

May 2006

# HOMELAND SECURITY

## Management and Coordination Problems Increase the Vulnerability of U.S. Agriculture to Foreign Pests and Disease



G A O

Accountability \* Integrity \* Reliability



Highlights of [GAO-06-644](#), a report to congressional requesters

## Why GAO Did This Study

U.S. agriculture generates over \$1 trillion in annual economic activity, but concerns exist about the sector's vulnerability to a natural or deliberate introduction of foreign livestock, poultry, and crop pests and disease. Under the Agricultural Quarantine Inspection (AQI) program, international passengers and cargo are inspected at U.S. ports of entry to seize prohibited material and intercept foreign agricultural pests. The Homeland Security Act of 2002 transferred AQI inspections from the U.S. Department of Agriculture (USDA) to the Department of Homeland Security (DHS) and left certain other AQI responsibilities at USDA. GAO examined (1) the extent to which USDA and DHS have changed the inspection program since the transfer, (2) how the agencies have managed and coordinated their responsibilities, and (3) how funding for agricultural inspections has been managed since the transfer.

## What GAO Recommends

GAO recommends, among other things, that DHS identify and assess the major risks posed by foreign pests and disease and develop and implement a national staffing model to ensure that staff levels are sufficient to meet those risks and that DHS and USDA analyze the full cost of performing AQI inspections and ensure that user fees cover the program's costs. USDA and DHS generally agreed with the report's recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-06-644](http://www.gao.gov/cgi-bin/getrpt?GAO-06-644).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Daniel Bertoni at (202) 512-3841 or [bertonid@gao.gov](mailto:bertonid@gao.gov).

## HOMELAND SECURITY

# Management and Coordination Problems Increase the Vulnerability of U.S. Agriculture to Foreign Pests and Disease

## What GAO Found

After the terrorist attacks of September 11, 2001, federal agencies' roles and responsibilities were modified to help protect agriculture. In March 2003, more than 1,800 agriculture specialists within USDA's Animal and Plant Health Inspection Service (APHIS) became DHS Customs and Border Protection (CBP) employees, while USDA retained responsibility for AQI activities such as setting inspection policy, providing training, and collecting user fees. Since the transfer, the agencies have expanded training on agriculture issues for CBP officers and agriculture specialists. CBP and APHIS also have taken steps to enable agriculture specialists to better target shipments and passengers for inspections and established a process to assess how CBP agriculture specialists are implementing AQI policy. Finally, CBP created a new agriculture liaison position in each of its district field offices to advise regional directors on agricultural issues.

While these are positive steps, the agencies face management and coordination problems that increase the vulnerability of U.S. agriculture to foreign pests and disease. CBP has not developed sufficient performance measures that take into account the agency's expanded mission or consider all pathways by which prohibited agricultural items or foreign pests may enter the country. Specifically, although CBP's measures focus on two pathways that pose a risk to U.S. agriculture, they do not consider other key pathways such as commercial aircraft, vessels, and truck cargo. Also, although CBP has hired more than 630 specialists since the transfer, it has not yet developed or used a risk-based staffing model to ensure that adequate numbers of agriculture specialists are staffed to areas of greatest vulnerability. CBP also has not used available inspection and interception data to evaluate the performance of the AQI program. CBP and APHIS also continue to experience difficulty in sharing information such as key policy changes and urgent inspection alerts, and CBP has allowed the number and proficiency of agriculture canine units to decline.

Although APHIS is legally authorized (though not required) to charge AQI user fees to cover program costs, we found that the agencies have not taken the necessary steps to ensure that user fees cover AQI costs. Consequently, the agencies had to use other authorized funding sources to pay for the program. Also, because of weaknesses in the design of CBP's new financial management system, CBP was unable to provide APHIS with information on the actual costs of the AQI program by user-fee type—for example, fees paid by international air passengers. APHIS uses this information to set future user-fee rates. Finally, in fiscal years 2004 and 2005, APHIS did not transfer AQI funds to CBP as agreed to by both agencies, causing some ports of entry to reduce spending on inspection activities in fiscal year 2005.

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**Abbreviations**

APHIS	Animal and Plant Health Inspection Service
AQI	Agricultural Quarantine Inspection
AQIM	Agricultural Quarantine Inspection Monitoring
ATS	Automated Targeting System
CBP	Customs and Border Protection
DHS	Department of Homeland Security
FACT Act	Food, Agriculture, Conservation, and Trade Act of 1990
FLETC	Federal Law Enforcement Training Center
FSIS	Food Safety and Inspection Service
SITC	Smuggling Interdiction and Trade Compliance
TECS	Treasury Enforcement Communications System
USDA	U.S. Department of Agriculture
WADS	Work Accomplishment Data System

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United States Government Accountability Office  
Washington, D.C. 20548

May 19, 2006

The Honorable Robert F. Bennett  
Chairman  
The Honorable Herb Kohl  
Ranking Minority Member  
Subcommittee on Agriculture, Rural Development,  
and Related Agencies  
Committee on Appropriations  
United States Senate

The Honorable Henry Bonilla  
Chairman  
The Honorable Rosa DeLauro  
Ranking Minority Member  
Subcommittee on Agriculture, Rural Development, Food and Drug  
Administration, and Related Agencies  
Committee on Appropriations  
House of Representatives

The Honorable Tom Harkin  
Ranking Democratic Member  
Committee on Agriculture, Nutrition, and Forestry  
United States Senate

Agriculture—the largest industry and employer in the United States, generating more than \$1 trillion in economic activity annually—is threatened by the entry of foreign pests and disease that can harm the economy, the environment, plant and animal health, and public health. The U.S. Department of Agriculture (USDA) estimates that these biological invaders cost the American economy tens of billions of dollars annually in lower crop values, eradication programs, and emergency payments to farmers. As we reported in 2005, the terrorist attacks of September 11, 2001, have heightened concerns about agriculture’s vulnerability to terrorism, including the deliberate introduction of livestock, poultry, and crop diseases.<sup>1</sup> To safeguard U.S. agriculture from the catastrophic economic losses that would likely result from accidental or deliberate introduction of a foreign pest or disease such as avian influenza or foot-

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<sup>1</sup>GAO, *Homeland Security: Much Is Being Done to Protect Agriculture from a Terrorist Attack, but Important Challenges Remain*, [GAO-05-214](#) (Washington, D.C.: Mar. 8, 2005).

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and-mouth disease, Department of Homeland Security (DHS) agriculture specialists work at ports of entry to inspect passengers, baggage, cargo, and mail entering the country in airplanes, ships, trucks, and railcars for prohibited agricultural materials that may serve as carriers of these pests and disease.

Since the early 1900s, USDA was responsible under its Agricultural Quarantine Inspection (AQI) program for inspecting agricultural products entering the country. Following the events of September 11, 2001, the Congress passed the Homeland Security Act of 2002, transferring USDA's Animal and Plant Health Inspection Service (APHIS) port inspection activities and those of other federal inspection agencies responsible for monitoring the entry of passengers and cargo into the United States—the Department of the Treasury's U.S. Customs Service and the Department of Justice's Immigration and Naturalization Service—to the newly created Department of Homeland Security Customs and Border Protection (CBP).<sup>2</sup>

Beginning in March 2003, more than 1,800 frontline agriculture specialists<sup>3</sup> who had formerly reported to APHIS became CBP employees, as CBP incorporated the protection of U.S. agriculture into its primary antiterrorism mission.<sup>4</sup> Unlike the other former federal inspection agencies, which were moved to DHS in their entirety, APHIS continues to exist within USDA and retains responsibility for domestic animal and plant programs and several AQI program activities, such as setting inspection policy, providing training, and collecting AQI user fees.

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<sup>2</sup>Pub. L. No. 107-296, 116 Stat. 2135 (2002). Section 421 of the Act transferred agricultural inspection functions from USDA to DHS; section 403 transferred Customs functions to DHS; and section 441 transferred the Border Patrol to DHS.

<sup>3</sup>This number included 317 specialist vacancies that were also transferred.

<sup>4</sup>The Department of Homeland Security's Customs and Border Protection Service has two priority missions: (1) detecting and preventing terrorists and terrorist weapons from entering the United States, and (2) facilitating the orderly and efficient flow of legitimate trade and travel. CBP's supporting missions include interdicting illegal drugs and other contraband; apprehending individuals who are attempting to enter the United States illegally; inspecting inbound and outbound people, vehicles, and cargo; enforcing all laws of the U.S. at the border; regulating and facilitating international trade; collecting import duties; enforcing U.S. trade laws; and protecting U.S. agricultural and economic interests from harmful pests and disease.

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Responding to concerns that the transfer of agricultural inspections from APHIS to CBP could shift the focus away from agriculture to other DHS priorities, the conference report accompanying the Consolidated Appropriations Act for Fiscal Year 2005 requested that we report on coordination between USDA and DHS to ensure that U.S. agriculture is protected from accidentally or intentionally introduced pests and disease.<sup>5</sup> We also received a request from the Ranking Member of the Senate Agriculture, Nutrition, and Forestry Committee to evaluate AQI inspection issues. As agreed with your offices, we are presenting our responses to both requests in this report.

This report assesses (1) the extent to which USDA and DHS have changed the Agricultural Quarantine Inspection program since the transfer of responsibilities from USDA to DHS, (2) how the departments have managed and coordinated their responsibilities, and (3) how funding for agricultural inspections has been managed since the transfer from USDA to DHS.

To address these objectives, we surveyed a nationally representative sample of agriculture specialists about their work experiences since the transfer; analyzed APHIS's inspection and interception data for fiscal years 2000 through 2005; visited agriculture training facilities in Florida, Georgia, and Maryland; and reviewed interagency agreements related to the AQI program and other documentation, such as staffing information, training materials, budget information, and financial systems that CBP uses to track AQI-related costs. We also interviewed key program officials at APHIS and CBP headquarters and field offices. We performed a reliability assessment of the data we analyzed and determined that the data were sufficiently reliable for the purposes of this report. More details on our scope and methodology appear in appendix I. We conducted our review from April 2005 through March 2006 in accordance with generally accepted government auditing standards.

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## Results in Brief

Since the transfer of AQI responsibilities from APHIS to CBP, the two agencies have taken several steps to strengthen the agricultural quarantine inspection program and integrate agriculture issues into CBP's passenger and cargo inspection programs. First, CBP has undertaken several training

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<sup>5</sup>H.R. Rep. No. 108-792, at 666 (2004).

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initiatives for CBP officers, whose primary duty is customs and immigration inspection. Newly hired officers are trained in agricultural issues at the Federal Law Enforcement Training Center and at their respective ports of entry. The training provides them with basic agriculture knowledge to help them determine when to refer passengers and cargo to CBP agriculture specialists for in-depth inspections. Second, CBP agriculture specialists now have access to CBP's classified data systems, which enables them to better target for inspection passengers and cargo posing the greatest risk of introducing pests and disease into the United States. For example, agriculture specialists now use CBP's Automated Targeting System to identify high-risk shipments before they enter the United States. Third, in fiscal year 2005, CBP and APHIS established a formal assessment process to ensure that ports continue to carry out agricultural inspections in accordance with APHIS's regulations, policies, and procedures. Finally, to help ensure that agriculture issues are sufficiently addressed, CBP recently established agriculture liaisons in each of its 20 district field offices to provide input to operational decisions made by CBP field office directors—who oversee ports of entry—and provide senior-level leadership for agriculture specialists.

Despite efforts to improve the AQI program, key management and coordination challenges exist that increase the vulnerability of U.S. agriculture to foreign pests and disease. First, CBP has not adopted sufficient performance measures for AQI. Instead, it carried over the two performance measures that APHIS used before the transfer, which neither take into account CBP's expanded mission nor consider other important pathways—commercial aircraft, vessels, and truck cargo—that may pose a risk to U.S. agriculture. Second, although APHIS updated a staffing model shortly after the transfer with recommendations for the number of agriculture specialists necessary to staff the various ports, CBP did not use it, or any other model, when determining where to assign the more than 600 agriculture specialists hired since the transfer. As a result, CBP does not have reasonable assurance that these specialists are staffed to areas of greatest vulnerability. Although CBP officials told us the agency is planning to develop its own staffing model, it has not yet done so. Third, agriculture specialists routinely input data on inspection activities and outcomes, but CBP has not used these data to evaluate the performance of the AQI program. Our analysis of this data indicates that performance varies significantly across different regions of the United States. Fourth, despite an interagency agreement intended to facilitate coordination and communication between CBP and APHIS, agriculture specialists are not consistently receiving notifications of changes to inspection policies and



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urgent inspection alerts, in large part because of problems with dissemination of information down the CBP chain of command. For example, on the basis of our survey results, we estimate that only 21 percent of agriculture specialists always receive urgent alerts in a timely manner. Finally, CBP has allowed the agriculture canine program—a key tool for targeting passengers and cargo for detailed inspections—to deteriorate. Currently, dozens more agriculture canine units are vacant, and the proficiency scores of the remaining canine units have declined, limiting the essential contributions these dogs can make to preventing entry of prohibited agricultural items.

Financial management issues at CBP and APHIS adversely affect the AQI program's ability to perform border inspections. First, although the law authorizes (but does not require) user fees to cover all costs of the AQI program, in the 3 years since the transfer, user fees have not been sufficient to cover program costs. Consequently, in fiscal years 2003 through 2005, the agencies had to use AQI fees collected in previous fiscal years or other available appropriations to pay for the program. CBP has stated that without increasing current user-fee rates, AQI program costs will continue to exceed user-fee collections. APHIS and CBP plan to address the funding issue, but they have only recently begun to work together to reassess user-fee rates. Second, because of a weakness in the design of CBP's new financial management system, CBP was unable to provide APHIS with information on the actual costs of the AQI program broken out by user-fee type—for example, fees paid by international air passengers—for fiscal year 2005. As a result, APHIS was not able to evaluate the extent to which individual user fees cover program costs. CBP officials told us that, for fiscal year 2006, CBP is working to correct this weakness. Finally, although APHIS agreed to transfer funds to CBP on a regular basis during fiscal years 2004 and 2005, these transfers were often delayed and their amounts varied from what was agreed to. This is partly due to APHIS making errors in processing some transfers. As a result, some ports had to reduce spending for needed supplies or delay hiring personnel in fiscal year 2005, according to CBP officials. In October 2005, the agencies signed a revised agreement specifying the schedule and amounts to be transferred, which, according to APHIS and CBP officials, will help address some of these problems. However, of the three scheduled payments APHIS has made so far this fiscal year, one was \$20,000 less than the agreed upon amount.

We are making several recommendations aimed at helping the agencies ensure the effectiveness of agricultural quarantine inspection programs and protect U.S. agriculture from accidental or deliberate introduction of

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foreign pests and disease. For example, we recommend that the Secretary of Homeland Security address financial management issues to ensure financial accountability for AQI funds. We also recommend that the Secretary of Agriculture ensure the timely and accurate transfer of AQI user fees to DHS. Finally, we recommend that the Secretaries of Homeland Security and Agriculture work together to revise AQI program performance measures, develop a risk-based staffing model, improve interagency communication to ensure that agriculture specialists receive important information, strengthen the canine program, and address user-fee issues that threaten the viability of the AQI program.

