

**CBP's ACAS Program Did
Not Always Prevent Air
Carriers from Transporting
High-Risk Cargo into the
United States**





DHS OIG HIGHLIGHTS

CBP's ACAS Program Did Not Always Prevent Air Carriers from Transporting High-Risk Cargo into the United States

May 11, 2020

Why We Did This Audit

Air cargo shipments pose significant threats to national security. CBP and TSA established the ACAS Program with the goal of identifying and preventing high-risk cargo from entering the United States. We conducted this audit to determine to what extent the ACAS program prevents air carriers from transporting high-risk cargo from foreign airports into the United States.

What We Recommend

We made four recommendations to improve policies and procedures, compliance with, and monitoring of the ACAS program.

For Further Information:

Contact our Office of Public Affairs at (202) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

U.S. Customs and Border Protection (CBP) did not always prevent air carriers from transporting high-risk air cargo from foreign airports into the United States. Federal regulations prohibit air carriers from transporting cargo on U.S.-bound aircraft until they resolve all Air Cargo Advance Screening (ACAS) referrals for air cargo shipments deemed high risk. Although CBP identified and targeted high-risk cargo shipments, air carriers did not fully resolve 138 (45 percent) of 309 randomly sampled referrals from fiscal years 2017 and 2018. This occurred because neither CBP nor the Transportation Security Administration (TSA) developed adequate policies and procedures to ensure air carriers resolved referrals timely or appropriately. As a result, air carriers will continue transporting high-risk air cargo into the United States, putting public safety and national security at risk.

Additionally, we identified weaknesses in the ACAS Program's compliance procedures. To maximize compliance, the *Customs Modernization Act* requires CBP to inform the trade community clearly and completely of its legal obligations by, for example, notifying air carriers of noncompliance when appropriate. However, CBP did not identify and communicate issues of noncompliance to air carriers. In addition, air carriers did not always provide CBP the Flight Departure Messages that contain aircraft departure times necessary to enforce ACAS compliance. CBP prioritized air carrier participation in ACAS over implementing compliance procedures. As a result, air carriers may continue to be noncompliant with program requirements.

Further, we determined air-carrier compliance rates have worsened since the program transitioned from a pilot to a federally mandated program in June 2018. Until CBP and TSA develop and implement necessary policies and procedures, the program will continue to face challenges preventing air carriers from transporting high-risk air cargo into the United States.

DHS Response

CBP and TSA concurred with all four of our recommendations and initiated corrective actions to address them.



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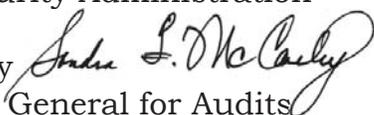
Washington, DC 20528 / www.oig.dhs.gov

May 11, 2020

MEMORANDUM FOR: Todd Owen
Executive Assistant Commissioner
Office of Field Operations
U.S. Customs and Border Protection

Stacey Fitzmaurice
Executive Assistant Administrator
Operations Support
Transportation Security Administration

FROM:

Sondra F. McCauley 
Assistant Inspector General for Audits

SUBJECT:

CBP's ACAS Program Did Not Always Prevent Air Carriers from Transporting High-Risk Cargo into the United States

Attached for your action is our final report, *CBP's ACAS Program Did Not Always Prevent Air Carriers from Transporting High-Risk Cargo into the United States*. We incorporated the formal comments provided by your office.

The report contains four recommendations aimed at improving the Air Cargo Advance Screening Program. Your office concurred with all four recommendations. Based on information in your response to the draft report, we consider recommendations 1 through 3 to be open and resolved. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions.

Based on information provided in your response to the draft report, we consider recommendation 4 open and unresolved. As prescribed by the Department of Homeland Security Directive 077-01, *Follow-Up and Resolution for Office of Inspector General Report Recommendations*, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include your responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until your



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response is received and evaluated, the recommendation will be considered open and unresolved. Please send your response or closure request to OIGAuditsFollowup@oig.dhs.gov.

Consistent with our responsibility under the *Inspector General Act of 1978*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions at (202) 981-6000, or your staff may contact Maureen Duddy, Deputy Assistant Inspector General for Audits, at (617) 565-8723.



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Background

The U.S. Customs and Border Protection (CBP) and the Transportation Security Administration (TSA) share responsibility for securing air cargo bound for the United States. CBP is responsible for securing the Nation's borders by inspecting and preventing high-risk air cargo from entering the United States at ports of entry. TSA is responsible for international air cargo security by regulating air carrier screening requirements and ensuring industry complies with those regulations. According to the air cargo industry, air cargo accounts for 35 percent¹ of the total world trade value and is likely to grow 4.2 percent each year, for the next 20 years.

In October 2010, Al-Qaeda terrorists attempted to conceal explosive devices inside printer cartridges onboard two aircraft destined for the United States (see figure 1). The group intended for the devices to explode mid-air over the continental United States causing catastrophic damage to the aircraft, passengers, and property on the ground. Although the global counterterrorism community thwarted this terrorist attempt, it exposed security vulnerabilities as the explosives flew aboard several international flights before discovery.



