



CTPAT Business Partner Security Assessments

Members must ensure their business partners demonstrate that they are meeting CTPAT security criteria via written/electronic confirmation (e.g., contractual obligations; via a letter from a senior business partner officer attesting to compliance; a written statement from the business partner demonstrating their compliance with CTPAT security criteria or an equivalent WCO accredited security program administered by a foreign customs authority; or, **by providing a completed security questionnaire.**

Star USA helps businesses assess their supply chain security and satisfy CTPAT membership requirements by utilizing our proprietary online security assessment software and grading platform, Secure Global Trade (SGT).

Using this custom tooling, Star USA

- ✓ Sends online risk assessment questionnaires to the appropriate partners
- ✓ Analyzes and provides comprehensive risk-based scoring
- ✓ Performs additional analysis of the business partner's country
- ✓ Develops Corrective Actions based on assessment responses
- ✓ Provides the results to you for use in your annual company risk assessment

The following documents and information are examples of

- ✓ The risk report generated from the business partner's responses
- ✓ A country report evaluating the risk of the partner's home country
- ✓ A copy of the partner's completed risk assessment



Example Company

CTPAT Security Assessment Results & Corrective Action Plan

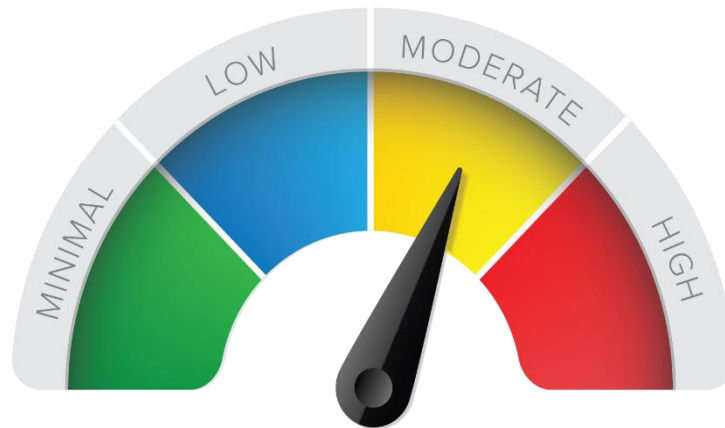
Prepared for Example Contact

Example Company

Example Company

CTPAT Security Assessment Results & Corrective Action Plan

Risk Score | 78%



Risk

The Risk Score indicates the probability that a hazard will result in an adverse consequence when dealing with this business partner. The higher the risk percentage, the more likely an event is to occur. Assessing the risk of business partners and their country helps to determine the proper mitigation strategy and priorities. Risk ratings and scaling can show where additional resources are required.

Vetting third-party relationships is a critical first step to mitigating risk to your organization, but it's only a first step. The business must work together with various stakeholders to increase value within the supply chain. Companies that succeed can both protect their brands and drive business growth. **Example Company's risk score of 78% indicates moderate risk. You should use standard caution when doing business with example company.**

