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GAO REPORT CONFIRMS CUSTOMS CONCERNS

Customs and Border Protection oversight of import revenues dramatically down

Washington, DC – A new report instigated by Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Republican Chuck Grassley (R-Iowa) reveals that Customs and Border Protection (CBP) has slashed the number of staff responsible for making sure that revenues owed to the U.S. for imports and exports are being paid. When Congress passed the Homeland Security Act of 2002, Baucus and Grassley expressed concern that attention to customs revenue would falter as CBP moved into the new Department of Homeland Security. In last year's Security and Accountability for Every (SAFE) Port Act, Baucus and Grassley required the Government Accountability Office (GAO) to study the issue. GAO says today that since 2003, the Department has not conducted any audits of its trade mission, and has reduced the number of auditors from 65 to 15.

“Imports have increased by nearly 50 percent in the last few years, and so have attempts to avoid paying customs revenues owed to America’s treasury by law. Now is not the time to take 50 auditors’ eyes off this money,” said Baucus. **“Customs and Border Protection still has to protect America’s economic security, even as it increases focus on homeland security. The Finance Committee will exercise proper oversight to make sure CBP does both its jobs.”**

Senator Grassley said, **“This report raises similar questions and concerns that were identified in the Finance Committee’s customs oversight hearing in April 2006. I expect these questions to be answered and these concerns to be addressed. We were given assurances that staffing levels would be restored to the levels seen before Customs was moved out of the Treasury Department and into the Homeland Security Department, yet shortfalls continue to exist. In the meantime, we’ve seen import volume increase by 60 percent since 2002 and one projection has import volume increasing by another 17 percent by 2009. This is a wake-up call. CBP is due to submit a report to Congress by June 30th detailing the optimal staffing levels required to carry out commercial operations. I expect that report to demonstrate how sufficient resources will be dedicated and maintained by CBP to effectively administer the customs revenue functions.”**

The GAO report, “Customs and Border Protection Needs to Improve Workforce Planning and Accountability,” is online at <http://www.gao.gov/cgi-bin/getrpt?GAO-07-529>. It recommends that CBP develop a strategic plan to keep an appropriate workforce, and find ways to better measure, track, and report on customs revenue. The report also recommends that the Department of Homeland Security’s Inspector General identify the most likely ways that customs revenues are being avoided, and focus audit efforts there.

Imports and exports account for nearly 25 percent of the U.S. gross domestic product.