



# Responding to CBP Inquiries: Audit Letters, RASA, “Reviews”

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• **2025 ATCC Conference** •

## Who is Looking at Your Imports?

Import Specialists

Trade Regulatory  
Audit

National Targeting  
& Analysis Center  
(NTAC)

Centers of  
Excellence and  
Expertise (CEE)

OFO Trade  
Intelligence  
Division

Homeland  
Security  
Investigators



# CBP Trade Regulatory Audit



- CBP continues to be very enforcement minded – increase in trade related investigations
- Increased focus on revenue
- Quicker assignments – streamlined audit approach
- CBP is still focused on internal controls (better have them!)

# High Focus Review Areas



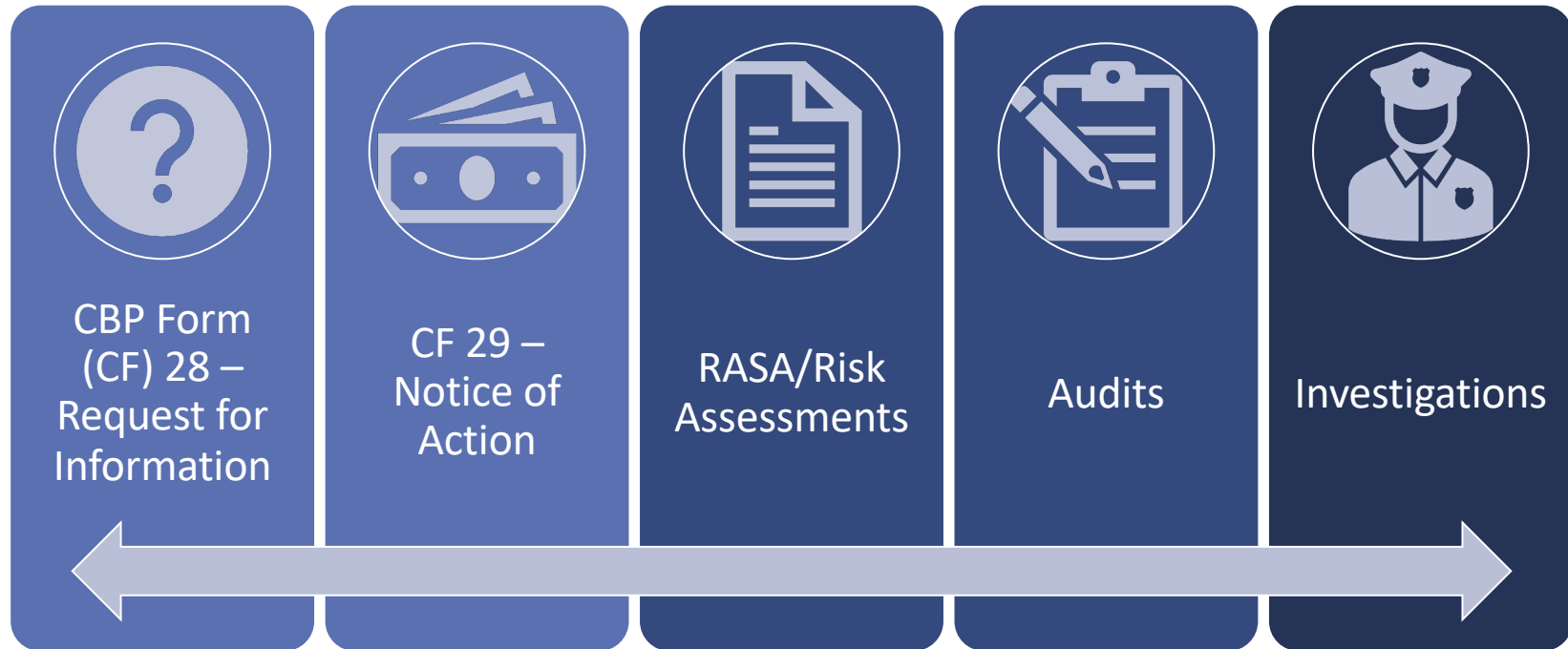
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# CBP IMPORT INQUIRIES



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## CBP Import Inquires



## CBP Import Inquiries – CBP Form 28 & 29

Requests for additional information or notice of CBP changes to identified entries.