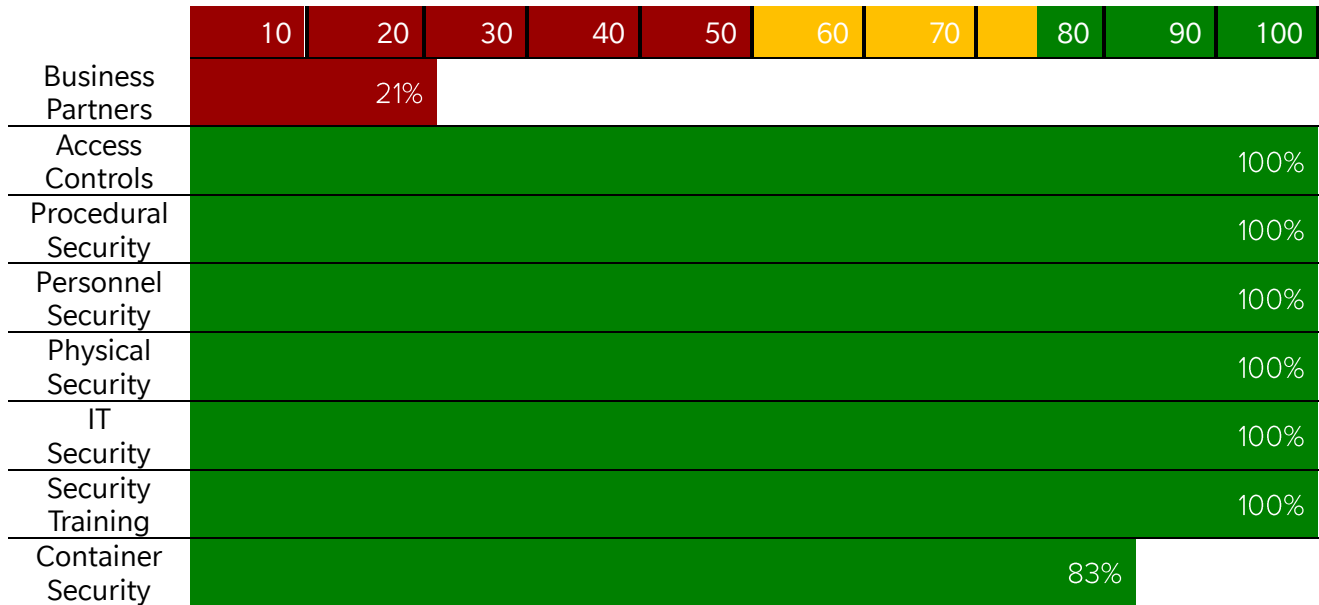
Example risk factors include:

- ✓ Years in business
- ✓ Mutual Recognition Programs
- ✓ Volumes
- ✓ Direct Imports, Exports
- ✓ Geography
- ✓ Specific Commodities
- ✓ Modes of transport
- ✓ Other services provided

Example Company

CTPAT Security Assessment Results & Corrective Action Plan

Readiness Score | 85%



Readiness

The Readiness Score indicates the ability of this partner to withstand risks and threats to their organization and your supply chain. The higher the readiness percentage, the more likely the partner is to resist or eliminate the risk before it impacts your supply chain. Assessing the readiness of your business partners helps you to proactively address shortcomings in your supply chain.

Providing training and support to your supply chain to increase readiness is critical for the holistic risk mitigation approach. Risk Champions within the organization should work together to foster increased awareness and readiness from all supply chain partners. **Example Company's readiness score of 85% indicates an acceptable level of readiness.**

Example Readiness factors include:

- ✓ Work Instructions
- ✓ Access Controls
- ✓ Physical Structure
- ✓ Direct Imports, Exports
- ✓ Supply Chain Security Policy
- ✓ Visitor Policy
- ✓ Modes of transport
- ✓ Other services provided

Example Company

CTPAT Security Assessment Results & Corrective Action Plan

Areas of Concern

The following is a list of sections and specific areas of concern because of the answers provided in the security assessment. Each one of the below concerns should be discussed with the business partner and the suggested corrective actions should be implemented. To aid in the implementation of corrective actions, the business partner should use the "Corrective Action Checklist" provided in the following pages. Use this checklist as a guide when beginning to address non-conformance issues and corrective actions. This will help the business document and provide reporting on the recommended corrective actions.

Business Partners

Area of Concern #1

Example Company indicated it does not have documentation for business partners indicating if they are CTPAT certified and if they are eligible.

Corrective Action #1

For those business partners eligible for CTPAT certification (carriers, ports, terminals, brokers, consolidators, etc.) the importer must have documentation (e.g., CTPAT certificate, SVI number, etc.) indicating whether these business partners are or are not CTPAT certified. Example Company must begin to track this information via a documented process and procedure.

Area of Concern #2

Example Company indicated it does not inform business partners of security processes and procedures that are consistent with the CTPAT security criteria to enhance the integrity of the shipment at point of origin.

