

Department of Homeland Security **Office of Inspector General**

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





OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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

SEP 09 2013

MEMORANDUM FOR: Susan T. Mitchell
Acting Assistant Commissioner
Office of Field Operations
U.S. Customs and Border Protection

Rear Admiral Bruce D. Baffer
Assistant Commandant for Acquisitions
United States Coast Guard

FROM: Anne L. Richards 
Assistant Inspector General for Audits

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

Attached for your action is our final report, *CBP's and USCG's Controls Over Exports Related to Foreign Military Sales*. We incorporated the formal comments from U.S. Customs and Border Protection and the United States Coast Guard in the final report.

The report contains three recommendations aimed at improving U.S. Customs and Border Protection's (CBP) and the United States Coast Guard's (USCG) Foreign Military Sales program's effectiveness. Your offices concurred with the recommendations. Based on information provided in your response to the draft report, we consider the recommendations resolved. Once your offices have fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The request should be accompanied by evidence of completion of agreed-upon corrective actions.

Please email a signed PDF copy of all responses and closeout requests to OIGAuditsFollowup@oig.dhs.gov.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to appropriate 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, or your staff may contact Mark Bell, Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



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Abbreviations

AES	Automated Export System
CBP	U.S. Customs and Border Protection
DHS	Department of Homeland Security
DoD	Department of Defense
FMS	Foreign Military Sales
FY	fiscal year
GAO	U.S. Government Accountability Office
IPO	International Programs Office (U.S. Navy)
JFK	John F. Kennedy International Airport
LOA	Letter of Offer and Acceptance
OFO	Office of Field Operations (CBP)
OIG	Office of Inspector General
USCG	United States Coast Guard



Executive Summary

Within the Department of Homeland Security, under the Foreign Military Sales program, the United States Coast Guard (USCG) procures and provides defense-related articles and services to foreign governments, and U.S. Customs and Border Protection (CBP) controls exports of articles related to Foreign Military Sales. In February 2013, the U.S. Government Accountability Office deemed Foreign Military Sales a high risk area for the Federal Government. We performed this audit to determine whether CBP and the USCG have adequate controls over the Foreign Military Sales export process.

CBP and the USCG need to improve their controls over exports related to Foreign Military Sales. CBP has a process to assess the risk associated with exports and target shipments for physical inspection. However, during this process officers rely on potentially unverified and inaccurate information that shippers submit to an export database. Additionally, according to officers at the two ports we reviewed, they did not physically inspect any Foreign Military Sales-related exports in fiscal year 2012. CBP also does not have a centralized system to track Foreign Military Sales-related exports, which increases the risk of unauthorized exports and diminishes the efficiency of the process. CBP's guidance to the ports for handling Foreign Military Sales-related shipments is outdated, and the component does not provide formal training to its officers on handling these exports. Of the USCG contracts for Foreign Military Sales articles that we reviewed, not all specified that they were related to the program, nor did they all include Foreign Military Sales requirements. Foreign Military Sales regulations do not require operating agencies, such as the USCG, to verify accuracy of shipment documentation in the Automated Export System that CBP uses to assess risk and target shipments for physical inspections. Therefore, the USCG may be unaware of inaccurate Foreign Military Sales-related shipment documentation in the system.

We made three recommendations that, when implemented, should improve CBP's and USCG's controls over exports related to Foreign Military Sales. CBP and the USCG concurred with the recommendations.



Background

As part of the Office of Inspector General's (OIG) fiscal year (FY) 2013 Annual Performance Plan, we reviewed the Department of Homeland Security's (DHS) controls and oversight of Foreign Military Sales (FMS). Within the Department, under the FMS program, the USCG provides defense-related articles and services to foreign countries and CBP controls exports of FMS-related articles.

The USCG acts as an operating agency for the Department of Defense (DoD) to procure defense-related articles and services requested by foreign governments.¹ DoD and foreign governments are responsible for associated costs; therefore, DHS does not directly use its appropriations to fund the USCG's FMS-related activities.

