C-TPAT
Security and Threat Awareness Training

International Shipping and Receiving
Policy

• Committing to providing a safe and healthful work environment for the employees.

• Suspected threats or suspicious incidents require prompt action by safety, law enforcement and employee personnel.

• Coordination and communication are essential to protect employees.
What is C-TPAT?

- US Customs – Trade Partnership Against Terrorism
- Callaway Golf has been a certified member since 2003
- First Validation completed September 2007
- Revalidation in 2010
- Program which opens the supply chain security practices to US Customs for inspection and approval
C-TPAT Components

- Container Security
  - Physical Security & Access Control
  - Personnel Security, Training, and Security Awareness
  - Procedural Security
  - IT Security
Security Training and Threat Awareness Training

• Purpose:
  – To train employees to recognize and be aware of the threat posed by terrorists at each point in the supply chain.
  – Employees must know how to report situations that may compromise security (who, what, when).
  – Employees must be aware of emergency procedures the company has in place.
    • evacuation procedures
Management Responsibilities

• It is management’s responsibility to minimize potential danger through quick segregation of suspect cartons or identification and isolation of suspicious persons.

• Advise of necessary evacuations

• Act on reports of suspicious activities
Management Responsibilities

• Ensure that all employees, through safety talks, threat awareness and emergency action-plan training, are instructed on initial actions in the event of a security threat introduced into the factory’s environment.
Physical Security

• Fencing in active use around international shipping and receiving areas
• Door and gate locks used and functioning properly.
• Camera surveillance equipment in place and in working order.
• Adequate lighting.
• No abandoned packages lying about. Free of clutter.
Physical Security

• Employees should immediately report:
  – Damage to exterior fencing, lighting and the building structure;
  – Defective locking devices and signs of tampering or forcing locks in the building or along the fence line;
  – Missing badges and access cards or the use of badges and cards by unauthorized personnel;
  – Any damage to the alarm systems or video surveillance systems.
Identifying Intruders

- Employees must wear badges at all times and should report cases where:
  - Visitors are not wearing identifying badges while on the facility premises
  - Piggybacking
  - Any proposed break in procedure
    - “I just need to drop something off….” (follow reporting chain for each facility)

- Unauthorized/unaccompanied persons are not allowed in receiving and storage areas.

- Delivery personnel must have proper paperwork and company ID.

- Unknown personnel or vehicles must be reported to Security department.
Physical Access Controls

• IMPORTANT AREA OF EMPLOYEE PARTICIPATION
  – Employees should know fellow co-workers and challenge unauthorized personnel to identify themselves when seen on the premises.
  – Employees should notify Security or their supervisor about ANY unauthorized personnel on premises.
  – Employees should immediately report if terminated employees try to access the facility premises.
Securing Current Inventory

• An accurate inventory procedure should be in effect that accounts for all property.

• The records and inventory should be subject to periodic audit.

• Inventory counts should be subject to checks and balances that allow for discrepancies to be discovered and investigated thoroughly.
Container and Seal Inspection

• Upon receipt of full ocean containers
  – Complete the 7 Point ocean container checklist for every full ocean container
  – During this inspection you will be looking for security breaches in the container and the seals
    • Container (or trailer) damage or alterations;
    • Broken or compromised container (or trailer) seals;
  – Complete the container checklist and file with the bill of lading and seal records.
Container Security

- Conduct a 7 point inspection of containers
- Have written seal control and usage procedures in place
- Use high quality seal ISO17712
- Have proper reporting procedure to local authorities
Vendor/Factory/Mfr. Checklist for Full Ocean Container Unloading
Must be completed for every full ocean container unloaded by employee personnel

Full Ocean container carrier makes appointment for delivery
  ➢ Print House bill of lading and packing list. Highlight seal number. ___

Trucker arrives with truck bill of lading.
  ➢ Match Seal number on Truck bill to HBL ___

If seal number does not match
  DO NOT OPEN CONTAINER – DO NOT BREAK SEAL – Call Security.
If you need the door to unload other freight while Customs is notified, have the
driver move the trailer to another part of the yard—
  DO NOT LET CONTAINER LEAVE YARD –
  CUSTOMS MAY WANT TO INSPECT CONTAINER

