

Customs and Border Protection (CBP)

CTPAT & Internal Conspiracies Training

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Overview



- CTPAT
 - Role within Customs and Border Protection (CBP)
 - Authorized Economic Operator (AEO) Cooperation
- Supply Chain Security Challenges
 - Internal Conspiracies
 - Tracking & Monitoring
 - Policy vs. Practice



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Why CTPAT is Vital for CBP

Statistical perspective.

- In a day in 2017, CBP processed:
 - 78,137 truck, rail, and sea containers
 - 1,088,300 incoming international passengers (air, sea, land)
 - 282,350 incoming privately owned vehicles
- Confiscated:
 - 5,863 kilos of narcotics
 - \$3.3 million in illegal/prohibited goods
 - \$265,205 in illicit or undeclared currency



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CTPAT Membership & Updates



- Current Membership: 11,186 Certified Partner Accounts
- Importers: 4,131
- Mexican Carriers & Manufacturers: 2,815



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AEO Cooperation

- Key Joint Benefits
 - Coordinated joint outreach events, (conferences, seminars, and workshops, etc.).
 - Joint validations
 - Efficient allocation of resources, man-hours, and travel expenses.
 - Cross training for Specialists in both programs.



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Supply Chain Security Challenges

- Internal Conspiracies

- Definition

- When individuals or groups work in accord to commit an illegal act.
 - Exists when its participants utilize legal or illegal methods to commit an illegal act.

- Motivation

- When the end result is substantial for relatively easy work.



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Motivating Factors

- The use of internal conspiracies is viewed as the most cost effective and simplest method to smuggle narcotics by Drug Trade Organizations (DTOs).
- The loss of a certain amount of narcotics is acceptable and seen as part of the business.
- The risk of being caught is minimal due to:
 - The amount of cargo coming from regions identified as being high risk.
 - Law enforcement authorities' lack of sufficient resources.



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Profits

- Users in the US spent approximately \$100 billion annually over the past decade.
- Average cost of most common narcotics (in USD):
 - Marijuana: \$15 per gram (\$15,000 per kilo)
 - Cocaine: \$100-\$120 per gram (\$120,000 per kilo)
 - Heroin: \$15-\$20 per dose - 0.1 grams (\$200K per kilo)



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Other Gains

- Illegal export of weapons and ammunition to criminal elements or other threats (assault weapons, grenade launchers, etc.).
- Profit made from illegal activities can be utilized to create legitimate businesses, which subsequently serve the purpose of continued smuggling.



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Who Loses?

- Legitimate businesses:
 - Commodity and conveyances are contaminated after being utilized in the movement of illicit product.
 - Economic cost and risk of negative publicity.



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External Recruiter Tools



- Bribes
 - Employees may accept bribes for information and/or company property.
 - Security personnel, shipping & receiving personnel, and drivers have the highest risk, including management staff.
- Silver or Lead



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How your Employees are Recruited

- Conspirators collect employee information; names, addresses, family members, etc.
- Conspirators familiarize themselves with employee habits at work and personal lives. They focus on discovering which employees have an immediate need for money.
- Conspirators concentrate on employees who may have known criminal backgrounds or low ethics.



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Surveillance



- Collecting facility and operational information via surveillance.
- Take photographs of entrances, personnel, and commercial traffic.
- Determine level of perimeter security.
- Conspirators evaluate site illumination, camera positions, and shifts.



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Surveillance

- By evaluating vulnerabilities within the company, conspirators may create the opportunity for a violation.
- Obtaining shipping procedures and/or loading plans also facilitates the introduction of illicit materials.
- Transit routes and scheduled stops are of particular interest.



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Conspirator Tools

- Company systems:
 - Conspirators attempt to access company systems without authorization in order to manipulate manifests, shipping documents, invoices, loading plans, etc.
 - Conspirators may add erroneous information or alter shipping data to facilitate the introduction of illicit materials to legitimate cargo.
- Social Media Outlets:
 - Facebook, Twitter, company web page, etc. to obtain company and employee information.