Figure 1: Printer Cartridge Bomb
Source: Office of Inspector General (OIG) obtained from internet



Figure 2: Targeting Analyst
Source: OIG obtained from internet

In December 2010, in response to the October 2010 attack, CBP and TSA jointly piloted a voluntary Air Cargo Advance Screening (ACAS) Program with the intent to identify high-risk cargo before departing from a foreign location. ACAS participating carriers provided advanced information to CBP and TSA Targeting Analysts at the National Targeting Center (NTC) (figure 2). The advance information, in combination with data from CBP's Automated Targeting System (ATS) and other sources, enabled Analysts to

¹ Thirty-five percent of the total world trade value represents more than \$6 trillion in goods.



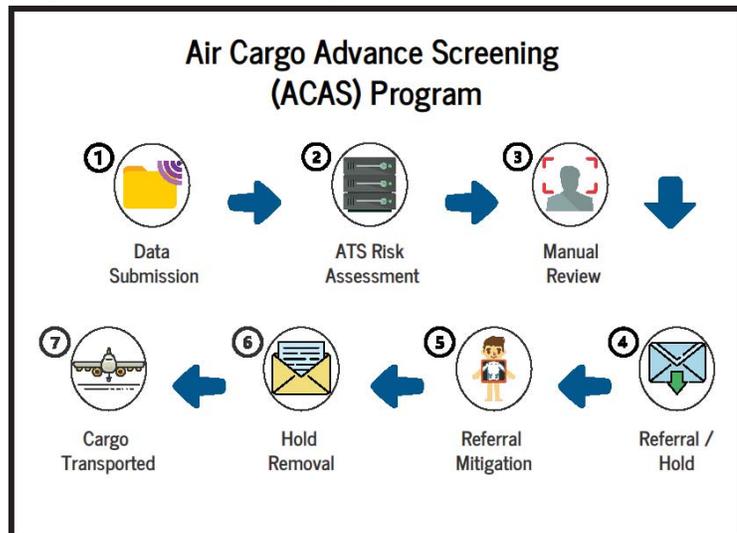
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identify high-risk cargo posing a possible security threat. CBP defines high-risk cargo as a shipment that could pose a risk to the aircraft during flight, such as unauthorized weapons, explosives, chemical and biological weapons, weapons of mass destruction, or other destructive substances or items. Figure 3 shows the ACAS screening process—a complex sequence of events that must be completed in a specific order and timeframe by various parties throughout the air cargo supply chain.

The ACAS process begins once the air carrier provides CBP with data in ATS describing the cargo. The air carrier must provide the data as early as practicable, but prior to loading the cargo onto an aircraft. The ATS system then automatically performs a risk assessment using risk-based algorithms and other information. ATS displays the results of the risk assessment to those users with the appropriate access role. CBP or TSA Targeting Analysts (targeters) will manually review

Figure 3: ACAS Program Process Flowchart



Source: OIG analysis of CBP policies

and vet those identified shipments and make a final risk determination. If the cargo is determined to be high-risk, a watch commander sends a referral to the air carrier for resolution. After the watch commander sends the referral, a targeter places the shipment on hold in the ATS System. Once the referral is fully resolved, the targeter will remove the system hold and the cargo will be transported to its destination. Appendix B includes a detailed description of the critical events that occur during the ACAS process.

CBP and TSA piloted the ACAS Program for 8 years until CBP’s *Air Cargo Advance Screening Interim Final Rule* (Interim Final Rule) formally mandated the program on June 12, 2018.² CBP’s Interim Final Rule established a 12-month informed compliance period ending June 11, 2019. The purpose of the informed compliance period was to provide the air cargo trade community sufficient time to move from the pilot program to the full compliance program, which now allows CBP to take enforcement actions for instances of unresolved referrals.

² 83 Fed. Reg. 27380, *Air Cargo Advance Screening* (ACAS) (June 12, 2018).



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In June 2018, CBP's Office of Field Operations, Cargo and Conveyance Security Office, and the National Targeting Center published the *Air Cargo Advance Screening Standard Operating Procedure* outlining CBP's policies and procedures for identifying high-risk ACAS shipments. Additionally, TSA's Office of Policy, Plans, and Engagement maintains four standard air cargo security programs, which prescribe security measures and screening requirements air carriers must follow when transporting cargo inbound to the United States from non-U.S. locations. TSA's Security Programs apply to air carriers based on their country of origin (i.e., foreign vs. domestic) and type of carrier operations (i.e., passenger vs. all-cargo).

We conducted this audit to determine to what extent the ACAS Program prevents air carriers from transporting high-risk cargo from foreign airports into the United States.

Results of Audit

ACAS Program Did Not Always Prevent High-Risk Air Cargo from Entering the United States

CBP did not always prevent air carriers from transporting high-risk air cargo from foreign airports into the United States. Federal regulations prohibit air carriers from transporting cargo on U.S.-bound aircraft until they resolve all ACAS referrals. Although CBP identified and targeted high-risk cargo shipments, air carriers did not fully resolve 138 (45 percent) of 309 randomly sampled referrals from fiscal years 2017 and 2018.³ This occurred because neither CBP nor TSA developed adequate policies and procedures to ensure air carriers timely and appropriately resolved referrals. As a result, air carriers may continue transporting high-risk air cargo to the United States, putting human safety and national security at risk.