In commenting on a draft of this report, USDA and DHS generally agreed with the report's recommendations and noted that various initiatives are either planned or under way to address our recommendations. USDA's comments and our response are contained in appendix III, and DHS's comments and our response are contained in appendix IV. The departments also provided technical comments, which we have incorporated into this report, as appropriate.

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## Background

Agricultural inspections at U.S. ports of entry had been the responsibility of USDA since 1913. Following the events of September 11, 2001, the Congress passed the Homeland Security Act of 2002, which combined the inspection activities of the Department of the Treasury's Customs Service, the Department of Justice's Immigration and Naturalization Service, and APHIS into the newly created DHS Customs and Border Protection (CBP). Among other things, the act (1) transferred, to the Department of Homeland Security, APHIS's responsibility for inspecting passenger declarations and cargo manifests, international air passengers, baggage, cargo, and conveyances and holding suspect articles in quarantine to prevent the introduction of plant or animal diseases; and (2) authorized USDA to transfer up to 3,200 agricultural quarantine inspection (AQI) personnel to DHS.

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The Secretaries of the Department of Homeland Security (DHS) and the United States Department of Agriculture (USDA) signed a memorandum of agreement in February 2003, agreeing to work cooperatively to implement the relevant provisions of the Homeland Security Act of 2002 and to ensure necessary support for and coordination of the AQI program functions.<sup>6</sup> The agreement detailed how the AQI program was to be divided, with some functions transferred to DHS and others retained by USDA. Agricultural import and entry inspection functions transferred to DHS included (1) reviewing passenger declarations and cargo manifests and targeting for inspection high-risk agricultural passenger/cargo shipments; (2) inspecting international passengers, luggage, cargo, mail, and means of conveyance; and (3) holding suspect cargo and articles for evaluation of plant and animal health risk in accordance with USDA regulations, policies, and guidelines. Functions remaining in USDA included (1) providing risk-analysis guidance, including in consultation with DHS, and the setting of inspection protocols; (2) applying remedial measures other than destruction and re-exportation, such as fumigation, to commodities, conveyances, and passengers; and (3) providing pest identification services at plant inspection stations and other facilities. The parties agreed to cooperate in the financial management functions, including development of annual plans and budgets, AQI user fees, and funds control and financial reporting procedures.

To carry out its new inspection responsibilities, CBP established a “One Face at the Border” initiative, which unified the customs, immigration, and agricultural inspection processes by cross-training CBP officers and agriculture specialists to (1) prevent terrorists, terrorist weapons, and contraband from entering the United States; (2) identify people seeking to enter the United States illegally and deny them entry; and (3) protect U.S. agricultural and economic interests from harmful pests and diseases.

Unlike the Customs Service and the Immigration and Naturalization Service, which were moved to DHS in their entirety, APHIS continues to exist within USDA and retains responsibility for conducting veterinary inspections of live imported animals; establishing policy for inspections and quarantines; providing risk analysis; developing and supervising

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<sup>6</sup>See Memorandum of Agreement Between the United States Department of Homeland Security and the United States Department of Agriculture (DHS Agreement Number: BTS-03-0001; USDA-APHIS Agreement Number: 03-1001-0382-MU) at <http://www.aphis.usda.gov/ppq/moa-dhs.html> (downloaded Apr. 24, 2006).

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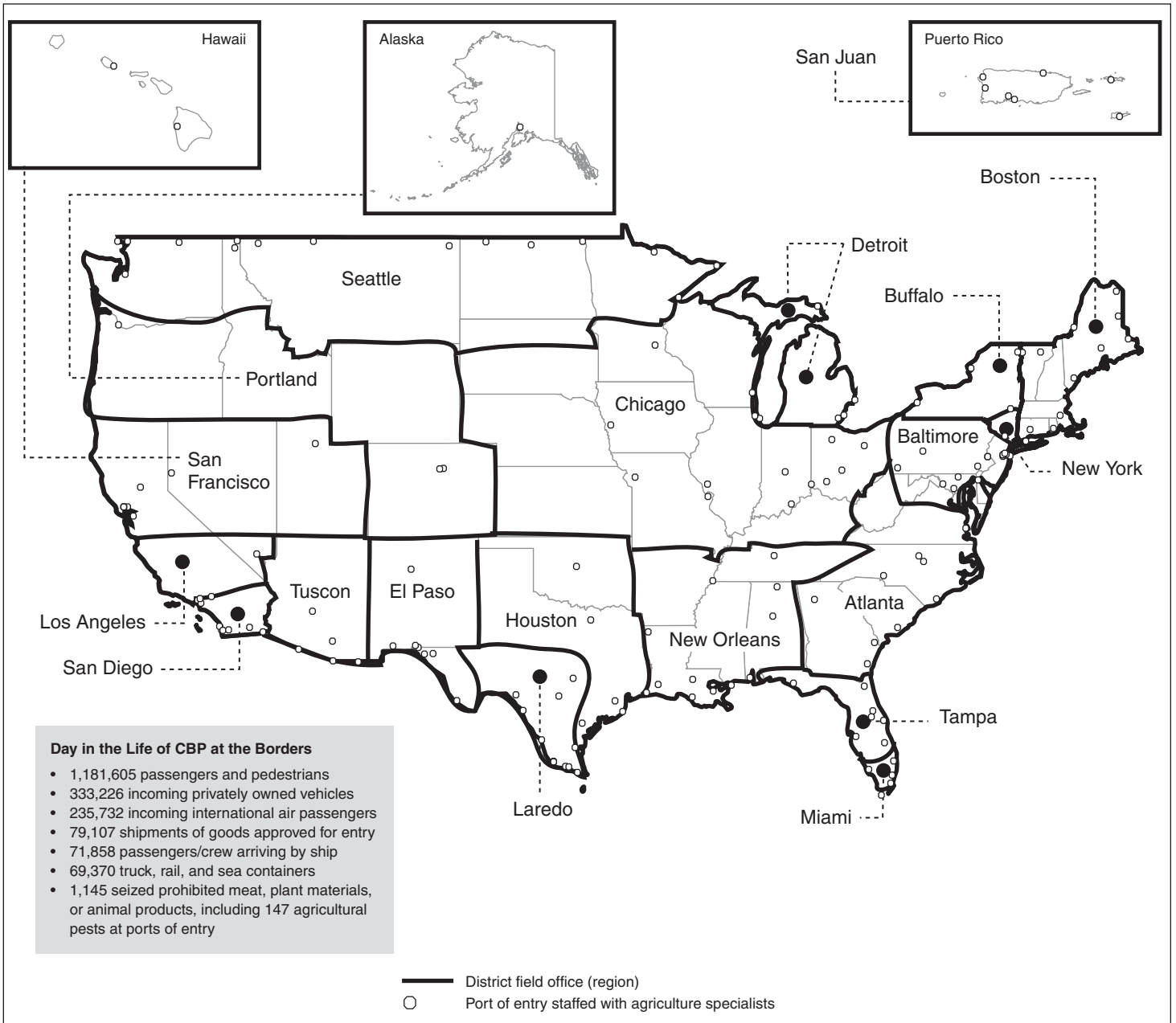
training on agriculture for CBP agriculture specialists; conducting specialized inspections of plant or pest material; identifying agricultural pests; and collecting AQI user fees. CBP and APHIS agreed to support their respective AQI duties by sharing funds from USDA-collected AQI user fees levied on international air passengers, commercial aircraft, ships, trucks, and railroad cars.

CBP agriculture specialists are assigned to 161 of the 317 ports of entry that CBP staffs.<sup>7</sup> As shown in figure 1, these ports collectively handle thousands of sea containers and aircraft and over a million passengers each day.

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<sup>7</sup>Current as of February 2006.

**Figure 1: CBP Activity at U.S. Ports of Entry, 2005**



Sources: GAO analysis of CBP data; MapArt (map).

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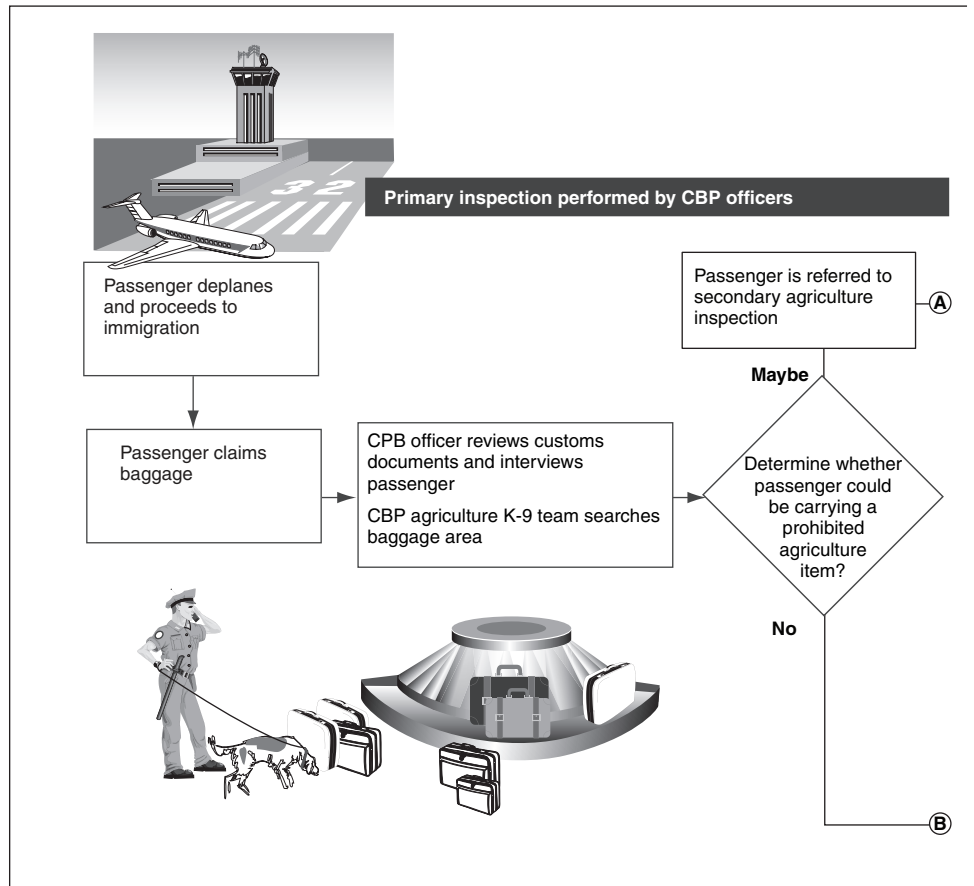
Each port of entry can comprise one or more facilities—airports, seaports, or land border crossings—where CBP officers and agriculture specialists process arriving passengers and cargo. For example, the port of Buffalo, New York, has an airport and land border inspection facilities, whereas the Port of Atlanta has only the Atlanta Hartsfield/Jackson International Airport. Individual port directors are responsible for overseeing port operations and assigning agriculture specialists to specific port facilities. The ports are organized into 20 district field offices, each with a director of field operations who is responsible for the operation of multiple ports in a given geographic area and serves as a liaison between CBP headquarters and port management.

Day-to-day operations for agriculture specialists may include inspecting pedestrians, passengers, cargo, and vehicles for pests and contraband. Such inspections generally follow a two-stage process—primary and secondary inspections. Figure 2 shows the passenger inspection process at an international airport, as an example.

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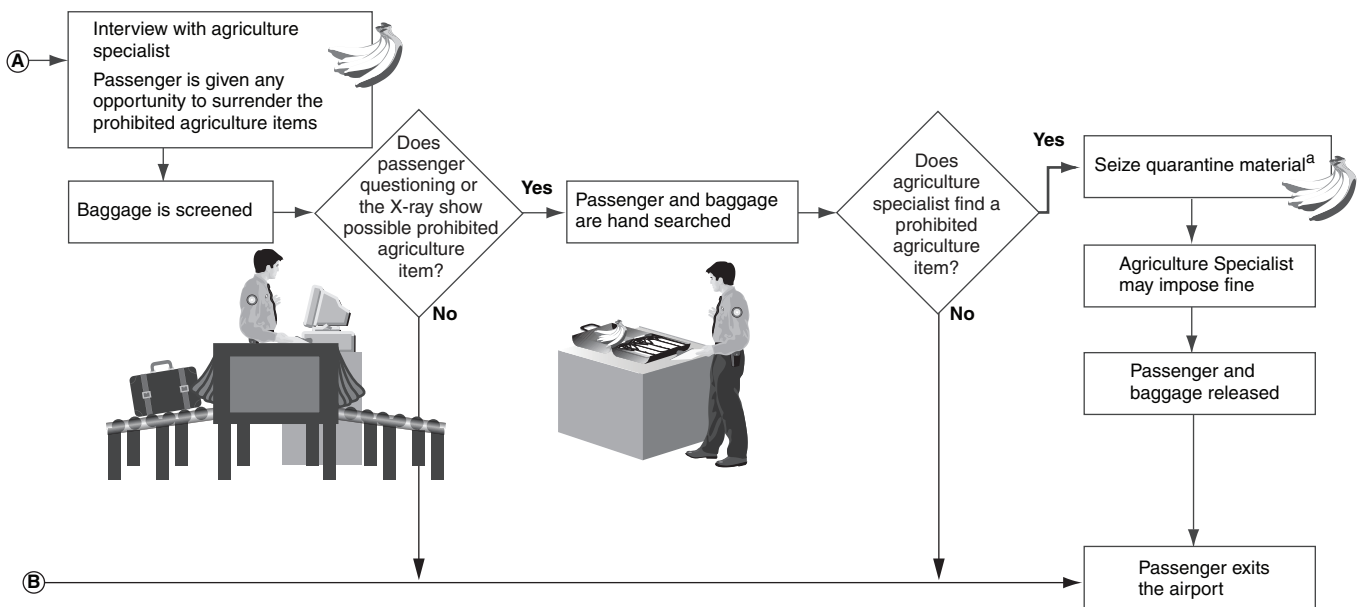
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**Figure 2: Example of Primary and Secondary Inspection Procedures at Airport**





**Secondary inspection by CBP agriculture specialist**



Source: GAO analysis of CBP documents and interviews.

<sup>a</sup>After material has been seized, the agriculture specialist either sends an unknown detected pest to the APHIS pest identifiers or the material is sent to the incinerator to be destroyed.

A primary inspection could include questioning passengers about their origin and destination, reviewing their written declarations, and screening their baggage with detector dogs to determine whether to refer the passengers for a secondary inspection. A secondary inspection involves a more detailed questioning of the passenger and an examination of their baggage by X-ray and, if necessary, by hand search. Procedures for inspecting commercial shipments vary according to factors such as the type of agricultural product, risk level associated with the product, and country of origin. To reduce the risk of foreign pests and disease entering

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the United States, agriculture specialists review cargo documents to select shipments for more detailed physical inspection.