In the FMS process, the U.S. Navy's International Programs Office (IPO) provides the USCG with a Letter of Request from a foreign government. After reviewing the request and determining the price, the USCG issues a Letter of Offer and Acceptance (LOA), describing the goods and services to be provided and their value. USCG case managers forward the LOA, which may involve multiple contracts to provide the defense-related articles or services to the U.S. Navy for approval. Prior to shipping FMS-related articles to a port, USCG case managers inspect and approve the shipment.

The Department of State requires that all shippers obtain an export license for FMS-related shipments. Shippers must also enter shipment and license information into the export database, the Automated Export System (AES). When FMS-related shipments arrive at a port, CBP officers check AES to determine under which LOA the shipment is authorized, confirm that the shipper is approved by the Department of State, and ensure that the declared value of goods does not exceed the total authorized value of the LOA.

If the shipment value exceeds the authorized LOA value by more than 10 percent or the documentation is not correct, the shipment may be detained or seized. If the shipment value exceeds the LOA value by 10 percent or less and the documentation is correct, CBP decrements the value of the exported goods from the LOA value, records the remaining value of the LOA, and may approve the shipment for export.² According to CBP officials, 126,083 FMS-related shipments were exported in FY 2012, of which the

¹ DoD is responsible for implementing the FMS program, including issuing Letters of Offer and Acceptance (LOA), transmitting Congressional Notifications, and monitoring end use. As an operating agency, the USCG works with foreign governments, subject to DoD's review and approval.

² In decrementing an FMS-related shipment, CBP subtracts the declared value of the shipment from the value of the Department of State license, which is the total value of goods under the LOA.



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Port of Baltimore Seaport and the John F. Kennedy International Airport (JFK) shipped 4,421 and 36,199, respectively.

In May 2009, the U.S. Government Accountability Office (GAO) issued a report on the Federal Government's FMS program, *Defense Exports, Foreign Military Sales Program Needs Better Controls for Exported Items and Information for Oversight*. According to GAO, CBP officers did not have key information in export documentation that was needed to properly record the value of defense-related articles shipped under FMS LOAs. GAO also noted that CBP had not updated the *U.S. Customs Control Handbook for Department of State Licenses* since 2002 and was not adequately instructing its officers on tracking shipment and LOA values. Finally, CBP had not acted on GAO's 2003 recommendation to update the process for recording information on FMS-related shipments at ports because it did not have a centralized database to link records among the hundreds of ports processing such shipments. At the time of the 2009 GAO review, CBP planned to develop a new centralized system to automatically decrement the value of individual FMS-related shipments; however, at the time of our review, CBP had not developed the system.

In a February 2013 report to Congress on high-risk areas of the Federal Government, GAO pointed out that DHS, DoD, and the Department of State still needed to improve internal and interagency practices to facilitate reliable shipment verification, as well as improve monitoring and administration of the FMS program.

Results of Review

CBP and the USCG need to improve their controls over the FMS export process. CBP has a process to assess the risk associated with exports and target shipments for physical inspection. However, according to CBP officers at the two ports we reviewed, no FMS-related exports were physically inspected in FY 2012. To assess risk and target shipments for physical inspection, CBP officers rely on potentially unverified and inaccurate information that shippers enter into AES. In addition, CBP does not have a centralized system to track FMS-related exports, which diminishes the efficiency of the FMS process and increases the risk of unauthorized FMS exports. CBP's guidance to the ports for handling FMS-related shipments is outdated, and the component does not provide formal training to its officers on handling FMS exports. Of the USCG contracts for FMS articles we reviewed, not all specified that they were related to FMS, nor did they all include FMS requirements. Additionally, the USCG does not have access to AES. A USCG official said that the USCG is not required by FMS regulations to verify the accuracy of shipment documentation in AES.



CBP's FMS-related Export Verification Process

CBP has a process to assess risk and target shipments for physical inspection. A CBP headquarters official and port officials confirmed that FMS-related exports may not be targeted through this assessment and, as a result, may not be physically inspected. During FY 2012, at the two FMS ports we reviewed, CBP officers said they did not physically inspect any FMS-related shipments prior to being exported.