- CF 28 used to solicit additional information about a shipment
  - May be used to request forced labor information
  - Industry targeting, one-off, or follow-up on prior issue
- CF 29 used to communicate that CBP plans to assess or has assessed additional duties.
  - Can adversely affect prior imports of same or similar items
  - May be notice of an investigation



# CBP Import Inquiries – RASA

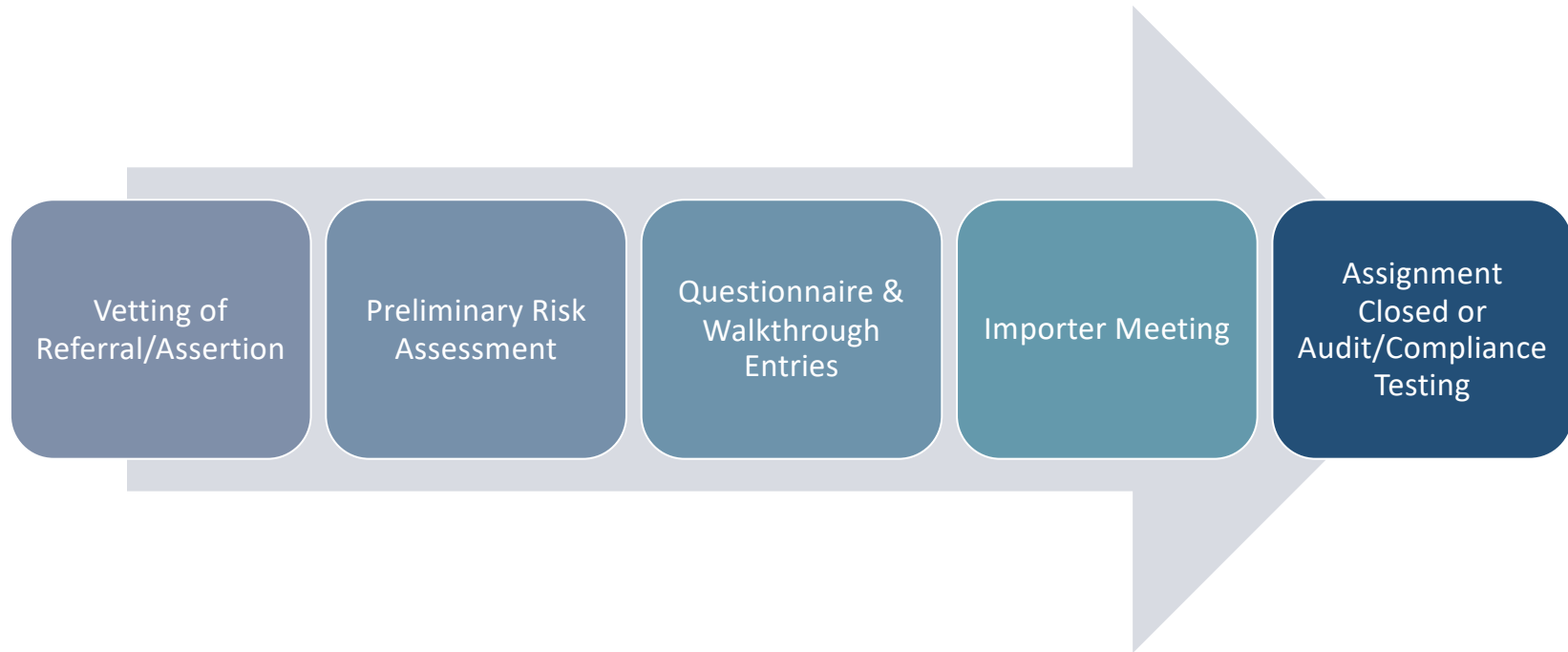
## **Risk and Analysis Survey Assessments (RASA)**

Allow CBP to quickly and efficiently evaluate importers relative to a specific area or issue, without CBP committing substantial time and resources required by an audit.