Corrective Action #2

Importers must inform business partners of security processes and procedures that are consistent with the CTPAT security criteria to enhance the integrity of the shipment at point of origin. Example Company must define, document and provide relevant security information to their business partners.

Container Security

Area of Concern #3

Example Company indicated all loaded trailers bound for the U.S. are not affixed with a high security seal that meets or exceeds the current PAS ISO 17712:2013 security standard.

Corrective Action #3

All trailers bound for the U.S. Must be affixed with a high security seal that meets or exceeds the current PAS ISO 17712 2013 security standards. Example Company must develop a documented process for the storage, distribution and usage of high-security seals.

Corrective Action Checklist

- Recognize possible causes for the security gap and discuss with personnel directly involved in the existing processes, as applicable.
- Organize meetings with workers, key stakeholders and decision makers to discuss possible solutions.
- Draft an action plan based on input from multiple sources as outlined above. (All action plans should contain a way to ensure their adherence moving forward. i.e., an internal review policy)
- Submit the action plan to [Manager] for review. Work with [Manager] for approval on the action plan, as applicable.
- Receive [Manager] approval of suggested action plan.
- Train all necessary departments and personnel on the action plan.
- Document & Implement the action plan.
- Document all processes in the action plan.

Submit proof of completion and implementation to [Manager] by signing and dating this document.
Upon completion, email copy to [appropriate party] and keep the original for your records.

Completed By: _____
Signature

Date: _____

Print Name

Assessing Country Risk in Global Trade

Japan



Risk Rating - Extremely Low



Proceed with **standard caution** when conducting business with Japan.

Risk Area	Score
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Security	B
Political Stability	A
Government Effectiveness	B
Regulatory Risk	A
Macroeconomic Risk	B
Foreign Trade	A
Financial	A
Tax Policy	B
Labor Market	B
Infrastructure	A

Background

Japan attacked US forces in 1941 - triggering America's entry into World War II - and soon occupied much of East and Southeast Asia. After its defeat in World War II, Japan recovered to become an economic power and an ally of the US.

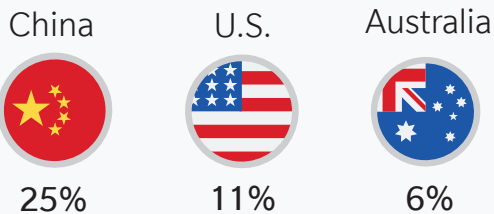
Following three decades of unprecedented growth, Japan's economy experienced a major slowdown starting in the 1990s, but the country remains an economic power. In March 2011, Japan's strongest-ever earthquake, and an accompanying tsunami, hobbled the country's economy and its energy infrastructure, and tested its ability to deal with humanitarian disasters.

Prime Minister Shinzo ABE was reelected to office in December 2012, and has since embarked on ambitious economic and security reforms to improve Japan's economy and bolster the country's international standing.

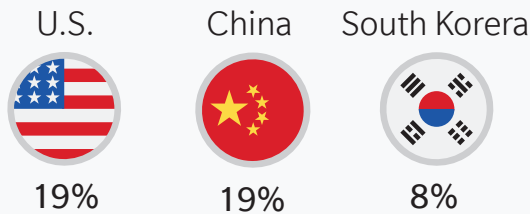
Aum Shinrikyo (terrorist group) aims to attract new members seeking religious guidance and exhibiting a willingness to financially support the organization; historically, leaders sought to overthrow the Japanese Government and to spark a nuclear war between Japan and the US to create a global Armageddon, 'cleansing' the world so its members could achieve salvation

Assessing Country Risk in Global Trade

Japan Imports From



Japan Exports To



Top Import Commodities

Petroleum, liquid natural gas, clothing, semiconductors, coal, audio and visual apparatus

Top Export Commodities

Motor vehicles, iron and steel products, semiconductors, auto parts, power generating machinery, plastic materials

Economy

Japan enjoyed an uptick in growth since 2013, supported by Prime Minister Shinzo ABE's "Three Arrows" economic revitalization agenda - dubbed "Abenomics" - of monetary easing, "flexible" fiscal policy, and structural reform. Led by the Bank of Japan's aggressive monetary easing, Japan is making modest progress in ending deflation, but demographic decline – a low birthrate and an aging, shrinking population – poses a major long-term challenge for the economy.

