



# How to Build, Implement, and Enforce an Effective Broker Compliance Program

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# Parties Involved in Compliance

As outlined in the Mod Act, there are varying responsibilities across involved parties —CBP, Importers of Record (IORs), and **Brokers** — to achieve and maintain compliance when transacting customs business. For example:

- **CBP's Role:** Enforce regulations, facilitate trade, and provide informed compliance.
- **IOR's Role:** Exercise reasonable care in classification, valuation, and overall trade compliance.
- **Broker's Role:** Exercise responsible supervision and control over transacted customs business.
- **License Qualifier's Role:** Oversee compliant operations of all customs business transactions performed by the licensed and permitted customs brokerage firm and its authorized employees.

Today, we're digging into the compliance framework required of the **Broker**, as overseen by the **License Qualifier**.

# What is your role?



# Agenda and Goals

- 1** Standard Operating Procedures  
*Focus on Establishing a Compliance Culture at the Desk Level*
- 2** Customs-Specific Policies  
*Focus on Consistent Compliance Management Across Teams*
- 3** Supervision Plan  
*Focus on Company-Wide Program of Internal Controls*



Let's first share a high-level focus on **where the risk is.**



# Focus on Where the Risk Is: It's Always the Broker's Fault

**Reality Check:** Often in the eyes of transportation teams, sales teams, importers, and even regulatory authorities, the broker is found at fault when something goes wrong.

- Missed documentation? **Broker's fault.**
- Shipment delayed? **Broker's fault.**
- Miscommunication? **Broker's fault.**

**Why?** The customs broker is a critical checkpoint for compliance, accuracy, and timely execution. That means **every decision you make carries risk.**



# For Desk-Level Brokers:

Your actions—or inactions—are the last line of defense to identify potential risk prior to transmitting an entry.

- Incomplete documentation? That's **your risk**.
- Unclear client instructions? That's **your risk**.
- Filing based on “assumptions”? That's **your risk**.

**Solution:** Always document, verify, and escalate where necessary.  
Your job is to **CYA (Cover Your Assets)**.



# For Outside Teams (Sales, Ops, Transportation, etc.):

Understand that the **broker's role is high-stakes and high-accountability**.

- Every risk the broker takes on directly impacts your operations.
- Providing incomplete or inconsistent information increases these risks—and your liability.

## Don't Set the Brokerage Team Up for Failure:

- Avoid **overselling** or **overpromising** to the importer of record (IOR).
- Unrealistic expectations create unnecessary pressure and increase the chance of non-compliance or delays.

**Solution:** Work collaboratively by supplying accurate, complete, and timely information. Ensure commitments to the IOR align with what the brokerage team can reasonably deliver. When in doubt, escalate questions early to avoid miscommunication.





# Key Takeaway

- Risk in the customs brokerage world is real, shared, and relentless. The broker's job is to manage that risk—but they can't do it alone.

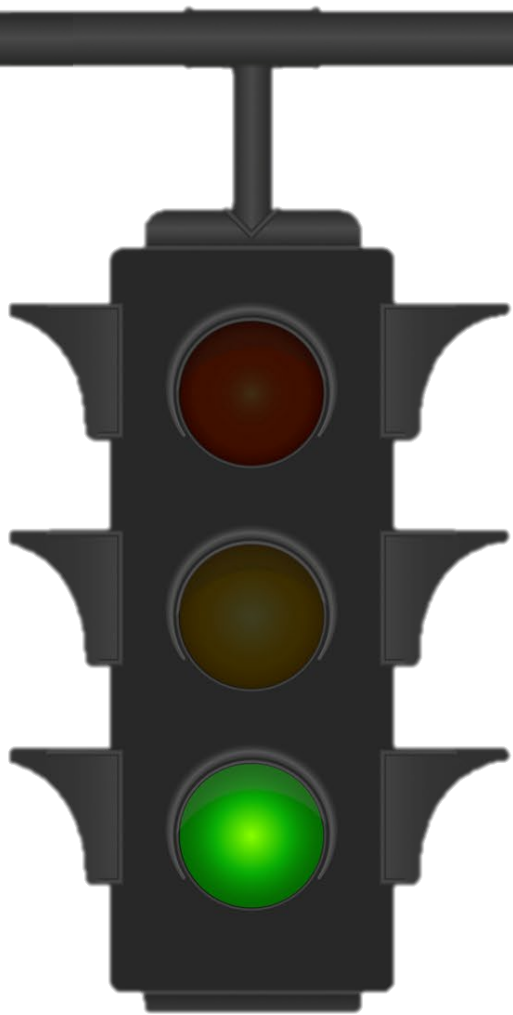
**Friendly Insight:** Keep in mind the role of your IOR contact.

- Are they in logistics, sales, or purchasing?
- If they say something is **Not Applicable** or **Not Regulated**, it's the **broker's responsibility** to educate them and ensure compliance.

## We Are CBP's First Line of Defense

It's our job to make sure every shipment clears compliance checks without issue. Education and communication are key to protecting the IOR, the brokerage team, and the broader supply chain.





## Our “Real World” Example

Throughout the training, "Coastline Customs Brokerage (CCB)" will serve as our case study to provide practical and actionable solutions to common challenges that can be leveraged as a practical guide for building, implementing, and enforcing an effective Broker Compliance Program.

Note: The cadence of compliance activities will be dictated by your organization’s level of risk, support bandwidth, and company goals.



# Broker Scorecard - Before Implementation



Compliance Area	Test/Metric	Score	Status
Documentation Quality	Entries filed with complete info	40%	● Fail
	Instructions logged and accessible	30%	● Fail
SOP Availability and Use	Brokers use latest SOPs	50%	● Fail
	SOPs stored in central location	60%	● Fail
Onboarding Effectiveness	Compliance adherence of new hires	50%	● Fail
Regulatory Change Management	Timely implementation of changes	50%	● Fail
	Updated instructions match regulations	60%	● Fail
Client Communication	Onboarding aligned with compliance	50%	● Fail
	Validity of POAs and certifications	40%	● Fail
Auditing Process	Audits identify all key issues	30%	● Fail
	Random audits conducted	10%	● Fail
Client Escalations	Escalations handled consistently	50%	● Fail
Education and Training	Proactive coverage of emerging risks	40%	● Fail
<b>Overall Score: 45%</b>	↓		● Fail

# Establishing a Compliance Culture at the Desk Level

“I just work here.”

