



Highlights of [GAO-07-735](#), a report to the RM, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

U.S. government efforts to protect and enforce intellectual property rights are crucial to preventing billions of dollars in economic losses and for mitigating health and safety risks from trade in counterfeit and pirated goods. The Department of Homeland Security's Customs and Border Protection (CBP) leads intellectual property (IP) enforcement activity at the U.S. border. GAO was asked to (1) examine key aspects of CBP's process to carry out border enforcement, (2) analyze CBP's border enforcement outcomes during fiscal years 2001 to 2006, and (3) evaluate CBP's approach for improving border enforcement. GAO examined relevant documents, interviewed agency officials in Washington, D.C. and seven port locations, and analyzed CBP data on trade and IP seizure and penalty activity. This is the public version of a law enforcement sensitive report by the same title (GAO-07-350SU).

What GAO Recommends

In the restricted report, GAO recommended that the CBP Commissioner (1) include measures to guide and assess IP enforcement outcomes in CBP's strategic plan; (2) improve CBP's IP enforcement data; and (3) use existing data to better understand ports' IP enforcement activities and outcomes, and link ports' performance to measures in CBP's strategic plan. CBP generally agreed with our recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-735.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager at (202) 512-4347 or yagerl@gao.gov.

INTELLECTUAL PROPERTY

Better Data Analysis and Integration Could Help U.S. Customs and Border Protection Improve Border Enforcement Efforts

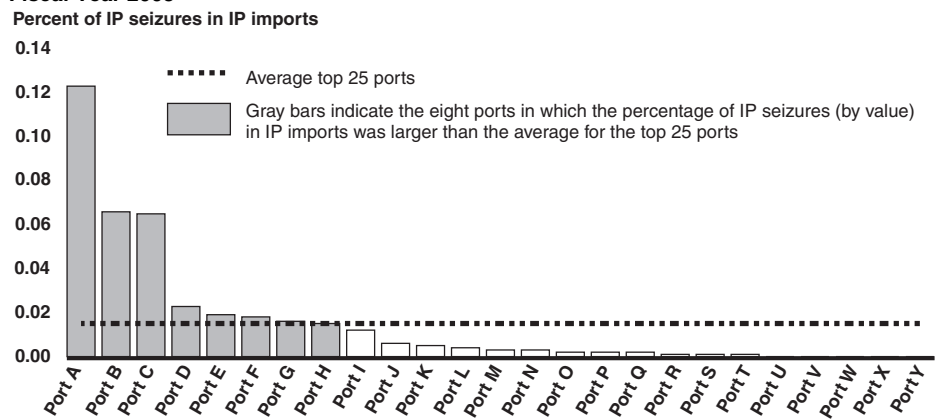
What GAO Found

CBP's Office of International Trade (OT), formed in 2006, and Office of Field Operations (OFO) carry out IP border enforcement processes, including targeting and examining suspicious shipments, seizing infringing goods, and assessing penalties as warranted. CBP uses computer-based and manual targeting to determine which shipments it will examine, and both methods have strengths and limitations. Port practices for recording exam results vary, making it difficult for CBP to fully assess the effectiveness of its IP targeting efforts.

Since 2001, CBP's IP enforcement outcomes have been concentrated among particular transport modes, product types, and ports. Rising numbers of low-value seizures from mail facilities have driven growth in seizure actions, but uneven seizures of high-value goods from sea containers have caused the estimated value of seizures to fluctuate. The vast majority of seizure and penalty outcomes in the last 6 years have been concentrated among 10 or fewer of CBP's 300-plus ports. For example, 10 ports account for 98 percent of the \$1.1 billion in penalties assessed during fiscal years 2001 to 2006.

CBP lacks agencywide performance measures in its strategic plan and an integrated approach across key offices to guide and improve IP enforcement. Narrowly focused initiatives led by offices now under OT have had limited results. CBP has not done a broader analysis to examine variances in port IP enforcement outcomes. For example, GAO found that some of the largest IP-importing ports had very small seizure rates relative to other top IP-importing ports. A lack of integration between OT and OFO impedes using this type of analysis to identify potential IP enforcement improvements.

Top 25 IP-Importing Ports' Seizure Rates: Percent of IP Seizures in IP Imports (by Value), Fiscal Year 2005



Source: GAO analysis of CBP data.

Note: Port names are not included in the figure for law enforcement reasons.