In August 2015, Japan successfully restarted one nuclear reactor at the Sendai Nuclear Power Plant in Kagoshima prefecture, and several other reactors around the country have since resumed operations; however, opposition from local governments has delayed several more restarts that remain pending. Reforms of the electricity and gas sectors, including full liberalization of Japan's energy market in April 2016 and gas market in April 2017, constitute an important part of Prime Minister Abe's economic program.



Population

126 Million



Currency

Yen



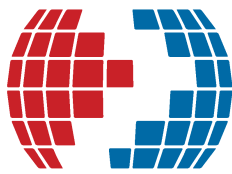
Main Language

Japanese



Capital City

Tokyo



CTPATTM
YOUR SUPPLY CHAIN'S STRONGEST LINK.

This assessment provided on behalf of **COMPANY XYZ**.

Dispatched **Monday, August 26 2019 3:47 PM -04:00 (EDT)**

Completed **Thursday, September 5 2019 9:01 PM -04:00 (EDT)**

Company Information

Official Company Name	COMPANY 123.
Address	ADDRESS
Country	JP, Japan
Year Established	1964
Number of Permanent Employees	181
Number of Temporary Employees	7

Primary Company Security Contact

Contact Name	MANAGER
Title	MANAGER SALES DEPARTMENT
Email Address	EMAIL
Telephone	PHONE

Business Specifics

Does your company participate in any supply chain security programs other than CTPAT?	None
Is your company CTPAT certified?	No, we do not participate or are not eligible

Current Practices

Commodities Purchased/Shipped	Other/Specific
Harmonized Tariff Schedule Codes	UNCOATED KRAFT PAPER(100% LBKP),4804.39.0006
In which region does the product or service that you purchase originate?	Asia/Pacific, Europe, Mexico, South America, United States
In which of the following regions does your company operate?	Asia/Pacific, Mexico
What is your total shipment volume per month?	31 or more

Logistics/Transportation

To what destination?	Globally
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Ports Used

Where are the main ports used by your company?	SHIMIZU
What modes of transport are used or provided?	Air, LCL / FCL, Sea / Ocean

Air Carriers

Please List Air Carriers most frequently used	AIR
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Sea/Ocean Carriers

Please List Sea/Ocean Carriers most frequently used	OCEAN
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Corporate Security

Security Vision and Responsibility

Does your company demonstrate their commitment to supply chain security through a statement of support signed by a senior company official?	No
Does your company have a supply chain security program consisting of personnel from all relevant departments into one cross-functional team?	No

Risk Assessment

Does your company conduct a risk assessment to identify where security vulnerabilities may exist internally as well as internationally?	No
Does your company have written procedures in place to address crisis management, business continuity, security recovery plans and business resumption?	Yes

Business Partner Security

Does your company have a written, risk based process for screening new business partners and monitoring current partners?	No
When screening business partners does your company request, and take into consideration, partners that have obtained certification in a supply chain program by a Customs Administration to provide evidence of certification?	No
Does your company conduct security assessments on business partners not participating in a supply chain security program, to verify security measures are in place throughout the supply	No

chain?

For inbound shipments to the United States for a CTPAT Member, if your company subcontracts transportation services, do you ensure that the carrier is CTPAT certified or an approved carrier through a written contract?

No

Does your company have a documented social compliance program in place?

No

Cybersecurity

Does your company have written policies and procedures in place to protect information technology systems?

No

Has your company installed sufficient software/hardware protection from malware and internal/external intrusion (firewall) in computer systems?

Yes

Does your company ensure security software is current and receives regular updates?

Yes

When utilizing network systems, does your company regularly test the security of the IT infrastructure?