- Typically single objective
- Often used for less revenue focused assignments (e.g. Forced Labor)
- Feels like an audit but not actually an audit under 19 CFR 163.11
- Significant risks or identified non-compliance may lead CBP to start a full audit
- Comprehensive prior disclosure may preclude or delay full audit



# CBP Streamlined Audit Approach



# CBP Import Inquiries – Risk Assessment

Part of the Streamlined Audit Approach (SAA):

- Designed to determine if there are factors associated with the importer's activities warranting further consideration by CBP.
- Importer would be deemed viable for an audit if CBP identifies risk factors such as:
  - Noncompliance with relevant laws, regulations, and other criteria
  - Internal control deficiencies
  - Red flags are identified indicating noncompliance
  - Risk of fraud occurring
- Comprehensive PD may preclude or delay audit



## CBP Import Inquiries – Audits

These audits are designed to address a specific objective within a shorter (but not short) period of time.

- Result from RASA Activity or from Risk Assessment as part of SAA
- Targeted risk areas with identified risk (e.g., ADD/CVD, HTS, RP Valuation)
- Audit requirements outlined in 19 CFR 163.11
- Focus is revenue recovery with some emphasis on internal controls
- Currently most prevalent audit



## CBP Import Inquiries – Focused Assessment

Objective: To determine whether the importer's **import activities** represent an **acceptable risk** to CBP through an **assessment of its internal control** over compliance with applicable CBP laws and regulations.

- Not subject to streamlined audit approach
- Considers internal control and compliance
- Long cycle time
- Internal control reviews can be subjective
- Unacceptable risk = LOR quantification, corrective actions, and Follow-up Audit
- Low volume of active FAs



## CBP Import Inquiries – Broker Audits

Focus on broker requirements.

- Licensing - Is the broker properly licensed/permitted to transact CBP business on behalf of clients?
- Responsible Supervision & Control - Did the broker (license holder) exercise responsible supervision and control over brokerage (Thirteen Factors)?
- Powers of Attorney - Did the broker have valid powers of attorney to transact business on behalf of clients?
- Broker Billing, Payment of Duties/Fees & Refunds - Did the broker appropriately handle billing, payment of duties and fees to CBP, and client refunds?



## Investigations Conducted by CBP

- May cover a specific issue or be more general in nature
- Enforce & Protect Act (EAPA) investigations for AD/CVD evasion
- High focus on transshipment
- CBP audits or assessments can lead to Investigations
- CBP may request a significant amount of documentation for example:
  - Extensive questionnaire
  - Financial statements and general ledger information
  - Email and text correspondence
  - Transaction level documentation requests
  - Extensive requests by Non-CBP Agency likely mean CBP is Assisting



## Notice of Formal Investigation

CBP may notify an importer, orally or in writing, of the initiation of a formal investigation.  
Includes notice via CF 29.

Such notification should be taken very seriously.

Contact in-house counsel and the Import Department immediately.

Notice of a formal investigation will likely preclude the filing of a valid prior disclosure.



# STEPS FOR RESPONDING TO CBP INQUIRIES



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## STEP 1: Ensure Request is Received

- Importer should provide clear instructions to its Brokers and CBP regarding the address and contact person for CBP notices
- Establish policies for how government communications are routed internally
- ACE participants can receive and respond electronically to CBP
  - [Modernized ACE Portal – CBP Forms - QRG | U.S. Customs and Border Protection \(https://www.cbp.gov/document/guidance/modernized-ace-portal-cbp-forms-qrg\)](https://www.cbp.gov/document/guidance/modernized-ace-portal-cbp-forms-qrg)
- Common Documents and Forms

Type	Description	Response time
CF 28	Request for Information	30 days from Issuance
CF 29	Notice of Action or Proposed Action	20 days from Issuance