The reliability of AES depends on the accuracy of shipper-submitted data. According to a CBP headquarters official, inaccurate information in AES may affect the accuracy of CBP's risk assessment. CBP jointly operates AES with the Department of Commerce, the Department of State, other Federal agencies, and the export trade community. To help target shipments properly for physical inspection and reduce risks to national security, the information in AES should correctly identify shipments as FMS-related and include correct shipment values.

CBP does not have a centralized system to track FMS-related shipments, which has led to a more time-consuming FMS process. For example, we tracked a USCG FMS-related shipment scheduled to be exported from one port for which the shipper had filed an export license at a different port. As a result, the CBP officer at the port of exit had to contact the port where the license was filed and wait for personnel there to review it and confirm the export was allowable, a process which took additional time. CBP officers at the ports we visited also said that they have other duties to perform, such as import inspections and outbound passenger screening.

Not having a centralized tracking system also potentially increases the risk of exporting FMS-related articles that exceed LOA values. According to a CBP headquarters official, CBP does not collect or analyze FMS-related export information because ports use non-standardized paper-based and spreadsheet tracking systems. Reconciling this export-related information could prevent duplicate filings of export licenses. By not reconciling the information, CBP risks decrementing shipment values from different ports against the same LOA, unknowingly exceeding the value of the LOA and violating Federal laws and regulations.

Following GAO's 2009 report, CBP planned to implement an International Trade Data System to centrally track imports and exports. According to a CBP headquarters official, because the component did not have the necessary funding, it was unable to implement the system. Such a system could also help



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CBP eliminate duplicate export licenses and reconcile data from all ports to ensure its accuracy.

Conclusion

CBP's reliance on potentially inaccurate shipper-provided information may affect the accuracy of CBP's 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. By improving the information used to target shipments and creating a centralized process for tracking FMS-shipments, CBP can improve its controls over the FMS process.

Recommendation

We recommend that the Acting Assistant Commissioner for the Office of Field Operations at U.S. Customs and Border Protection:

Recommendation #1:

Create and implement a centralized process for tracking Foreign Military Sales-related shipments and enhance the Foreign Military Sales export data validation process.

Management Comments and OIG Analysis

Management Comments: CBP's Office of Field Operations (OFO) concurred with the recommendation. OFO, the DoD Defense Security Cooperation Agency, the U.S. Army, and the U.S. Navy met as a working group in May 2013 to discuss streamlining the FMS process. The working group is reviewing a draft process diagram.

OFO is exploring the use of AES to track FMS shipments. Additionally, OFO and CBP's Office of Information Technology are working to improve validation of the information received from freight forwarders, increasing field personnel's access to all case information at every port, and enhancing the systems capabilities to decrement imported and exported shipments. CBP anticipates fully implementing corrective actions by September 30, 2015.

OIG Analysis: CBP's proposed actions are responsive to the recommendation. However, the recommendation will remain open and resolved until final implementation of the proposed corrective actions.



Guidance and Training for CBP Officers

In response to the 2009 GAO report, CBP has updated its guidance on procedures for seizing FMS-related shipments; however, it has not updated the *U.S. Customs Handbook for Department of State Licenses* since 2002. As GAO noted, the handbook does not provide sufficient instructions to CBP officers on tracking shipments and LOA values. At the time of our review, a CBP headquarters official confirmed that a draft update had not been reviewed for publication or issued to the ports for implementation.

Furthermore, during our review, CBP officers said and CBP headquarters officials confirmed that officers receive 2 weeks of export officer training, but it does not include instruction specifically addressing FMS-related shipments. CBP headquarters officials and officers at the ports said that officers receive informal FMS-related training on the job, but CBP officers said that this may not be effective given the limited staffing and the levels of experience with FMS at the various ports.

Conclusion

CBP's guidance for handling FMS-related shipments is outdated. Additionally, CBP export officers do not receive formal FMS-specific training. By updating the handbook and providing formalized training on these policies and procedures, CBP can further improve its controls over the FMS process.