No

Does your company have a system in place to identify the abuse, improper/unauthorized access, tampering or altering of IT systems/data?

No

Does your company restrict user access based on job description or assigned duties?

Yes

Is user access periodically reviewed to ensure access to sensitive systems is restricted to designated personnel only?

No

Does your company remove computer and network access upon employee separation?

Yes

Do your automated systems use individually assigned accounts that require a periodic change of password?

No

Does your company employ secure technologies, such as Virtual Private Networks (VPNs), when allowing employees to connect remotely to the company's intranet?

No

Does your company ensure employee personal devices used to conduct company work adhere to the company policies and procedures to include regular security updates?

Yes

How often does your company back up data?

Daily

Is all sensitive and confidential data stored in an encrypted format?

No

Is media used to store backups located at an offsite facility?

No

Does your company conduct regular inventories of media, hardware, and other IT equipment ?

Yes

When disposing of IT equipment does your company ensure equipment is properly sanitized and/or destroyed?

Yes

Transportation Security

Conveyance and Instruments of International Traffic Security

Are containers stored in a secure area to prevent unauthorized access and/or manipulation and to ensure container integrity is being maintained, especially to protect against the introduction of unauthorized material?

Yes

Does your company's inspection process include written procedures for security and agricultural inspections?

No

Prior to loading/stuffing all conveyances, are CTPAT approved security and agricultural inspections done to ensure the structures have not been modified to conceal contraband or contaminated with visible agricultural pests?

No

Are procedures in place to verify the physical integrity of the conveyance's locking mechanisms to detect tampering and any hardware inconsistencies prior to sealing?

No

Are all conveyance inspections recorded on a checklist to include: date and time of inspection, employee name, specific areas inspected, and the conveyance number?

Yes

Are inspections performed in a controlled access area?

Yes

Are inspections monitored via a CCTV system?

No

Does management periodically conduct random searches of conveyances after the appropriate personnel have conducted an inspection?

No

Does your company work with transportation providers to track conveyances from origin to the final destination point?

No

Does your company have access to your carrier's GPS fleet monitoring system to track the movement of your shipments?

No

Does your company have a "no-stop" policy for land border shipments in close proximity to the U.S. border?

No

Do you have written procedures for recognizing and reporting threats to any business partner in the supply chain that may be affected as well as U.S. Customs and Border Protection or the appropriate authorities?

No

Seal Security

Does your company have written procedures that stipulate how seals are to be issued and controlled at the facility and during transit?

No

Are all CTPAT member shipments being transported to/from the United States sealed with a high security seal that meets the ISO 17712 standard?

Yes

Does your company maintain an inventory of high security seals?

No

Does your company have a seal verification process to ensure all high security seals have been affixed properly? This procedure is known as the VVTT process: V - View seal and container locking mechanisms; ensure they are OK; V - Verify seal number against shipment documents for accuracy; T - Tug on seal to make sure it is affixed properly; T - Twist and turn the bolt seal to make sure its components do not unscrew or separate from one another.

Yes

Procedural Security

Does your company have procedures in place to secure cargo from unauthorized access when cargo is being staged overnight or for an extended period of time?

Yes

Does your company regularly inspect the cargo staging areas to ensure these areas remain free of visible pest contamination?

Yes

Does a security officer/manager or other designated personnel supervise the loading/stuffing of cargo into containers?

Yes

Are digital photographs taken at the point of stuffing and electronically forwarded to the destination for verification purposes?

No

Are documented procedures in place to ensure that all documentation is legible, complete, accurate, and protected against the exchange, loss, or introduction of information?

No

If paper forms are used for import/export related documentation, are these forms secured to prevent unauthorized use?

No

Are procedures in place to ensure information on bills of lading (BOLs) and/or manifests is reported accurately and in a timely manner?

Yes

Does your company have written procedures for reporting suspicious activity or security incidents to CBP and/or the appropriate law enforcement agency?

No

Are written procedures in place to identify, challenge and address unauthorized / unidentified persons?

