments have identified the potential for terrorist exploitation, smuggling, and internal conspiracies at bonded facilities.

CBP and U.S. Immigration and Customs Enforcement's (ICE) Joint Fraud Investigative Strike Teams conducted unannounced investigations of bonded facilities resulting in the detention of more than 350 undocumented workers and workers with outstanding arrest warrants. This points to the need for additional vetting of bonded facility employees to ensure that they do not pose a risk to the port, the cargo or other employees.

DHS Response

CBP concurred with all of the report's recommendations and intends to use the Global Enrollment System to standardize and improve vetting of bonded facility employees.

CBP responded that the safeguarding of material in bonded warehouses is primarily a revenue function and noted that it takes a number of actions to screen merchandise for security threats prior to its movement into a bonded facility.

While CBP has a layered cargo security approach and mitigates some risks before the cargo arrives at a bonded facility, OIG and GAO have noted several concerns with CBP's screening prior to arrival at a bonded facility.

For Further Information:

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

CBP's Management Controls over Bonded Facilities

What We Determined

CBP is responsible for cargo security, including the accountability of the transfer to and storage of cargo at privately owned and operated bonded facilities. We reviewed the effectiveness of CBP management controls over background checks at 41 bonded facilities at 5 seaports. CBP does not have effective management controls to ensure that bonded facility employees do not pose a security risk at the bonded facilities.

CBP has not issued national requirements for background checks on employees of bonded facilities and does not ensure port directors have management controls over background checks at bonded facilities. As a result, background checks are inconsistent and often ineffective. This may put bonded facilities at greater risk for terrorist exploitation, smuggling, and internal conspiracies.

What We Recommend

Department of Homeland Security, Cargo Control Branch Chief, CBP:

- 1) Establish and implement nationwide standardized policies and procedures for conducting background checks at bonded facilities, including how CBP plans to coordinate with ICE concerning the roles and responsibilities of all parties involved.
- 2) Provide port directors with a list of criminal offenses that disqualify a job applicant from employment at a bonded facility.
- 3) Implement a process to ensure that CBP receives and retains background check records, including employee lists and results of background checks.
- 4) Expand compliance reviews to include bonded facility employee background check results and updates, and reconcile compliance review results with CBP bonded facility file information.