“No one ever told me that.”

“We’ve always done it this way.”



# Do any of these challenges sound familiar to you?

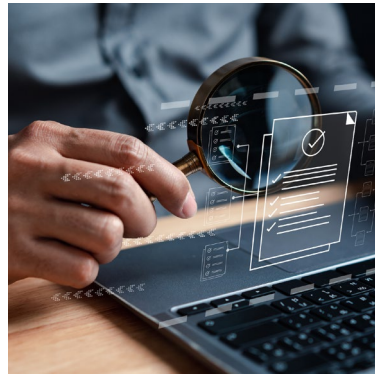
- Incomplete documentation and merchandise descriptions or other data leading to “assumptions”.
- Entries filed with undocumented client instructions.
- Outdated parts databases and client SOPs.
- Parts databases and client SOPs maintained outside of the normal retention location, such as a personal desktop.
- Poor onboarding training or “trial by fire” without supervision.
- User-developed or client-mandated operational processes that circumvent built-in compliance controls.



# Incomplete Documentation Leading to Assumptions

## Challenge

Entries were filed based on assumptions due to **incomplete client documentation** and **poor descriptions**, leading to **downstream errors** and **risks**.



## Solution

**CCB** implemented a **buddy auditing system** where brokers paired **weekly** to review a sample of entries and tariff classifications for accuracy.

A **standardized documentation checklist** was introduced, ensuring every entry met **basic compliance requirements**.





## Entry Audit Checklists

### Pre-Entry Audit Checklist

Auditor: \_\_\_\_\_  
Entry Specialist: \_\_\_\_\_

1. **Entry Information**
  - o Entry Type (e.g., 01, 02, 03): \_\_\_\_\_
  - o Remote Filing: Yes / No
2. **Importer Verification**
  - o Importer Information Verified: Yes / No
  - o Customer Card Present: Yes / No
  - o Binder Prepared: Yes / No
3. **Country Details**
  - o Country of Origin Verified: Yes / No
  - o Country of Export Verified: Yes / No
4. **Transportation Details**
  - o Mode of Transportation Verified: \_\_\_\_\_
5. **Documentation Consistency**
  - o Verified Piece Count: Invoice \_\_\_\_\_; Packing List \_\_\_\_\_; Bill of Lading \_\_\_\_\_
  - o Multiple Invoices Consistency: Yes / No
6. **Classification**
  - o Classification Correct (Check Footnotes, Chapter Notes, Rulings): Yes / No
7. **Special Program Indicators**
  - o Applicable Program Claimed (e.g., NAFTA, GSP, USMCA): Yes / No
  - o Documentation Present for Claim: Yes / No
8. **Valuation**
  - o Entered Value Correct (Adjustments for assists, commissions, etc.): Yes / No
9. **Currency and Exchange**
  - o Invoice Currency Verified: Yes / No
  - o Exchange Rate Correct: Yes / No
10. **Quantities and Weights**
  - o Net Quantities Accurate: Yes / No
  - o Gross Weight Accurate: Yes / No
11. **Charges**
  - o Additional Charges Correctly Indicated: Yes / No
12. **Anti-Dumping/Countervailing Duties**
  - o Applicable ADD/CVD Claimed: Yes / No
  - o Non-Reimbursement Statement Enclosed: Yes / No
13. **Related Parties**
  - o Buyer/Seller Relationship Declared: Yes / No
14. **Special Documentation**
  - o Required Documents (e.g., FCC, Lacey Act, NAFTA Certificates): Enclosed / Needed
15. **Partner Government Agencies (PGA)**
  - o PGA Requirements Verified (e.g., FDA, EPA): Yes / No



## Entry Audit Checklists

### Post-Entry Audit Checklist

Auditor: \_\_\_\_\_

1. **Importer and Consignee Identification**
  - o Correct Identification Numbers Reported (Importer, Consignee, MID): Yes / No
2. **Country Details**
  - o Country of Origin (CO) Verified Against Invoice: Yes / No
  - o Country of Export (CE) Verified Against Shipping Documents: Yes / No
3. **Classification**
  - o Tariff Classification Matches Entry Summary: Yes / No
4. **Valuation**
  - o Entered Value Correct (Adjustments for royalties, assists, etc.): Yes / No
  - o Currency Conversion Accurate: Yes / No
5. **Quantities**
  - o Declared Quantities Match Invoice and Shipping Documents: Yes / No
6. **Anti-Dumping/Countervailing Duties**
  - o ADD/CVD Appropriately Declared: Yes / No / Not Applicable
7. **Special Trade Programs**
  - o Supporting Documentation for Claimed Trade Programs Present (e.g., USMCA CoO): Yes / No
8. **Charges and Non-Dutiable Costs**
  - o Deductions for Freight and Insurance Supported: Yes / No / Not Applicable
9. **PGA Requirements**
  - o Required PGA Documents Enclosed: Yes / No / Not Applicable
10. **Duties and Tariffs**
  - o Section 301/232 Duties Declared Correctly: Yes / No / Not Applicable
11. **Recordkeeping**
  - o Entry Packet Contains Required Documentation: Yes / No
12. **Comments and Actions**
  - o Comments on Identified Errors: \_\_\_\_\_
  - o Actions Taken to Address Errors: \_\_\_\_\_



# Outdated Parts Databases and Client SOPs

## Challenge

CCB discovered client SOPs and parts databases were often saved on **personal desktops**, causing **misalignment** and errors during entry preparation.



## Solution

A **centralized compliance portal** was established where all SOPs and parts databases were stored, with **weekly updates** reviewed **during team syncs** to maintain consistency.





# Poor Onboarding Training or “Trial by Fire”

## Challenge

New hires at **CCB** were being onboarded through a **"trial by fire"** process, leaving them **unprepared** for nuanced compliance requirements.

## Solution

**CCB** developed a **structured onboarding program** featuring shadowing, supervised entry filing, and a progressive learning schedule.

Supervisors and/or assigned onboarding buddies conducted **weekly 1:1 feedback sessions** to address knowledge gaps.





## 30/60/90-Day Onboarding Plan for a Customs Brokerage Firm

### Day 1–30: Orientation and Foundational Knowledge

Goals: Understand company operations, regulations, and tools; build foundational knowledge.

