November 7, 2019

The Honorable Shelley Moore Capito  
Chairwoman  
The Honorable Jon Tester  
Ranking Member  
Subcommittee on Homeland Security  
Committee on Appropriations  
United States Senate  

The Honorable Lucille Roybal-Allard  
Chairwoman  
The Honorable Chuck Fleischmann  
Ranking Member  
Subcommittee on Homeland Security  
Committee on Appropriations  
House of Representatives  

Antidumping and Countervailing Duties: Information on Actions by Commerce and CBP to Address Reported Weaknesses in Duty Collection Processes

The United States assesses antidumping (AD) duties on products imported at unfairly low prices and countervailing (CV) duties on products subsidized by foreign governments to address injury to domestic industries. The U.S. system for determining AD/CV duties involves the setting of an initial estimated duty rate upon the entry of goods into U.S. commerce, followed by the retrospective assessment of a final duty rate. The Department of Commerce (Commerce) sets an initial estimated AD/CV duty rate, based on a calculation of the estimated margin of dumping or the estimated amount of subsidy, and later determines a final duty rate based on the actual amount of dumping or subsidization that occurred. U.S. Customs and Border Protection (CBP) is responsible for collecting the estimated duties owed at the time of entry, which are based on the initial rate.

Once Commerce assesses the final duty rate, which can occur, at the earliest, during the anniversary month of the initial rate setting, CBP either sends the importer a supplemental bill (when the final duty rate exceeds the initial duty rate), provides a refund (when the final duty is less than the initial duty), or does not issue a bill or a refund (when the final duty is the same as the initial duty). The amount that an importer may ultimately be billed can significantly exceed what the importer pays when the goods enter the country.

In 2016, we reported that CBP continued to face challenges collecting payment on supplemental AD/CV duty bills, attributable in part to the U.S. government’s retrospective assessment of final duties owed and the complex and lengthy process for determining final
AD/CV duty rates.\(^1\) According to Commerce, the United States is the only major user of AD/CV duty trade remedies that implements a retrospective system of duty assessment.

The Conference Report accompanying the Consolidated Appropriations Act, 2019 (Pub. L. No. 116-6) included a provision for GAO to conduct a study on the U.S. retrospective AD/CV duty system, among other things.\(^2\) This report identifies (1) the government-reported weaknesses of Commerce’s efforts to set AD/CV duty rates, and any steps the agency has taken to address these weaknesses; and (2) the government-reported weaknesses of CBP’s efforts to minimize uncollected AD/CV duties, and any steps the agency has taken to address these weaknesses. In September 2019, we provided briefing slides to your staff on the preliminary results of our work. This report formally transmits our briefing slides and communicates the final results of our work (see enclosure).

In summary, we identified some steps that Commerce and CBP had taken to address weaknesses identified in GAO and Inspectors General (IG) reports, but found that CBP needs to continue in its efforts to mitigate uncollected duties. Specifically, Commerce has made changes to its quality assurance processes to improve the accuracy of its AD/CV duty rates, but continues to have calculation errors that require amended duty rate determinations, which the agency attributes to historically high workloads, loss of experienced staff, and little increase in overall staff levels. According to Commerce officials, calculation errors are generally identified during the 30-day period in which industry stakeholders can review duty rate calculations and final rates are corrected before liquidation instructions are sent to CBP. CBP has taken steps to mitigate AD/CV duty nonpayment risk through different types of bonding, but needs to continue working to strengthen its liquidation process and operationalize its risk model to identify high-risk importers and adjust bond amounts.

To address our audit objectives, we performed an internet search to identify U.S. government reports on the U.S. AD/CV duty system published since 2014, and identified six reports published by the IGs of Commerce and the Departments of Homeland Security (DHS) and the Treasury (Treasury), as well as GAO. We reviewed these audit reports and identified three, including a 2016 GAO report, that focus on weaknesses in U.S. government processes related to minimizing uncollected AD/CV duties.\(^3\) We reviewed these three reports to identify reported weaknesses in Commerce’s AD/CV duty rate-setting process and CBP’s AD/CV duty collection process. To identify the status of the reports’ recommendations to address these weaknesses, we reviewed agency documents and interviewed Commerce and CBP officials, as well as IG officials who had conducted these audits. Additionally, we searched CBP’s website for Commercial Customs Operations Advisory Committee (COAC) reports published since 2015 to identify recommendations the committee had made to improve CBP’s AD/CV duty collection.


processes.\(^4\) To identify steps that CBP reported taking to address the COAC’s recommendations, we reviewed CBP annual reports to Congress and interviewed CBP officials and industry representatives who were members of the COAC AD/CV Duty and Bond Working Groups.