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Recruitment Success

- Once a Relationship is Established
 - Conspirators show interest in job functions, make unusual questions about cargo flow or shipping methods.
 - Ask about GPS systems, documentation processing, etc....to facilitate their motives.



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Obtaining Company Property

- Uniforms
- Company Identification
- Electronic Access Badge
- Codes
- Seals (new or used)
- Company Packaging Material



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Testing Your Security Procedures

- Employees show up on days off.
- Enter restricted/unauthorized zones with or without adequate identification.
- Drivers deviate from predetermined routes to test GPS.
- Attempt to enter shipping area with unauthorized articles (backpacks, gym bags, etc.)
- Arrange shipping a package/bag not related to cargo.



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Testing Your Security Procedures

- Test documentation review process by entering erroneous information in shipment data.
- Attempt to pick-up cargo without documentation or proper identification.
- Activate alarms to determine response times.
- Place unique markings on boxes with legitimate product.



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Contributing Factors

- Collusion between shipping personnel and drivers.
- Collusion between security guards and shipping personnel.
- Collusion between drivers and criminals, to transport contraband in conveyances.
- Criminals impersonating law enforcement to compromise shipments during a 'routine' stop.
- Corrupt law enforcement entities compromising shipments during routine stops.



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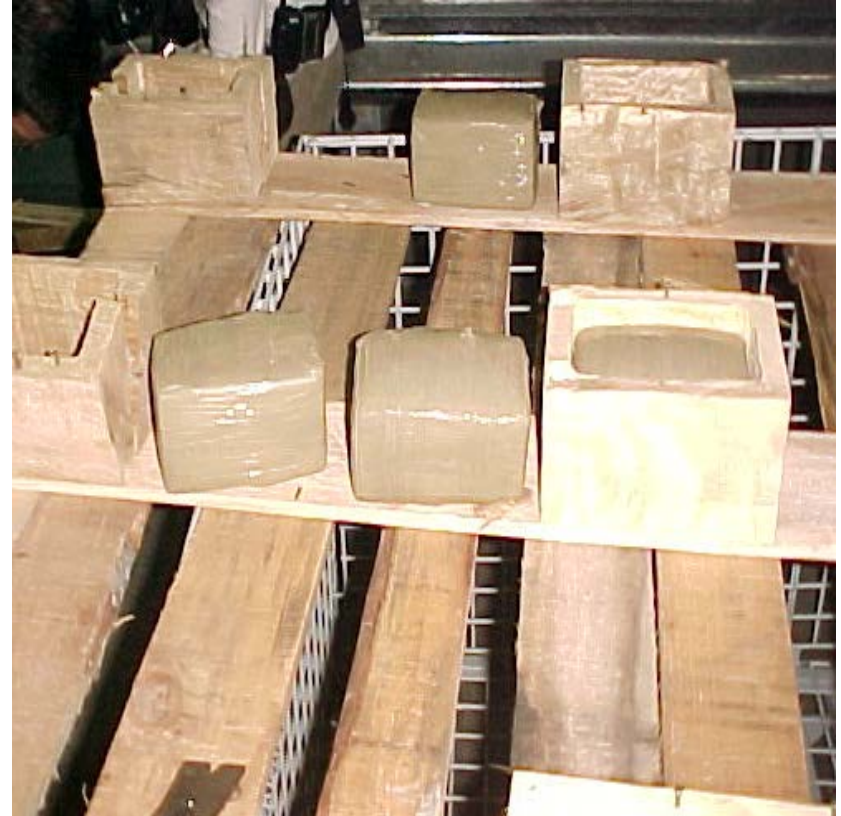
Contributing Factors

- Lack of supervision and/or too much complacency.
- Not following policies and/or procedures.
- Lack of adequate physical access controls.
- Failure to segregate critical areas of operation from other areas.
- Failure to adequately secure critical documents and/or electronic information.
- Inadequate business partner screening process, particularly those not related to supply chains.