³ Our sample included ACAS referrals from both the voluntary pilot and mandated informed compliance periods. This report identifies control weaknesses neither CBP nor TSA addressed prior to ACAS moving from the pilot to the informed compliance period.



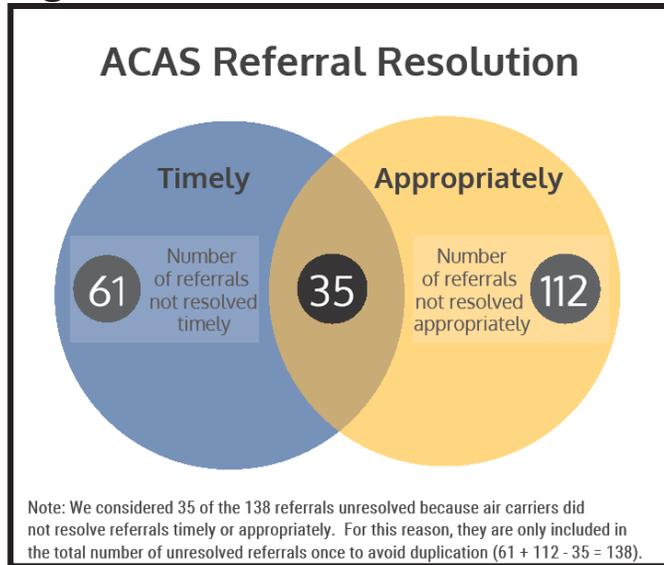
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Air Carriers Did Not Fully Resolve All ACAS Referrals

Air carriers did not fully resolve 138 of 309 (45 percent) of the referrals tested from FYs 2017 and 2018. According to Federal regulations and guidance,⁴ inbound air carriers must resolve all ACAS referrals before transporting cargo on an aircraft destined for the United States. CBP's Interim Final Rule requires air carriers to resolve screening referrals by using a TSA-approved enhanced screening procedure and providing CBP with information about how they screened the cargo prior to transporting it to the United States. Of the 138, we determined 61 were not resolved timely, 112 were not resolved appropriately, and 35 were not resolved timely or appropriately (see note in figure 4). Figure 4 shows a breakdown of the ACAS referrals not fully resolved.

Figure 4: Unresolved ACAS Referrals



Source: OIG analysis of ATS data.

Air carriers did not resolve 61 of 138 referrals timely. According to Federal regulations, air carriers must perform and communicate with CBP the actions taken to mitigate an identified risk before an aircraft departs for the United States. To verify whether a referral was resolved timely, CBP and TSA must compare the air carrier's time of response to the aircraft's Flight Departure Message, which indicates its liftoff date and time. However, our testing revealed air carriers did not always perform these actions timely — that is, before the aircraft departed — or in some cases did not respond to CBP at all. For example, we identified one instance during the program's informed compliance period in which the air carrier resolved the referral more than 9 days after the flight departed.

Air carriers did not resolve 112 of 138 referrals appropriately. In order to resolve referrals appropriately, air carriers must follow enhanced screening protocols outlined in TSA's approved Security Programs and communicate to CBP the screening method used. Examples of allowable enhanced screening methods include X-Ray, Advanced Technology X-Ray, Explosive Detection

⁴ During the ACAS Pilot period, CBP required participants to resolve all referrals before departure. See 83 Fed. Reg. 27387, *Air Cargo Advance Screening* (June 12, 2018). After the Pilot period, CBP regulations require all air carriers to resolve referrals. See 19 Code of Federal Regulations (CFR) 122.48b(e)(3), *Air Cargo Advance Screening*.



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System, and Explosive Trace Detection. However, we determined air carriers did not always use the appropriate methods to mitigate high-risk air cargo, or did not always communicate with CBP the methods used to resolve the referrals. Specifically, air carriers resolved 42 of 112 referrals using inappropriate screening methods. For example, we found two air carriers that historically received the highest volume of ACAS referrals routinely used the “Physical Search” method,⁵ which is not an approved method to resolve ACAS referrals. Additionally, for 70 of the 112 referrals, air carriers did not communicate to CBP the screening method they used to resolve referrals.

Based on our sample of 309 out of 1,579 ACAS referrals, there could be 706⁶ instances when air carriers transported high-risk cargo to the United States before fully resolving referrals.

Inadequate Policies and Procedures

Neither CBP nor TSA developed adequate policies and procedures to ensure air carriers timely and appropriately resolved referrals prior to transporting high-risk cargo. Specifically, we determined CBP’s existing procedures do not prevent air carriers from transporting high-risk cargo to the United States prior to resolving referrals. CBP’s *ACAS Standard Operating Procedure* does not include a requirement for CBP or TSA to ensure air carriers use appropriate TSA-approved screening methods to resolve referrals. Additionally, TSA’s Security Programs do not require air carriers to provide information about how they screened cargo in response to referrals. According to CBP personnel, the agency does not have a fully implemented system or process to ensure air carriers are adhering to requirements and instead relies heavily upon air carriers to fulfill referral resolution obligations.