The Food, Agriculture, Conservation, and Trade Act of 1990, as amended (FACT Act), authorizes APHIS to set and collect user fees for AQI services provided in connection with the arrival of international air passengers and conveyances (e.g., commercial aircraft and trucks) at a port in the customs territory of the United States.<sup>8</sup> The six AQI user fees are assessed on international air passengers, commercial aircraft, commercial vessels, commercial trucks, commercial truck decals, and commercial railroad cars.<sup>9</sup> These user fees are paid directly by shipping companies or indirectly by air passengers through taxes on tickets. The international passenger and commercial aircraft fees are calculated and remitted quarterly by the individual airline companies to USDA, while rail car fees are remitted monthly. CBP collects the commercial vessel, truck, and truck decal fees at the time of inspection. International air passengers and commercial conveyances entering the United States from Canada are exempt from the user fees. The FACT Act authorizes user fees for (1) providing AQI services for the conveyances, cargo, and passengers listed above; (2) providing preclearance or preinspection at a site outside the customs territory of the United States to international airline passengers, commercial vessels, commercial trucks, commercial railroad cars, and commercial aircraft; and (3) administering the AQI user-fee programs.

AQI user fees have been revised several times since the FACT Act was passed in 1990. In November, 1999, APHIS published a final rule in the *Federal Register* that amended the user-fee regulations by adjusting the fees charged for certain AQI services for part of fiscal year 2000 and for fiscal years 2001 and 2002.<sup>10</sup> The user-fee adjustments were intended to ensure that APHIS covered the anticipated actual cost of providing AQI services. Subsequent rule making, culminating in a final rule published in the *Federal Register* on January 24, 2003, extended the adjusted fees

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<sup>8</sup>21 U.S.C. § 136a(a)(1). These fees are to be credited to the Department of Agriculture accounts that incur the costs associated with the AQI services. The fees remain available until expended without fiscal year limitation.

<sup>9</sup>In addition to the six agriculture user fees, CBP inspections are supported by 32 other user fees that are administered by the Departments of the Treasury and Justice. Each department's user fees include separate rate structures and country exemptions.

<sup>10</sup>64 Fed. Reg. 62089 (Nov. 16, 1999).

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indefinitely, beyond fiscal year 2002, until the fees are revised again.<sup>11</sup> On December 9, 2004, APHIS published an interim rule to raise user fees, effective January 1, 2005.<sup>12</sup>

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## CBP and APHIS Have Taken Steps to Strengthen the Agricultural Quarantine Inspection Program

Since the transfer of agricultural quarantine inspections to CBP, the agency has increased training in agricultural issues for CBP officers and developed a national standard for in-port training. In addition, CBP and APHIS have enhanced the ability of agriculture specialists to better target inspections at the ports. The two agencies also established a joint program to review the agricultural inspections program on a port-by-port basis, and CBP created new agricultural liaison positions at the field office level to advise regional port directors on agricultural issues.

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## CBP and APHIS Have Expanded Training on Agriculture Issues

CBP has undertaken several training initiatives for CBP officers, whose primary duty is customs and immigration inspection. Under CBP, newly hired CBP officers receive 16 hours of training on agricultural issues at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia. Under APHIS, agriculture courses for Customs and Immigrations officers had been limited to 4 hours and 2 hours, respectively, of classroom overviews on agriculture issues. The revamped training provides the newly hired CBP officers with basic agriculture information so they know when to either prohibit entry or refer potential agricultural threats to CBP agriculture specialists. In addition to a more comprehensive course, the curriculum provides for additional testing on AQI knowledge. For example, classroom simulations include agricultural items, and CBP officers' written proficiency tests now include questions on agricultural inspections.

In addition, CBP and APHIS have undertaken an initiative to expand agriculture training for all CBP officers at their respective ports of entry. The purpose of these modules—designed for Customs and Immigration officers—was to provide officers with the ability to make informed decisions on agricultural items at high-volume border traffic areas or to facilitate the clearance of travelers and cargo at ports without agriculture specialists, such as some ports of entry along the Canadian border.

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<sup>11</sup>68 Fed. Reg. 3375 (Jan. 24, 2003).

<sup>12</sup>69 Fed. Reg. 71660.

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According to agency officials, the agencies have now expanded training to 16 hours of lecture and 8 hours of on-the-job training, including environment-specific modules for six inspection environments: northern border, southern border, international mail/expedited courier, maritime, airport processing, and preclearance (i.e., inspections of passengers and cargo prior to arrival in the United States).

Additionally, CBP and APHIS have formalized the in-port training program and have developed a national standard for agriculture specialists. Under APHIS, depending on the port to which they were assigned, newly hired agriculture specialists spent anywhere from 1 week to 1 year shadowing senior agriculture specialists. After the transfer, CBP formalized this process to ensure all agriculture specialists were receiving the necessary on-the-job training. This formalized process includes a checklist of activities for agriculture specialists to master and is structured in two modules: an 8-week module on passenger inspection procedures and a 10-week module on cargo inspection procedures.

Based on our survey of agriculture specialists, we estimate that 75 percent of specialists hired by CBP believe that they received sufficient training (on the job and at the Professional Development Center) to enable them to perform their agriculture inspection duties. An estimated 13 percent of specialists believe that they probably or definitely did not receive adequate training, and another 13 percent either were uncertain or did not answer the question. (See app. II, survey question 12.)

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## CBP and APHIS Have Taken Steps to Improve Targeting of Agricultural Inspections

CBP and APHIS have also taken steps to better identify and target shipments and passengers that present potentially high risk to U.S. agriculture. Under CBP, some agriculture specialists receive training and access to computer applications such as CBP's Automated Targeting System (ATS), which is a computer system that, among other things, is meant to (1) identify high-risk inbound and outbound passengers and cargo for terrorist links, smuggling of WMD, drugs, currency, and other contraband; (2) focus limited inspection resources on higher-risk passengers and cargo; (3) facilitate expedited clearance or entry for low-risk passengers and cargo; and (4) enable users to create ad-hoc queries to

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filter data to meet specific research needs.<sup>13</sup> ATS helps agriculture specialists select which cargo shipments to inspect based on detailed information contained in the cargo manifests and other documents that shipping companies are required to submit before the ship arrives in a port. CBP and APHIS headquarters personnel also use ATS data to identify companies that have violated U.S. quarantine laws. For example, recently the two agencies used ATS to help identify companies that have smuggled poultry products in seafood containers from Asia, according to a senior APHIS official. The U.S. currently bans uncooked poultry products from Asian countries because of concerns over avian influenza.

CBP and APHIS are working together to further refine ATS's effectiveness in identifying and targeting shipments of agricultural products. Specifically, APHIS assigned a permanent liaison to the CBP National Targeting Center in April 2005 to help develop a rule set (a computerized set of criteria) that will automate the process of identifying companies or individuals that pose a significant agroterrorism risk to U.S. agriculture. According to the APHIS liaison, the rule set will eventually be applicable to nonagroterrorism events, such as smuggling and shipments that are not compliant with U.S. quarantine regulations. CBP officials told us that the agency has set a September 2006 release date for the first version of the rule set. CBP officials also told us that the agency is testing an interim rule set for high-risk commodities regulated by USDA's Food Safety Inspection Service (FSIS) that they expect to release in July 2006.<sup>14</sup>

In addition to ATS, agriculture specialists now also have access to the Treasury Enforcement Communications System (TECS)—a computerized information system for identifying individuals and businesses suspected of violating federal law. TECS serves as a communications system between Treasury law enforcement offices and other federal, state, and local law enforcement agencies.

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<sup>13</sup>We did not independently assess DHS's use of ATS for agricultural inspections. CBP commented that agriculture specialists receive on-the-job training in ATS. No classroom training has been provided, with the exception of 3 classes in fiscal year 2005 for agriculture specialists in maritime.

<sup>14</sup>The FSIS rule set contains criteria that identify (1) shipments entering ports with no nearby inspection house, (2) shipments not listing companies identified as approved foreign producers of beef and poultry products, (3) shipments not listing companies identified as approved foreign producers of certain other agricultural products, (4) shipments from countries not authorized to export certain agricultural products to the United States, (5) FSIS prior violators, and (6) shipments from countries of interest to CBP.

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ATS and TECS complement other targeting tools already used by agriculture specialists under APHIS. Specifically, agriculture specialists continue to use CBP's Automated Commercial System to review the manifests of incoming shipments. At select ports, agriculture specialists also continue to use APHIS's Agricultural Quarantine Inspection Monitoring (AQIM) system to estimate the amount of quarantine items or pests entering the country. CBP agriculture specialists submit AQIM data to APHIS, where it is used to estimate the extent to which agricultural pests and diseases approach the United States through various pathways (e.g., international air passengers).

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### CBP and APHIS Have Established a Review Process for Assessing Port Compliance with Agricultural Inspection Policy

In fiscal year 2005, CBP and APHIS established a formal assessment process to ensure that ports of entry continue to carry out agricultural inspections in accordance with APHIS's regulations, policies, and procedures. According to an APHIS official, the new formal assessment process is a means for APHIS to gather some of the information necessary to formulate agricultural inspection policy. The assessments, called Joint Agency Quality Assurance Reviews, entail a visit to ports by APHIS and CBP officials, who complete a questionnaire based on interviews with the port director and other CBP personnel and through direct observation of port operations by the review team. The reviews cover topics such as (1) coordination with other federal agencies, (2) training for agriculture specialists, (3) access of agriculture specialists to regulatory manuals, and (4) processes for handling violations at the port, inspecting passenger baggage and vehicles, and intercepting, seizing, and disposing of confiscated materials.

The review teams report on best practices and deficiencies at each port and make recommendations for corrective actions. For example, a review of two ports found that they were both significantly understaffed, and that CBP agriculture specialists at one of the ports were conducting superficial inspections on commodities that should have been inspected more intensely. At the same ports, the review identified best practices in the placing of personnel from CBP, APHIS, and FDA in the same facility and the targeting of tile imports from Italy and Turkey for possible agroterrorism risks.<sup>15</sup> As of February 2006, the joint review team has conducted reviews

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<sup>15</sup>Imports of nonagricultural products such as tile may impact agriculture because, according to APHIS, wood packing material used to help transport tile has been a major source of pest interceptions.

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of nine ports, and the agencies plan to complete seven additional reviews in fiscal year 2006, according to a senior APHIS official.

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### **CBP Has Established New Agriculture Liaisons to Advise Regional Directors**

In May 2005, CBP required that each director in its 20 field offices identify and appoint an agriculture liaison, with background and experience as an agriculture specialist, to provide CBP field office directors with agriculture-related input for operational decisions and provide agriculture specialists with senior-level leadership. CBP officials told us that all district field offices had established the liaison position as of January 2006. The CBP agriculture liaison duties include, among other things, advising the director of the field office on agricultural functions; providing oversight for data management, statistical analysis, and risk management; and providing oversight and coordination for agriculture inspection alerts.

Since the creation of the position, agriculture liaisons have begun to facilitate the dissemination of urgent alerts from APHIS to CBP. For example, following a large increase in the discovery of plant pests at a port in November 2005, the designated agriculture liaison sent notice to APHIS, which then issued alerts to other ports. Subsequent communications between APHIS and CBP identified the agriculture liaison at the initial port as a contact for providing technical advice for inspecting and identifying this type of plant pest.

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### **Management and Coordination Problems May Leave U.S. Agriculture Vulnerable to Foreign Pests and Disease**

Several management and coordination problems exist that may leave U.S. agriculture vulnerable to foreign pests and disease. CBP has not developed sufficient performance measures to manage and evaluate the AQI program. CBP also has not developed a staffing model to determine how to allocate newly hired agriculture specialists or used available data to evaluate the effectiveness of the AQI program. In addition, information sharing and coordination between CBP and APHIS has been problematic. Finally, the agriculture canine program has deteriorated.

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### **CBP Lacks Adequate Performance Measures for Agricultural Quarantine Inspections**

The Government Performance and Results Act of 1993 requires federal agencies to develop and implement appropriate measures to assess

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program performance.<sup>16</sup> Yet, 3 years after the transfer, CBP has yet to develop and implement its own performance measures for the AQI program despite changes in the program's mission. Instead, according to senior CBP officials, CBP carried over two measures that APHIS used to assess the AQI program before the transfer: the percentage of (1) international air passengers and (2) border vehicle passengers that comply with AQI regulations. However, these measures address only two pathways, neglecting commercial aircraft, vessel, and truck cargo pathways. CBP's current performance measures also do not provide information about changes in inspection and interception rates, which could prove more useful in assessing the efficiency and effectiveness of agriculture inspections in different regions of the country or at individual ports of entry. They also do not address the AQI program's expanded mission—to prevent agroterrorism while facilitating the flow of legitimate trade and travel. CBP officials told us that the agency recognizes that the current performance measures are not satisfactory and is planning new performance measures for the fiscal year 2007 performance cycle. However, such measures had not yet been developed at the time of our review.

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### CBP Made Progress Hiring Agriculture Specialists but Still Lacks a Risk-Based Staffing Model

To accomplish the split in AQI responsibilities in March 2003, APHIS transferred a total of 1,871 agriculture specialist positions, including 317 vacancies, and distributed these positions across CBP's 20 district field offices.<sup>17</sup> According to senior officials involved with the transfer, APHIS's determinations were made under tight time frames and required much guess work. As a result, from the beginning, CBP lacked adequate numbers of agriculture specialists and had little assurance that the appropriate numbers of specialists were staffed at the ports of entry. Since then, CBP has hired more than 630 specialists, but the agency has not yet developed or used a risk-based staffing model for determining where to assign its agriculture specialists.

Our guidelines for internal control in the federal government state that agencies should have adequate mechanisms in place to identify and analyze

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<sup>16</sup>31 U.S.C. §§ 1115-1116.

<sup>17</sup>CBP organizes individual ports of entry into 20 district field offices that are composed of individual ports of entry. At the time of the transfer, agriculture specialists (or vacancies) were assigned to 139 individual ports of entry.



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risks and determine what actions should be taken to mitigate them.<sup>18</sup> One such risk involves the changing nature of international travel and agricultural imports, including changes to the (1) volume of passengers and cargo, (2) type of agricultural products, (3) countries of origin, and (4) ports of entry where passengers and cargo arrive in the United States. One action to mitigate risk is development and implementation of a staffing model to help determine appropriate staffing levels to address these changing operating conditions.

APHIS developed a staffing model, prior to the transfer of AQI functions to CBP, to calculate the number of agriculture specialists necessary to staff the various ports according to work load. However, according to APHIS officials, the model was no longer useful because it had not considered the split of inspectors between the two agencies. Although APHIS updated the model in June 2004 at CBP's request, CBP still did not use this or any other staffing model when assigning the newly hired specialists to the ports. According to CBP officials, the agency did not use APHIS's model because it did not consider some key variables, such as the use of overtime by staff.<sup>19</sup> CBP officials also told us the agency is planning to develop its own staffing model, but they were unable to provide us with planned milestones or a timeline for completion. Until such a risk-based model is developed and implemented, CBP does not know if it has an appropriate number of agriculture specialists at each port.

An area of potential vulnerability that should be considered in staffing the ports relates to the experience level of agriculture specialists at the ports. More than one-third of CBP agriculture specialists were hired since the transfer—and most within the last year. For example, San Francisco lost 19 specialists since 2003 but gained only 14 new hires or transfers, leaving 24 vacancies as of the end of fiscal year 2005. APHIS officials expressed concern about the turnover of staff at some ports because many of the newly hired CBP agriculture specialists “will need time to get up to speed and do not possess the institutional knowledge related to agricultural issues that the more seasoned specialists had.” The official added that the

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<sup>18</sup>See GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

<sup>19</sup>APHIS commented that overtime is unpredictable and, therefore, should not be considered by the staffing model. Rather, the staffing model could have been adjusted to account for longer hours of coverage.