#### Mandatory SOPs to Review

- Introduction to Customs Brokerage Process
- Compliance with U.S. Customs and Border Protection (CBP) regulations
- Recordkeeping and Documentation Standards (e.g., 19 CFR requirements)
- SOP for Entry Filing Process
- SOP for Client Communication
- SOP for Billing and Invoicing Procedures

#### Training

- Systems Training:
  - Introduction to Brokerage Software (e.g., ACE, ABI system)
  - Freight Management Systems
- Compliance Training:
  - Basic Customs Regulations and Trade Agreements (e.g., USMCA, FTAs)
  - Classification and Harmonized Tariff Schedule (HTS) Training
- Operational Training:
  - How to Prepare and Submit Customs Entries
  - Basics of Importer Security Filing (ISF)
  - Review of Incoterms® and Their Impact on Customs Duties

#### Operational Instructions

- Daily entry of shipment data into brokerage software.
- Assist in document verification (commercial invoices, packing lists).
- Shadow senior staff on client communications and customs filings.
- Begin conducting basic tariff classification exercises.

#### Checkpoints

- Weekly check-ins with the supervisor to review progress.
- Daily task logs for self-assessment and supervisor feedback.



## 30/60/90-Day Onboarding Plan for a Customs Brokerage Firm

### Day 31–60: Intermediate Integration

Goals: Begin handling tasks independently under supervision, deepen understanding of industry nuances.

#### Mandatory SOPs to Review

- SOP for Trade Compliance Audits
- SOP for Handling Importer Security Filing Penalties
- SOP for Communication with Government Agencies (CBP, FDA, USDA)
- Client-Specific SOPs (if applicable)

#### Training

- Advanced Systems Training:
  - Advanced ABI/ACE Features
  - Reporting and Reconciliation Tools
- Compliance Training:
  - Anti-Dumping and Countervailing Duties (AD/CVD)
  - Import/export licensing and documentation
  - Valuation and Duty Drawback Processes
- Operational Training:
  - Handling Exceptions and Escalations
  - Writing Responses to CBP Requests (e.g., CF28, CF29)

#### Operational Instructions

- Independently complete customs entries for non-complex shipments.
- Prepare Importer Security Filings (ISF).
- Support in post-clearance audit activities.
- Begin regular client updates on shipment status.

#### Checkpoints

- Bi-weekly reviews with a mentor or supervisor.
- Quality audit of customs entries and ISFs handled by the employee.
- Self-assessment against role expectations.



## 30/60/90-Day Onboarding Plan for a Customs Brokerage Firm

### Day 61–90: Independent Contribution

Goals: Perform core responsibilities independently, contribute to process improvement.

#### Mandatory SOPs to Review

- Advanced Client-Specific SOPs
- SOP for Managing Escalations with CBP
- SOP for Periodic Monthly Statement (PMS) Processes

#### Training

- Compliance Training:
  - Trade Remedies and Sanctions Compliance
  - Understanding Free Trade Zone (FTZ) Operations
- Operational Training:
  - Building and Managing Client Relationships
  - Advanced Tariff Classification Techniques
- Process Improvement Training:
  - Identifying Operational Bottlenecks
  - Introduction to Lean/Continuous Improvement Strategies

#### Operational Instructions

- Manage customs entries for complex shipments (e.g., multi-line items, special handling).
- Communicate directly with clients for shipment resolutions.
- Participate in internal audits and propose workflow improvements.
- Begin training junior staff or assisting peers.

#### Checkpoints

- Formal performance review at 90 days.
- Develop and present a mini-project or report identifying improvement areas in current processes.
- Supervisor feedback on readiness for independent task ownership.



# Operational SOPs – Table of Contents

Section 1 Pre-Entry Procedures

Section 2 Entry Preparation

Section 3 Entry Filing Process

Section 4 Entry Processing Exceptions

Section 5 Communication and Escalations

Section 6 Statement Processing

Section 7 Post-Entry Amendments

2.A. Classification of Goods

2.B. Valuation of Goods

2.C. Origin Determination

2.D. Commercial Documentation

4.A. Reviews, Holds, and Exams

4.B. Census Warnings

4.C. Transaction Rejections

4.D. Entry Documents Required

4.E. Manifest Discrepancies



# Broker Scorecard – After Section 1



Compliance Area	Test/Metric	Score	Status
Documentation Quality	Entries filed with complete info	90%	● Pass
	Instructions logged and accessible	80%	● Near Pass
SOP Availability and Use	Brokers use latest SOPs	85%	● Near Pass
	SOPs stored in central location	100%	● Pass
Onboarding Effectiveness	Compliance adherence of new hires	85%	● Near Pass
Regulatory Change Management	Timely implementation of changes	50%	● Fail
	Updated instructions match regulations	60%	● Fail
Client Communication	Onboarding aligned with compliance	50%	● Fail
	Validity of POAs and certifications	40%	● Fail
Auditing Process	Audits identify all key issues	60%	● Fail
	Random audits conducted	40%	● Fail
Client Escalations	Escalations handled consistently	50%	● Fail
Education and Training	Proactive coverage of emerging risks	40%	● Fail
<b>Overall Score: 65%</b>			● Needs Improvement

# Managing Regulatory Changes and Communication with Clients

“That wasn’t in the SOP.”

“This industry changes every day.”

“My other broker never asked for that.”



# Do any of these challenges sound familiar to you?

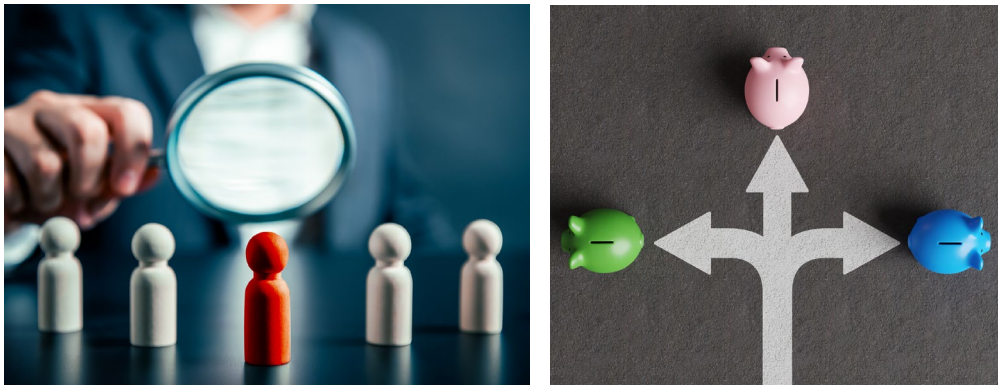
- Clients hear one thing from one broker and something else from another.
- Regulatory updates keep changing, and we're always scrambling.
- Important client documents are falling through the cracks.
- I don't always know what's going on until it's a problem.
- It's hard to tell who's supposed to do what.
- We're constantly putting out fires with clients.