As a result, the ACAS Program cannot meet its overall purpose of preventing high-risk air cargo from departing foreign locations en route to the United States. Consequently, air carriers may be transporting high-risk air cargo to the United States on passenger and all-cargo aircraft, putting both public safety and national security at risk.

⁵ According to TSA’s All-Cargo International Security Program, physical search procedures involve systematically inspecting the cargo contents by hand to ensure there are no prohibited items.

⁶ The range of anomalies for instances air carriers transported high-risk cargo before resolving an ACAS referral fully is 627 to 787, based on a 95 percent confidence interval, 5 percent tolerance for error, and a 50 percent population proportion. We explain our testing methodology in the objective, scope, and methodology section found later in the report.



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Weaknesses Identified in ACAS Compliance Procedures

CBP did not identify or communicate issues of noncompliance to air carriers. The *Customs Modernization Act* requires CBP to inform clearly and completely the trade community of its legal obligations to maximize compliance with regulations. Additionally, air carriers did not always provide Flight Departure Messages necessary for CBP to enforce ACAS compliance. This occurred because CBP prioritized air carrier participation in the ACAS Program over developing and implementing compliance procedures. As a result, air carriers may continue to be noncompliant with program requirements and transport high-risk cargo to the United States without properly mitigating threats.

CBP Did Not Identify and Communicate Issues of Noncompliance with ACAS Requirements

CBP did not issue any noncompliance notifications to air carriers during the 12-month informed compliance period. According to the *Customs Modernization Act*, informed compliance involves clearly and completely informing the trade community of its legal obligations to maximize compliance with CBP regulations. Additionally, according to CBP's Interim Final Rule, CBP would phase in full enforcement of the ACAS Program over a 12-month informed compliance period. The phase-in period provided the air cargo trade community sufficient time to adjust to the new requirements.

Even though CBP did not issue any notifications from June 12, 2018, through June 11, 2019, we identified 34 of 61 instances of noncompliance during the first 3 months of the 12-month informed compliance period.⁷ See appendix C for more details regarding testing results. For these cases, CBP missed the opportunity to ensure air carriers took corrective action prior to the aircraft's departure to the United States.

Air Carriers Did Not Always Provide Flight Departure Messages

Air carriers did not always provide Flight Departure Messages necessary for CBP to enforce ACAS compliance. Before CBP's Interim Final Rule took effect on June 12, 2018, air carriers voluntarily provided Flight Departure Messages to CBP. However, after CBP implemented its Interim Final Rule, air carriers were required to provide CBP with Flight Departure Messages for all aircraft

⁷ We tested ACAS referrals made between October 1, 2016, and September 30, 2018. According to CBP's Interim Final Rule, the 12-month informed compliance period started on June 12, 2018, and ended on June 11, 2019. As a result, we only tested ACAS referrals made within the first 3 months of the informed compliance period (June 12, 2018, through September 30, 2018).



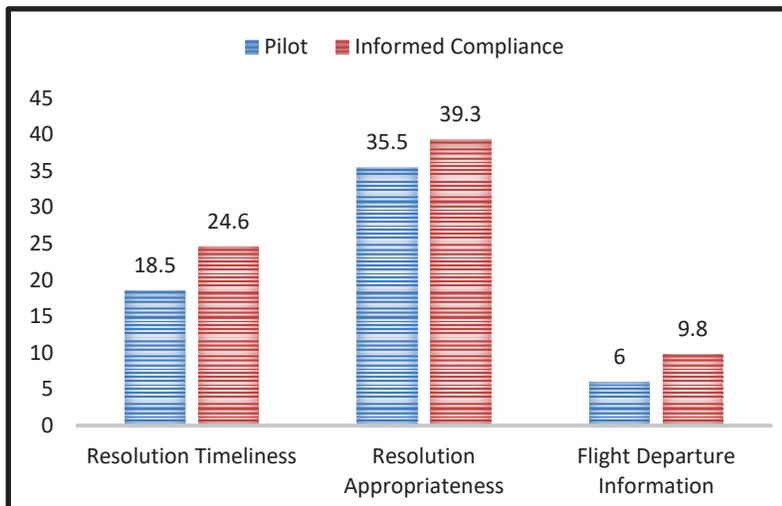
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carrying commercial cargo into the United States.⁸ The information is necessary for CBP to assess whether air carriers transmit filings timely and address referrals prior to departure. Although Flight Departure Messages were voluntary prior to June 2018, all of the air carriers represented in our sample provided a Flight Departure Message to CBP for other ACAS referrals in our sample, demonstrating the ability to transmit the message. We identified 21 of 309 (7 percent) referrals in which CBP did not receive the Flight Departure Messages specifying the dates and times that aircraft departed foreign airports between FYs 2017 and 2018. Based on our sample of 309 out of 1,579 ACAS referrals, there could be 108⁹ instances where CBP did not receive the Flight Departure Messages.