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experience level of specialists is of particular concern at ports of entry staffed by only 1 or 2 agriculture specialists.

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### CBP Has Not Used Key Data to Evaluate Effectiveness of AQI Program

According to APHIS, data in its Work Accomplishment Data System (WADS) can help program managers evaluate the performance of the AQI program by indicating changes in a key measure—the frequency with which prohibited agricultural materials and reportable pests are found (intercepted) during inspection activities. CBP agriculture specialists routinely record data in WADS for each port of entry, including monthly counts of (1) arrivals of passengers and cargo to the United States via airplane, ship, or vehicle; (2) agricultural inspections of arriving passengers and cargo; and (3) inspection outcomes (i.e., seizures or detections of prohibited (quarantined) agricultural materials and reportable pests). However, CBP has not used this data to evaluate the effectiveness of the AQI program. Our analysis of the data shows that average inspection and interception rates have changed significantly in some geographical regions of the United States, with rates increasing in some regions and decreasing in others (see tables 1 and 2).

Table 1 compares average inspection rates—the number of passenger and cargo inspections relative to the total number of arrivals in each CBP district field office—for the 42 months before and 31 months after the transfer. Average inspection rates declined significantly in five district field offices (Baltimore, Boston, Miami, San Francisco, and “Preclearance” in Canada, the Caribbean, and Ireland), whereas rates increased significantly in seven other districts (Buffalo, El Paso, Laredo, San Diego, Seattle, Tampa, and Tucson).

**Table 1: Average Inspection Rates before and after the Transfer from APHIS to CBP**

Percent					
District field office	Average inspection rate before (October 1999-February 2003)	Average inspection rate after (March 2003-September 2005)	Difference <sup>a</sup>	Statistical significance <sup>b</sup>	
Atlanta	9.7	8.8	-0.9	No	
Baltimore	18.2	10.0	-8.2	Yes	
Boston	30.9	13.0	-17.9	Yes	
Buffalo	0.1	0.5	0.3	Yes	
Chicago	18.0	18.5	0.5	No	
Detroit	3.1	2.9	-0.2	No	
El Paso	2.9	4.4	1.5	Yes	
Houston	13.2	12.1	-1.1	No	
Laredo	7.7	8.8	1.1	Yes	
Los Angeles	12.5	10.4	-2.1	No	
Miami	35.8	23.1	-12.7	Yes	
New Orleans	37.6	41.8	4.3	No	
New York	12.0	11.8	-0.2	No	
Preclearance <sup>c</sup>	7.8	3.4	-4.4	Yes	
Portland	13.0	12.6	-0.4	No	
San Diego	12.6	16.3	3.6	Yes	
San Francisco	40.4	19.0	-21.4	Yes	
San Juan	62.4	57.6	-4.8	No	
Seattle	2.3	3.1	0.8	Yes	
Tampa	19.6	30.7	11.1	Yes	
Tucson	2.6	4.0	1.4	Yes	

Source: GAO calculations of APHIS's Work Accomplishment Data System, fiscal years 2000-2005.

<sup>a</sup>Because of rounding, values in the difference column may not equal the difference between rounded inspection rates.

<sup>b</sup>Statistical significance for each field office was calculated at the 99.75 percent confidence level so that the confidence level of all 21 statistical significance outcomes, collectively, is about 95 percent.

<sup>c</sup>Preclearance inspections were conducted at 14 locations in Canada, the Caribbean, and Ireland. Individuals arriving in the U.S. from those locations did not undergo another inspection upon arrival in the United States. According to CBP, preclearance inspections were done only as a pilot and not as an ongoing program within the agency.

Similarly, table 2 compares average interception rates—the number of pest interceptions relative to the total number of passenger and cargo inspections in each CBP district field office—for the two periods of time. The average rate of interceptions decreased significantly at ports in six

district field offices—El Paso, New Orleans, New York, San Juan, Tampa, and Tucson—while average interception rates have increased significantly at ports in the Baltimore, Boston, Detroit, Portland, and Seattle districts. Decreases in interception rates, in particular, may indicate that some CBP districts are less effective at preventing entry of prohibited materials since the transfer from APHIS to CBP.

**Table 2: Average Interception Rates before and after the Transfer from APHIS to CBP**

Percent					
District field office	Average interception rate before (October 1999-February 2003)	Average interception rate after (March 2003-September 2005)	Difference <sup>a</sup>	Statistical significance <sup>b</sup>	
Atlanta	10.7	11.5	0.8	No	
Baltimore	7.6	10.4	2.8	Yes	
Boston	3.9	12.4	8.5	Yes	
Buffalo	15.4	30.2	14.8	No	
Chicago	6.8	5.6	-1.3	No	
Detroit	7.7	20.7	13.0	Yes	
El Paso	9.4	5.7	-3.7	Yes	
Houston	7.9	8.4	0.4	No	
Laredo	4.4	3.9	-0.5	No	
Los Angeles	7.4	8.7	1.3	No	
Miami	5.3	5.8	0.4	No	
New Orleans	5.9	3.5	-2.4	Yes	
New York	18.1	10.2	-7.9	Yes	
Preclearance <sup>c</sup>	10.1	24.4	14.2	Yes	
Portland	9.6	14.9	5.3	Yes	
San Diego	1.3	1.4	0.2	No	
San Francisco	10.5	10.6	0.1	No	
San Juan	6.1	3.5	-2.5	Yes	
Seattle	30.1	46.5	16.4	Yes	
Tampa	8.3	3.0	-5.2	Yes	
Tucson	9.0	7.0	-2.0	Yes	

Source: GAO calculations of APHIS's Work Accomplishment Data System, fiscal years 2000-2005.

<sup>a</sup>Because of rounding, values in the difference column may not equal the difference between rounded interception rates.

<sup>b</sup>Statistical significance for each field office was calculated at the 99.75 percent confidence level so that the confidence level of all 21 statistical significance outcomes, collectively, is about 95 percent.

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<sup>c</sup>Preclearance inspections were conducted at 14 locations in Canada, the Caribbean, and Ireland. Individuals arriving in the United States from those locations did not undergo another inspection upon arrival in the United States. According to CBP, preclearance inspections were done only as a pilot and not as an ongoing program within the agency.

Of particular note are three districts that have experienced a significant *increase* in their rate of inspections and a significant *decrease* in their interception rates since the transfer. Specifically, since the transfer, ports in the Tampa, El Paso, and Tucson districts appear to be more efficient at inspecting (e.g., inspecting a greater proportion of arriving passengers or cargo) but less effective at interceptions (e.g., intercepting fewer prohibited agricultural items per inspection). Also of concern are three districts—San Juan, New Orleans, and New York—that are inspecting at about the same rate, but intercepting less, since the transfer.

When we showed the results of our analysis to senior CBP officials, they were unable to provide an explanation for these changes or to determine whether the current rates were appropriate relative to the risks, staffing levels, and staffing expertise associated with individual districts or ports of entry. These officials also noted that CBP has had problems interpreting APHIS data reports because CBP lacks staff with expertise in agriculture and APHIS's data systems in some district offices. CBP is working on a plan to collect and analyze agriculture-related data in the system it currently uses for customs inspections, but the agency has yet to complete or implement the plan.

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## Information Sharing and Coordination between CBP and APHIS Have Been Problematic

CBP and APHIS have an interagency agreement for sharing changes to APHIS's policy manuals and agriculture inspection alerts, which impact CBP's agricultural mission. APHIS maintains several manuals on its Web site that are periodically updated for agriculture specialists' use. These manuals include directives about current inspection procedures as well as policies about which agricultural items from a particular country are currently permitted to enter the United States. When APHIS updates a manual, the agency sends advance notice to CBP headquarters personnel, but agriculture specialists in the ports frequently do not receive these notices. Before the transfer of agriculture specialists to CBP, APHIS e-mailed policy manual updates directly to specialists, according to a senior APHIS official. However, since the transfer, CBP has not developed a list of all agriculture specialists' e-mail addresses. As a result, APHIS uses an "ad-hoc e-mail list" to notify CBP agriculture specialists of policy manual updates. When an agriculture specialist or supervisor sends an e-mail to the APHIS official who maintains the contact list, that person's e-mail address

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is then manually added to the list. The official also noted he has added e-mail addresses sent in by former APHIS personnel who noticed that they were no longer receiving manual update notifications, as they had prior to the transfer to CBP. However, the official also stated that his list is not an official mailing list and is not representative of all of the ports.<sup>20</sup> CBP also could not tell us if the list was accurate or complete.

Several agriculture specialists we spoke with indicated that they (1) frequently did not receive any notification from APHIS or CBP when manuals were updated, (2) received updates sporadically, or (3) were unsure whether they received all of the relevant updates. Moreover, based on our survey of agriculture specialists, we estimate that 20 percent of agriculture specialists do not regularly receive notices that the manuals have been updated. According to our survey, 50 percent of agriculture specialists always have access to the online manuals. However, according to specialists we spoke with, it is difficult to keep up with changes to the manuals without being notified as to which policies or procedures are updated by APHIS. One inspector expressed dismay that specialists at the port to which he had recently transferred were unaware of new regulations for conducting inspections to safeguard against avian influenza. Agriculture specialists at a different port told us that they continue to refer to the hard copies of APHIS's manuals, which APHIS has not updated since it stopped producing hard copies in 2003.

In addition, although CBP and APHIS have established a process to transmit inspection alerts down the CBP chain of command to agriculture specialists, many frontline specialists we surveyed or interviewed at the ports were not always receiving relevant agriculture alerts in a timely manner. They identified the time required for dissemination of agriculture alerts down the CBP chain of command as an issue of concern. Specifically, based on our survey, we estimate that only 21 percent of specialists always received these alerts in a timely manner. The level of information sharing appears to be uneven between ports and pathways at ports. For example, an agricultural specialist at one port told us that he received information directly from APHIS on pest movements and outbreaks. An agriculture supervisor at a second port noted that information sharing had improved

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<sup>20</sup>During the course of our audit, CBP established a Web site for agriculture specialists on its intranet that contains notices of updates to agricultural inspection manuals. However, at the time of our audit, CBP and APHIS still had not developed a formal system to notify specialists directly of manual updates.

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after port officials established a plant pest risk committee comprising local officials from APHIS, CBP, and other agencies. However, an agriculture specialist at a third port we visited told us that specialists there did not receive any information on pests from APHIS, while a second specialist at the same port expressed concern that alerts on disease outbreaks such as avian influenza arrive many days after the outbreaks are first reported.

With regard to coordination between CBP and APHIS, we found that APHIS officers responsible for tracing the pathways of prohibited agricultural items into the United States have experienced difficulty or delays in gaining access to some ports of entry. After the transfer, APHIS and CBP agreed to restrict APHIS officials' access to ports of entry to ensure clear separation of responsibilities between the two agencies. Under the memorandum of agreement, CBP may grant or refuse access to ports by APHIS personnel, but APHIS officials noted that the difficulties and delays in getting information from the ports has made some of APHIS's Smuggling Interdiction and Trade Compliance (SITC) activities difficult, if not impossible. Per the agreement, APHIS personnel—including SITC inspectors—are to make advance arrangements with local CBP port directors for access to agriculture inspection areas. CBP agreed to provide APHIS with a written response to any request for access to ports of entry but did not specify a time frame for this response.

Prior to the transfer, APHIS SITC inspectors regularly worked with APHIS agriculture inspectors to (1) trace the movement of prohibited agricultural items found in U.S. markets back to ports of entry (traceback), (2) identify parties responsible for importing prohibited items, and (3) determine which weaknesses in inspection procedures allowed the items to enter the United States. Currently, SITC inspectors are still responsible for tasks such as surveying local markets for prohibited agricultural products and gathering information to identify and intervene in the movement of smuggled agricultural commodities that could potentially harm U.S. agriculture. According to SITC officials, their ability to gather timely information at ports of entry is extremely important to SITC's mission. They added that delays in special operations or port visits following the discovery of prohibited items make it much harder to trace the pathway of such items into the United States.

Although SITC officials noted that their inspectors have received access to some ports to perform their duties, they added that CBP has delayed or denied access to SITC inspectors at other ports in both the eastern and western United States. The SITC officials stated that there have been

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incidents in which CBP did not respond to requests for access until months after APHIS made them. For example, in 2005, SITC requested permission to conduct two special operations at U.S. international airports to help determine whether passengers or cargo from certain countries posed a risk in importing or smuggling poultry products that could be infected with avian influenza. In justifying the operations, SITC wrote, "Many illegal and possibly smuggled avian products have been seized" in several states surrounding the airports. In one case, CBP took 3 months to approve the request; however, SITC had already canceled the operation 2 months earlier because of CBP's lack of response. CBP approved another special operation several months after SITC's request, but later canceled it because SITC uniforms did not match CBP specialists' uniforms, according to senior SITC officials. They added that CBP's other reasons for delaying or canceling joint operations and visits included (1) inadequate numbers of CBP specialists to participate in operations, (2) scheduling conflicts involving CBP port management, and (3) concerns about SITC inspectors' lack of security clearances.

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## Agriculture Canine Program Has Deteriorated

Agriculture canines are a key tool for targeting passengers and cargo for inspection, but we found that the program has deteriorated since the transfer. The number and proficiency of canine teams has decreased substantially over the last several years. Specifically, APHIS had approximately 140 canine teams nationwide at the time of the transfer, but CBP currently has approximately 80 such teams, about 20 percent of which are newly hired, according to agency officials. They added that, although CBP has authorized the hiring of 15 more agriculture canine teams, the positions remain vacant as of the end of 2005. According to APHIS, CBP has not been able to fill available APHIS agriculture specialist canine training classes. After consulting with CBP, APHIS scheduled 7 agriculture canine specialist training classes in fiscal year 2005 but canceled 2 because CBP did not provide students. Similarly, in fiscal year 2006, APHIS scheduled 8 classes, but, as of April, had to cancel 3 for lack of students to train. In 2005, 60 percent of the 43 agriculture canine teams tested failed the USDA proficiency test, and APHIS officials told us proficiency has declined since the transfer. These proficiency tests, administered by APHIS, require the canine to respond correctly in a controlled, simulated work environment and ensure that canines are working effectively to catch potential prohibited agricultural material.

Potential reasons for the deterioration in proficiency scores include CBP not following policy and procedures for the canine program and changes in



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the program management structure. The policy manual for the canine program states that canines should (1) receive about 4 hours of training per week and (2) have minimal down time in order to maintain their effectiveness. In general, canine specialists we interviewed expressed concern that the proficiency of their canines was deteriorating due to a lack of working time. That is, the dogs were sidelined while the specialist was assigned to other duties. Furthermore, based on results of our survey, we estimate that 46 percent of canine specialists were directed to perform duties outside their primary canine duties several times a week or every day. Additionally, an estimated 65 percent of canine specialists sometimes or never had funding for training supplies. Another major change to the canine program, following the transfer, was CBP's elimination of all former APHIS canine management positions. In some cases, agriculture canine teams now report to supervisory agriculture specialists, who may not have any canine experience. Formerly, canine teams reported to both the in-port management and regional canine program coordinators, who were experienced canine managers. The program coordinators monitored the canine teams' proficiency and ensured that teams maintained acceptable performance levels. According to CBP, the agency is considering developing a new management structure to improve the effectiveness of its canine program. However, little progress has been made to date.