We conducted this performance audit from March 2019 to November 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**Agency Comments**

We provided a draft of this report to Commerce, DHS, and Treasury for review and comment. Commerce and DHS provided technical comments only, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees and the Secretaries of Commerce, DHS, and Treasury. In addition, the report is available at no charge on the GAO website at [http://www.gao.gov](http://www.gao.gov).

If you or your staff have any questions about this report, please contact me at (202) 512-8612 or gianopoulousk@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. In addition to the contact named above, Christine Broderick (Assistant Director), Shirley Min (Analyst in Charge), Jose M. Peña III, Ming Chen, and Andrew Kurtzman made key contributions to this report. Other staff who contributed to this report were Debbie Chung, Martin De Alteriis, Neil Doherty, Barbara El Osta, and Grace Lui.

Kimberly Gianopoulos  
Director, International Affairs and Trade

Enclosure

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\(^4\)The COAC is a committee that advises DHS and Treasury on the commercial operations of the CBP and includes individuals and firms such as importers, sureties, and brokers.
Antidumping and Countervailing Duties: Information on Actions by Commerce and CBP to Address Reported Weaknesses in Duty Collection Processes

Briefing for Senate and House Appropriations Homeland Security Subcommittees
Objectives, Scope, and Methodology

Objectives

1. What are the government-reported weaknesses of the Department of Commerce’s (Commerce) efforts to set antidumping and countervailing (AD/CV) duty rates and what steps, if any, has Commerce taken to address these weaknesses?

2. What are the government-reported weaknesses of U.S. Customs and Border Protection’s (CBP) efforts to minimize uncollected AD/CV duties and what steps, if any, has CBP taken to address these weaknesses?

Scope and Methodology

• Searched for relevant U.S. government audits conducted since October 2014, identified and reviewed three audits (conducted by GAO and the Inspectors General (IG) of Commerce and the Department of Homeland Security (DHS)) to identify reported weaknesses.

• Reviewed agency documents and interviewed U.S. government and industry officials to identify steps agencies have taken to address reported weaknesses.

• Obtained and analyzed CBP bills and entry data. We determined the data to be sufficiently reliable for our purposes. We define unpaid bills as open, delinquent bills for AD/CV duties, including interest.
Background: U.S. AD/CV Duty System

The United States assesses antidumping duties on products imported at unfairly low prices and countervailing duties on products subsidized by foreign governments. These duties are intended to address injury to domestic businesses or markets from these practices.

The U.S. AD/CV duty system includes the setting of an initial estimated duty rate upon the entry of goods, followed by the retrospective assessment of a final duty rate based on the actual amount of dumping or subsidization that occurred. In 2016, GAO found that final duties

- increased 18 percent of the time,
- decreased 19 percent of the time, and
- remained unchanged 63 percent of the time.¹

Background: Roles of Commerce and CBP

Commerce sets the initial and final AD/CV duty rates. CBP is responsible for liquidating the entries and may issue a bill to collect the duty amount owed or issue a refund when applicable.2

Figure 1: U.S. Process for Collecting AD/CV Duties on Entries of Imported Goods

Five phases of the AD/CV duty collection processa

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce communicates the initial estimated duty rate to CBP</td>
<td>Import enters the U.S.</td>
<td>CBP reviews importers’ assessments of duties owed and collects initial estimated duties</td>
<td>Commerce conducts administrative review generally based on request by appropriate party</td>
<td>CBP determines and communicates final duty rate to CBP</td>
</tr>
</tbody>
</table>

Process of determining initial estimated and final duty rates may take 1 to 5 years

Legend: Antidumping/countervailing = AD/CV; U.S. Customs and Border Protection = CBP; Department of Commerce = Commerce.
Source: GAO | GAO-20-50R

aThis figure does not include protests and litigation, which may extend the AD/CV duty collection process. It also does not depict the billing process.