According to CBP personnel, their priority during the informed compliance period was to bring into the program new air carriers that were not yet participating. Because CBP prioritized program participation, it did not develop compliance procedures to effectively identify, monitor, and communicate program noncompliance to air carriers before CBP mandated the program. When we met with CBP personnel in October 2019, they stated they were in the process of developing compliance policies, procedures, and a team to identify, address, and communicate air carrier noncompliance.

Figure 5: Rate of Noncompliance



Source: OIG analysis of ATS data

As a result, air carriers may continue to be noncompliant with program requirements. Based on our results, we conducted a trend analysis that illustrates air carrier compliance rates in fact worsened since the program transitioned from a pilot¹⁰ program to a federally mandated program on June 12, 2018. As shown in figure 5, the noncompliance rates increased in all three areas we tested.

⁸ 19 CFR 122.48a (d)(1), *Cargo Information from Air Carrier*.

⁹ Given a population of 1,579 and a lower and upper sample population deviation rate of 4.5 percent and 9.82 percent, respectively, the statistical range of noncompliance is between 72 and 156 instances.

¹⁰ The pilot phase of the ACAS program began in December 2010 and ended in June 2018. The informed compliance phase of the program began June 2018 and ended June 2019, and the full enforcement period began on June 11, 2019.



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Conclusion

CBP's ACAS Program is a critical component of DHS' layered security strategy. The program uses risk-based assessments and existing TSA screening authority to secure the cargo supply chain from terrorist-related activities. Data from CBP's ATS shows the air cargo industry's participation in the ACAS Program between FYs 2015 and 2018 has increased steadily from year to year.¹¹ However, even one ACAS cargo referral left unresolved could have catastrophic consequences. Additionally, data from the air cargo industry suggests that for the next 20 years, world air cargo traffic will grow 4.2 percent each year. Growing participation in the ACAS Program as it matures will exacerbate existing weaknesses in the program's internal controls. As result, the program will continue to face challenges preventing air carriers from transporting high-risk air cargo to the United States.

Recommendations

Recommendation 1: We recommend CBP's Executive Assistant Commissioner for the Office of Field Operations develop and implement procedures to ensure air carriers resolve timely ACAS referrals before transporting high-risk cargo to the United States.

Recommendation 2: We recommend CBP's Executive Assistant Commissioner for the Office of Field Operations add and implement ACAS referral resolution procedures to its *ACAS Referrals Mailbox Standard Operating Procedures* (September 2017). Those additional procedures should include a requirement for CBP and TSA to conduct a review of air carrier screening methods prior to aircraft departure to ensure air carriers comply with approved TSA Security Programs.

Recommendation 3: We recommend TSA's Executive Assistant Administrator for Operations Support update and implement procedures in its TSA Security Programs to ensure air carriers provide their screening methods to CBP as part of the ACAS referral resolution process.

Recommendation 4: We recommend CBP's Executive Assistant Commissioner for the Office of Field Operations develop and implement compliance procedures for the ACAS Program. Specifically, compliance procedures must include processes to:

¹¹ Based on CBP's ACAS Daily Report, air carriers transmitted ACAS airway bills amounting to 84,028,268; 90,651,478; 105,075,341; and 120,200,147 in FY's 2015 through 2018, respectively.



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- identify and communicate instances of noncompliance to air carriers, and
- monitor CBP's receipt of critical Flight Departure Message information to facilitate measurement of program compliance.

Management Comments and OIG Analysis

CBP and TSA concurred with all four recommendations and has already implemented action or is taking steps to address them. Appendix A contains DHS' management comments in their entirety. We also received technical comments to the draft report and revised the report as appropriate. As DHS management indicates, we recognize our testing sample included ACAS referrals from both the voluntary pilot and the mandatory informed compliance periods. However, we found neither CBP nor TSA took steps to strengthen the program's control weaknesses identified during the voluntary pilot period before transitioning the program to the mandatory period. This allowed identified deficiencies to continue throughout the program and impede corrective actions. We consider recommendations 1 through 3 open and resolved, and recommendation 4 open and unresolved. A summary of CBP's responses and our analysis follow.

DHS Comments to Recommendation 1: Concur. CBP will collaborate with TSA to develop and implement procedures to ensure air carriers timely resolve ACAS referrals prior to transporting high-risk cargo to the United States. Estimated Completion Date: February 26, 2021.

OIG Analysis of DHS Comments: CBP has taken steps to satisfy the intent of this recommendation. We consider this recommendation resolved, but it will remain open until CBP provides documentation to substantiate that all planned corrective actions are completed.

DHS Comments to Recommendation 2: Concur. CBP will update the *ACAS Referrals Mailbox Standard Operating Procedure* (September 2017) with procedures to review air carrier screening methods. CBP will take this action after TSA updates its Security Programs to require carriers to provide CBP with the screening methods used as part of the ACAS referral resolution process. Estimated Completion Date: February 26, 2021.

OIG Analysis of DHS Comments: CBP has taken steps to satisfy the intent of this recommendation. We consider this recommendation resolved, but it will remain open until CBP provides documentation to substantiate that all planned corrective actions are completed.