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## Financial Management Issues at CBP and APHIS Adversely Affect the AQI Program

The law authorizes user fees to cover the costs of the AQI program. However, in the 3 years since the transfer, user fees have not been sufficient to cover AQI program costs.<sup>21</sup> CBP believes that unless the current user-fee rates are increased, the program will continue to face annual shortfalls to the detriment of the AQI program. In addition, CBP underwent a financial management system conversion for fiscal year 2005 and was unable to provide APHIS with actual cost information needed to evaluate the extent to which individual user fees cover program costs. Furthermore, APHIS did not always make regular transfers of funds to CBP as it had agreed to, causing CBP to use other funding sources or to reduce spending.

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<sup>21</sup>The Secretary of Agriculture may prescribe and collect fees sufficient to cover the cost of providing inspection services. In addition, the law requires that the Secretary of Agriculture ensure that the amount of the fees be commensurate with the costs of agricultural quarantine and inspection services with respect to the class of persons or entities paying the fees. 21 U.S.C. § 136a.

## User Fees Have Not Been Sufficient to Cover AQI Program Costs

The Secretary of Agriculture has the discretion to prescribe user fees to cover the costs of the AQI program, but program costs have exceeded user-fee collections since the transfer of AQI inspection activities to CBP. Following the events of September 11, 2001, a sharp drop in the number of international airline passengers entering the United States caused a drop in AQI revenue (approximately 80 percent of total AQI user-fee collections come from fees on international airline passengers). Despite the drop in revenue, APHIS had to increase AQI inspection activities because of post-September 11 concerns about the threat of bioterrorism. According to USDA, agriculture specialists began inspecting a greater volume of cargo entering the United States and a greater variety of types of cargo than they had in prior years. Such operations are personnel-intensive and, therefore, costly. Consequently, when the transfer occurred in fiscal year 2003, AQI program costs exceeded revenues by almost \$50 million. The shortfall increased to almost \$100 million in the first full fiscal year after the transfer. Table 3 provides AQI user-fee collections and program costs for fiscal years 2001 through 2005.

**Table 3: AQI User-Fee Collections and Program Costs, Fiscal Years 2001 through 2005**

	Fiscal year				
	2001	2002	2003	2004	2005
User-fee collections	\$255,141	\$208,688	\$227,823	\$256,104	\$331,636
<b>Total program costs<sup>a</sup></b>	<b>222,707</b>	<b>250,810</b>	<b>279,150</b>	<b>355,521</b>	<b>357,403</b>
APHIS costs	222,707	250,810	194,030	133,000	134,995
CBP costs	<sup>b</sup>	<sup>b</sup>	85,120 <sup>c</sup>	222,521	222,408
<b>Total program costs in excess of user-fee collections</b>	<b>(\$32,434)</b>	<b>\$42,122</b>	<b>\$51,327</b>	<b>\$99,417</b>	<b>\$25,767</b>

Sources: APHIS and CBP.

Notes: Negative values shown in parentheses.

<sup>a</sup>Program costs as reported by the agencies.

<sup>b</sup>Not applicable because CBP did not incur program costs until March 1, 2003.

<sup>c</sup>CBP costs for fiscal year 2003 began on March 1, 2003, when AQI inspections were transferred to CBP.

For fiscal years 2004 and 2005, the 2 full fiscal years since the transfer, total AQI costs exceeded user-fee collections by more than \$125 million. Consequently, in fiscal years 2004 and 2005, APHIS used AQI user-fee collections from previous years, and CBP used another available

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appropriation to cover AQI costs.<sup>22</sup> In October 2004, APHIS's Associate Deputy Administrator of Plant Protection and Quarantine wrote to the Executive Director of CBP's Office of Budget, noting, "We are in dire need of generating increased revenue for the AQI program; without an increase, the AQI account could run out of money on or about July 19, 2005." The letter also discussed a three-phase approach to ensuring fiscal solvency for the AQI program. The first phase consisted of establishing increased interim user-fee rates to cover costs of pay raises and inflation. The second phase involved removing the exemption from paying AQI user fees granted to passengers, cargo, and commercial vehicles at ports of entry along the U.S.—Canada border. The third phase included identifying all current and future needs of the AQI program, not just pay raises and inflation, to ensure that user fees fully cover AQI program costs. APHIS estimated that it would take up to 2 years to complete the entire *Federal Register* process and make new phase-three fees effective.

On December 9, 2004, APHIS proceeded with the first phase by publishing an interim rule to raise user fees, effective January 1, 2005, through 2010.<sup>23</sup> However, because of the method APHIS used to estimate AQI program costs, this phase-one increase in user-fee revenues is not likely to be enough to cover program costs through fiscal year 2010. Specifically, APHIS used estimated fiscal year 2004 program costs—\$327 million—plus 1.5 percent of these costs for pay raises and inflation (or about \$4.9 million) to set the fiscal year 2005 user fees. However, APHIS's base calculation used CBP's estimated share of fiscal year 2004 user-fee funds—totaling \$194 million—but not CBP's actual reported costs for fiscal year 2004—totaling \$222.5 million. Thus, the difference between CBP's actual and estimated costs of \$28.5 million was not included in the base calculation, resulting in less revenue for the program.<sup>24</sup> CBP subsequently acknowledged that APHIS's decision not to include CBP's actual fiscal year 2004 costs in the user-fee increase "has put CBP in the position where incoming APHIS user-fee revenues fall short of the expected cost of

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<sup>22</sup> APHIS recognized the need to maintain a reasonable reserve balance in the AQI account to provide the program with a means to ensure continuity of AQI services in cases of fluctuation in activity volumes, bad debt, carrier insolvency, or other unforeseen events, such as those of September 11, 2001, that could result in substantial cost increases and lower-than-expected revenues.

<sup>23</sup> 69 Fed. Reg. 71660.

<sup>24</sup> According to CBP, APHIS consistently uses the same approach for their costs, reporting its share of collections rather than actual costs.

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operating the [AQI] program.” CBP finance officials also told us that because the costs of performing AQI activities was approximately \$222 million in each of the previous 2 years, it is unlikely that the projected \$211 million to be transferred to CBP for fiscal year 2006 will be sufficient to cover program costs for fiscal year 2006 and beyond.

Despite the shortfall between user-fee collections and program costs, APHIS has not completed the second or third phases of its proposal. As of May 2006, the Secretary of Agriculture had not made a decision whether to proceed with the proposal to lift the Canadian exemption.<sup>25</sup> CBP officials told us that unless the Canadian exemption is lifted, the agency cannot hire the over 200 additional agriculture specialists that it has determined are needed to perform additional inspections on the northern border. APHIS officials told us that because lifting the Canadian exemption will affect estimates of future revenue used in calculating new user-fee rates, APHIS and CBP have not begun the third phase of revising user fees, which APHIS estimates will take approximately 2 years.

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### CBP Could Not Provide APHIS with the Actual Cost Information

CBP is required by the interagency agreement to establish a process in its financial management system to report expenditures by each AQI fee type, such as those paid by international passengers and commercial aircraft. APHIS uses this information to set user-fee rates and to audit user-fee collections. Although CBP provided detailed cost information by activity and user-fee type to APHIS for fiscal year 2004, CBP provided only estimated cost information for fiscal year 2005 because of a weakness in the design of the agency’s new financial management system. In November 2005, CBP conducted an internal review and determined that its reported costs of almost \$208 million did not include about \$15 million in additional salary costs for CBP agriculture supervisors. CBP officials told us that these costs were not included, in large part, because the agency adopted a new financial management system in fiscal year 2005 that allowed agriculture supervisors to record their time spent on AQI activities in a joint account that combined customs, immigration, and agricultural quarantine inspection activities. Thus, the costs related to only agricultural activities could not be segregated.

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<sup>25</sup>Canadian Exemption Removal Rule (Docket No. 01-109-1).

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A senior CBP finance official told us that CBP's Office of Finance could have provided rough estimates of costs by activity to APHIS but chose not to do so because they did not want to combine actual and estimated costs in the same document. Instead, CBP provided estimates of cost by user-fee type in January 2006. CBP did provide APHIS with the required accounting of obligations incurred by program office (e.g., Office of Training and Development, Applied Technology Division, Office of Asset Management, and Office of Chief Counsel) and budget codes (e.g., salary, overtime, and office supplies) for fiscal year 2005. However, a senior APHIS budget official told us that this cost information was not helpful to APHIS for reviewing the user-fee rates because they needed the breakdown of actual costs by user-fee type and because APHIS could not determine if the costs were accurate. Until CBP's financial management system can provide actual costs by activity and AQI user-fee type, APHIS will not be able to accurately determine the extent to which the user fees need to be revised. In addition, without such information, APHIS does not know whether inspections of international airline passengers and commercial aircraft, vessels, trucks, and railroad cars are being funded by revenue from the appropriate user fee.

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### APHIS Did Not Always Make Regular Transfers of AQI Funds to CBP

Although many of the AQI functions were transferred to CBP when the Department of Homeland Security was formed, APHIS continues to collect most user fees and transfers a portion of the collections to CBP on a periodic basis.<sup>26</sup> For fiscal years 2004 and 2005, these transfers were often delayed and their amounts were sometimes less than expected, which adversely affected CBP agricultural inspection activities. In February 2004, USDA and DHS agreed that APHIS would transfer one-fourth of the annual amount of estimated user-fee collections to CBP at the beginning of each quarter, or if the balance in the account was not sufficient to transfer the full quarterly amount in advance, APHIS could make monthly transfers. APHIS officials told us, however, that the agency chose to transfer funds to CBP every other month because the AQI account would not always have had sufficient funds to make quarterly transfers, and monthly transfers would have been administratively burdensome. Nevertheless, as table 4 shows, CBP frequently did not receive the transfers at the time specified or

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<sup>26</sup> APHIS collects user fees for international air passengers, commercial aircraft, and rail cars. CBP collects user fees for commercial vessels, trucks, and truck decals, transfers the entire collection amount to APHIS, and receives a portion back from APHIS through the periodic transfers.

for the agreed upon amount in fiscal years 2004 and 2005. Consequently, according to CBP officials, the agency's finance office had to use funding sources that they had planned to use for other purposes. In addition, CBP officials told us some ports had to reduce spending for supplies needed for inspection activities or delay hiring personnel or purchasing equipment. Then, for the last transfer of the fiscal year, APHIS did not notify CBP until August 2005 that the transfer would total \$43.9 million, about \$11 million more than expected (see table 4). As a result, CBP's budget plans had to be revised late in the year to accommodate this additional funding.

**Table 4: AQI User-Fee Funds Transferred from APHIS to CBP during Fiscal Years 2004 and 2005**

Dollars in thousands

Month	Agreed upon quarterly transfer schedule	Actual transfers
<b>Fiscal year 2004</b>		
October 2003	\$48,500	\$0
November 2003	0	0
December 2003	0	0
January 2004	48,500	0
February 2004	0	0
March 2004	0	0
April 2004	48,500	118,000
May 2004	0	0
June 2004	0	29,500
July 2004	48,500	0
August 2004	0	29,500
September 2004	0	17,000
<b>Total, fiscal year 2004</b>	<b>\$194,000</b>	<b>\$194,000</b>
<b>Fiscal year 2005</b>		
October 2004	\$48,814	\$0
November 2004	0	32,820
December 2004	0	0
January 2005	48,814	0
February 2005	0	65,640
March 2005	0	0
April 2005	48,814	32,820

(Continued From Previous Page)

Dollars in thousands

Month	Agreed upon quarterly transfer schedule	Actual transfers
May 2005	0	0
June 2005	0	32,820
July 2005	48,814	0
August 2005	0	43,900
September 2005	0	0
<b>Total, fiscal year 2005</b>	<b>\$195,257<sup>a</sup></b>	<b>\$208,000</b>

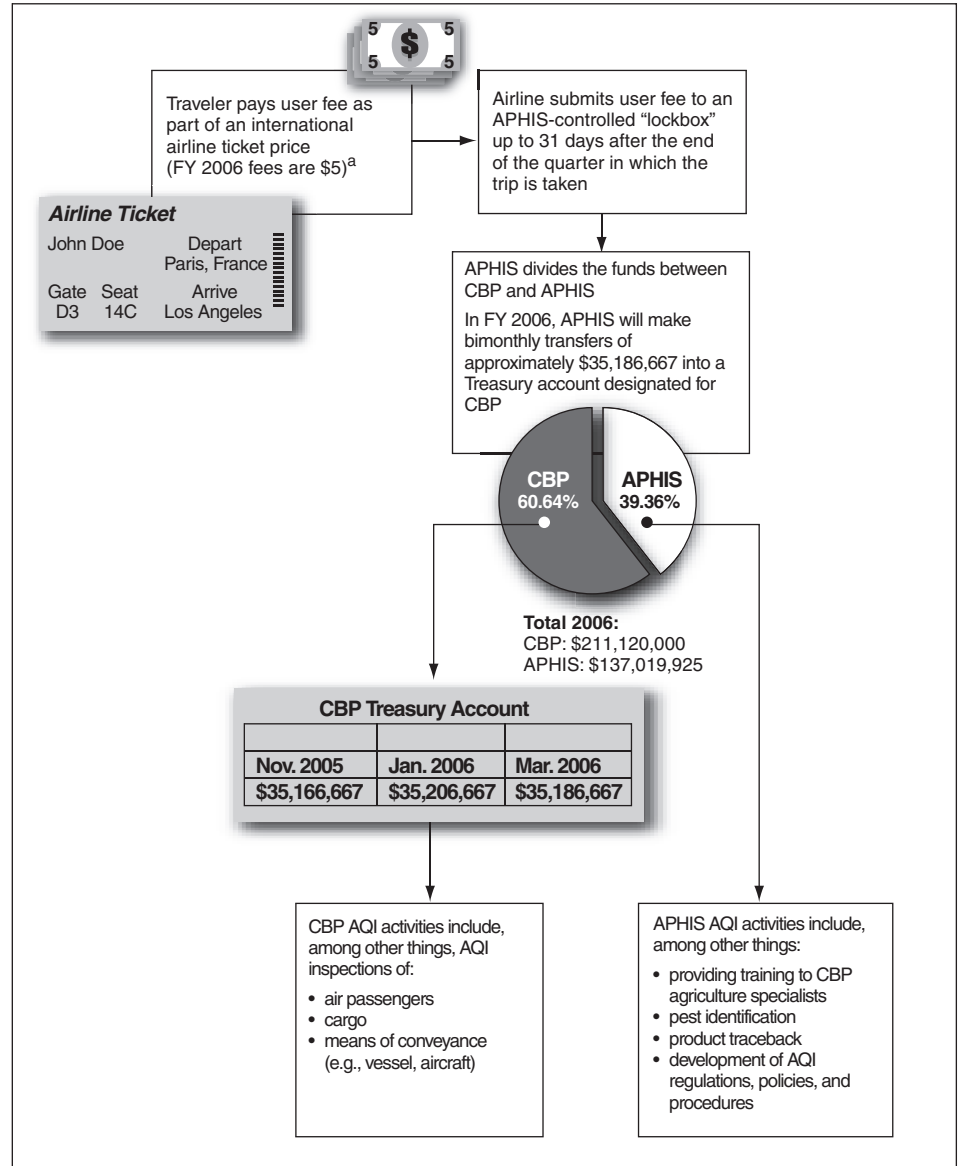
Sources: APHIS and CBP budget offices.