# Step 2: Understand Request – CF 28

DEPARTMENT OF HOMELAND SECURITY U.S. Customs and Border Protection		OMB No. 1551-0023 Exp. 05-30-2016	
<b>REQUEST FOR INFORMATION</b> 19 CFR 151.11		1. Date of Request	
		2. Date of Entry and Importation	
3. Manufacturer/Origin/Shipper	4. Carrier	5. Entry No.	
5a. Invoice Description of Merchandise		5b. Invoice No.	6. HTSUS Item No.
7. Country of Origin/Exportation		8. CBP Broker and Reference or File No.	
9. TO:		10. FROM:	
Production of Documents and/or Information Required by Law: If you have provided the information requested on this form to U.S. Customs and Border Protection at other ports, please indicate the port of entry to which it was supplied, and furnish a copy of your reply to this office, if possible.		11a. Port	11b. Date Information Furnished
General information and instructions			
12. Please Answer Indicated Question(s)		13. Please Furnish Indicated Item(s)	
<input type="checkbox"/> A. Are you related (see reverse) in any way to the seller of this merchandise? If you are related, please describe the relationship, and explain how this relationship affects the price paid or payable for the merchandise.		<input type="checkbox"/> A. Copy of contract (or purchase order and seller's confirmation thereof) covering this transaction, and any revisions thereto.	
<input type="checkbox"/> B. Identify and give details of any additional costs/expenses incurred in this transaction, such as: <input type="checkbox"/> (1) packing <input type="checkbox"/> (2) commissions <input type="checkbox"/> (3) proceeds that accrue to the seller <input type="checkbox"/> (4) assists <input type="checkbox"/> (5) royalties and/or license fees		<input type="checkbox"/> B. Descriptive or illustrative literature or information explaining what the merchandise is, where and how it is used, and exactly how it operates. <input type="checkbox"/> C. Breakdown of components, materials, or ingredients by weight and the actual cost of the components at the time of assembly into the finished article. <input type="checkbox"/> D. Submit samples: Article number and description _____ _____ from container _____ mark(s) and number _____ Samples consumed in analysis, and other samples whose return is not specifically requested, will not normally be returned. <input type="checkbox"/> E. See item 14 below.	
14. CBP Officer Message			
15. Reply Message (Use additional sheets if more space is needed.)			
16. It is required that an appropriate corporate/company official execute this certificate and/or endorse all correspondence in response to the information requested. (NOTE: NOT REQUIRED IF FOREIGN FIRM COMPLETES THIS FORM.)			
I hereby certify that the information furnished herewith or upon this form in response to this inquiry is true and correct, and that any samples provided were taken from the shipment covered by this entry.		16a. Name and Title/Position of Signer (Owner, Importer, or Corporate/Company Official)	16b. Signature
		16c. Telephone No.	16d. Date
17. CBP Official	18. Team Designation	19. Telephone No.	
20. Fax No.	21. Email		

Related Party? →

Value Additions? →

Classification

← Other Information



## Step 2: Understand Request – CF 29

- Action Taken – Once CBP indicates that Action has been taken, any increase in duties can only be addressed via protest
- Action Proposed – When CBP indicates Action proposed, the importer is given 20 days to convince CBP that the proposed action is unfounded.
- A notice of action can adversely affect prior imports of same or similar items.
- Depending on language used in form, CF-29 can preclude importer from filing a Prior Disclosure.

DEPARTMENT OF HOMELAND SECURITY U.S. Customs and Border Protection				
NOTICE OF ACTION 19 CFR 152.2				
This is NOT A Notice of Liquidation				1. DATE OF THIS NOTICE
2. CARRIER	3. DATE OF IMPORTATION	4. DATE OF ENTRY	5. ENTRY NO.	
6. MFR/SELLER/SHIPPER	7. COUNTRY	8. CBP BROKER AND FILE NO.		
9. DESCRIPTION OF MERCHANDISE				
10. TO		11. FROM		
12. THE FOLLOWING ACTION, WHICH WILL RESULT IN AN INCREASE IN DUTIES, ---				
<input type="checkbox"/> IS <b>PROPOSED</b>		▶ IF YOU DISAGREE WITH THIS PROPOSED ACTION, PLEASE FURNISH YOUR REASON IN WRITING TO THIS OFFICE WITHIN 20 DAYS FROM THE DATE OF THIS NOTICE. AFTER 20 DAYS, THE ENTRY WILL BE EITHER LIQUIDATED AS PROPOSED OR CHANGED AS PROPOSED.		
<input type="checkbox"/> HAS BEEN <b>TAKEN</b>		▶ THE ENTRY IS IN THE LIQUIDATION PROCESS AND IS NOT AVAILABLE FOR REVIEW IN THIS OFFICE.		
<b>TYPE OF ACTION</b>		A. <input type="checkbox"/> RATE ADVANCE B. <input type="checkbox"/> VALUE ADVANCE C. <input type="checkbox"/> EXCESS <input type="checkbox"/> WEIGHT <input type="checkbox"/> QUANTITY D. <input type="checkbox"/> OTHER (See below)		
13. EXPLANATION (REFER TO ACTION LETTER DESIGNATIONS ABOVE)				

## Step 2: Understand Request – RASA or Audit



U.S. Customs and  
Border Protection

### Review Engagement Letter or Email & Questionnaire to Determine:

- What type of review will be conducted?
- What areas will CBP focus on?
- What is the review objective?
- What entry timeframe will be covered?