# Inconsistent Client Onboarding

## Challenge

**CCB** struggled with **inconsistent client communication** during onboarding, leading to **misaligned expectations** and frequent **client-driven exceptions**.



## Solution

**CCB** introduced a **compliance-based onboarding checklist** that included regulatory education, clear documentation requirements, and a review of **client responsibilities** under the Mod Act. The onboarding team conducted a **post-onboarding audit** to identify gaps.



# Rapid Regulatory Changes Overwhelming Teams

## Challenge

Rapid regulatory changes overwhelmed CCB's teams, resulting in delayed or unclear updates to operations and clients.



## Solution

A designated regulatory compliance lead was appointed to monitor changes. CCB established a bi-weekly compliance bulletin summarizing regulatory impacts and their operational implications.



1. [Antidumping and Countervailing Search Service \(ACCESS\)](#)
2. [Cargo Systems Messaging Service \(CSMS\)](#)
3. [CBP Regulations \(Title 19 of the Code of Federal Regulations\)](#)
4. [CBP Website](#)
5. [Customs Bulletin and Decisions](#)
6. [Customs Rulings Online Search Service \(CROSS\)](#)
7. [Directives and Handbooks](#)
8. [Fact Sheets](#)
9. [Federal Register Notices](#)
10. [Harmonized Tariff Schedule of the United States \(HTS\)](#)
11. [Informed Compliance Publications](#)
12. [Intellectual Property Rights Search](#)



1. **NCBFAA Monday Morning eBriefing (*Available to Members*):** The National Customs Brokers & Forwarders Association of America offers a weekly newsletter with updates on policy changes, regulatory developments, and industry events relevant to customs brokers and freight forwarders. Website: [www.ncbfaa.org](http://www.ncbfaa.org)
2. **Braumiller Law Group Newsletter:** Focuses on customs and international trade law, offering updates on import/export compliance, trade agreements, and regulatory developments. Website: [www.braumillerlaw.com](http://www.braumillerlaw.com)
3. **Tuttle Law Newsletters:** Provides insights on customs compliance, classification, valuation, and other import/export issues. Useful for staying abreast of CBP rulings and compliance strategies. Website: [www.tuttlelaw.com](http://www.tuttlelaw.com)
4. **Diaz Trade Law Newsletter:** Led by Jennifer Diaz, this newsletter covers customs and international trade law updates, compliance tips, enforcement trends, and regulatory changes. Website: [www.diaztradelaw.com](http://www.diaztradelaw.com)



# Mismanaged Client Documentation

## Challenge

Important **client documentation**, such as blanket certifications and POAs, was often mismanaged, leading to **expired or invalid** records.



## Solution

**CCB** implemented a **document management logbook** to monitor for expiring certifications and a policy requiring **monthly** checks during management audits.



# Compliance Policy – Table of Contents

Section 1 Overarching Compliance Statement

Section 2 Powers of Attorney

Section 3 Recordkeeping

Section 4 Responsible Supervision and Control

Section 5 Financial Diligence

Section 6 Organizational and Employee Diligence

Section 7 Operational Diligence

Section 8 Fines, Penalties and Forfeitures

Section 9 Continuing Education

- 4.A. General Oversight Commitment
- 4.B. Employee Information Management
- 4.C. Broker's Responsibility Assurance
- 4.D. Termination Reporting
- 4.E. Change in Ownership Notifications

- 7.A. Truthfulness Commitment
- 7.B. Government Records Integrity
- 7.C. Undue Influence Avoidance
- 7.D. Comprehensive Client Advice
- 7.E. Protests



# Broker Scorecard - After Section 2



Compliance Area	Test/Metric	Score	Status
Documentation Quality	Entries filed with complete info	90%	● Pass
	Instructions logged and accessible	90%	● Pass
SOP Availability and Use	Brokers use latest SOPs	95%	● Pass
	SOPs stored in central location	100%	● Pass
Onboarding Effectiveness	Compliance adherence of new hires	90%	● Pass
Regulatory Change Management	Timely implementation of changes	85%	● Near Pass
	Updated instructions match regulations	80%	● Near Pass
Client Communication	Onboarding aligned with compliance	90%	● Pass
	Validity of POAs and certifications	90%	● Pass
Auditing Process	Audits identify all key issues	60%	● Fail
	Random audits conducted	60%	● Fail
Client Escalations	Escalations handled consistently	75%	● Near Pass
Education and Training	Proactive coverage of emerging risks	40%	● Fail
<b>Overall Score: 80%</b>			● Needs Improvement

# Scaling a Compliant Internal Control Program

“I need more resources.”

“Livin’ the dream.”

“If everything is hot, nothing is hot.”



# Do any of these challenges sound familiar to you?

- Audits only catch what's wrong—not what's almost wrong.
- Everyone handles client issues differently, and it's a mess.
- Training happens when there's a problem, not before.
- Compliance tools feel like they're on an island.
- Growth keeps outpacing our compliance processes.
- Nobody wants to own compliance issues until it's too late.



# Unstandardized Random Audits

## Challenge

Audits at **CCB** were previously wholly selected at random. The results of each audit were determined at the discretion of the individual auditor.



## Solution

The compliance team developed a combination **risk-based and random audit selection** to ensure both visible and hidden risks were considered. Additionally, **formal tests to determine a pass or fail** were implemented. **Audit-level findings and metrics** are shared **quarterly** with the organization, and **transactional-level findings** are shared with the respective entry filer and their supervisor to prevent recurrences and identify the full scope for any necessary **corrective actions**.