2The term “entry” refers to the importation of an item into the United States. Liquidating an entry involves assessing the final duties, taxes, fees, and other charges on the importation of an item into the United States.
**Background: CBP Process for Collecting Payment**

**Figure 2: CBP Process for Collecting Payments on Bills and Writing Off Delinquent AD/CV Duties**

- **Final duty → Importer**
  - Bill paid in full
  - Bill not paid in full; becomes delinquent
- **CBP Revenue Division**
  - Bill paid in full
  - Bill not paid in full; becomes delinquent
- **Litigation or write off process**
- **Office of Chief Counsel** reviews options for collection
- **Office of the Chief Financial Officer**
  - Bill written off
  - All or part of bill collected
  - Debt found legally invalid

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*Note: This figure does not depict the process followed when an importer files a protest or initiates litigation.*

*Legend: Antidumping/countervailing = AD/CV; U.S. Customs and Border Protection = CBP.*

*Source: GAO* | *GAO-20-50R*

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*Debt found legally invalid is returned to the Revenue Division for cancellation or routed to the Office of the Chief Financial Officer for write-off.*
Background: AD/CV Duty Revenues and Unpaid Bills

- As of May 2019, CBP had collected over $20 billion in AD/CV duties for bills issued during fiscal years 2001-2018.
  - CBP collected about $19 billion in initial estimated AD/CV duties.
  - CBP collected another $1.6 billion in revenue as a result of retrospective upward adjustments of the final duty rate.

- As of May 2019, for the over 544,000 AD/CV duty bills issued as a result of retrospective upward adjustments during fiscal years 2001-2018,
  - CBP had collected about 480,000 of these bills, while 65,000 remained open and uncollected.
  - The value of the 65,000 open and uncollected bills was $4.5 billion.
Background: Number of Paid and Unpaid AD/CV Duty Bills

CBP collects most of the AD/CV duty bills it issues.

Figure 3: Number of AD/CV Duty Paid and Unpaid Bills for Entries by Year, Fiscal Years 2001-2018, as of May 2019

Legend: Antidumping/countervailing = AD/CV
Source: GAO analysis of U.S. Customs and Border Protection (CBP) data. | GAO-20-50R
Background: Amount of Paid and Unpaid AD/CV Duty Bills

CBP does not collect most of the value of its AD/CV duty bills.

Figure 4: AD/CV Duty Amounts Paid and Unpaid for Entries by Year, Fiscal Years 2001-2018, as of May 2019

Legend: Antidumping/countervailing = AD/CV
Source: GAO analysis of U.S. Customs and Border Protection (CBP) data. | GAO-20-50R
Background: Distribution of Unpaid AD/CV Duty Bills

Figure 5: Distribution of Unpaid Bills by Amount of Uncollected AD/CV Duties and Dollar Value of the Bills as a Percentage of the Total Unpaid, for Entries in Fiscal Years 2001-2018, as of May 2019

• While the number of AD/CV duty bills over $50,000 constituted about 32 percent of the total number of unpaid bills, these bills represented about 82 percent of the value of all unpaid bills, as of May 2019.
Background: Importer Distribution of Unpaid AD/CV Duty Bills

Twenty importers represented about 43 percent of the dollar amount of unpaid bills.

Figure 6: Importers with Unpaid AD/CV Duty Bills for Entries in Fiscal Years 2001-2018, as of May 2019

- 20 importers: $1,934 million (43.3%)
- 1,118 importers: $2,529 million (56.7%)

Legend: Antidumping/countervailing = AD/CV.
Source: GAO analysis of U.S. Customs and Border Protection (CBP) data. | GAO-20-50R
Background: AD/CV Duty Collection Challenges

In 2016, GAO reported that large rate increases between the initial and final AD/CV duty rates and long lag times created challenges to collection. In 2016, we used CBP entry summary data matched with the separate open bills data to determine, at various levels of increase from initial to final duty rate, the proportion of unpaid bills.

