

CUSTOMS & QUARANTINE AGENCY

"FIRST LINE OF DEFENSE"



CITIZEN CENTRIC REPORT

2016

PROTECTING OUR ISLAND, OUR PEOPLE,
AND OUR RESOURCES

WWW.CQA.GUAM.GOV





Mission Statement

The Customs and Quarantine Agency (CQA), is the “First Line of Defense” for the island of Guam. CQA enforces hundreds of laws and regulations both local and federal, and is responsible for protecting borders, securing ports of entry, and facilitating trade, commerce, and travel. The mission of the Agency is to improve trade facilitation and protect the people of Guam.



Message from the Director



James T. McDonald
Director

Håfa Adai,

In Fiscal Year 2016, we continue to see record setting numbers of visitor arrivals thereby bringing in a continued source of revenue to support our operation.

As Guam's economy grows, the CQA continues to strive toward providing Guam with better protection against contraband and biosecurity threats while facilitating legitimate travel and trade.

We expect the 2017 to be as rewarding so that we may continue to further develop policy and practices to better secure our island community and service our visitors.

James T. McDonald
Director



Operational Structure & Demographics

116 Uniformed CQA Officers
18 Civilian Support Personnel

Airport Operations

50 Uniformed CQA Officers
1 Civilian Support Personnel

Special Enforcement Operations

32 Uniformed CQA Officers
1 Civilian Support Personnel

Maritime/Air Cargo Operations

18 Uniformed CQA Officers
3 Civilian Support Personnel

Administrative Operations

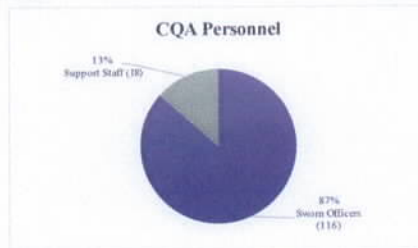
1 Uniformed CQA Officer
8 Civilian Support Personnel

Logistics & Support Operations

11 Uniformed CQA Officers
2 Civilian Support Personnel

Director's Office

4 Uniformed CQA Officers
3 Civilian Support Personnel



	2011	2012	2013	2014	2015	2016
Sworn Officer	121	123	120	143	128	116
Support Staff	18	18	19	29	16	18
Total	139	141	139	172	144	134

Finance

CQA generates its revenues through the collection of fees. These fees are intended to recover the costs of services for customs operations mandated by local and federal law.

The CQA Passenger Inspection Fee applies to air passengers arriving at the Antonio B. Won Pat International Air Terminal and to passengers arriving via vessel at the Port Authority of Guam. At the airport, the fee is part of each passenger's airline ticket, collected by the Guam International Airport Authority, and deposited into the Government of Guam's Customs Inspection Fund.

The CQA Cargo Inspection Service Fee applies to all shipments imported into Guam at the Integrated Air Cargo Facility and the Commercial Port. These fees are collected daily and likewise deposited into the Government of Guam's Customs Inspection Fund.

Revenue	FY 2014	FY 2015	FY 2016
Interest Income	\$ 93.25	\$ 93.18	\$ 139.33
Passenger Inspection Fee (GIAA)	\$ 8,671,929.67*	\$ 11,976,513.26	\$ 12,669,323.49*
Passenger Inspection Fee (Port Authority)		\$ 26,738.13	
Cargo Inspection Fee (GIAA)	\$ 82,521.67**	\$ 230,668.44	\$ 892,015.37**
Cargo Inspection Fee (Air Cargo)		\$ 69,563.28	
Cargo Inspection Fee (Port Authority)		\$ 636,943.37	
Other Payments	\$ 35,366.80	\$ 20,407.62	\$ 1,898.70
Fiscal Year Revenue	\$ 8,789,911.39	\$ 12,960,927.30	\$ 13,563,376.89

* Passenger Inspection Fees of GIAA and Port Authority for are combined under "Passenger Inspection Fee (GIAA)."

** Cargo Inspection Fees of GIAA, Air Cargo, and Port Authority for are combined under "Cargo Inspection Fee (GIAA)."

Expenditures	FY 2014	FY 2015	FY 2016	
Personnel Services	Regular	\$ 5,026,033.54	\$ 7,313,150.58	\$ 6,882,301.98
	Overtime	\$ 0.00	\$ 4,411.26	\$ 53,252.83
	Benefits	\$ 29,536.25	\$ 2,763,347.41	\$ 2,500,427.94
	Insurance Benefits (Medical, Dental, Life)	\$ 0.00*	\$ 0.00*	\$ 0.00*
	Fiscal Year Personnel Services Expenditure	\$ 5,055,569.79	\$ 10,080,909.25	\$ 9,345,982.75

* No appropriations for FY Budget.