# SAMPLE SELECTION

Target Name	Rule
AD/CVD Case	<b>Antidumping</b> and/or <b>Countervailing Case Number(s)</b> are not null
Census Warning	<b>Line</b> and/or <b>Line Tariff Census Warning Code(s)</b> are not null
Chapter 98	<b>HTS Number - Full</b> begins with "98" or <b>HTS Number - First 2</b> is equal to "98"
CO/MID Mismatch	<b>Country of Origin Code</b> does not match the first 2 characters of the <b>Manufacturer ID</b>
Compound Duty Rate	<b>Column 1 Secondary Duty Rate</b> and/or <b>Column 1 Other Duty Rate</b> are not null and/or are greater than 0
Entry Revision(s)	<b>Entry Summary Version Number</b> is greater than 1.00
FTA Claimed	<b>Line SPI Code</b> is not null
High Duty Amount	<b>Line Tariff Duty Amount</b> is greater than <b>\$5,000.00</b>
High Entered Value	<b>Line Tariff Goods Value Amount</b> is greater than <b>\$50,000.00</b>
High-Risk CO/CE	<b>Country of Origin</b> and/or <b>Export Code</b> matches a predefined list of high-risk countries
Late Entry Filing	<b>Entry Filing Date</b> is after the <b>Estimated Arrival Date</b>
Low Entered Value	<b>Line Tariff Goods Value Amount</b> is less than <b>\$2.00</b>
PGA Declaration	<b>PGA Data Included Code</b> is not null
PGA Disclaimed	<b>PGA Form Disclaimer (1), (2), and/or (3) Code(s)</b> are not null
Ruling Declared	<b>Ruling Number</b> and/or <b>Non-EIP Ruling Number(s)</b> are not null
Single Transaction Bond	<b>Single Transaction Bond Number</b> is not null
Random	No other target hit

Targeted Entry Lines	
CCB70724275 - 1	CCB53398402 - 1
CCB50342478 - 16	CCB52399039 - 1
CCB53519387 - 1	CCB69244392 - 3
CCB70279767 - 1	CCB50913104 - 3
CCB50765702 - 3	CCB69244392 - 3
CCB70236072 - 1	CCB68545229 - 29
CCB50350364 - 2	CCB69244392 - 32
CCB52259316 - 3	CCB52429216 - 1
CCB51118281 - 4	CCB51607945 - 10
CCB51737072 - 4	CCB50895830 - 9
CCB50250192 - 62	CCB50496506 - 5
CCB53387496 - 1	CCB53226405 - 13
CCB68768029 - 1	CCB54130531 - 6

	J	K	L	M	N	O	P
	PGA Form Disclaimer (1), (2), and/or (3) Code(s) are not null	Single Transaction Bond Number is not null	Line and/or Line Tariff Census Warning Code(s) are not null	First Sale Indicator is not null	Antidumping and/or Countervailing Case Number(s) are not null	Ruling Number and/or Non-EIP Ruling Number(s) are not null	No other target hit
1	Line SPI Code is not null	the first 2 characters of the Manufacturer ID	Full begins with "98"	Version Number is greater than 1.00	Amount is greater than \$50,000.00	Goods Value Amount is less than \$2.00	Amount is greater than \$5,000.00
2							
3							
4							
5							
6	FTA Claimed	CO/MID Mismatch	Chapter 98	Entry Revision(s)	High Entered Value	Low Entered Value	High Duty Amount
127	No	No	No	No	Yes	No	No
9632	Yes	No	No	No	Yes	No	No
21243	No	No	No	No	Yes	No	No
01847	Yes	No	No	No	Yes	No	No
01858	Yes	No	No	No	Yes	No	No



# Inconsistent Client Escalation Handling

## Challenge

**CCB** lacked a standardized approach to handling **client escalations**, leading to **inconsistent resolution** and **strained relationships**.



## Solution

**CCB** created **standardized escalation templates** and **protocols**, categorizing issues by risk and **assigning owners** for resolution. **Monthly compliance syncs** reviewed trends in escalations and refined handling procedures.



## Initial Requests

### GENERAL REQUEST FOR ENTRY INFORMATION

We have reviewed the documentation received for the shipment identified as \_\_\_\_\_ and found it insufficient to complete the Customs entry process. To proceed, we kindly request that you provide the following information and/or supporting documents as applicable:

- Commercial Invoice
- Packing List
- Detailed Description of the Merchandise
- Other Information/Documentation: \_\_\_\_\_

The Customs entry for this shipment remains on hold until the requested materials are received. Please provide the requested documentation at your earliest convenience to avoid delays. Should you have any questions or require clarification, please don't hesitate to contact our office. Thank you for your prompt attention to this matter.

### REQUEST FOR PARTNER GOVERNMENT AGENCY (PGA) INFORMATION

The Commercial Invoice for shipment # \_\_\_\_\_ includes items that may be subject to regulatory requirements enforced by the U.S. Food & Drug Administration (FDA) or other Partner Government Agencies. To ensure proper processing of your Customs entry, we request your confirmation regarding the regulatory status of the merchandise. Please review the documentation and respond by copying and pasting one of the following options:

- 1. The merchandise in the above-referenced shipment does not contain parts or products subject to FDA (or similar agency) regulatory requirements.**
- 2. The merchandise in the above-referenced shipment contains parts or products subject to FDA (or similar agency) regulatory requirements. Further documentation and information will be provided to complete the Customs entry.**

If you are uncertain about the regulatory requirements or would like further assistance, feel free to contact our office. We appreciate your immediate attention to this matter to avoid unnecessary delays.

## Follow-Up Notifications

### NO RESPONSE NOTIFICATION – REPORTABLE QUANTITIES ASSUMPTION

While processing the customs clearance for your shipment, we noticed incomplete information regarding reportable quantities required for certain tariff classifications (e.g., \_\_\_\_\_). To avoid further delays, we have submitted your entry to Customs using \_\_\_\_\_ as the reportable quantity. This value was determined based on:

- Previous entries filed from the same Seller, OR
- Calculating 95% of the gross weight.

These actions were necessary due to non-response to prior inquiries and to facilitate timely movement of your cargo. If you find the declared information is incorrect, please reply within three (3) business days, and we will promptly make corrections. If we do not hear from you, we will consider the submitted information accurate. Thank you for your understanding and cooperation.

### NO RESPONSE NOTIFICATION – UNCLAIMED TRADE AGREEMENT ASSUMPTION

During the customs clearance process for your shipment, we identified that one or more products might qualify for duty preferential treatment under the \_\_\_\_\_ Trade Agreement. However, as noted in our previous correspondence, we cannot claim such benefits without supporting documentation and clear written instruction from you.