September 19, 2024

[REDACTED]

Dear Mr. [REDACTED]:

U.S. Customs and Border Protection (CBP) initiated a risk assessment of [REDACTED] to determine if there are factors associated with antidumping/countervailing duty (ADCVD), classification, Section 301, and valuation of merchandise entered under tariff numbers [REDACTED] warranting further consideration by CBP.

We identified factors warranting further consideration by CBP, and the risk assessment will proceed to an audit in accordance with 19 Code of Federal Regulations (C.F.R.) § 163.11(a). [REDACTED]

The audit objective(s) will be to determine the extent of compliance with CBP laws and regulations pertaining to ADCVD, basis of appraisement, Section 301 duty, and value. We will determine any loss of revenue. [REDACTED]

Our office will contact you in the near future to schedule an entrance conference at which time we will discuss the audit objectives, approach, and reporting process, and we will provide an estimated completion date for the audit.



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CUSTOMS COMPLIANCE CONSULTANTS

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## Step 2: Understand Request - Forced Labor RASA

This purpose of this letter is to follow-up regarding the commencement of a Risk and Analysis Survey Assessment (RASA) of [REDACTED] by U.S. Customs and Border Protection (CBP).

The objective of the RASA is to obtain an understanding of the processes [REDACTED] has in place to address forced labor in the supply chain, and to inform [REDACTED] of its responsibilities as importer of record and provide informed compliance information with respect to entering merchandise pursuant to Title 19 United States Code (U.S.C.) § 1484.

We have enclosed two questionnaires. Enclosure 1 is a procedural questionnaire to obtain information about your importing activities. Enclosure 2 is a transactions questionnaire to obtain specific information on two walkthrough entries: [REDACTED]

[REDACTED] Please complete the questionnaires and provide your responses by [REDACTED]

[REDACTED]. We will periodically follow-up with you to monitor the status of the questionnaire, answer any questions that may arise.

A team of CBP personnel will virtually meet with [REDACTED] representatives to discuss the responses to the questionnaires. This meeting is performed under the authority of Title 19 U.S.C. § 1509(a).

## STEP 3: Assess Impact – CF 28/29

### Avoid Unintended Disclosures of Adverse Information

- Requests for technical information to verify tariff classification or products should be reviewed carefully with Licensed Broker or tariff classification expert before submitting a response
- Request for value information: related party, additions to value, contracts and agreements, etc. Information should be reviewed by both company financial manager and Licensed Broker or valuation expert before submitting response
- Review all elements of documentation provided, not only specific issues identified by CBP
- Assess scope and impact of any identified non-compliance



## STEP 3: Assess Impact – RASA or Audit

### Questionnaire

- Review Questionnaire to Confirm Areas of Review
- Assess Program Risk
- Identify Resources Needed to Respond

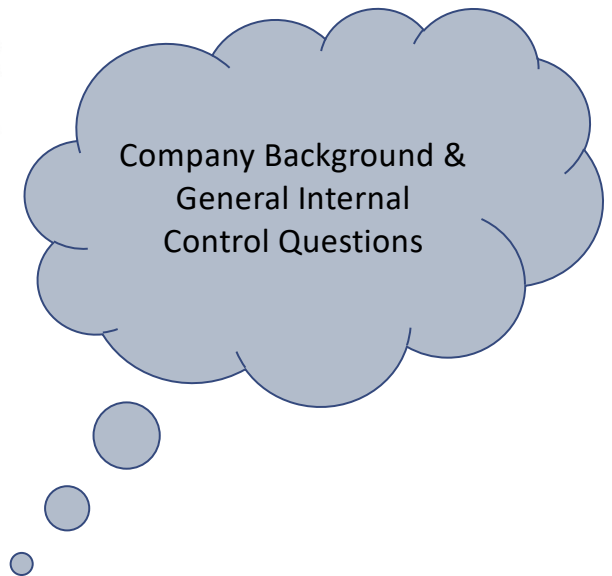
### Walkthrough Entries

- Gather Requested Documents
- Review For Non-Compliance
- Evaluate Potential Loss of Revenue Exposure