Recommendation

We recommend that the Acting Assistant Commissioner for the Office of Field Operations at U.S. Customs and Border Protection:

Recommendation #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 Foreign Military Sales policies and procedures.



Management Comments and OIG Analysis

Management Comments: CBP's OFO concurred with the recommendation. By December 31, 2013, OFO plans to incorporate changes into the *U.S. Customs Service Control Handbook* based on recommendations from the prior GAO and OIG reports.

On July 1, 2013, OFO began a review of existing training. It plans to establish a course for CBP officers and other export staff on FMS policies and procedures. Formal training is expected to be completed by December 2014, after revisions to the handbook are finished.

OIG Analysis: CBP's proposed actions are responsive to the recommendation. However, the recommendation will remain open and resolved until final implementation of the proposed corrective actions.

The USCG's FMS Contracts and Access to AES

During the audit survey we conducted a limited review of USCG FMS case files. The case files we reviewed indicated that not all USCG FMS contracts specified that the contract was for FMS articles, nor did they all specifically require the contractor to comply with applicable FMS laws and regulations. In addition, the USCG does not have access to AES, is not required to and does not verify the accuracy of AES information, and may be unaware of inaccurate FMS-related shipment documentation in the system.

For example, documentation in one case file showed that the USCG was to supply a package of FMS-related tools to a foreign country. The USCG contracted with a company to provide the tools, but the contract did not identify the tools in the shipment as FMS. The company subsequently subcontracted with a commercial shipper to send the tools to the foreign country. Our review of the shipment documentation showed that CBP had not decremented the value of the shipment from an FMS export license because neither the contractor nor the subcontracted commercial shipper had identified the tools as part of an FMS shipment. Ultimately, the commercial shipper was responsible for following FMS-related export laws and regulations and ensuring accurate information was entered into AES, but unless shipments are properly identified as FMS at the beginning of the process, the shipper may not be held accountable. As a result, there is a risk that FMS-related shipments may not be exported according to applicable laws and regulations.



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Changes to USCG contracting practices could help to ensure that FMS-related shipments are properly documented. As a result of our review, USCG officials said that they would revise their future FMS contracts to include information explicitly identifying the shipment as FMS and also include the related export requirements.

Conclusion

USCG's contracts for FMS-related items did not always specify 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 AES or verify that USCG-contracted shippers correctly enter FMS export information into AES. By changing these contracting practices and verifying AES information for USCG-contracted FMS shipments, the USCG can better ensure that FMS items are properly shipped and documented.

Recommendation

We recommend that the Chief of the Office of International Acquisitions for the United States Coast Guard:

Recommendation #3:

Require future USCG contracts related to Foreign Military Sales to specify that the contents are being shipped under the Foreign Military Sales program, and require shippers to verify that shipments have been identified as Foreign Military Sales in the Automated Export System.

Management Comments and OIG Analysis

Management Comments: The Chief of the Office of International Acquisitions for the USCG concurred with the recommendation. The USCG will ensure that its future contracts related to FMS include specific language (1) that the contents are being shipped under the FMS program and (2) that shippers verify the shipments have been identified as FMS in AES. The USCG expects to fully implement these changes by September 30, 2013.

OIG Analysis: The USCG's proposed actions are responsive to the recommendation. However, the recommendation will remain open and resolved until final implementation of the proposed corrective actions.



Appendix A

Objectives, Scope, and Methodology

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 provides the results of our limited review to determine whether DHS has adequate controls over the FMS program. We conducted this review between November 2012 and April 2013. We are providing the findings and recommendations identified during our limited review for CBP and the USCG to consider.

As part of our review, we analyzed the USCG and CBP FMS processes. We reviewed the GAO report, *Defense Exports, Foreign Military Sales Program Needs Better Controls for Exported Items and Information for Oversight*, issued in May 2009, and GAO report, *GAO's 2013 High-Risk Series, An Update*, issued February 2013. We interviewed GAO officials to determine the status of CBP's responses to its recommendations. We analyzed the DoD Defense Security Cooperation Agency's published guidance; the electronic *Security Assistance Management Manual*, dated April 30, 2012; and the CBP *U.S. Customs Control Handbook for Department of State Licenses*, dated July 2002. We also reviewed relevant Federal regulations on FMS.