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Pallet Service Provider



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Preventing Internal Conspiracies

- Contracting unrelated security companies for multiple functions to discourage collusion.
- Segregating employee/public parking from shipping areas.
- Sufficient cameras in adequate locations.
- Inspect personnel at entrances/exits.
- Segregating critical areas – shipping, production, etc.
- Follow conveyances randomly.
- Supervisor presence during loading and seal application.



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Preventing Internal Conspiracies

- Evaluate level of awareness/alertness for security guards and employees through security scenarios.
- Adequate illumination in yards, facilities, etc.
- Video record conveyance inspections and seal application.
- Audit recordings and GPS reports to detect suspicious behavior.



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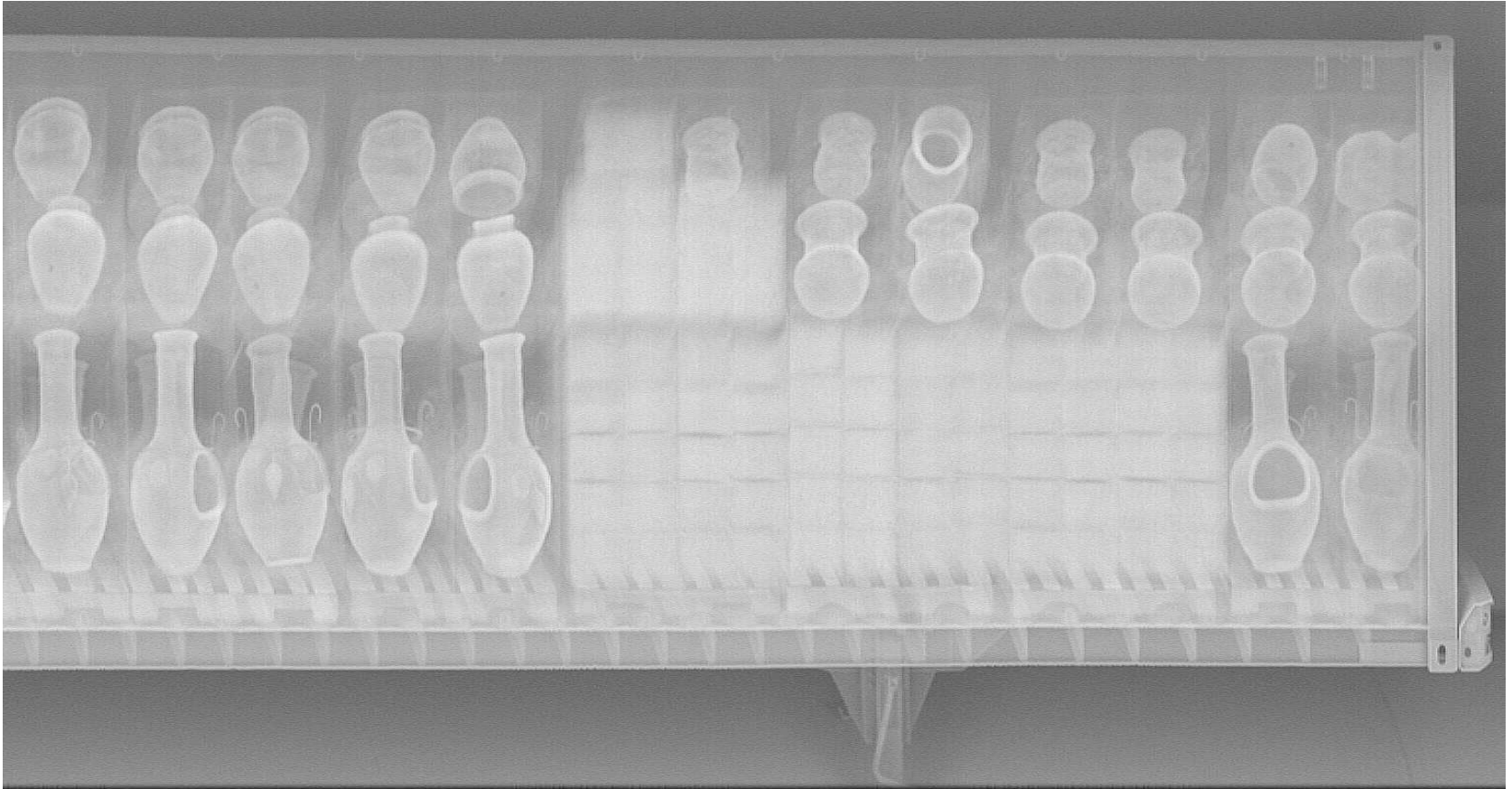
Supply Chain Security Challenges