	FY 2014	FY 2015	FY 2016	
Operations	Travel	\$ 0.00	\$ 0.00	\$ 0.00
	Contractual Services	\$ 355,288.66	\$ 421,905.93	\$ 337,852.21
	Office Space Rental	\$ 1,955,412.48	\$ 2,758,755.34	\$ 2,879,133.64
	Supply & Material	\$ 91,403.54	\$ 105,899.48	\$ 79,447.33
	Equipment	\$ 0.00	\$ 14,044.00	\$ 9,991.22
	Miscellaneous	\$ 60,811.46	\$ 54,330.00	\$ 51,070.00
	Utilities	\$ 105,339.56	\$ 114,953.35	\$ 101,683.10
	Prior Year Retirement Contribution (MLWOP)			\$ 536,612.00
	Fiscal Year Operations Services Expenditure	\$ 2,568,255.70	\$ 3,469,888.10	\$ 3,995,789.50

Performance Measurement

The Customs and Quarantine Agency's is charged with ensuring our island, people, and resources are protected as our economy and industries grow as we facilitate commerce and travel.

Charged with securing all Guam's ports of entries, the CQA is divided into three divisions, all of which were created to support one: The Inspection and Control Division, the Special Enforcement Division, and the Logistics and Support Division.

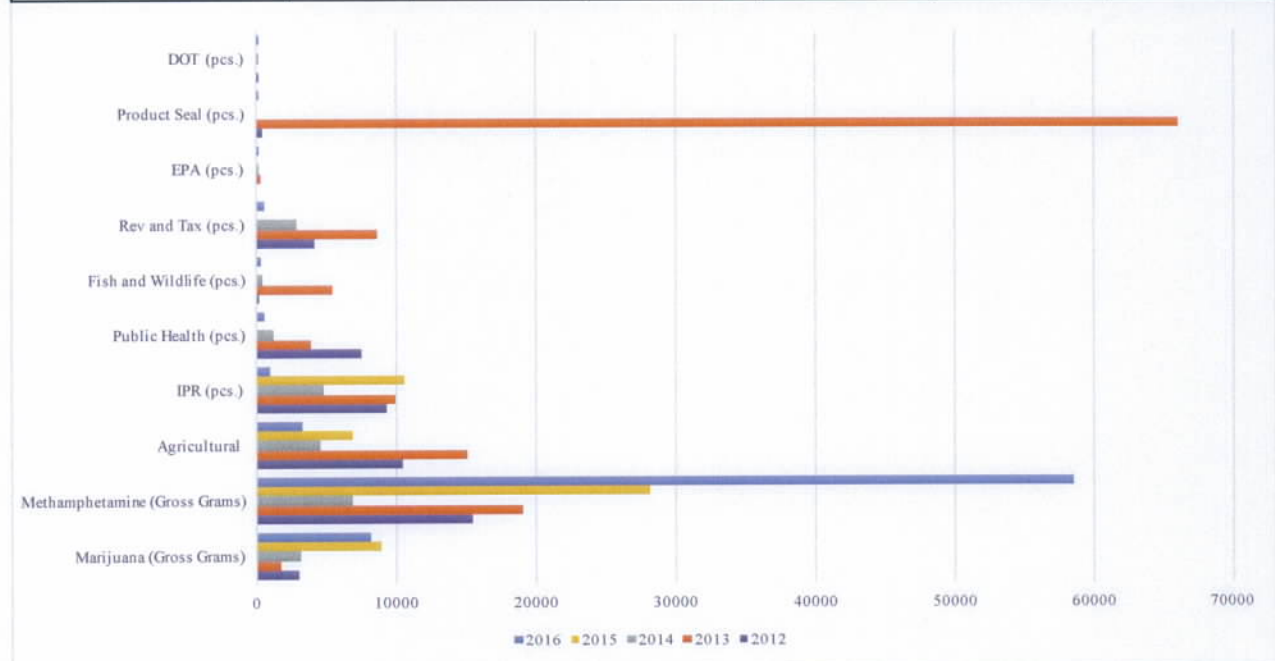
Therefore, the CQA measures its performance by the following:

- (1) The number of passengers inspected and cleared; and
- (2) Interdictions of pests, diseases, drugs, criminals, counterfeit and unsafe goods, bioterrorism and terrorists.

The following data spans five years and gives a glimpse into the various laws and regulations we enforce at the border as well as an idea of how much is seized in a typical year.

Seizures

	2012	2013	2014	2015	2016
Marijuana (GG)	2,969	1,739	3,041	8872.79	8,073.45
Methamphetamine (GG)	15,394.8	19,023	6,833	28,082.1	58,442.21
Agriculture	10,353	14,891	4,557	6,786.5	3,240
Intellectual Property Rights	9,185	9,933	4,724	10,544	887
Public Health	7,471	3,890	1,153	N/A	580
U.S. Fish & Wildlife	145	5,412	348	N/A	237
Department of Revenue and Taxation	4,168	8,544	2,820	N/A	482
EPA	N/A	320	37	0	119
Guam Product Seal	439	66,000	0	0	103
Department of Transportation	24	0	8	0	3



Challenges

Manpower

The Agency has only 116 Uniformed Officers and 18 Civilian Staff. 50 uniformed officers were staffed at the Antonio B. WonPat International Air Terminal to facilitate the entry of 1.5 million visitors to Guam (according to the OPA's GVB FY 2016 financial highlights). According to a rudimentary study conducted a few years ago, successfully security of our borders requires 100 officers per 1.6 million visitors annually. The current shortage of Customs Officers affects our ability to effectively protect our island community against:

- (1) Illegal narcotics and drugs (Methamphetamine, Ecstasy, Cocaine, and Marijuana)
- (2) Biosecurity threats (i.e.: Influenza, Foot and Mouth Disease)
- (3) Communicable diseases (i.e.: Ebola, Hepatitis A, Tuberculosis, and Zika)
- (4) Invasive species (i.e.: Coconut Rhinoceros Beetle, Greater Banded Hornet, and the Little Fire Ant)

Customs Data System

The Customs and Quarantine Agency has no digital database in which to collect, store, process, analyze, or query information. As customs administrations within the region continue to develop and progress with support from larger nations such as Australia, New Zealand, and France, the CQA has continued to fall behind the digital curve. In 2014, CQA was awarded a federal grant to develop a Customs Management Information System. The Agency intends to pursue the ASYCUDA system which is currently used by other customs administrations in the region.

Rent

According to the OPA's Executive Summary, Analysis of Government of Guam Leases, Report No. 17-02, "The Guam Customs and Quarantine Agency (CQA) had the highest annual lease cost for office space at \$2.8M, nearly 82% more than the second highest agency. The most significant of these leases is for a 29,347 sq. ft. office/inspection area [GIAA] with an annual lease cost of 2M."

Funding

The CQA's Customs, Agriculture and Quarantine Inspection Service Charge (CAQISC) Program began in 1996 with support from the Federal Aviation Administration, Department of Transportation upon their determination that the program did not violate the Anti-Head Tax Act as long as revenue collected by the GIAA were remitted to the CQA for services provided by the CQA and any over collection of funds was remitted back to the airlines. Furthermore, program legislation created a Special Fund for CAQISC revenue. The program therefore provides the Agency a mechanism to charge inspection fees to recoup the cost of operation, enabling the Agency to self-sustain so that it was no longer dependent on the general fund to operate.

With the theoretical ability to self-sustain, the Agency is currently looking for support in realizing the benefits the program offers by streamlining its processes so that rate adjustments better reflect operational costs annually.

Legislation

The CQA's enabling legislation was last modernized in 1994. Since then, the Agency has had over 20 years to identify areas for reform to better facilitate and accomplish the mission.

Future Outlook

Hiring CQA Officers: Approximately 170 by FY 2018.

Successful implementation of a modernized CQA Passenger Inspection Fee process to more efficiently recover operational costs associated with CQA services.

CQA was awarded \$625,000.00 to develop a Customs Management Information System which will move our processes from a manual based operation into a digital one and allow the Agency to focus resources on safety and security at the borders.

Promotions for CQA Personnel.

Agency promotions per rank:

- 7/2006 - Promotions for Officer III
 - Promotions for Lieutenants
- 9/2006 - Promotions for Officer III
 - Promotions for Lieutenants
 - Promotions for Major
- 8/2008 - Promotions for Officers II
- 9/2010 - Promotions for Lieutenants

CQA seeks to adjust its pay scale to become comparable with other law enforcement entities thereby reducing the rate of attrition.

CQA seeks to secure funding toward building a Customs House. This area will provide a centralized containerized freight inspection area and house all administrative offices, Air Cargo, Detector Dog Units, Warehouse, Property/Evidence Facility, and additional offices as necessary.

CQA entered into an Interagency Biosecurity Work plan with the Department of Agriculture toward heightening the established agricultural biosecurity effort. The goal is to improve Guam's protection against dangerous or invasive species and disease, and to effectively prevent, respond, contain and eradicate agricultural threats.

CQA and the Port Authority of Guam Police entered into a Memorandum of Agreement to coordinate and concentrate activities toward the detection of contraband, illegal weapons, and illicit substances aboard maritime conveyances.

With tourism as Guam's main industry, CQA looks to continuously improve on its services to ensure the safety of all visitors and residents against threats such as pandemic diseases, drugs, and biosecurity treats.

CQA seeks to effectuate the following legislation:

- Legislation to support the requirement of submitting documents and data into the CMIS.
- Legislation to support CQA's direct collection of fees and authority to manage its own funds.
- Legislation that articulates the customs authority at all ports of entry.
- Legislation to hire officers and additional support every year until an adequate staffing pattern is reached.

CQA in the Community

CQA participates in community outreach programs to help assist individuals and entities as part of its community involvement efforts. For FY 2016, CQA was involved in the following:



CQA participated in the 2016 Annual Relay for Life Event, held at the George Washington High School Field.



In 2016, CQA participated in the Adopt a School Program by repairing, repainting, water blasting, and preparing the Agana Heights Elementary School's campus in anticipation of the starting school year and return of students.



CQA participated in the November 2015 National Preparedness Month sponsored by the Guam Homeland Security/Office of Civil Defense. Officers from the CQA Detector Dog Unit conducted an exhibition and demonstration utilizing Narcotic Detector Dogs.



Many CQA divisions actively participate in numerous community outreach programs which involve demonstrations conducted at Guam public schools as an educational effort to promote anti-drug awareness amongst students at all grade levels.



CQA participated in Red Ribbon Week in October of 2015.