<sup>a</sup>Totals may not be exact due to rounding.

In addition, technical difficulties in the fund transfer process also delayed the transfer of funds to CBP, and at one point during fiscal year 2004, CBP did not have available funding from user fees for over 6 months. In this instance, APHIS transferred \$88.5 million from October 2003 to February 2004 into a DHS Treasury account used for fiscal year 2003 transfers. However, APHIS officials told us that the Office of Management and Budget had established a new Treasury account for CBP, and CBP officials did not advise APHIS of the change. Ultimately, APHIS withdrew the funds from the original account and transferred them as part of the April 2004 transfer, which totaled \$118 million, but it took longer than 5 months to resolve the issue. Similarly, two other fund transfers were delayed in fiscal year 2005 because APHIS did not comply with a Treasury rule requiring that agencies cite the relevant statutory authority when submitting a request to transfer funds to another agency. In one instance, APHIS ultimately transferred \$65.6 million to CBP in February 2005 rather than transferring one payment in January 2005 for \$32.8 million and another payment in February 2005 for \$32.8 million.

In October 2005, APHIS and CBP revised their agreement, which outlined the process the agencies would follow for transferring user fees and the financial reporting on the use of those funds. Under the revised agreement, APHIS, beginning in November 2005, is to make 6 bimonthly transfers to CBP in fiscal year 2006 totaling \$211.1 million. Figure 3 illustrates the process APHIS uses to collect user fees and transfer funds to CBP for fiscal year 2006.

**Figure 3: Collection and Transfer of User Fees from APHIS to CBP for Fiscal Year 2006**



Source: GAO analysis of CBP and APHIS documents.

<sup>a</sup>The six AQI user fees are assessed on international air passengers, commercial aircraft, commercial vessels, commercial trucks, commercial truck decals, and commercial railroad cars.



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As shown in figure 3, APHIS was to transfer \$35,186,667 to CBP in November 2005. However, contrary to the new agreement, APHIS transferred \$35,166,667—\$20,000 less than CBP expected—on November 30, 2005. When asked why they did not receive the correct amount in accordance with the revised agreement, CBP officials agreed to investigate the discrepancy and found that their staff was working to correct the problem. APHIS officials told us that their budget office used a rounded amount of \$211 million for the fiscal year to distribute the payments, resulting in the \$20,000 shortage for the distribution. APHIS officials told us that the budget office did not have a copy of the current distribution schedule from the revised agreement and did not know the exact amount of the required payment. They also stated that the budget office now has the agreement and will make the proper bimonthly transfers going forward. According to APHIS officials, the January 2006 transfer included an additional \$20,000 to address the discrepancy we identified with the November transfer. APHIS and CBP believe that the revised agreement, which also provides for quarterly face-to-face meetings between the agencies, should improve communication, assure transparency in the transfer process, and prevent future problems in the transfer of funds.

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## Conclusions

The global marketplace and increased imports of agricultural products and international travelers into the United States have increased the number of pathways for the movement and introduction of foreign, invasive agricultural pests and diseases, such as avian influenza and foot-and-mouth disease. Maintaining the effectiveness of federal programs to prevent accidental or deliberate introduction of potentially destructive organisms is critical given the importance of agriculture to the U.S. economy. Accordingly, effective management of AQI programs is necessary to ensure that agriculture issues receive appropriate attention in the context of CBP's overall missions of detecting and preventing terrorists and terrorist weapons from entering the United States and facilitating the orderly and efficient flow of legitimate trade and travel.

Although the transfer of agricultural quarantine inspections from USDA's APHIS to DHS's CBP has resulted in some improvements as a result of the integration of agriculture issues into CBP's overall antiterrorism mission, significant coordination and management issues remain that leave U.S. agriculture vulnerable to the threat of foreign pests and disease. Because the Homeland Security Act of 2002 divided AQI responsibilities between USDA and DHS, the two departments must work more closely to address key coordination weaknesses, including enhancing communication

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between APHIS's AQI policy experts and CBP's agriculture specialists in the field, to ensure that critical inspection information reaches these frontline inspectors; to review policies and procedures for the agriculture canine program to improve the effectiveness of this key inspection tool; and to revise AQI user fees. Furthermore, both departments must work to address key management weaknesses in their respective areas of responsibility. Specifically, in light of the AQI program's expanded mission, DHS needs to develop and adopt meaningful performance measures to assess the AQI program's effectiveness at intercepting prohibited agricultural materials; implement a national risk-based staffing model to ensure that adequate numbers of agriculture specialists are staffed to areas of greatest vulnerability; and review its financial management systems to ensure financial accountability for funds allocated to the AQI program. It is also important that user fees be adjusted to meet the program's costs, as authorized (but not required) by law. Without decisive action, APHIS and CBP could be forced to cut back on agriculture inspections if costs continue to exceed program revenues. Such cutbacks could increase the potential for animal and plant pests and diseases to enter the United States and could disrupt trade if agriculture specialists were not available to inspect and clear passengers and cargo on a timely basis. By overcoming these challenges, the United States would be in a better position to protect agriculture from the economic harm posed by foreign pests and disease.

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## Recommendations for Executive Action

To ensure the effectiveness of CBP and APHIS agricultural quarantine inspection programs designed to protect U.S. agriculture from accidental or deliberate introduction of foreign pests and disease, we are making the following seven recommendations:

We recommend that the Secretaries of Homeland Security and Agriculture work together to

- adopt meaningful performance measures for assessing the AQI program's effectiveness at intercepting foreign pests and disease on agricultural materials entering the country by all pathways—including commercial aircraft, vessels, and truck cargo—and posing a risk to U.S. agriculture;
- establish a process to identify and assess the major risks posed by foreign pests and disease and develop and implement a national staffing model to ensure that agriculture staffing levels at each port are sufficient to meet those risks;

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- ensure that urgent agriculture alerts and other information essential to safeguarding U.S. agriculture are more effectively shared between the departments and transmitted to DHS agriculture specialists in the ports;
  - improve the effectiveness of the agriculture canine program by reviewing policies and procedures regarding training and staffing of agriculture canines and ensure that these policies and procedures are followed in the ports; and
  - revise the user fees to ensure that they cover the AQI program's costs.

We recommend that the Secretary of Homeland Security undertake a full review of its financial management systems, policies, and procedures for the AQI program to ensure financial accountability for funds allocated for agricultural quarantine inspections.

We recommend that the Secretary of Agriculture take steps to assess and remove barriers to the timely and accurate transfer of AQI user fees to DHS.

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## Agency Comments and Our Evaluation

We provided USDA and DHS with a draft of this report for their review and comment. We received written comments on the report and its recommendations from both departments.

USDA commented that the report accurately captures some of the key operational challenges facing the two departments as they work to protect U.S. agriculture from unintentional and deliberate introduction of foreign agricultural pests and diseases. USDA generally agreed with the report's recommendations, adding that APHIS has already made some improvements to address our recommendations. For example, the department reported that APHIS has made improvements in the transfer of funds to CBP as a result of revisions to the interagency agreement with CBP. We had noted these changes in the report. In addition, USDA offered to work with DHS on our recommendations that DHS (1) adopt meaningful performance measures to assess AQI program's effectiveness and (2) establish a process to identify and assess the major risks posed by foreign pests and disease and develop and implement a national staffing model to address those risks. We modified the recommendations to involve USDA accordingly. USDA's written comments and our detailed response appear in appendix III. USDA also provided technical comments that we incorporated, as appropriate, throughout the report.

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DHS commented that the report was balanced and accurate and agreed with its overall substance and findings. DHS generally agreed with our recommendations and indicated that CBP has begun the process of implementing, or has implemented parts of, our recommendations. For example, as we note in the report, CBP has begun the process of creating new performance measures for assessing the AQI program's effectiveness. DHS stated that the new measures are scheduled to be in place by the beginning of fiscal year 2007. Also, DHS commented that CBP has developed a prototype staffing model methodology that it intends to develop into a final model to monitor and track the evolving staffing needs and priorities of the agency. With regard to our recommendation that DHS review its financial management systems to ensure accountability for AQI funds, DHS stated that it believes actions taken over the course of our review have addressed our concerns. We continue to believe that DHS needs to monitor outcomes of these recent changes during the coming fiscal year to ensure that they provide necessary accountability for the use of AQI funds. DHS's written comments and our detailed response appear in appendix IV. DHS also provided technical comments that we incorporated, as appropriate, throughout the report.

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We are sending copies of this report to the Secretaries of Homeland Security and Agriculture and interested congressional committees. We will also make copies available to others on request. In addition, this report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3841 or [bertonid@gao.gov](mailto:bertonid@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix V.



Daniel Bertoni  
Acting Director, Natural Resources and Environment

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# Scope and Methodology

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To assess the extent to which the U.S. Department of Agriculture (USDA) and the Department of Homeland Security (DHS) have changed the Agricultural Quarantine Inspection (AQI) program since the transfer of responsibilities from USDA to DHS, we reviewed the 2003 *Memorandum of Agreement between the United States Department of Homeland Security and the United States Department of Agriculture*, dated February 28, 2003, and the associated appendixes governing how USDA and DHS are to coordinate inspection responsibilities. We also reviewed agency documentation, including training materials for newly hired Customs and Border Protection (CBP) officers, information on databases used by CBP agricultural specialists to target agriculture inspections, joint-agency reports on port compliance with agricultural inspection policy, and information related to CBP's establishment and utilization of new agriculture liaison positions. In addition, we interviewed key program officials at USDA's Animal and Plant Health Inspection Service (APHIS) and CBP to discuss changes to the AQI program, including officials responsible for training, implementing inspection targeting initiatives, conducting port reviews, and overseeing communication of agricultural issues within CBP.

To assess how the departments have managed and coordinated their agriculture inspection responsibilities, we reviewed the interagency memorandum of agreement between DHS and USDA and its associated appendixes. We also reviewed agency documentation, including DHS's Performance and Accountability Reports, APHIS's model for staffing agriculture specialists at ports, data from APHIS's Work Accomplishment Data System for fiscal years 2000 through 2005, agency e-mails communicating agriculture alerts and policy information, proposals for joint-agency special operations at ports, and agency policy governing agriculture inspection training and the agriculture canine program. We performed a reliability assessment of the data we analyzed for fiscal years 2000 through 2005 and determined that the data were sufficiently reliable for the purposes of this report. We also visited all three training centers for port of entry staff that conduct agricultural training—the USDA Professional Development Center, in Frederick, Maryland; the USDA National Detector Dog Training Center in Orlando, Florida; and the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia—to observe training and interview current students, instructors, and staff. In addition, we interviewed key program officials at CBP and APHIS with knowledge of AQI management issues, such as performance measures, staffing, interagency coordination, training, and the agriculture canine program.

Furthermore, to ascertain agricultural specialists' assessment of the agriculture quarantine inspection program since the transfer of inspection responsibilities from USDA to DHS, we drew a stratified random probability sample of 831 agriculture specialists from the approximately 1,800 specialists (current as of Oct. 14, 2005) in the Department of Homeland Security's Customs and Border Protection. All canine specialists were placed in one stratum; other strata were defined by the number of specialists at the respective ports. We conducted a Web-based survey of all specialists in the sample. Each sampled specialist was subsequently weighted in the analysis to account statistically for all specialists in the population. We received a response rate of 76 percent. We chose to sample agriculture specialists who had recently been hired by CBP, as well as former APHIS employees who had been transferred to CBP, including agriculture supervisors, to get their various perspectives on the AQI program.

The survey contained 31 questions that asked for opinions and assessments of (1) agriculture inspection training, (2) agriculture inspection duties, (3) communication and information sharing within CBP and between other agencies, and (4) changes in the number of agriculture inspections and interceptions since the transfer. In addition, the survey included questions specifically for canine handlers, agriculture supervisors, and former APHIS employees. In developing the questionnaire, we met with CBP and APHIS officials to gain a thorough understanding of the AQI program. We also shared a draft copy of the questionnaire with CBP officials, who provided us with comments, including technical corrections. We then pretested the questionnaire with CBP agriculture specialists at ports of entry in Georgia, Maryland, Texas, and Washington state. During these pretests, we asked the officials to complete the Web-based survey as we observed the process. After completing the survey, we interviewed the respondents to ensure that (1) questions were clear and unambiguous, (2) the terms we used were precise, (3) the questionnaire did not place an undue burden on CBP agriculture specialists completing it, and (4) the questionnaire was independent and unbiased. On the basis of the feedback from the pretests, we modified the questions, as appropriate.

The questionnaire was posted on GAO's survey Web site. When the survey was activated, the officials who had been selected to participate were informed of its availability with an e-mail message that contained a unique user name and password. This allowed respondents to log on and fill out a questionnaire but did not allow respondents access to the questionnaires of others. The survey was available from November 17, 2005, until January 9,

2006. Results of the survey to CBP agriculture specialists are summarized in appendix II.

Because we followed a probability procedure based on random selections, our sample is only one of a large number of samples we might have drawn. Since each sample could have provided different estimates, we express our confidence in the precision of our particular sample's results as 95 percent confidence intervals (e.g., plus or minus 7 percentage points). These are intervals that would contain the actual population values for 95 percent of the samples we could have drawn. As a result, we are 95 percent confident that each of the confidence intervals in this report from our survey of agriculture specialists will include the true values in the study population. All percentage estimates from the survey of agriculture specialists have margins of error (that is, confidence interval widths) of plus or minus 10 percentage points or less, unless otherwise noted. All numerical estimates other than percentages (e.g., means) have margins of error not exceeding plus or minus 15 percent of the value of those estimates, unless otherwise noted.

To determine how funding for agriculture inspections has been managed since the transfer from USDA to DHS, we reviewed the interagency memorandum of agreement between DHS and USDA—specifically the appendix, Article 5: Transfer of Funds, originally signed on February 9, 2004, and revised on October 5, 2005. Further, we compared the amount of revenue generated from the user fees with program costs reported by CBP and APHIS on agriculture inspections in fiscal years 2001 through 2005. We also reviewed relevant agency documentation, including proposals for increasing user-fee collections, budget classification handbooks, cost analysis worksheets, and user-fee collection and expense analyses. In addition, we reviewed how funds were transferred between APHIS and CBP and the impact of these transfers on their operations. Lastly, we interviewed senior CBP and APHIS financial management officials concerning AQI user-fee collections, cost management, and the transfer of funds from APHIS to CBP.

We conducted our review from April 2005 through March 2006 in accordance with generally accepted government auditing standards.