- Tracking & Monitoring
 - Outdated GPS Technology
 - Improper Use or Not Full Potential
 - Lack of Monitoring After Normal Working Hours in Required Areas
 - Lack of Auditing Procedures



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Tracking & Monitoring Fail



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Supply Chain Security Challenges

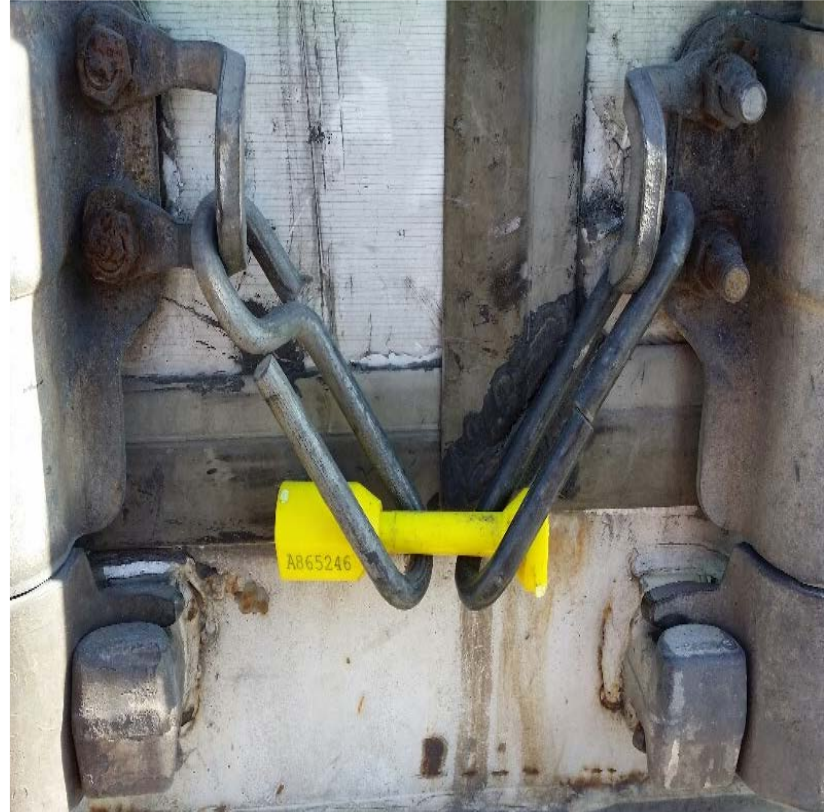
- Policy vs. Practice
 - Policy not in place.
 - Policy not updated.
 - Policy does not match practice.
 - Policy not reviewed/approved by corporate staff.



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Supply Chain Security Challenges

- Practice Not Efficient
 - Inadequate Training
 - Lack of Oversight
 - Inadequate/Incorrect Equipment



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Inadequate Equipment



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Compromised Equipment



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Where is it?