No

Does your company have a mechanism in place for personnel to report security related issues anonymously?

No

Are all shortages, overages and other significant discrepancies or anomalies fully investigated and resolved?

Yes

Is arriving and departing cargo verified for weight, labels, and piece counts as described on manifests and purchase orders?

Yes

Are seal numbers assigned to specific shipments transmitted to the consignee prior to departure?

No

Are seal numbers electronically printed on the bill of lading or other shipping documents?

Yes

Agricultural Security

Does your company have written procedures designed to prevent visible pest contamination?

No

Does your company have written procedures in place regarding compliance with Wood Packaging Materials (WPM) regulations?

No

People and Physical Security

Physical Security

Do your cargo handling and storage facilities have physical barriers and/or deterrents that guard against unauthorized access?

Yes

Do you have fencing at your facility?

Yes

Fencing

Does perimeter fencing enclose the areas around cargo handling and storage facilities?

No

Is interior fencing within a cargo handling structure used to segregate domestic, international, high value and hazardous cargo?

No

Is all fencing at your facility regularly inspected for integrity and damage?

No

Do you have gates at your facility?

Yes

Gates

Are gates through which vehicles and/or personnel enter or exit manned or monitored?

No

Are the number of gates kept to a minimum necessary for proper access and safety?

Yes

Are individuals and vehicles subject to search in accordance with local and labor laws?

No

Are passenger vehicles prohibited from parking in or adjacent to cargo handling and storage areas and conveyances?

No

Is there adequate lighting provided inside and outside the facility which includes entrances and exits, cargo handling and storage areas, fence lines and parking areas?

Yes

Does your company utilize security technology to monitor premises and prevent unauthorized access to cargo handling and storage areas?

No

Physical Access Controls

Are access controls in place to positively identify all employees, visitors, and vendors at all external points of entry?

No

Does your company restrict access to sensitive areas based on job description or assigned duties?

Yes

Are written procedures in place for the issuance, removal and changing of access devices (keys, key cards, etc.)?

No

Does the facility issue identification badges to employees?	No
Does your company require all unknown visitors, vendors and/or service providers to provide vendor identification and/or photo identification for documentation purposes upon arrival?	No
Is a visitor log maintained that records the details of the visit?	No
Are visitors escorted while on the premises?	Yes
Are all visitors, vendors and/or service providers provided temporary identification badges upon arrival, to be visibly displayed at all times while on the premises?	No
Are drivers delivering or receiving cargo positively identified before cargo is received or released?	Yes
Is a cargo pickup log kept to register drivers and record details of their conveyances when picking up cargo?	No
Does the carrier notify your company of the estimated time of arrival for the scheduled pickup/delivery?	Yes
Are packages and mail periodically screened for contraband before being opened or distributed?	No
Does your company use security guards?	No

Personnel Security

Do you verify application information, such as employment history and references prior to employment?	Yes
Are background screenings conducted for prospective employees, consistent with foreign, federal, state and local regulations?	No
Are periodic investigations performed on current employees, based on cause and/or the sensitivity of the employee's position?	Yes

Education, Training, and Awareness

Does your company have an established security training and awareness program to recognize and foster awareness of the security vulnerabilities to facilities, conveyances, and cargo at each point in the supply chain?	No
Does your company provide training to drivers and/or other personnel that conduct security and agricultural inspections of empty conveyances and Instruments of International Traffic (IIT)? Inspection Training must include the following: -Signs of hidden compartments -Concealed contraband in naturally occurring compartments -Signs of pest contamination	No
Does your company require employees to participate in cyber-security training; to include the need for employees to protect passwords and computer access?	No
Do employees operating and managing security technology systems receive training in their operation and maintenance?	No
Are employees trained on procedures the company has in place to report security incidents and suspicious activity?	No
Does your company retain attendance logs of the training programs?	No
Are measures in place to verify the training provided meet the training objectives?	No

Electronic Confirmation

Contact Same as Primary Security Contact above

More CTPAT information?