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DHS Comments to Recommendation 3: Concur. TSA is currently developing changes to Security Programs that will require air carriers to include the TSA-approved screening method used to resolve ACAS referrals as part of the ACAS referral resolution process. Estimated Completion Date: September 30, 2020.

OIG Analysis of DHS Comments: TSA has taken steps to satisfy the intent of this recommendation. We consider this recommendation resolved, but it will remain open until TSA provides documentation to substantiate that all planned corrective actions are completed.

DHS Comments to Recommendation 4: Concur. CBP will continue to expand upon its compliance program initiated during the course of our audit. Specifically, it will refine electronically generated reports to measure carrier compliance to better identify levels of compliance. Estimated Completion Date: December 31, 2020.

OIG Analysis of DHS Comments: We reviewed CBP's response and recognize it has taken steps to satisfy the intent of this recommendation. However, CBP's response did not address developing procedures to communicate instances of noncompliance to carriers. Furthermore, CBP did not address how it plans to incorporate Flight Departure Messages to assist in measuring program compliance. Without implementing these two elements of the recommendation, CBP may not be able to identify and communicate instances of noncompliance. We consider this recommendation open and unresolved until CBP provides a plan to address all elements of the recommendation.

Objective, Scope, and Methodology

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*.

Our audit objective was to determine to what extent CBP's ACAS Program prevents air carriers from transporting high-risk cargo from foreign airports into the United States. To accomplish our objective, we reviewed Federal laws and regulations, budgetary information, CBP's internal controls, policies, and procedures related to ACAS. Additionally, we reviewed TSA's Security Programs, emergency amendments, security directives, and job aids related to ACAS.

We interviewed personnel from CBP's Office of Field Operations, Cargo Conveyance and Screening, and Office of Information Technology. We interviewed personnel from TSA's Office of Security Operations, Office of Policy, Plans, and Engagement, and Office of Requirements and Capabilities Analysis.



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Additionally, we interviewed CBP and TSA personnel located at the National Targeting Center in Sterling, Virginia, and observed cargo risk assessment and referral communication processes. We also interviewed representatives from the air cargo industry.

We analyzed CBP data for ACAS foreign referrals, including data quality and cargo screening referrals filed between October 1, 2016, and September 30, 2018. During FY's 2017 and 2018, CBP's ATS conducted automatic ACAS targeting assessments on approximately 225 million air waybills submitted by air carriers to CBP. Of those 225 million air waybills, CBP and TSA targeters manually assessed approximately 2.5 million that CBP identified as potentially high-risk shipments. Of those 2.5 million manual assessments, CBP issued 1,579 foreign referrals requiring resolution. Referrals filed between October 1, 2016, and June 11, 2018, occurred during the program's pilot period, while referrals filed between June 12, 2018, and September 30, 2018, occurred during the program's informed compliance period.

We used IDEA data analysis software to draw a statistically random sample of foreign referrals of air cargo shipments identified by CBP and TSA targeters for FYs 2017 and 2018. Given a population of 1,579, the statistically valid sample size based on 95 percent confidence level, 5 percent sampling error, and 50 percent population proportion is 309.

We tested each referral in our statistical sample to verify it was resolved timely and appropriately in accordance with Federal laws and regulations as well as internal policies and procedures. To test for timeliness, we ensured air carriers resolved referrals prior to transporting cargo to the United States, as required by Federal regulations. Specifically, we obtained the Flight Departure Message from CBP's ATS indicating the aircraft liftoff date and time associated with each referral in our sample. We then compared the carrier's referral response timestamp contained within the Targeting Framework to the aircraft's Flight Departure Message to determine whether the carrier resolved the referral prior to departure. We classified an ACAS referral as noncompliant with timeliness requirements if the carrier responded after the flight departed or if no response to the referral was evident in CBP's Targeting Framework event. The timeliness test also identified instances when air carriers did not provide Flight Departure Messages to CBP.

To test for appropriateness, we evaluated whether air carriers mitigated and resolved referrals using allowable enhanced screening methodologies per TSA's approved Security Program. Specifically, we identified the relevant air carrier from the Targeting Framework Event to determine the applicable TSA Security Program. We then compared the screening method the carrier communicated



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in its referral response to the allowable TSA-approved methods within the TSA Security Program. We classified an ACAS referral as noncompliant with appropriateness requirements when the carrier used a method of screening not contained within the approved TSA Security Program, or when the carrier did not provide the method of screening in its response, as required.

In addition, we summarized our testing results to identify instances of noncompliance occurring within the pilot period and the informed compliance period. Any instance of noncompliance that occurred prior to June 12, 2018, was part of the pilot period, while any noncompliance that occurred on or after June 12, 2018, was part of the informed compliance period. Using this data, we performed an analysis to identify the trend in the air carriers' rate of compliance with program requirements. Specifically, we computed the rate of noncompliance given the number of referrals included within our statistical sample for each phase. Finally, we compared the rate of noncompliance to determine any trends.