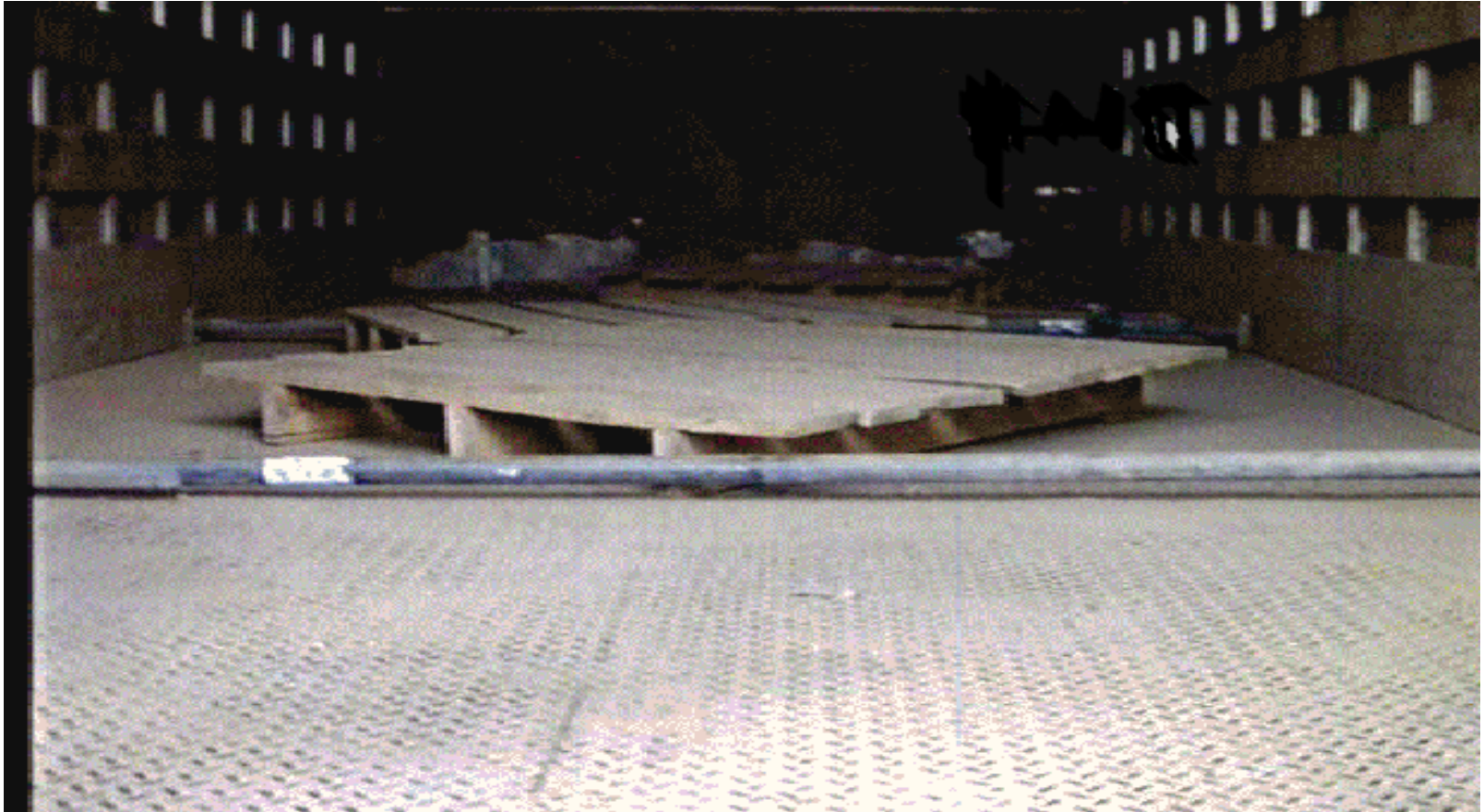
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Discovery