To avoid delays, your entry was submitted to Customs without claiming duty preferential treatment. If you believe this is incorrect, please provide the required documentation within three (3) business days, and we will update the submission. Without a response, we will assume the submitted information is accurate. We remain available to discuss this further or to assist with any questions you may have.



# Reactive Continuing Education

## Challenge

Continuing education for brokers was **reactive**, only addressing errors after they occurred.



## Solution

**CCB** launched a **proactive training program**, prioritizing high-risk areas such as AD/CVD compliance.

Brokers were required to complete **quarterly** training modules tied to emerging regulations, with **performance tracked** during compliance team reviews.



# Supervision Plan – Table of Contents

- Section 1 Employee Empowerment
- Section 2 Operational Performance Management
- Section 3 Broker Supervision and Engagement
- Section 4 Communications Management
- Section 5 Onboarding Management

3.A. Consultation Availability  
3.B. Supervisory Visits  
3.C. Qualifying Broker's Involvement  
3.D. Real Interest Indicators

5.A. New Hire Employee Onboarding  
5.B. Prospective Client Reviews  
5.C. New Client Onboarding



# Broker Scorecard - After Section 3



Compliance Area	Test/Metric	Score	Status
Documentation Quality	Entries filed with complete info	90%	● Pass
	Instructions logged and accessible	90%	● Pass
SOP Availability and Use	Brokers use latest SOPs	95%	● Pass
	SOPs stored in central location	100%	● Pass
Onboarding Effectiveness	Compliance adherence of new hires	90%	● Pass
Regulatory Change Management	Timely implementation of changes	95%	● Pass
	Updated instructions match regulations	90%	● Pass
Client Communication	Onboarding aligned with compliance	90%	● Pass
	Validity of POAs and certifications	95%	● Pass
Auditing Process	Audits identify all key issues	90%	● Pass
	Random audits conducted	95%	● Pass
Client Escalations	Escalations handled consistently	95%	● Pass
Education and Training	Proactive coverage of emerging risks	85%	● Near Pass
<b>Overall Score: 93%</b>			● Pass

# Recap

Let's review how far we've come!



# Establishing a Compliance Culture at the Desk Level

- **Incomplete Documentation Leading to Assumptions**
  - Solution: Implement a Standardized Documentation Checklist shared electronically.
  - Manual Option: Use a shared Excel template accessible by all brokers for real-time updates.
  - Scalable: Expand the checklist as new clients or procedures are introduced without requiring software integration.
- **Outdated Parts Databases and Client SOPs**
  - Solution: Create a Centralized SOP Repository that brokers access electronically.
  - Manual Option: Use a shared drive (e.g., SharePoint) with clearly labeled folders by client or process.
  - Scalable: Assign a maintenance schedule for periodic updates and archive old versions in a subfolder.
- **Poor Onboarding Training or “Trial by Fire”**
  - Solution: Develop a Structured Onboarding Plan with step-by-step guides and examples.
  - Manual Option: Provide PDF templates or editable Word documents for onboarding checklists and learning plans.
  - Scalable: Use shared templates that trainers can customize per new hire without requiring new resources.





# Managing Regulatory Changes and Communication with Clients

- **Inconsistent Client Communication During Onboarding**
  - Solution: Use a Compliance Onboarding Checklist for all clients.
  - Manual Option: Store the checklist as a reusable Excel or Word template shared across the team.
  - Scalable: Create a "master checklist" for common tasks, with client-specific customizations saved in individual tabs.
- **Rapid Regulatory Changes Overwhelming Teams**
  - Solution: Assign a Regulatory Updates Tracker to monitor changes and summarize their impacts.
  - Manual Option: Use a centralized Excel sheet with tabs for "Regulations," "Impact," and "Action Items."
  - Scalable: Use a shared calendar to schedule regular team syncs to discuss the tracker without adding new systems.
- **Mismanaged Client Documentation (POAs, Certifications, Bonds)**
  - Solution: Maintain a Client Documentation Logbook with renewal reminders.
  - Manual Option: Use a shared Excel file with columns for document type, expiration date, and status updates.
  - Scalable: Add conditional formatting (e.g., red for expired, yellow for expiring) to prioritize tasks.



# Scaling a Compliant Internal Control Program

- **Unstandardized Random Audits**

- Solution: Develop company-wide criteria to target a combination of both random and risk-based entries.
- Manual Option: Use a shared Excel file with columns for date, type of audit, findings, and resolutions.
- Scalable: Audit volume meets a minimum entry count threshold and grows only as needed based on risk.

- **Inconsistent Client Escalation Handling**

- Solution: Introduce Standardized Escalation Templates for each risk level.
- Manual Option: Create reusable Outlook templates or Word templates stored in a shared folder for easy access.
- Scalable: Supervisors can customize templates with client-specific language without requiring advanced tools.

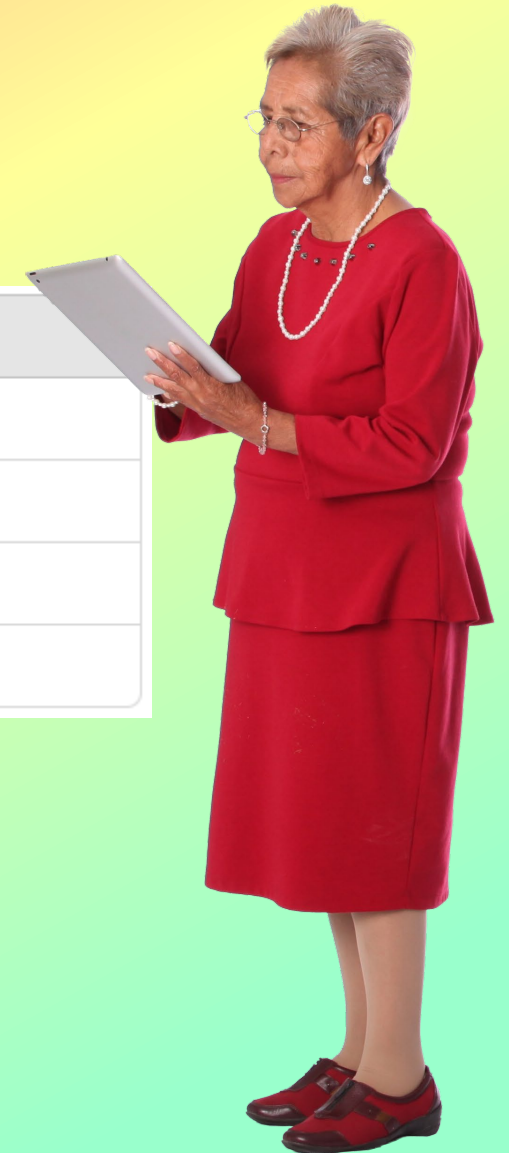
- **Reactive Continuing Education**

- Solution: Establish a Quarterly Training Calendar with shared learning materials.
- Manual Option: Use a shared Word doc with hyperlinks to upcoming training resources and topics.
- Scalable: Assign training topics to team members and track participation via a shared attendance sheet.