We interviewed an official in the DHS Office of the Chief Readiness Support Officer; DoD Defense Transportation System personnel who oversee DoD's transportation of assets, including FMS; personnel from the U.S. Navy's International Program Office and Naval Supply System Command; USCG Office of International Acquisition officials; CBP headquarters Outbound Enforcement officials; as well as CBP officers at the Port of Baltimore Seaport and the JFK International Airport. We reviewed 4 of 97 open USCG FMS case files during our audit survey. Our review included documentation of the entire FMS process, such as Letters of Request, LOAs, shipping declarations, communications with the requesting country, and inspection checklists.

OIG staff also directly observed an FMS shipment in transit at the Port of Baltimore Seaport and verified shipment documentation at JFK Airport. CBP's OFO provided FY 2011 and FY 2012 export data. Because it was a limited review, the OIG audit team did not verify or test this data. Based on information obtained during the audit survey, we determined our findings were consistent with previous reviews and continuing the audit was not appropriate due to current fiscal budget constraints.



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We conducted this review under the authority of the *Inspector General Act of 1978*, as amended, and according to the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.



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Appendix B
Management Comments to the Draft Report

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



**Homeland
Security**

July 15, 2013

MEMORANDUM FOR: Anne L. Richards
Assistant Inspector General for Audits
Office of Inspector General

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

SUBJECT: OIG Draft Report: "U.S. Customs and Border Protection's
(CBP's) and U.S. Coast Guard's (USCG's) Controls Over Exports
Related to Foreign Military Sales"
(Project No. 13-060-AUD-DHS)

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

The Department's primary responsibility for Foreign Military Sales (FMS) is export enforcement. CBP officials, particularly those at ports, work in close cooperation with officials from several other Departments to enforce export laws and regulations. Other federal partners are responsible for the regulations governing data, data quality, and availability of data to CBP port officials. If data quality and access to additional data were improved, DHS might be able to enhance monitoring and controls over FMS without requiring additional resources. DHS appreciates OIG's effort to highlight in the draft report the many challenges associated with the enforcement of FMS exports via a paper-based system further complicated by the availability of increasingly scarce and limited resources.

CBP continues to work with stakeholders in the Departments of State, Defense (DOD), Commerce, and Justice to improve export control, monitoring systems, and intelligence. This is accomplished by sharing intelligence; improving delineation of each agency's jurisdiction; and clarifying guidance, responsibilities, and expectations for all stakeholders, including industry. DHS appreciates OIG's insights regarding the development of an automated management information system that would improve CBP Officers' (CBPOs') access to the data necessary to determine if documentation for a shipment is accurate and ensure the shipment is exported under the appropriate regulations and controls.

The draft report initially contained four recommendations. Subsequent to clarifications made during and after the exit conference, OIG agreed to remove one of the recommendations and revise another. The Department concurs with the three agreed upon recommendations. Specifically OIG recommended that the:



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Recommendation I: Acting Assistant Commissioner for the Office of Field Operations at U.S. Customs and Border Protection create and implement a centralized process for tracking Foreign Military Sales-related shipments, and enhance the Foreign Military Sales export data validation process.

Response: Concur. CBP's Office of Field Operations (OFO) fully understands the importance of having correct and reliable Electronic Export Information (EEI) data on the targeting of high-risk shipments.¹ CBP OFO is responsible for enforcement of the International Traffic in Arms Regulations (ITAR) for FMS shipments. Where incorrect data are found in the Automated Export System (AES), CBP OFO takes the appropriate enforcement actions, ensuring informed compliance, outreach with the trade community, and, where necessary, seizure of the cargo.