Figure 7: Percentage of Unpaid AD/CV Duty Bills Associated with Increases between Initial Estimated and Final Duty Rates, Fiscal Years 2001–2014, as of May 12, 2015

- Average rate increase for unpaid bills was 198 percent, with a median rate change of 81 percent.
- Average time between entry and liquidation was about 2.5 years. About 10 percent of the entries were liquidated in 5.5 years or more.
- Between entry and liquidation, a large volume of goods can be brought in before the final duties are assessed. The importer may be unwilling or unable to pay the additional duties owed. Often, importers cannot be located and valid contact information is not available.
Commerce IG Reported Weaknesses in Quality Assurance for AD/CV Duty Rate-Setting and Timeliness of Regulatory Determinations

In 2017, the Commerce IG found that Commerce had not consistently followed its quality assurance framework for calculating AD/CV duty rates and had missed internal deadlines for completing determinations for regulatory cases, but had met time frames for all statutory cases.\(^4\)

- Commerce’s internal and external panels responsible for reviewing calculations did not consistently
  - use required formal checklists for checking calculations,
  - maintain records of calculation reviews, or
  - conduct required calculation reviews.
- Calculation errors were found in 4 percent of all cases for fiscal years 2013-2015, but Commerce noted errors were within its 9 percent performance target.
- Commerce completed determinations for statutory AD/CV duty cases on a timely basis, but did not consistently complete determinations for regulatory AD/CV duty cases within time frames established by internal policies.

\(^4\)Department of Commerce, Office of Inspector General, *Enforcement and Compliance Needs to Update and Consistently Implement Its Quality Assurance Policies and Practices*, OIG-17-017-A (Washington, D.C.: February 2017). Regulatory determinations are those that examine scope, changed circumstances, and potential circumvention of an AD/CV duty order. Commerce noted that regulatory determinations are generally not related to rate-setting. Statutory determinations include AD/CV duty investigations and administrative reviews.
Commerce Has Taken Steps to Improve Quality Assurance Processes for AD/CV Duty Rate-Setting and Timeliness of Regulatory Determinations

According to Commerce, the agency has taken the following steps to update and implement quality assurance processes for rate-setting and workplace processes to better meet deadlines for regulatory cases:

- Updated checklists for checking calculations and mandated their use by review panelists.
- Implemented revised procedures to ensure that internal and external review panels are conducted and relevant documentation is retained.
- Established a training unit to help ensure that staff are appropriately trained.
- Made improvements to its AD/CV duty questionnaire to collect more accurate and comprehensive information from exporters and foreign producers to better inform rate-setting.
- Revised workplace processes to better meet and document adjusted deadlines for regulatory cases, such as by streamlining document concurrence process and shifting casework among offices where feasible.

However, Commerce officials told us that its error rate for all cases during fiscal years 2016-2018 increased to about 6 percent, attributing this increase to increased workloads, high turnover of experienced staff, and little increase in overall staff levels. Commerce noted the following:

- From fiscal years 2012 to 2018, the total number of AD/CV duty orders enforced grew from 280 to 457 and the number of investigations increased at an annual rate of 20 percent (from a low of 23 to a high of 73 in 2017), while the number of case analysts increased from 118 to 127.
- Calculation errors are generally identified during the 30-day period in which industry stakeholders can review duty rate calculations and final rates are corrected before liquidation instructions are sent to CBP.
GAO Reported Weaknesses in CBP’s Ability to Mitigate Nonpayment Risk

In 2016, GAO reported that CBP’s limited analysis of the risk to revenue from potentially uncollectible AD/CV duties (nonpayment risk) had missed opportunities to identify nonpayment risk.5

- CBP’s risk analysis consisted of providing summary statistics on open unpaid bills, but did not consider the probability of nonpayment (risk likelihood) and the net duties owed to CBP (risk significance).

Figure 8: Two Scenarios: Total Amount of Duties Uncollected from Each Importer Is Identical, but Importer B’s Payment History Suggests Much Greater Risk

<table>
<thead>
<tr>
<th>Importer A</th>
<th>Importer B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of bill per entry</td>
<td>$100</td>
</tr>
<tr>
<td>Number of unpaid bills</td>
<td>2 of 9 unpaid (22%)</td>
</tr>
<tr>
<td>Total dollar loss</td>
<td>$200</td>
</tr>
</tbody>
</table>

- GAO analysis of CBP data found that a more comprehensive analysis that includes a risk assessment is feasible and could help CBP better
  - identify key nonpayment risk factors;
  - predict future nonpayment risk levels for certain types of entries; and
  - evaluate the effects of past policy changes, such as bonding requirements on nonpayment risk.

