



Why This Matters

According to U.S. Customs and Border Protection (CBP) officials, 126,083 Foreign Military Sales (FMS)-related shipments were exported in fiscal year (FY) 2012.

CBP and the United States Coast Guard (USCG) need to improve their controls over exports related to FMS to reduce the risk of unauthorized exports and diminished efficiency of the FMS process.

DHS Response

CBP and the USCG concurred with all recommendations.

CBP's and USCG's Controls Over Exports Related to Foreign Military Sales

What We Determined

CBP and the USCG need to improve their controls over exports related to FMS.

1. CBP relies on potentially inaccurate and unverified shipper-provided information from the Automated Export System, which may affect the accuracy of its risk assessment for targeting FMS-related shipments for physical inspection. Furthermore, the absence of a centralized system for tracking FMS-related shipments results in an inefficient process, which also increases the risk of potentially unauthorized exports.
2. CBP's guidance for handling FMS-related shipments is outdated. Additionally, CBP export officers do not receive formal FMS-specific training.
3. Of the USCG contracts for FMS-related items that we reviewed, not all specified that the items being procured were part of an FMS agreement, nor did they always include a requirement to comply with FMS-related laws and regulations. Furthermore, the USCG does not have access to CBP's Automated Export System and is not required by FMS regulations to verify that USCG-contracted shippers correctly enter FMS export information into the system.

What We Recommend

Recommend that the Acting Assistant Commissioner for the Office of Field Operations at CBP:

1. Create and implement a centralized process for tracking FMS-related shipments and enhance the FMS export data validation process.
2. Update the U.S. Customs Control Handbook for Department of State Licenses to reflect current export-related laws, regulations, and responsibilities; and provide formal training to CBP export officers on FMS policies and procedures.

Recommend the USCG Chief of the Office of International Acquisitions:

3. Require future USCG contracts related to FMS to specify that the contents are being shipped under the FMS program, and require shippers to verify that shipments have been identified as FMS in the Automated Export System. By changing these contracting practices and verifying system information for USCG-contracted FMS shipments, the USCG can better ensure FMS items are shipped and documented properly.

For Further Information:

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