CBP OFO is currently exploring the use of the AES to track FMS shipments by using information similar to data OFO receives on Department of State (DOS) forms DSP-5 ("Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data"). Additionally, to improve validation of the information received from the freight forwarders on FMS shipments, OFO and CBP's Office of Information and Technology will incorporate a series of edit functions in AES to validate the information received. By using this information, field personnel will have access to all the case information at any port and the system would decrement the import and/or exported shipments.

Specific actions already taken or planned to implement this recommendation are outlined below:

- In May 2013, a working group was established consisting of representatives from OFO, and the DOD Defense Security Cooperation Agency (DSCA), the U.S. Army, and the U.S. Navy, to streamline the FMS process and work toward formulating a process that would allow for electronic submission of key data elements in FMS cases to AES, including identifying the appropriate data elements.
- On June 6, 2013, the working group disseminated a diagram of the process discussed by the group to its members for review and response.
- To further streamline the FMS process, eliminating DOS Form 94 ("Authority to Export Defense Articles Sold Under The Foreign Military Sales Program") from the process was proposed. CBP OFO and DSCA plan to schedule meetings with DOS to discuss potential regulatory changes that would be necessary to make this proposed change. The target date for the first meeting is on or before July 31, 2013.
- The AES is currently being re-engineered in an effort to update software and to improve functionality. OFO plans to use the re-engineered AES to have the system decrement the FMS case on the basis of data pulled from the Letter of Offer and Acceptance (LOA). AES will be programmed to incorporate a series of edits to

¹ Under the Foreign Trade Regulations (FTR), the filing exporter or their filing agent is responsible for filing the correct information about FMS shipments. Pursuant to 15 C.F.R. § 30.71, failure to file correct data is an FTR violation and makes the filer subject to potential penalties in the amount of \$10,000 prior to any mitigation.



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validate that the information being received from the EEI filers is a specific FMS LOA and is going to the country designated on the LOA. This will be scheduled to begin after January 1, 2014, and will be on-going through implementation. Current budget constraints could delay this process.

Estimated Completion Date (ECD): September 30, 2015.

Recommendation 2: Acting Assistant Commissioner for the Office of Field Operations at U.S. Customs and Border Protection 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 Foreign Military Sales policies and procedures.

Response: Concur. DOS has published a number of proposed regulations in conjunction with the Department of Commerce to move certain commodities from the U.S. Munitions List, ITAR to the Commerce Control List and improve Export Administration Regulations. Additionally, DOS has created two new license exemptions based on Defense Trade Treaties with the United Kingdom and Australia, and modified the license exemption to ITAR-controlled goods being exported to Canada.

CBP OFO will revise the U.S. Customs Service Control Handbook to incorporate these changes and to reflect the recommendations identified in both a recent U.S. Government Accountability Office audit report² regarding FMS exports and this OIG report. ECD: December 31, 2013.

In addition, CBP OFO began a review of existing training on July 1, 2013, and will establish a course for training CBPOs and other export staff on FMS policies and procedures. OFO will begin providing formal training to export officers on FMS policies and procedures once the revisions to the handbook are completed. ECD: December 31, 2014.

Recommendation 3: Chief of the Office of International Acquisitions for the United States Coast Guard require future USCG contracts related to Foreign Military Sales to specify that the contents are being shipped under the Foreign Military Sales program, and require shippers to verify that shipments have been identified as Foreign Military Sales in the Automated Export System.

Response: Concur. The Chief of the Office of International Acquisitions for USCG will ensure that future USCG contracts related to FMS include language specifying that: (1) the contents are being shipped under the FMS program, and (2) shippers will be required to verify that shipments have been identified as FMS in the AES. ECD: September 30, 2013.

Again, thank you for the opportunity to review and comment on this draft report. Technical comments were previously provided under separate cover. Please feel free to contact me if you have any questions. We look forward to working with you in the future.

² DEFENSE EXPORTS: "Foreign Military Sales Program Needs Better Controls for Exported Items and Information for Oversight," (GAO-09-454, May 20, 2009) Washington, D.C.



Appendix C

Major Contributors to This Report

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Appendix D

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