5GAO-16-542. As noted in this report, the standard definition of risk includes the likelihood and significance of a negative event occurring.
CBP Is Taking Steps to Mitigate Nonpayment Risk – Risk Models

CBP is in the process of developing new statistical models to identify key nonpayment risk factors and predict future nonpayment risk levels. According to CBP:

• CBP developed and successfully tested two models using risk factors including, but not limited to, the type of good, country of origin of the good, and whether the importer is from a foreign country.

• The models should enable CBP to increase bonding amounts for continuous-entry and single-transaction bonds for importers with a greater risk of nonpayment.
  • For example, one test demonstrated that, using data from fiscal years 2007-2015, CBP could have predicted over 95 percent of the importers with delinquent AD/CV duty bills in fiscal years 2016 and 2017.

• CBP requested $17 million in fiscal year 2020 funds to make updates to its information systems necessary to facilitate the implementation of the statistical models.

• CBP is working on long-term enhancements to the models that it says will leverage additional modeling techniques, such as social network and spatial analyses.
CBP Is Taking Steps to Mitigate Nonpayment Risk – Bond Adjustments

According to CBP, the agency is in the process of developing a risk-based framework for setting continuous-entry and single-transaction bond amounts to mitigate predicted risk to revenue based on its nonpayment risk models, but industry members have expressed concerns about associated costs. Specifically, CBP noted the following:

- **Continuous-entry bonds.** CBP is developing a supplemental AD/CV duty continuous-entry bond based on a new formula that incorporates nonpayment risk factors identified in its statistical models.
  - CBP worked with the Commercial Customs Operations Advisory Committee (COAC) in April 2018 and tested the proposed risk-based bonding formula by applying it to historical data.6
  - CBP estimated that the collection rate under the risk-based bonding framework using the proposed formula would have been significantly higher than the collection rate under its existing bond policies during fiscal years 2007-2017, both in number and value of bills collected.
  - CBP is working to refine the risk-based framework and solicit further COAC input. COAC members said that the proposed bond formula would have resulted in overinsurance, which could increase cost to importers.
  - The use of supplemental continuous-entry bonds may require regulatory changes and modifications to CBP’s database.
- **Single-transaction bonds.** CBP conducted an analysis of the use of single-transaction bonds with an amount based on the results of its statistical model. Using historical data, CBP found that this risk-based bonding procedure would have allowed CBP to collect significantly more revenue in fiscal years 2007-2018.
  - CBP is working with COAC members to test a risk-based application of single-transaction bonds to historical AD/CV duty entries to assess whether the bond would have reduced the amount of uncollected duties.

According to CBP, it is considering adopting a risk-based approach to mitigate revenue risks on all entries with nonpayment risk as a result of implementing GAO’s recommendations.

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6The COAC advises DHS and the Department of the Treasury on the commercial operations of CBP and includes individuals and firms such as importers, sureties, and brokers.
GAO Reported Weaknesses in CBP’s Liquidation Process

In 2016, GAO reported that CBP had not collected and analyzed data systematically to help it monitor and minimize AD/CV duty processing errors that result in entries being prematurely liquidated or deemed liquidated. These liquidations may result in revenue loss if the final duties owed are greater than the amount paid when initial duties were assessed.7

• Premature liquidations occur when CBP liquidates entries before receiving instructions from Commerce. Deemed liquidations occur when CBP does not liquidate entries within a 6-month time frame established by statute for entries subject to AD/CV duties.

• CBP officials told us they did not know the extent to which premature and deemed liquidations had occurred because of incomplete data. At GAO’s request, CBP analyzed data on deemed liquidations for the period 2010 through 2012 and found that deemed liquidations resulted in CBP
  • not billing importers for approximately $13.9 million in duties owed because of an increase in the duty rate, and
  • not refunding importers about $465,000 because of a decrease in the duty rate.

• GAO judgmentally sampled 20 entries from the period October 2000 through September 2014 and found that seven had been prematurely liquidated and four more may have been prematurely liquidated.