To assess the reliability of CBP's ACAS data, we identified CBP's ATS as the primary storage database for the ACAS Program. We identified relevant system controls through interviews with CBP's Office of Information Technology and reviews of policies and procedures. We also tested selected system controls, such as ATS user access. Prior to testing data files, we watched CBP officials extract and replicate the ACAS data we requested because no other system exists with which to compare the data to determine completeness. We compared the replicated data pull to the original data pull provided by CBP and determined there were no differences. Additionally, we reviewed CBP's data query to ensure CBP obtained the data using appropriate systems and date ranges. Following our data reliability assessment of CBP's ATS, we determined the data was sufficiently reliable to support the findings, recommendations, and conclusions in the report.

We conducted this performance audit between October 2018 and August 2019 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

The Office of Audits major contributors to this report are Maryann Pereira, Director; Anthony Colache, Audit Manager; Michael Nasuti, Auditor-in-Charge; John Jadick, Program Analyst; Thomas Larson, Auditor; Lindsey Koch, Communications Analyst; Muhammad Islam, Statistician; and Anna Hamlin, Independent Report Referencer.



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Appendix A
DHS Comments to the Draft Report

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



**Homeland
Security**

April 10, 2020

MEMORANDUM FOR: Joseph V. Cuffari, Ph.D.
Inspector General

FROM: Jim H. Crumacker, CIA, CFE
Director
Departmental GAO-OIG Liaison Office

SUBJECT: Management Response to Draft Report: "CBP's ACAS
Program Struggles to Prevent Air Carriers from Transporting
High-Risk Cargo into the United States"
(Project No. 19-005-AUD-CBP, TSA)

JIM H
CRUMPACKER
Digitally signed by
JIM H CRUMPACKER
Date: 2020.04.10
15:39:13 -0400

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

In response to the October 2010, attempted Al-Qaeda terrorist attack to exploit air cargo security vulnerabilities, DHS' U.S. Customs and Border Protection (CBP) and Transportation Security Administration (TSA) collaborated in the development and pilot of the Air Cargo Advance Screening (ACAS) program to analyze advance cargo information earlier in the supply chain. As recognized in the OIG's draft report, the ACAS screening process involves a complex sequence of events that must be completed in a specific order and timeframe by various parties throughout the air cargo supply chain, enabling CBP and TSA to identify high-risk cargo that poses a possible security threat before such cargo departs from a foreign location.

Prior to the implementation of CBP's ACAS Interim Final Rule on June 12, 2018, air carriers voluntarily provided Flight Departure Messages (FDM) to CBP under the pilot program; however, the air carriers were inconsistent in providing the requested information. Under the "Interim Final Rule," air carriers are now mandated to provide CBP with FDMs for all aircraft transporting commercial cargo into the United States, which allows CBP to address high-risk cargo referrals in a timely manner prior to aircraft departure.



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DHS remains committed to enhancing the security of the aircraft and passengers on U.S.-bound flights through the ACAS program as an additional layer to DHS's robust risk-based layered security strategy. ACAS targeted risk assessments help identify and prevent high-risk air cargo that could pose a risk to the aircraft during flight from being loaded on aircraft.

The draft report contained four recommendations, with which the Department concurs. Attached find our detailed response to each recommendation. DHS previously submitted technical comments under a separate cover for OIG's consideration.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Attachment



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Attachment: Management Response to Recommendations Contained in Project No. 19-005-AUD-CBP, TSA

OIG recommended that the CBP Executive Assistant Commissioner for the Office of Field Operations (OFO):

Recommendation 1: Develop and implement procedures to ensure air carriers resolve timely Air Cargo Advance Screening (ACAS) referrals before transporting high-risk cargo to the United States.

Response: Concur. The CBP Executive Assistant Commissioner for the OFO will collaborate with the TSA's Executive Assistant Administrator for the Office of Operations Support (OS) to develop and implement procedures to ensure air carriers resolve timely ACAS referrals before transporting high-risk cargo to the United States. Estimated Completion Date (ECD): February 26, 2021.

Recommendation 2: Add and implement ACAS referral resolution procedures to its *ACAS Referrals Mailbox Standard Operating Procedures (September 2017)*. Those additional procedures should include a requirement for CBP and TSA to conduct a review of air carrier screening methods prior to aircraft departure to ensure air carriers comply with approved TSA Security Programs.

Response: Concur. After TSA's Executive Assistant Administrator for OS updates and implements procedures in the TSA Security Programs to ensure air carriers provide their screening methods to CBP as part of the ACAS referral resolution process, CBP OFO will update the ACAS Referrals Mailbox Standard Operating Procedures. ECD: February 26, 2021.

OIG recommended that the TSA Executive Assistant Administrator for OS:

Recommendation 3: Update and implement procedures in its TSA Security Programs to ensure air carriers provide their screening methods to CBP as part of the ACAS referral resolution process.

Response: Concur. Several offices within TSA are collaborating to develop security program changes that require participating air carriers to include the specific TSA-approved screening method used to resolve ACAS Referral for screening messages as part of the ACAS referral resolution process. ECD: September 30, 2020.



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OIG recommended that the CBP Executive Assistant Commissioner for OFO:

Recommendation 4: Develop and implement compliance procedures for the ACAS Program. Specifically, compliance procedures must include processes to:

- identify and communicate instances of noncompliance to air carriers; and
- monitor CBP's receipt of critical Flight Departure Message information to facilitate measurement of program compliance.