Check Container integrity from outside - Look for false walls, welded boxes below
floor, welds in side walls, any deviation from normal container
  ➢ Under chassis ___
  ➢ Roof ___
  ➢ Side walls ___
  ➢ Front and back ___
  ➢ Check hinges and door locks for signs of tampering ___

Any deviation from expected – Notify Security
Take a photo of the problem

Seal
  ➢ Pull on seal to confirm lock is secure ___
  ➢ Match seal number to HBL and Trucker’s Bill ___
  ➢ Break seal ___
  ➢ Open Trailer Doors – examine freight for anomalies – leaking/wrong/out of place boxes ___

Any deviation from expected – Notify Security
  ➢ Take a photo of the problem ___

Receive Product as normal
Check Container Integrity from inside – Look for false walls, uneven floors, fills in ribs of
side walls, any deviation from normal container
  ➢ Floor ___
  ➢ Ceiling ___
  ➢ Side Walls ___
  ➢ Back wall ___
  ➢ Doors ___

Any deviation from expected – Notify Security
Take a photo of the problem
Signature of Employee performing inspection and breaking seal: __________________________
Date: ________________

This document to be filed with the Trucker bill of lading and seal, and kept until those items are
destroyed.
Container Inspection

7-Point Container Inspection Process:

1. Outside/ Undercarriage
2. Inside/ Outside doors
3. Right Side
4. Left Side
5. Front Wall
6. Ceiling/Roof
7. Floor (Inside)
What does a compromised container look like?

Contraband In Floor

Floor Should Be Flat – Don’t Step up to get inside
Undercarriage Support Beams Should Be Visible
Solid Plate – Support Beams are NOT Visible
Undercarriage Compromised
Contraband in Undercarriage
When to Notify Supervisor

• Unauthorized personnel in container/trailer storage areas;
• Any alterations to the trailer or seal
• Paperwork discrepancies (unaccounted for cargo, missing cargo).
• Supervisor will notify Security Department, who will determine notification Local Customs or other law enforcement agency
Receiving Security

• A shift supervisor must be present during any delivery.
• A 7 Point Container Checklist to be completed prior to breaking seal and opening container
• Delivery personnel are required to produce a proper packing list with a valid PO#.
• Shipments should be carefully checked for signs of pilferage and damage.
Import Procedural Security

• Receiving employees must:
  – Verify that cargo specifications match paperwork
  – Verify seal number
  – Check for exterior signs of tampering
  – After unloading, check interior for tampering
  – Report any signs of tampering or suspicious activity
  – Make sure container/trailer is properly reloaded or stored
  – Follow all written procedures: keep all logs updated
What may be considered a possible “Security Threat”?

- Pallets or Packages that show signs of tampering.
- Sagging or loose shrink wrap.
- Missing boxes in a lot or too many boxes.
- A box that looks “out of place”.
- Protruding wires, stains, misspelled common words. Unusual marks.
- Excessive securing material such as tape or string.
Further Indicators of Possible Threatening Boxes/Packages

• Oily stains, strange odor, objects protruding
• Lopsided box.
• Wrong Title with Personnel Name
• No return address or badly typed or written
• Excessive postage
• Restrictive markings such as “Personal”
What should you do?

• Handle with care, do not shake or bump.
• Isolate and look for indicators.
• Don’t open, smell or taste.
• Treat it as suspect.
• Call Security
Export Procedural Security

• Shipping employees must:
  – Inspect trailer before loading for any damage
  – 7-point Checklist on every container delivered for loading
  – 7 point Container Checklist if trailer was in storage at local facility prior to loading
  – Verify paperwork and seal number
    • Cargo integrity (correct quantity, weight, description)
  – Properly affix seal
  – Report any signs of tampering or suspicious activity
  – Follow written procedures: keep logs updated
Recognizing Internal Conspiracies

• Employees not in appropriate work spaces at appropriate time
  – Example: assembly line personnel in warehouse
  – Terminated employees in the warehouse

• Excessive contact with outside personnel

• Parking violations
  – Next to containers/trailers
  – No employee parking permit displayed

• “Can you do me a favor…?”
Security Awareness and You

• Customs Trade Partnership Against Terrorism brings the responsibility for supply chain security to each individual.

• All employees should participate in keeping their part of the supply chain as strong as possible at their facility.
  – Always be aware of potential security threats
  – Follow procedures
  – Report suspicious activity