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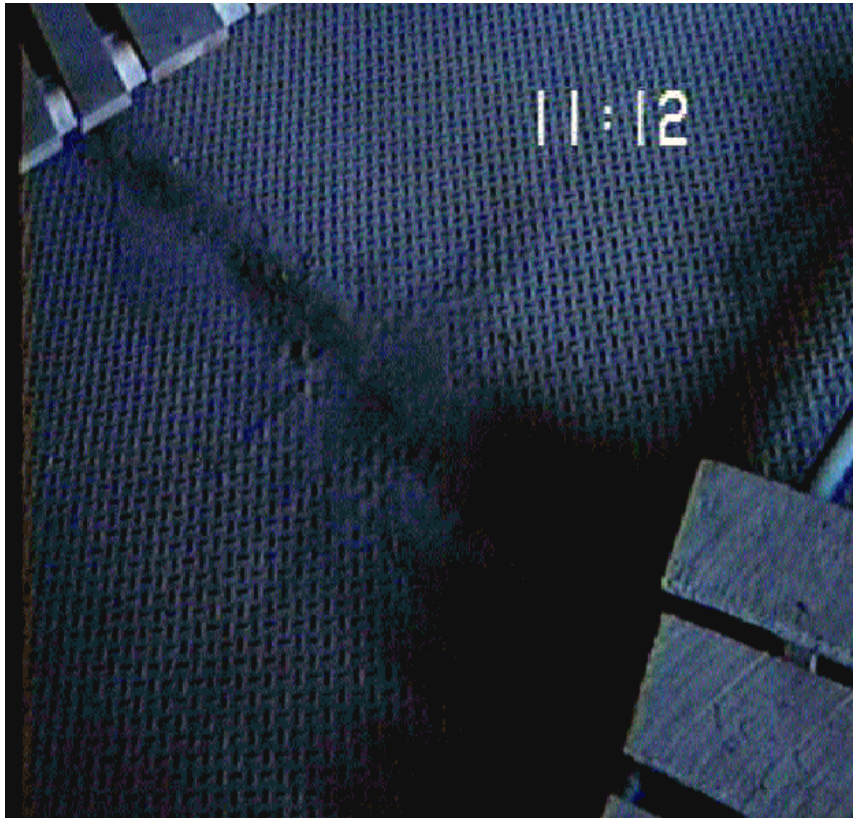
Where is it?



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Discovery



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Where is it?



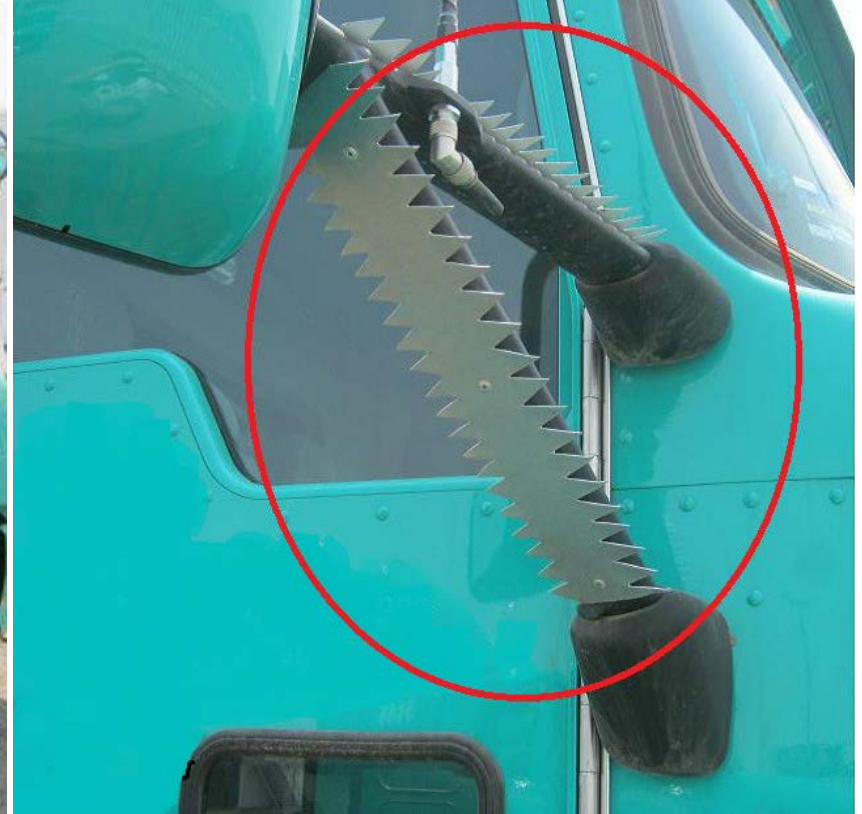
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Proactive vs. Reactive Approach



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Proactive vs. Reactive Approach



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Discussion and Questions

- Guillermo C. Salomon
Supply Chain Security Specialist
Customs-Trade Partnership Against Terrorism



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