## STEP 3: Assess Impact – Audit Questionnaires

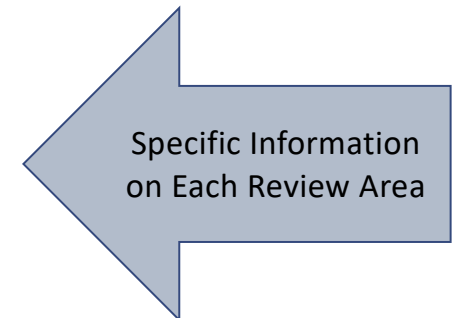
Section 1 - Information about [name of importers]'s organization and policy and procedures pertaining to CBP activities	
1.1	Describe the company's mission statement, code of ethics/conduct, and company's objectives?
1.2	Who is responsible for assessing the risks to achieving the company's objectives? <i>Indicate if there is a subgroup or individual responsible for assessing the risk for being noncompliant with CBP laws and regulations.</i>
1.2.1	Describe how the risk assessment is accomplished. <i>Indicate, for example, when/how often the risk assessment is performed, what information is used, what thresholds/tolerances the company considers to be acceptable.</i>
1.2.2	When was the last risk assessment performed? <i>Describe any significant changes that were made as a result of the risk assessment.</i>
1.3	Who, within your company, has overall responsibility for ensuring compliance with CBP laws and regulations? <ul style="list-style-type: none"> <li>• <i>Indicate if there is an import function or department and describe the chain of command (e.g., identify who they report to).</i></li> <li>• <i>Alternately, your company may entrust compliance to a Customs broker, Customs consultant, or other outside agent. Identify them and indicate who within your company (i.e., individuals or groups) is/are responsible for interacting with the broker, consultant, or other outside agent (i.e., providing information to them and monitoring their work).</i></li> </ul>





## STEP 3: Assess Impact – Audit Questionnaires

For risk pertaining to statutory additions	
2.6	<u>Assists</u>
2.6.1	If applicable, describe the type of assists that are provided to the foreign vendors for free or at a reduced cost (e.g., tooling, hangtags, art or design work).
2.6.2	Who decides (or determines) that the assists will be provided? <i>Identify all individuals or groups/departments that are involved in the decision.</i>
	<ul style="list-style-type: none"> <li>• When is it decided that the assists will be provided?</li> <li>• What accounts are used to record the costs of the assists?</li> </ul>
2.6.3	Describe the procedures used to ensure that the costs of the assists are included in the values declared to CBP. <i>Indicate who decides how the actual cost of the assist will be apportioned to the imported items and explain how the apportioned cost is tracked.</i>



# STEP 3: Assess Impact – Walkthrough Transactions

## Walkthrough Transactions

An objective of the entrance conference is to walk through [REDACTED] policies and procedures as they relate to CBP activities and compliance by reviewing various transactions chosen in advance. The transactions listed below have been chosen for that purpose:

Entry Number	Entry Date	Line Number	Manufacturer Identification Number	Tariff Ordinal Number	HTS Number	Declared Value	Estimated Duty
[REDACTED]	[REDACTED]	1	[REDACTED]	1	99038803	\$0.00	\$4,652,830.50
				2	7312109090	\$18,611,322.00	\$0.00

- A. For each walkthrough entry listed above, please provide a description and/or flowchart of [REDACTED] import activities and evidence that supports the following procedures:
- a. Purchase of Foreign Merchandise such as:
    - i. Any communication concerning this order between [REDACTED] and the manufacturer/supplier;
    - ii. Purchase Order(s); and
    - iii. Any relevant contracts or agreements between [REDACTED] and the manufacturer/supplier;
  - b. Evidence of Import Activity, such as:

- i. CBP-3461 (Entry/Immediate Delivery);
  - ii. CBP-7501 (Entry Summary);
  - iii. Commercial Invoice(s);
  - iv. Packing List(s);
  - v. Transportation documents such as bill of lading complete from the declared country of origin;
  - vi. Communication in any format concerning this shipment between [REDACTED] and the Customs Broker;
- c. Evidence to Support the Declared Classification, such as mill certificates, CAD / Engineering drawings, physical samples, prints or pictures of the imported merchandise, technical brochures, schematics, sketches, descriptive literature, operating manuals, formulas, etc.;
- d. Evidence to Support the Declared Values, such as:
- i. Documentation supporting the declared value if a basis of appraisalment other than transaction value was used;
  - ii. Payments made to foreign vendor(s) for the imported merchandise (e.g. third-party bank record(s), letter of credit, wire transfer, journal entries, credit card, checks, etc.);
  - iii. List the general ledger account numbers used to record payments related to the imported merchandise (payments include invoiced amounts for imported merchandise received, freight and brokerage charges, variances, packaging fees, commissions, assists, etc.);
  - iv. Documentation supporting and communication in any format concerning additions to the declared value (selling commissions, royalties and license fees, assists, packing costs, proceeds, etc.);
  - v. Documentation supporting and communication in any format concerning deductions from the declared value (freight and insurance bills, commercial invoices, proof of payment, etc.);

## STEP 3: Assess Impact – Forced Labor Questionnaire

### Imported Product Questions

2. Describe how your imports, including [REDACTED] are made, from raw materials to finished goods, by whom, where, and under what labor conditions:
  - a. Map your supply chain, from cultivation/extraction of raw materials to export shipment.
  - b. Identify the manufacturers and suppliers for each step (include entity names and addresses). Also, identify all entity name changes, if applicable.
  - c. Identify the country or countries for each step.
  - d. Describe how labor is secured at each of the manufacturers/suppliers (e.g., migrant workers, direct hire, labor brokers, temporary workers, etc.). If labor brokers are used, indicate if part of a government program, student internship, or regular labor broker.
  - e. Indicate whether sourced labor is procured by the manufacturer/supplier independently or with government assistance.
  - f. Describe and/or provide any information on the manufacturer/supplier's employment contracts for its employees.
  - g. Define the documents maintained to trace the imported product from the manufacturers/suppliers into the shipment and ultimate entry declared to Customs.



## STEP 3: Assess Impact - Forced Labor Walkthroughs

### Transactional Questionnaire

*Please fill out this questionnaire for each individual walkthrough Entries:* [REDACTED]

#### **I. Requests from Manufacturer (Actual Manufacturer and not Supplier):**

- 1) **Product and Facility Audits / Inspections Reports**
  - a. Manufacturing plant certification and any audit/inspection reports to include compliance reports associated with global standards
- 2) Production and Manufacturing Support to include:
  - a. **Name and address of manufacturer of selected product**
  - b. Factory Profile.
    - i. Production capabilities and its capacity
    - ii. Number of employees and employment contracts
    - iii. Turnaround time on orders
    - iv. Names of factory owner(s) and all other corporate officer(s) information
    - v. Labor recruitment policies and procedures. Including grievance resolution procedures.
  - c. Production reports detailing date in which production began for the imported product and the raw materials used in production.
  - d. **Transportation records related to receipt of raw materials used in production.**
  - e. Bill of materials (BOM)/invoices of the raw materials used in production.
  - f. **Certificate of origin certifications, invoice or manufacturers' affidavits, and receiving report demonstrating delivery of the raw materials used in the production of the good.** Manufacturers' affidavits should state where the raw materials are manufactured/harvested and sourced from.

## STEP 4: Inform Management

### CF 28 & 29 Activity

Inform management of any significant non-compliance

Explain risk of additional CBP scrutiny

Outline financial impact on historical and future entries

Discuss options for mitigating risk (PSC, Prior Disclosure, etc.)