Response: Concur. While the ACAS compliance program was implemented in June 2018, CBP OFO will continue to expand its efforts to ensure the compliance program becomes more robust and an effective mechanism for industry compliance. Current electronic auto generated reports to measure carrier compliance will be refined to better identify levels of compliance or non-compliance. ECD: December 31, 2020.



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Appendix B

Air Cargo Advance Screening Process

Data Submission

ACAS filers electronically provide CBP with six ACAS data elements as early as practicable, but no later than prior to loading cargo onto the aircraft. The six data elements include the air waybill number, shipper name and address, consignee name and address, cargo description, total quantity, and total weight.

ATS Risk Assessment

CBP's ATS performs an automated risk assessment of carrier-provided ACAS data using risk-based algorithms and other information to help detect potential threats. ATS displays the results of the risk assessment to those users with the appropriate access role,¹² which prompts a manual review by a targeting analyst.

Manual Review

CBP and TSA Targeting Analysts, generally referred to as "targeters," manually review and vet ACAS Hotlist-identified shipments to make final risk determinations. Targeters use ACAS data to assess shipments against information in law enforcement, government, and open-source databases, such as the Terrorist Screening Database,¹³ Person Centric Query Service,¹⁴ and TECS.¹⁵ Targeters look at trade entity, country of origin, destination, commodity, weights, etc. to aid in their final risk determinations. Targeters conclude their assessments with a determination of whether the shipment is a match to information of possible concern. Negative matches result in targeters marking the shipments as cleared for ACAS purposes in ATS. Positive matches result in either referrals for screening, referrals for information, or Do-Not-Load referrals sent to the air carriers, requiring air carrier resolution. Targeters create "events" in the Targeting Framework, which is a module in ATS, to keep an audit trail of all referrals.

¹² ATS identifies approximately 1 percent of all ACAS shipments as high risk and needing additional review and analysis.

¹³ The Terrorist Screening Database maintains individuals' biographic identifiers to support counterterrorism, law enforcement, border security, and inspection activities.

¹⁴ The Person Centric Query Service maintains a record of an individual's interactions with DHS components while passing through the U.S. immigration system.

¹⁵ TECS (not an acronym) serves as a data repository of law enforcement, inspection, operational, and intelligence records to facilitate data sharing among government agencies.



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Referral / Hold

The NTC communicates any referrals for screening, referrals for information, or Do-Not-Load with air carriers primarily using the ACAS Referral Mailbox. CBP's *ACAS Referrals Mailbox Standard Operating Procedure* (September 2017) outlines the NTC's policies and procedures for communicating referrals to air carriers. NTC watch commanders, who are first line supervisors, assign ACAS Mailbox monitoring responsibilities to CBP and TSA targeters to ensure continuous coverage for each shift. Watch commanders are responsible for notifying air carriers of referrals for screening or information via email using the ACAS Mailbox. However, if targeters identify high-risk Do-Not-Load shipments, the watch commanders notify the air carriers telephonically and via email. Additionally, targeters place an electronic system hold in ATS immediately after the watch commanders notify air carriers of the referrals.

Referral Mitigation

Using the ACAS Referrals Mailbox, air carriers resolve referrals for screening by confirming with the NTC that they screened cargo using appropriate enhanced screening methods from their TSA-approved Security Programs. Air carriers must include how they screened cargo in their confirmation responses. Using the ACAS Referrals Mailbox, air carriers also resolve referrals for information by providing the NTC with clarifying information about ACAS data elements. In addition to communications via the ACAS Referrals mailbox, the NTC handles Do-Not-Load referrals telephonically because it requires continuous contact with carriers due to the severity of the risk the cargo presents.

Hold Removal

CBP and TSA targeters remove system holds on high-risk cargo after receiving an air carrier's confirmation that it mitigated the identified threat. Targeters assigned to the ACAS Mailbox enter the referral results into the Cargo Enforcement Reporting and Tracking System to remove the holds. Additionally, targeters update the Targeting Framework Event with all cargo vetting actions taken, shipment disposition, referral conclusions, and all air carrier attachments (i.e., x-ray images, etc.).

Cargo Transported

This is the final phase of the process. Air carriers load cargo onto their aircraft at the last point of departure. Cargo in this phase is en route to the United States aboard either all-cargo aircraft or passenger aircraft.



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Appendix C
Audit Results by Program Phase

Audit Testing Results									
Condition	Pilot <i>10/01/2016 - 06/11/2018</i>			Informed Compliance <i>06/12/2018 - 09/30/2018</i>			Grand Total		
	Non-compliant	Reviewed	Rate	Non-compliant	Reviewed	Rate	Non-compliant	Reviewed	Rate
Referrals Not Resolved Timely	46	248	18.5%	15	61	24.6%	61	309	19.7%
Referrals Not Resolved Appropriately	88	248	35.5%	24	61	39.3%	112	309	36.2%
Lack of Flight Departure Message	15	248	6.0%	6	61	9.8%	21	309	6.8%
Total	149			45			194		

Source: DHS OIG analysis of ATS data



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Appendix D
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