# Results of GAO Survey of CBP Agricultural Specialists

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This appendix provides the results from our Web-based survey of CBP agriculture specialists. (App. I contains details of our survey methodology.) We selected a statistical sample of 831 specialists. Within this population, we asked questions of, and analyzed data for, three groups: (1) former APHIS inspectors—also referred to as plant protection and quarantine (PPQ) officers in the survey; (2) newly hired CBP agriculture specialists; and (3) canine agriculture specialists. The survey contained 31 questions about the experiences and opinions of the specialists. We omitted questions 3 and 23, which were used to help respondents navigate the survey. We received 628 completed surveys—an overall response rate of 76 percent. We indicate the number of respondents below each question because not every respondent answered every question. We also rounded the responses to the nearest whole percent, and, therefore, totals may not add to 100 percent.



**Part 1: Demographic Information**

1. What is your job title at CBP?

<b>Title</b>	<b>Percent</b>
Agriculture Specialist	80
Agriculture Specialist/ Canine Handler	5
Supervisory Agriculture Specialist	13
Other	2

n=626

2. For which of the following pathways did you conduct agricultural inspections during the past year? *(Please check all that apply.)*

<b>Pathway</b>	<b>Percent</b>
Did not conduct inspections	1
Aircraft	55
Air passenger	73
Air cargo	55
Maritime ship	34
Maritime passenger	18
Maritime cargo	32
Pedestrian	18
Vehicles	23
Truck	22
Bus	20
USPS mail	14
Express mail	16
Inland inspection	5
Rail cargo	17
Rail passenger	2
Other	5

n=624

**Part 2: Information from Former USDA PPQ Officers**

4. When did you begin working as a USDA PPQ Officer (not as an agriculture technician or aide)?

<b>Year</b>	<b>Percent</b>
1960-1969	1
1970-1979	5
1980-1989	22
1990-1999	29
2000-2003	44

n=442

5. During your first year working as a USDA PPQ Officer, about how many weeks did you spend in on-the-job (in port) training? *(Please include such things as shadowing, observation, and coaching. Do not include time spent at the Professional Development Center. If you spent less than one week, please enter 1.)*

<b>Type of training</b>	<b>Mean number of weeks</b>	<b>Number of respondents</b>
Agriculture inspections	16	443
Not agriculture inspections	3	446

6. Do you believe you received sufficient training (on-the-job and at the Professional Development Center) to enable you to perform your agriculture inspection duties?

<b>Response</b>	<b>Percent</b>
Definitely yes	58
Probably yes	32
Uncertain	1
Probably not	4
Definitely not	3
No answer	1

n=448

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7. Are you, personally, doing more, about the same number, or fewer agriculture inspections compared to what you were doing before being transferred to CBP?

<b>Response</b>	<b>Percent</b>
Many more	10
Somewhat more	12
About the same	15
Somewhat fewer	24
Many fewer	35
Not applicable	5
No answer	0

n=448

8. Are you, personally, doing more, about the same number, or fewer agriculture interceptions compared to what you were doing before being transferred to CBP?

<b>Response</b>	<b>Percent</b>
Many more	5
Somewhat more	7
About the same	17
Somewhat fewer	19
Many fewer	41
Not applicable	9
No answer	1

n=448

**Appendix II  
Results of GAO Survey of CBP Agricultural  
Specialists**

9. Which of the following inspection activities did you regularly perform as a PPQ Officer prior to being transferred to CBP, and which do you regularly perform now? *(Please check all that apply.)*

<b>Inspection activity</b>	<b>Regularly performed as PPQ Officer but not now as a CBP Agriculture Specialist (percent)</b>	<b>Not regularly performed as PPQ Officer but now as a CBP Agriculture Specialist (percent)</b>	<b>Regularly performed as PPQ Officer and CBP Agriculture Specialist (percent)</b>	<b>Not regularly performed as PPQ Officer and CBP Agriculture Specialist (percent)</b>	<b>Number of respondents</b>
Boarding aircraft	59	3	32	5	405
Boarding ships	40	4	27	30	350
Compliance agreements	43	3	22	32	363
Compliance checks	52	3	29	16	381
Disinfection	49	1	41	9	380
Fumigation	72	0	1	27	368
Roving	36	9	39	17	349
Safeguarding	40	3	53	4	404
Other	57	14	25	4	164

**Part 3: Information from CBP Agriculture Specialists Hired After March 1, 2003.**

10. When did you begin working as a CBP Agriculture Specialist?

<b>Year</b>	<b>Percent</b>
2003	3
2004	30
2005	66

n=173

**Appendix II**  
**Results of GAO Survey of CBP Agricultural**  
**Specialists**

11. During your first year working as a CBP Agriculture Specialist, about how many weeks did you spend in on-the-job (in port) training? *(Please include such things as shadowing, observation, and coaching. Do not include time spent at the Professional Development Center. If you spent less than one week, please enter 1.)*

<b>Type of training</b>	<b>Began in 2003 or 2004 (mean number of weeks)</b>	<b>Began in 2005 (mean number of weeks)</b>
Agriculture inspections	14 <sup>a</sup>	12 <sup>a</sup>
Not agriculture inspections	6	3

n=170

<sup>a</sup>The sampling margins of error of these estimates do not exceed plus or minus 20 percent of the value of the estimates.

12. Do you believe you received sufficient training (on-the-job and at the Professional Development Center) to enable you to perform your agriculture inspection duties?

<b>Response</b>	<b>Percent</b>
Definitely yes	36
Probably yes	39
Uncertain	11
Probably not	8
Definitely not	5
No answer	2

n=174

**Part 4: Your Work at CBP**

13. During the past 6 months about what percentage of your time did you spend on agriculture and nonagriculture CBP duties? *(Please enter percentages in boxes. If none, enter 0. Percentage total should be 100.)*

Duties	Mean
Agriculture inspections and associated activities	62
Customs and Immigration inspections and associated activities	14
Work not related to inspections (e.g., administrative work, training)	21
Work other than that listed above	3 <sup>a</sup>

n=615

<sup>a</sup>The sampling margins of error of this estimate is plus or minus 22 percent of the value of the estimate.

14. For each pay period, do you provide the number of hours you worked on agriculture inspection and the number of hours you worked on customs and immigration inspection to your supervisor or timekeeper?

Response	Percent
Yes	9
No	81
No answer	10

n=626

**Appendix II**  
**Results of GAO Survey of CBP Agricultural**  
**Specialists**

15. Are the following supplies readily available to you? *(Please check one in each row. If you do not use a supply, please check 'Do not Use.')*

Percent						
Supplies	Response					
	Always	Most of the time	Some of the time	Never or almost never	Do not use	No answer
Collection vials for pest samples	43	29	18	6	3	1
Forms for submitting pest samples	52	25	15	4	3	1
Garbage bags for intercepted material	43	28	17	8	4	1
Latex gloves	48	29	18	3	2	1

n=626

16. Do you have easy access to USDA regulatory manuals during inspections? *(Please check one in each row.)*

Percent						
Type of manual	Response					
	Always	Most of the time	Some of the time	Never or almost never	Not applicable	No answer
Online USDA regulatory manuals	50	23	16	9	2	1
Current (updated) printed USDA regulatory manuals	20	19	18	32	7	4

n=626

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**Appendix II**  
**Results of GAO Survey of CBP Agricultural**  
**Specialists**

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17. Do you have enough time to look for pests in agriculture materials intercepted from passengers?

<b>Response</b>	<b>Percent</b>
Always	10
Most of the time	27
Some of the time	31
Never or almost never	15
Not applicable	15
No answer	2

n=626

18. How easy or difficult is it for you to get samples to a pest identifier?

<b>Response</b>	<b>Percent</b>
Very easy	29
Somewhat easy	31
Neither easy nor difficult	14
Somewhat difficult	12
Very difficult	6
Not applicable	4
No answer	3

n=626



**Appendix II**  
**Results of GAO Survey of CBP Agricultural**  
**Specialists**

19. When you send a sample to a pest identifier, about how long does it usually take to get the results?

Length of time	Type of sample	
	Urgent	Nonurgent
One day or less	41	5
2 to 3 days	24	9
4 days to 1 week	6	8
One week to 1 month	3	25
More than 1 month	4	36
Not applicable	11	6
No answer	12	13

n=626

20. How are the following types of information delivered to you? If you do not receive a type of information on a regular basis, please indicate that.  
*(Please check all that apply.)*

Type of information	Method of delivery					Number of respondents
	E-mail from CBP (percent)	E-mail from another agency (percent)	Muster (percent)	Other type of communication (percent)	Not received on a regular basis (percent)	
Urgent agriculture alerts	71	26	43	11	12	604
Pest alerts	65	31	35	10	13	599
Regulatory changes	53	33	23	11	20	590
Updated pages for regulatory manual	40	36	7	9	29	524

**Appendix II**  
**Results of GAO Survey of CBP Agricultural**  
**Specialists**

21. Is the information delivered to you in a timely manner? *(Please check one in each row.)*

Type of information	Response					No answer
	Always	Most of the time	Some of the time	Never or almost never	Do not receive	
Urgent agriculture alerts	21	41	25	7	3	2
Pest alerts	19	42	25	8	4	2
Agriculture regulatory changes	17	38	26	12	5	2
Updated pages for agriculture regulatory manual	18	31	17	18	14	2

n=626

22. During the past year, about how many hours per month did you spend compiling and entering data into the databases listed below? *(Please check one in each row.)*

Database	Hours per month							No answer
	Zero	1-5	6-10	11-15	16-20	21-25	Greater than 25	
AQIM	39	27	11	3	3	1	6	11
EAN	47	22	8	1	2	0	2	18
PPQ280	43	24	7	2	3	1	5	16
WADS	42	24	7	6	2	2	4	13

n=626

**Part 5: Questions for Canine Handlers**

24. Are the following resources readily available to you? *(Please check one in each row.)*

Resources	Response					
	Always	Usually	Sometimes	Never	Not applicable	No answer
Funding for veterinary visits	45	33	13	0	1	8
Funding for supplies (for example, training aids)	6	21	58	7	0	8
Funding for kennel space	60	19	6	0	6	9
Space for storage of supplies and practice materials	31	22	33	4	0	9
Refrigerator(s) for perishable training materials	52	21	15	3	0	9

n=62

25. During the past year, have there been any instances when you thought it would be helpful to contact the National Detector Dog Training Center, but you were told by CBP management not to contact them?

Response	Percent
Yes	65
No	18
Uncertain	4
No answer	12

n=62

26. Does CBP management allow you enough time each month to schedule training with your dog?

<b>Response</b>	<b>Percent</b>
Always	51
Most of the time	28
Some of the time	12
Never or almost never	1
Not applicable	0
No answer	8

n=62

27. During the past year, about how frequently have you been directed to perform duties outside your primary mission as a Canine Handler?

<b>Frequency</b>	<b>Percent</b>
Every day	22
Several times a week	24
Once a week	3
Two to three times a month	21
Once a month	4
Less than once a month	7
Never or almost never	7
No answer	11

n=62

**Part 6: Your Views and Opinions about Working at CBP**

28. Based on you own experiences, how would you describe the work-related communication between Agriculture Specialists and the others listed below? *(Please check one in each row.)*

Percent

Other agency personnel	Response					
	Excellent	Good	Fair	Poor	No basis to judge	No answer
Agriculture specialists at other ports	8	28	23	29	11	1
CBP officers at your port	9	41	31	19	0	0
CBP supervisors	8	30	34	26	0	1
CBP chiefs and port directors	7	20	33	37	2	1
USDA PPQ and APHIS	10	31	27	26	5	1
USDA Veterinary Services	12	29	26	18	11	3
USDA Food Safety and Inspection Services	3	15	17	26	33	6
USDA meat inspectors	0	9	9	23	39	20
Fish and Wildlife Services	11	34	21	20	10	3
Centers for Disease Control	2	9	12	23	48	6
Food and Drug Administration	4	17	19	21	32	7
Public Health Service	3	11	13	24	41	7

n=626

29. In your experience, does your port have enough Agriculture Specialists to carry out agriculture duties?

Response	Percent
Definitely yes	12
Probably yes	16
Uncertain	8
Probably not	21
Definitely not	42
No answer	1

n=626

**Appendix II**  
**Results of GAO Survey of CBP Agricultural**  
**Specialists**

30. How prepared do you feel for your duties as an Agriculture Specialist?

<b>Response</b>	<b>Percent</b>
Very well prepared	53
Somewhat prepared	33
Neither prepared or unprepared	5
Somewhat unprepared	4
Very unprepared	3
No answer	2

n=626

31. In general, do you feel that your work as a CBP Agriculture Specialist is respected by CBP Officers and Management?

<b>Other CBP personnel</b>	<b>Response</b>					
	<b>Definitely yes</b>	<b>Probably yes</b>	<b>Uncertain</b>	<b>Probably not</b>	<b>Definitely not</b>	<b>No answer</b>
CBP Officers	7	18	14	26	35	0
CBP Management	6	14	15	22	42	1

n=626

# Comments from the Department of Agriculture

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

MAY 12 2006

Mr. Dan Bertoni  
Acting Director  
Natural Resources and Environment  
United States Government Accountability Office (GAO)  
441 G Street, NW  
Washington, D.C. 20548

Dear Mr. Bertoni:

Thank you for the opportunity to comment on GAO's draft report, "Homeland Security: Management and Coordination Problems Increase the Vulnerability of U.S. Agriculture to Foreign Pests and Disease" (GAO-06-644). The Department of Agriculture (USDA) appreciates the in-depth review and analyses provided in the report.

We found the report factual and generally positive in recognizing the coordination activities taking place between USDA and the Department of Homeland Security (DHS). We also believe that the report accurately captures some of the key operational challenges facing the two departments as they continue to protect United States citizens and the economy against unintentional and deliberate introduction of foreign agricultural pests and diseases. USDA will continue to do all it can to improve its coordination with DHS and to protect U. S. agriculture.

We generally agree with the report's recommendations. We believe, however, that the first two recommendations to the Secretary of Homeland Security, to adopt meaningful performance measures and to establish a process to identify and assess the major risks posed by foreign pests and disease and develop a national staffing model, should be moved to the next section of the report which contains those recommendations on which the Secretaries of Homeland Security and Agriculture should work together.

USDA generally agrees that the process used for transfer of funds to Customs and Border Protection (CBP) needed improvement, and is pleased to report that improvements have been made. In 2005, the Animal and Plant Health Inspection Service (APHIS) assessed the transfer process and implemented improvements. As part of this process, APHIS and CBP revised their agreement by incorporating a provision for making bi-monthly transfers. APHIS has made the first three transfers in fiscal year (FY) 2006 on time, in

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See comment 1.

See comment 2.

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**Appendix III**  
**Comments from the Department of**  
**Agriculture**

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Mr. Dan Bertoni  
Page 2

accordance with the agreed upon schedule. Further, the revised agreement provides for quarterly face-to-face meetings between APHIS and CBP to assure transparency in the transfer and to prevent misunderstandings like those cited in the report.

USDA has and will continue to do everything that it can to ensure that urgent agriculture alerts and other necessary information essential to protecting the U.S. agriculture are more effectively shared.

We believe that an effective canine program is an essential activity to further inspect agriculture shipments and adds further to protect citizens. We are currently in negotiation with CBP to include the canine program in the Quality Assurance review process.

Lastly, the draft report recommends that the Secretaries of Homeland Security and Agriculture work together to revise the user fees to ensure that they cover the Agricultural Quarantine Inspection (AQI) program's costs. USDA agrees with this recommendation. As GAO pointed out, we note GAO's finding that CBP needs to develop performance measures for assessing the AQI program and also needs to ensure their new financial management system can adequately segregate the AQI activities and provide APHIS with accurate costs by AQI user fee so that the fees can be accurately revised. USDA and DHS will need to work together to complete this phase.