### RASA/Audit Activity

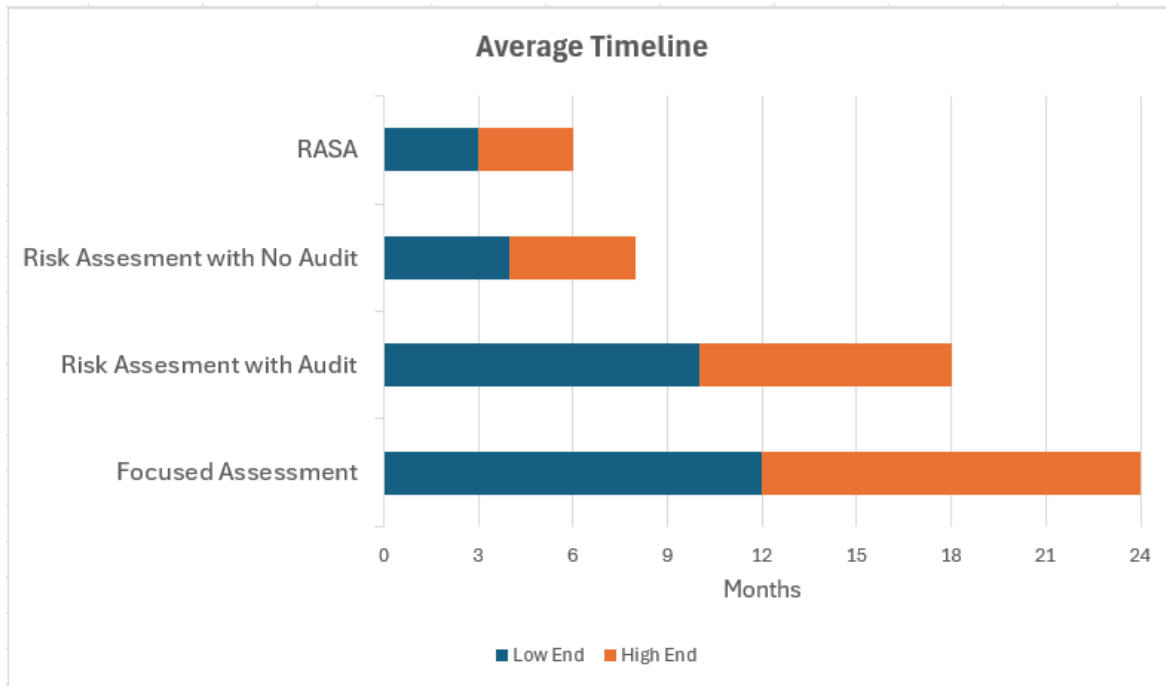
Explain scope of review

Inform management that significant resources will likely be required

Outline any identified areas of non-compliance

Discuss whether outside Trade Counsel or Experts are needed

## STEP 4: Inform Management - Timeline



## STEP 5: Prepare Response – General Tips

Commit adequate resources to respond to CBP requests

Review all documents/data before submitting to CBP  
(look at all risk areas not just the one under audit)

Answer questionnaire thoroughly

Be careful NOT to offer up more info and documents than requested

Be professional, not adversarial with the CBP Officers

## STEP 5: Prepare Response – RASA/Audit Tips

Help CBP understand your internal controls during walkthrough presentation

Provide requested information during onsite visits to avoid questions later

Always know who is coming to onsite meetings: Import Specialist, Special Agent, AFD, etc.

Do not say YES to all CBP requests, make sure they are reasonable and within the scope of the engagement, and in writing

Don't let CBP design a statistical sample or quantify LOR for you





## Step 6 – Take Action

### 1. Apply for an ACE Account to Access Import Data

- ACE Access is Free
- Application Must Be Signed by Corporate Officer
- <https://www.cbp.gov/document/guidance/ace-secure-data-portal-account-application>

### 2. Conduct a Comprehensive Risk Assessment

- Classification/Section Duties
- Value
- ADD/CVD
- FTA/Special Duty Provisions
- Forced Labor



## Step 6: Take Action

### 3. Review Sample Transactions

- Target samples based on risks
- Identify any potential discrepancies
- Assess impact of discrepancies

### 4. Conduct General Ledger Testing

- Coordinate with Accounting & Finance
- Look for accounts containing potential value additions
- Test transactions to identify unreported value



## Step 6: Take Action

### 5. Evaluate Your Internal Control Program

- Do you have a system of internal controls?
- Are controls written and documented?
- Are all five components of Internal Control covered?
- Do written controls align with current activities?

### 6. Develop & Implement Corrective Actions


- Conduct root cause analysis
- Develop controls to address identified weaknesses

### 7. Obtain Legal & Consulting Assistance if Needed

### 8. Consider Prior Disclosure if Errors are Identified



# Compliance Resources



<a href="#"><u>Focused Assessment Pre-Assessment Survey Audit Program and Questionnaire</u></a>
<a href="#"><u>CBP Informed Compliance Publications</u></a>
<a href="#"><u>CBP Directives and Handbooks</u></a>
<a href="#"><u>CBP Forced Labor Website</u></a>
<a href="#"><u>ACE and Automated Systems</u></a>

# DELEON TRADE LLC

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