7GAO-16-542.
CBP Has Taken Some Steps to Strengthen Its Liquidation Process

According to CBP, the agency has taken the following steps to better manage the AD/CV duty liquidation process, but does not know the revenue impact of premature and deemed liquidations:

- Increased uniformity in the processing of entries by
  - updating its AD/CV duty handbook to provide detailed instructions for managing the liquidation process according to standards and time frames, and
  - centralizing the processing of entries through its 10 Centers of Expertise and Excellence with industry-specific expertise, rather than processing entries across more than 300 ports of entry.

- Collects and analyzes some data on the number of deemed liquidations, but not on premature liquidations, and does not know the revenue impact of premature and deemed liquidations.
  - The number of deemed liquidations decreased from about 7,300 entries in fiscal year 2017 to 2,500 in fiscal year 2018, but CBP does not know the number of premature liquidations.
  - CBP said its focus is on improving compliance with the liquidation process, since capturing and analyzing data on premature and deemed liquidations is labor-intensive.

- Developed information systems reports to help manage the review, administration, and oversight of AD/CV duties.
  - Compliance with the 6-month statutory time frames for liquidating AD/CV duty entries improved from 50 to 80 percent between fiscal years 2017 and 2018.
DHS IG Reported Weaknesses in CBP’s Debt Collection Process

In 2018, the DHS IG found that CBP had not consistently completed required documentation and lacked a process to systematically track its referrals of delinquent importers to its Office of Chief Counsel for legal action, which may have resulted in missed opportunities to increase revenue collection.\(^8\)

- DHS IG judgmentally sampled 16 referrals to CBP’s Office of Chief Counsel (out of 280 delinquent importers) in fiscal years 2014 through 2016 and found that CBP usually did not complete the required viability analysis worksheets and did not always have the supporting documentation used to help determine the importers’ ability to pay off debt.
- CBP lacked a process to track referrals to its Office of Chief Counsel on whether to (a) further pursue debt collection from the importer, surety, or both; or (b) terminate collection efforts.

In response to the DHS IG findings, CBP reported that it had taken the following steps:

- Updated its policy guidance on the debt collection process by adding time frames associated with conducting a viability analysis, among other things.
  - In August 2019, DHS IG told us that CBP had yet to demonstrate that it was currently conducting the viability analysis for each case.
- Created an internal website that tracks referrals to the Office of Chief Counsel.
Other Steps CBP Has Taken to Improve Debt Collection

- CBP and COAC members told us in August 2019 that CBP had taken steps to improve communications and outreach on the U.S. AD/CV duty system, in response to sureties’, brokers’, and importers’ requests for more information. These steps included:
  - conducting webinars, providing training, and adding information to its website;
  - modifying policies to clarify procedures; and
  - using messaging systems to help disseminate information.

- In August 2019, CBP told us that it had implemented a pilot project in 2016, employing two collection agencies to collect unpaid bills. CBP noted the following:
  - Collection agencies faced challenges similar to those faced by CBP (i.e., lack of information on importers, such as information on their location and assets).
  - The project has not yielded results and both collection agencies have decided not to continue their collection efforts for CBP. CBP is reconsidering the viability of this project.

- In March 2019, CBP rolled out its new importer identity form 5106, which includes 16 new fields (2 mandatory, 14 optional). The new form is intended to enhance its ability to assess risk and pursue collection efforts.

- In August 2019, CBP issued a proposed rule that would set minimum requirements for brokers to collect and verify information on their importer clients. According to CBP, the proposed rule would help eliminate opportunities for duty avoidance and broker shopping, among other things.
Concluding Observations

- The retrospective nature of the U.S. AD/CV duty system allows for supplemental duty collection in response to harm (such as material injury) to a U.S. industry after an initial estimate of harm. Retrospective duty collection can result in additional revenue, although many bills remain uncollected.

- If Commerce and CBP continue to take steps to improve their respective processes related to AD/CV duty collection, their efforts should result in fewer unpaid bills and increased revenue.

- Commerce and CBP have taken some steps to improve the accuracy of AD/CV duty rate-setting and manage risk, respectively, but have not fully addressed the issues identified in recent U.S. government audits.
  - Commerce has taken steps to improve quality assurance procedures associated with calculating accurate duty rates, but said its calculation error rates have increased in recent years, in part because of increased workloads.
  - CBP has taken steps to mitigate nonpayment risk through bonding, but will need to continue working to strengthen its billing process and operationalize its risk model to identify high-risk importers and adjust bond amounts.
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