As stated previously, APHIS and CBP are meeting quarterly to discuss the transfer of funds and other AQI user fee issues and concerns. During the April 2006 meeting, APHIS provided a revised estimate of AQI collections. The revised FY 2006 user fee collection estimates were divided between APHIS and CBP using the percentage allocation in the Memorandum of Agreement. This provides CBP with a revised allocation of \$228.3 million (nearly a \$17.2 million increase in funding for FY 06) and APHIS with a revised allocation of \$148.2 (nearly an \$11.2 million increase). The revised FY 2006 allocations will be used as the FY 2007 base level for AQI user fee distributions.

Sincerely,



Mike Johanns  
Secretary



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## GAO Comments

1. We agree with USDA's suggestion regarding two of our recommendations. We now recommend that the Secretaries of Agriculture and Homeland Security work together to (1) adopt meaningful performance measures for assessing the AQI program's effectiveness at intercepting foreign pests and disease and (2) establish a process to identify and assess the major risks posed by foreign pests and disease and develop and implement a national staffing model to meet those risks.
2. USDA noted that revisions to APHIS's agreement with CBP should address the concerns we raised in the report regarding the timely and accurate transfer of AQI funds to CBP. USDA states that APHIS made the first three transfers of fiscal year 2006 on time. We discuss these positive steps in our report and note a problem with one of APHIS's transfers. As USDA carries out its three-phase approach to revising user fees, and DHS works to advance proposed consolidation of customs, immigration, and agriculture user fees (see app. IV), we believe that USDA must ensure that it follows the revised agreement to ensure timely and accurate transfer of AQI user fees to DHS.

# Comments from the Department of Homeland Security

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

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



**Homeland  
Security**

May 10, 2006

Mr. Daniel Bertoni  
Acting Director  
National Resources and Environment  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Bertoni:

Thank you for the opportunity to review and comment on the Government Accountability Office's (GAO's) draft report entitled *HOMELAND SECURITY: Management and Coordination Problems Increase the Vulnerability of U.S. Agriculture to Foreign Pests and Disease* (GAO-06-644). Technical comments have been provided under separate cover.

The U.S. Customs and Border Protection (CBP) appreciated the opportunity to work with the GAO team in constructing a balanced and accurate document. CBP agrees with the overall substance and findings of the report. As stated in the draft report, CBP and the U.S. Department of Agriculture (USDA) have expanded training on agriculture issues for CBP officers and agricultural specialists. CBP and USDA's Animal and Plant Health Inspection Service (APHIS) are working together to enable agricultural specialists to better target shipments and passengers for inspections and established a process to assess how CBP agricultural specialists are implementing Agricultural Quarantine Inspection (AQI).

Though the primary responsibility to identify and assess risks of pests and diseases lies with the USDA, CBP is assisting and encouraging USDA in making such assessments. CBP established Pest Risk Committees within the 20 CBP field offices to enhance CBP's ability to respond to agriculture issues and threats at an operational level.

CBP would like to note that the title of the draft report does not reflect GAO's conclusions within the report, as the title fails to reflect that there **may** be uncertainty about the vulnerabilities stemming from management and coordination problems. Therefore, CBP recommends that GAO reword or insert the word "may" within the title of the report to give a more accurate depiction of GAO's findings.

[www.dhs.gov](http://www.dhs.gov)

See comment 1.

With regard to the draft report's specific recommendations, we submit the following:

**Recommendation 1:** DHS adopt meaningful performance measures for assessing the AQI program's effectiveness at intercepting foreign pests or disease on agricultural materials entering the country by all pathways—including commercial aircraft, vessels and truck cargo—that pose a risk to U.S. agriculture.

**CBP Concurs.** CBP has begun the process of creating new performance measures for assessing the AQI program's effectiveness. The new measures are scheduled to be in place by the beginning of fiscal year 2007.

**Recommendation 2:** DHS establish a process to identify and assess the major risks posed by foreign pests and disease and develop and implement a national staffing model to ensure that agriculture staffing levels at each port are sufficient to meet those risks.

**CBP Concurs.**

- **CBP's Agriculture Programs and Liaison (APL)—Process to identify and assess the major risks posed by foreign pests and disease:** Under the Memorandum of Agreement (MOA) between USDA and DHS signed February 28, 2003, USDA retained the responsibility of "providing risk analysis guidance, including, in consultation with DHS, the setting of inspection protocols." Per MOA, Article 3(a), as interpreted by both CBP and USDA, the primary responsibility to identify and assess risks of pests and diseases, lies with USDA. However, CBP has taken an active role of assisting and encouraging USDA in making such assessments.

CBP required that each Field Operations Director establish for each port or area a pest risk committee. CBP uses the Pest Risk Committees to enhance CBP's ability to respond to agricultural issues and threats by utilizing sources of expertise within and outside of CBP. Pest Risk Committees have been formed and are operational in all field offices. Committee ideas and suggestions regarding pathway, pest risk analysis, and targeting may have national as well as local application. Collectively, committees have a wealth of information that should be shared with other locations. Pertinent information, project and targeting suggestions and findings, are sent to APL and are shared, when appropriate, with the rest of CBP.

Moreover, APL is in daily contact with USDA about emerging pests and diseases. APL stays abreast of the various sources of information concerning new developments. Additionally, APL has access to and frequently reviews USDA databases that indicate new pest and disease finds.

The Pest Risk Committees have already been formed and are operative. Other efforts to obtain information about emerging pests and diseases are already in place. As a result of these actions, we consider this part of the recommendation to be closed.

- **Field and Resource Management (FRM)---Develop and implement a national staffing model to ensure that agriculture staffing levels are sufficient:** FRM was tasked with developing an optimal staffing allocation model for CBP officers and agriculture specialists at the ports of entry. A Headquarters Development Team was assembled to craft and create the prototype allocation model. The mission of the team was to develop a basic Staffing Allocation Model that addressed staffing needs and had the capability of adjusting to changes in workload, processing time, complexity and threat levels. The goals included developing a model that:
  - Monitors and tracks the evolving staffing needs and priorities of the agency;
  - Is supported by current target numbers and further developed on a quarterly basis;
  - Will be a data driven model and able to provide an allocation based on both constrained and unconstrained distribution;
  - Will effectively respond to governmental and congressional inquiries and audits.

CBP management approved the prototype model methodology. A meeting is pending with the Acting CBP Commissioner for approval of the prototype before being vetted to the field offices for input and data verification. In the last phase, the Development Team will build the architectural layout and design for the final model.

**Recommendation 3:** DHS undertake a full review of its financial management systems, policies, and procedures for the AQI program to ensure financial accountability for funds allocated for agricultural quarantine inspections.

**CBP Concurs.** CBP's cost management information system (CMIS) is an activity-based costing system that provides financial accountability for funds allocated for AQI activities. In October 2004, CBP migrated its financial accounting system from the Federal Financial System to an integrated SAP enterprise budget and accounting system. The migration caused several substantive changes in the structure of financial operations and transaction processing and caused several challenges with capturing and reporting on cost data. CBP took the following corrective actions:

- March 2005: Improved the Budget Object Class and Cost Reporting to map to SAP and collect full costs.
- April 2005: Revised CMIS activity codes to capture full costs for all user fee services.
- May and August 2005: Improved expense and obligation reporting to support new financial reporting.

Because CMIS's quality and reliability are driven by accurately recording labor hours related to specific activities and because CBP's time and labor systems are the major drivers for accurate cost accumulation, CBP took the following additional actions:

- In June 2005, in an effort to gain a fully accurate picture of service-related activities performed by CBP officers and agriculture specialists, CBP performed surveys to define the percentages of time spent performing customs-related, immigration-related and agriculture-related services within the unified “One-Face at the Border” processing environment.
- Beginning in November 2005, CBP initiated actions to improve the internal control procedures to provide assurances that key workload information is reliable.
- In January 2006, CBP created an internal evaluation group. The group conducts ongoing assessments of data reliability and evaluates how systems and methods of capturing user fee activity and processing information can be improved.

Since January 2006, CBP has taken several corrective actions to validate all process steps used in extracting expense data from its new accounting and budgeting system to ensure that all costs are accumulated.

- CBP is reviewing process steps used in extracting expense data from its accounting system to ensure the cost accumulation processes are operating as intended.
- In January 2006, CBP initiated an evaluation of all procedural steps used within the cost management group to ensure that projections of costs are reviewed and validated.

In January 2006, CBP began developing procedures to assure the quality of data prior to integration into the activity-based costing tool. As a result of these actions, we consider this recommendation to be closed.

**Recommendation 4** is addressed only to USDA.

**Recommendation 5:** DHS and USDA work together to ensure that urgent agriculture alerts and other information is more effectively shared between the two departments and transmitted to DHS agriculture specialists in the ports.

**CBP Concurs.** CBP disseminates all USDA alerts to CBP agriculture specialists at the ports-of-entry within 24 hours of receipt from CBP Headquarters. Additionally, Agriculture Programs and Liaison (APL), working with Field and Resource Management (FRM), posts all alerts and other vital information, including links to USDA manuals, on the CBP intranet. As a result of these actions, we consider this recommendation to be closed.

**Recommendation 6:** DHS and USDA work together to improve the effectiveness of the agriculture canine program by reviewing policies and procedures regarding training and staffing of agricultural canines and ensure that these policies and procedures are followed in the ports.

See comment 2.

**CBP Concurs.** The CBP Canine Enforcement Program (CEP) and the USDA National Detector Dog Training Center (NDDTC) currently work together on a reoccurring basis to develop policies and procedures for the Agriculture Canine Program. CEP and NDDTC have worked together to develop one canine certification process that captures the best elements and combines the best practices of the CBP and USDA. CEP and NDDTC established target odors for beagles and large breed dogs. CEP and NDDTC implemented strategies for improving training at the USDA National Detector Dog Training Center. CEP and NDDTC worked together to develop the CBP Canine Enforcement Program Guide for Agriculture Specialists Canine Officers dated September 14, 2005. Standard Operating Procedures (SOP) for CBP Officers attending NDDTC are currently being developed. Representatives from the NDDTC and the CBP Canine Enforcement Training Center are reviewing the SOPs. In collaboration with the USDA, CBP Canine Trainers were trained at the USDA National Detector Dog Training Center on agriculture canine training methodologies to maximize the utilization of the agriculture canine to ensure the safety of American agriculture.

**Recommendation 7:** DHS and USDA work together to revise user fees to ensure that they cover the AQI program's costs.

**CBP Concurs.** In August 2005, CBP initiated an effort to assess and identify any operational and management problems that could be attributable to having three different sets of fees (customs, immigration, and agriculture) supporting the inspection functions in light of the "One Face at the Border" initiative. The three categories of fees have different spending, fee setting, and cost recovery authorities, exemptions, and other non-harmonized elements that needed to be examined in a holistic fashion. CBP's initial findings showed that CBP and the transportation industry were facing challenges due to incomplete consolidation of the financial stream that supports CBP's inspection functions. For example, CBP found that under the status quo officers must account for their time and charge against three separate sets of activity codes for purposes of spending against the customs, immigration and agriculture fee accounts. As a result, time keeping records do not always accurately reflect time spent in each activity resulting in CBP's inability to use all fees collected. Also under the status quo CBP can spend directly against customs user fee funds while it has to employ a reimbursable process to spend against immigration and agriculture fee funds. For reimbursable fees, CBP must use appropriated funds to cover expenses prior to reimbursement hindering CBP's ability to adequately develop and execute budget plans. In addition, CBP auditors must examine fee payments against three different regulations and requirements. For our travel and transportation industry, the problems with status quo have mostly to do with the administrative burden of paying, tracking, reconciling and accounting for three separate fees.

Based on the aforementioned issues, CBP concluded that to address problems in the current fee structure congressional action may be required to amend sections of the laws that authorized the funding of customs, immigration, and agriculture inspection functions. As a result, CBP developed an action plan to address the management, coordination, and financial system problems GAO highlights in this report.

See comment 3.

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**Appendix IV**  
**Comments from the Department of Homeland**  
**Security**

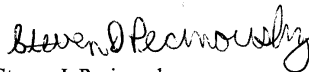
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Recognizing the need to reach agency consensus to advance the proposed consolidation, CBP invited representatives from DHS and USDA to join a User Fee Work Group and attend a meeting to discuss an initial proposal developed by the CBP in consultation with other DHS organizations. The meeting took place on January 12, 2006 in Washington, DC and was attended by representatives from all invited organizations. Meeting participants had the opportunity to react to CBP's initial proposal, describe their particular problems, experiences, and concerns with the authorities that govern the user fees, and share ideas to improve the status quo. Also, CBP requested data on operational matters, necessary changes to possibly implement a consolidated user fee, activity costs and other issues from DHS and USDA organizations to make sure that a revised proposal will address the areas of interest identified at the meeting while ensuring that DHS and USDA's ability to properly fund their activities is not undermined. At the present time, CBP is revising its initial proposal in light of the data and input received from the organizations that participated in the User Fee Work Group meeting.

Thank you again for the opportunity to comment on this draft report and we look forward to working with you on future homeland security issues.

Sincerely,



Steven J. Pecinovsky  
Director  
Departmental GAO/OIG Liaison Office

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## GAO Comments

1. We continue to believe that the title of the report reflects our conclusion that U.S. agriculture is vulnerable to the unintentional or deliberate introduction of foreign pests and diseases as a result of the management and coordination issues we raise in the report. Until DHS adopts and tracks meaningful performance measures to assess the effectiveness of the AQI program, DHS does not know the effectiveness of the AQI program at performing its mission. Further, until DHS implements a national risk-based staffing model for agriculture specialists, it does not know whether adequate numbers of agriculture specialists are staffed to ports of entry most vulnerable to the introduction of foreign pests and disease.
2. We acknowledge, in the report, the steps that CBP has taken to improve communication and information sharing between headquarters and field offices. However, given the problems with information sharing that we identified in our survey of agriculture specialists, we continue to believe that additional actions are warranted to ensure that urgent agriculture alerts and other information are transmitted through the CBP chain of command to the agriculture specialists.
3. We acknowledge the operational challenges facing CBP as a result of having to manage three different sets of user fees (i.e., agriculture, customs, and immigration) to support inspection functions at U.S. ports of entry. For example, we identified in the report some of the timekeeping issues surrounding the need to appropriately separate time spent on agriculture, customs, and immigration functions. We understand that CBP concluded that to adequately address these challenges, congressional action may be required to consolidate the different user fees and their associated spending, fee setting, and costs recovery authorities and exemptions.



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# GAO Contact and Staff Acknowledgments

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## GAO Contact

Daniel Bertoni, (202) 512-3841 or [bertonid@gao.gov](mailto:bertonid@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Maria Cristina Gobin (Assistant Director), Terrance N. Horner Jr., Jeff Isaacs, Lynn Musser, Omari Norman, Minette Richardson, Steve Rossman, Sidney Schwartz, Robyn Trotter, and Diana Zinkl made key contributions to this report. Other contributors included Nancy Crothers, Casey Keplinger, and Kim Raheb.

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