# Broker Scorecard - Summary

Phase	● Fail	● Near Pass	● Pass
Before	12	0	0
After Section 1	7	5	2
After Section 2	3	5	6
After Section 3	0	1	13



# Examples of Scalable – yet Manual – Solutions:

Focus Area	Solution	Manual/Electronic Option
Documentation Quality	Standardized documentation checklist	Excel with shared team access
Centralized SOPs/Databases	Shared SOP repository	SharePoint with client-specific folders; Excel with shared team access
Onboarding Processes	Structured guides and training plans	Customized PDF or Word Template
Regulatory Change Management	Regulatory updates tracker	Excel with shared team access
Document Management	Client documentation logbook	Excel with conditional formatting for renewal tracking by Supervisors
Audit Framework	Audit tracker for risk-based and random audits through to resolution	Excel with sample selection automation; standardized tests and notes for actions taken to resolve
Client Escalation Protocols	Standardized templates for escalations	Outlook templates or Word template with shared team access
Continuing Education	Quarterly training program	Outlook calendar reminders and attendance tracking





## DELEON TRADE LLC

CUSTOMS COMPLIANCE CONSULTANTS

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### Broker Services

Customs Brokers play a crucial role in ensuring compliance with customs regulations. They are the first line of defense in identifying and addressing potential issues, helping businesses avoid costly penalties and delays. Deleon Trade offers customized services in broker compliance, ensuring that businesses are equipped with the necessary tools to navigate the complex world of customs regulations. Our end-to-end solutions are designed to streamline processes and maintain the highest standards of excellence in customs practices. By partnering with Deleon Trade, brokers can rest assured that their customs compliance needs are in expert hands.

#### [Risk Assessments & Post Entry Audits](#)

Internal controls play a pivotal role in ensuring compliance, and our auditors are well-versed in developing, testing, and evaluating systems of internal control. Most importers overlook the Risk Assessment component, but we specialize in developing and implementing risk assessments, including macro-based AD/CVD risk assessments. Our comprehensive post entry audit programs are designed to test the accuracy of import entry declarations and identify discrepancies with customs laws and regulations.

#### [Customs 101 & Customized Training](#)

Education is key to compliance, and our team has conducted numerous training sessions covering various import topics. We are passionate about training ensuring we delve beyond the theory into addressing the challenges of practical implementation! From large conferences (ATCC) to in-house and on-the-job training, we are dedicated to providing quality education and creating unique networking environments. Explore our Customs 101 and customized training sessions to stay informed and set your team up for success.

#### [Broker Compliance Manuals](#)

Achieving meaningful compliance objectives starts with tailored manuals that integrate your current company policies and procedures. Our expertise lies in crafting compliance manuals that not only meet but exceed industry standards, ensuring they align seamlessly with your brokerage operations. Trust us to review your existing policies and procedures, providing guidance to set proper compliance goals. In an ever-changing landscape, it is vital to keep your brokerage in sync with the latest changes to maintain the highest standards of compliance.

#### [Broker Independent Audits](#)

Updated compliance manuals and policies are crucial, but our team goes beyond documentation to prepare you for broker audits. Compliance with the thirteen factors of responsible supervision and control is essential, and we help you identify areas of potential risk while providing proven guidance to shore up those risk areas. Ensure you are audit-ready and compliant with the regulations, safeguarding your brokerage operations. Gain actionable insights to enhance operational efficiency and mitigate regulatory exposure.

#### [HTSUS Tariff Classification](#)

Accurate tariff classification is essential across industries. Whether building a classification database, analyzing existing databases, or classifying new products or components, our focus on detail and reasoned judgment ensures robust classification solutions tailored to your business. Optimize opportunities afforded by current trade programs, and verify that your products have been properly classified to ensure compliance and maximize efficiency.

#### [Ad hoc Research](#)

Stay steps ahead with our specialized ad hoc research services tailored for the intricate customs landscape. We can serve as your outsourced support, assisting when your clients have technical questions, but your brokerage staff lack the time for research and documentation. We can assist with questions on: Valuation, Classification, Chapter 98, Free Trade Agreement Certifications, and more. We'll provide you with detailed analyses and solutions tailored to your clients' specific needs for seamless navigation through complex customs regulations.

# Thank You



• 2025 ATCC Conference •



# Entry Audit Checklists

## Pre-Entry Audit Checklist

**Auditor:** \_\_\_\_\_

**Entry Specialist:** \_\_\_\_\_

**1. Entry Information**

- Entry Type (e.g., 01, 02, 03): \_\_\_\_\_
- Remote Filing: Yes / No

**2. Importer Verification**

- Importer Information Verified: Yes / No
- Customer Card Present: Yes / No
- Binder Prepared: Yes / No

**3. Country Details**

- Country of Origin Verified: Yes / No
- Country of Export Verified: Yes / No

**4. Transportation Details**

- Mode of Transportation Verified: \_\_\_\_\_

**5. Documentation Consistency**

- Verified Piece Count: Invoice \_\_\_\_\_; Packing List \_\_\_\_\_; Bill of Lading \_\_\_\_\_
- Multiple Invoices Consistency: Yes / No

**6. Classification**

- Classification Correct (Check Footnotes, Chapter Notes, Rulings): Yes / No

**7. Special Program Indicators**

- Applicable Program Claimed (e.g., NAFTA, GSP, USMCA): Yes / No
- Documentation Present for Claim: Yes / No

**8. Valuation**

- Entered Value Correct (Adjustments for assists, commissions, etc.): Yes / No

**9. Currency and Exchange**

- Invoice Currency Verified: Yes / No
- Exchange Rate Correct: Yes / No

**10. Quantities and Weights**

- Net Quantities Accurate: Yes / No
- Gross Weight Accurate: Yes / No

**11. Charges**

- Additional Charges Correctly Indicated: Yes / No

**12. Anti-Dumping/Countervailing Duties**

- Applicable ADD/CVD Claimed: Yes / No
- Non-Reimbursement Statement Enclosed: Yes / No

**13. Related Parties**

- Buyer/Seller Relationship Declared: Yes / No

**14. Special Documentation**

- Required Documents (e.g., FCC, Lacey Act, NAFTA Certificates): Enclosed / Needed

**15. Partner Government Agencies (PGA)**

- PGA Requirements Verified (e.g., FDA, EPA): Yes / No



# Entry Audit Checklists

## Post-Entry Audit Checklist

**Auditor:** \_\_\_\_\_

1. **Importer and Consignee Identification**
  - Correct Identification Numbers Reported (Importer, Consignee, MID): Yes / No
2. **Country Details**
  - Country of Origin (CO) Verified Against Invoice: Yes / No
  - Country of Export (CE) Verified Against Shipping Documents: Yes / No
3. **Classification**
  - Tariff Classification Matches Entry Summary: Yes / No
4. **Valuation**
  - Entered Value Correct (Adjustments for royalties, assists, etc.): Yes / No
  - Currency Conversion Accurate: Yes / No
5. **Quantities**
  - Declared Quantities Match Invoice and Shipping Documents: Yes / No
6. **Anti-Dumping/Countervailing Duties**
  - ADD/CVD Appropriately Declared: Yes / No / Not Applicable
7. **Special Trade Programs**
  - Supporting Documentation for Claimed Trade Programs Present (e.g., USMCA CoO):  
Yes / No
8. **Charges and Non-Dutiable Costs**
  - Deductions for Freight and Insurance Supported: Yes / No / Not Applicable
9. **PGA Requirements**
  - Required PGA Documents Enclosed: Yes / No / Not Applicable
10. **Duties and Tariffs**
  - Section 301/232 Duties Declared Correctly: Yes / No / Not Applicable
11. **Recordkeeping**
  - Entry Packet Contains Required Documentation: Yes / No
12. **Comments and Actions**
  - Comments on Identified Errors: \_\_\_\_\_
  - Actions Taken to Address Errors: \_\_\_\_\_





# 30/60/90-Day Onboarding Plan for a Customs Brokerage Firm

## Day 1–30: Orientation and Foundational Knowledge

Goals: Understand company operations, regulations, and tools; build foundational knowledge.

### Mandatory SOPs to Review

- Introduction to Customs Brokerage Process
- Compliance with U.S. Customs and Border Protection (CBP) regulations
- Recordkeeping and Documentation Standards (e.g., 19 CFR requirements)
- SOP for Entry Filing Process
- SOP for Client Communication
- SOP for Billing and Invoicing Procedures

### Training

- Systems Training:
  - Introduction to Brokerage Software (e.g., ACE, ABI system)
  - Freight Management Systems
- Compliance Training:
  - Basic Customs Regulations and Trade Agreements (e.g., USMCA, FTAs)
  - Classification and Harmonized Tariff Schedule (HTS) Training
- Operational Training:
  - How to Prepare and Submit Customs Entries
  - Basics of Importer Security Filing (ISF)
  - Review of Incoterms® and Their Impact on Customs Duties

### Operational Instructions

- Daily entry of shipment data into brokerage software.
- Assist in document verification (commercial invoices, packing lists).
- Shadow senior staff on client communications and customs filings.
- Begin conducting basic tariff classification exercises.

### Checkpoints

- Weekly check-ins with the supervisor to review progress.
- Daily task logs for self-assessment and supervisor feedback.



# 30/60/90-Day Onboarding Plan for a Customs Brokerage Firm

## Day 31–60: Intermediate Integration

Goals: Begin handling tasks independently under supervision, deepen understanding of industry nuances.

### Mandatory SOPs to Review

- SOP for Trade Compliance Audits
- SOP for Handling Importer Security Filing Penalties
- SOP for Communication with Government Agencies (CBP, FDA, USDA)
- Client-Specific SOPs (if applicable)

### Training

- Advanced Systems Training:
  - Advanced ABI/ACE Features
  - Reporting and Reconciliation Tools
- Compliance Training:
  - Anti-Dumping and Countervailing Duties (AD/CVD)
  - Import/export licensing and documentation
  - Valuation and Duty Drawback Processes
- Operational Training:
  - Handling Exceptions and Escalations
  - Writing Responses to CBP Requests (e.g., CF28, CF29)

### Operational Instructions

- Independently complete customs entries for non-complex shipments.
- Prepare Importer Security Filings (ISF).
- Support in post-clearance audit activities.
- Begin regular client updates on shipment status.

### Checkpoints

- Bi-weekly reviews with a mentor or supervisor.
- Quality audit of customs entries and ISFs handled by the employee.
- Self-assessment against role expectations.



# 30/60/90-Day Onboarding Plan for a Customs Brokerage Firm

## Day 61–90: Independent Contribution

Goals: Perform core responsibilities independently, contribute to process improvement.

### Mandatory SOPs to Review

- Advanced Client-Specific SOPs
- SOP for Managing Escalations with CBP
- SOP for Periodic Monthly Statement (PMS) Processes

### Training

- Compliance Training:
  - Trade Remedies and Sanctions Compliance
  - Understanding Free Trade Zone (FTZ) Operations
- Operational Training:
  - Building and Managing Client Relationships
  - Advanced Tariff Classification Techniques
- Process Improvement Training:
  - Identifying Operational Bottlenecks
  - Introduction to Lean/Continuous Improvement Strategies

### Operational Instructions

- Manage customs entries for complex shipments (e.g., multi-line items, special handling).
- Communicate directly with clients for shipment resolutions.
- Participate in internal audits and propose workflow improvements.
- Begin training junior staff or assisting peers.

### Checkpoints

- Formal performance review at 90 days.
- Develop and present a mini-project or report identifying improvement areas in current processes.
- Supervisor feedback on readiness for independent task ownership.