



IWLA C-TPAT COMPLIANCE PROGRAM

In order to ensure that an IWLA member company seeking to become compliant with C-TPAT security requirements meets the spirit and intent of the standards established by CBP, the IWLA has enlisted the services Danbee Investigations, a highly respected independent organization that has specialized in supply chain security for over 30 years.

The process that the IWLA has designed for evaluating asset protection controls will be comprehensive, detailed and methodical.

Phase I

It will begin with Danbee developing a customized supply chain security questionnaire that will be forwarded to a 3PL, as well as to all their subcontractors and vendors directly involved with the handling and/or oversight of import shipments. This questionnaire will encompass an extensive array of security related topics, including exterior lighting, locking devices, building construction, security technology, access/egress controls, shipping and receiving dock practices, inbound vehicle and product checking/verification procedures, security seal controls, the handling of truckers, vendors and contractors, identification/verification procedures, screening of employees, vendors and visitors, as well as the protection of proprietary data.

The responses to these questionnaires will be carefully analyzed by Danbee's experts. Follow up communication via telephone and e-mail will take place in order to clarify, amend and/or verify all information provided.

Phase II

The second phase of this process will entail an on-site facility audit, where a Danbee supply chain security professional will analyze all asset protection practices, procedures and technology. During these assessments, responses provided on the questionnaires will be verified, relevant documents will be requested and reviewed, and all electronic security systems (intrusion detection, video, access control, etc.), will be inspected and field tested.

The Danbee representative will prepare a formal report for 3PL management. This report will list security strengths and weaknesses, as well as customized recommendations to remedy all deficiencies identified.

The security deficiencies exposed will also be discussed with 3PL management to ensure that they have a thorough understanding of these vulnerabilities, as well as the action needed to address these areas of risk.

During these onsite assessments, the Danbee representative will communicate the objectives of the C-TPAT program. Additionally, Danbee will hold a training seminar that will encompass timely, relevant topics such as methods used to smuggle contraband into intermodal containers and trailers, how physical security controls could be defeated, how to inspect inbound conveyances for indications of tampering or

smuggling, proper procedures for documenting and reporting security anomalies, how to test security safeguards, and effectively performing due diligence on logistics service providers involved with imports.

Phase III

The third phase of this process will be establishing a mutually agreed upon timetable for completion of the needed remedial action, whether it be by the 3PL or their service providers. Once these deadlines are determined, the 3PL will be responsible for forwarding Danbee detailed, verifiable proof showing that the remedial action has been taken. Danbee however, will provide needed support and guidance to the 3PL to assist them with the implementation of the remedial action.

After this phase has been completed a 3PL will be considered by the IWLA as C-TPAT compliant. Danbee will provide the 3PL with a formal letter confirming that they have met or exceeded C-TPAT standards.

Danbee's fee for all the previously detailed services, i.e., preparation of the supply chain security questionnaire and analysis of the responses, the on-site facility audit, the supply chain security training, the follow-up work with the 3PL to provide needed support and guidance for the completion of needed remedial action via e-mail and conference calls.

Danbee's fee of \$12,200.00 includes all services rendered and expenses incurred.

On-going Vigilance

Once a 3PL achieves IWLA C-TPAT complaint status, the following steps will be taken to ensure that adherence is diligently maintained.

Every 12 months, beginning on the anniversary date that a company receives a Danbee Investigations letter formally confirming their compliance, the 3PL will receive a supply chain security follow-up questionnaire. This questionnaire will encompass a broad array of asset protection policies, procedures and practices as well as specific questions based upon the initial onsite analysis.

The 3PL will have 60 days to return the completed questionnaire, at which point it will be evaluated and scored by Danbee.

Danbee will then prepare a report detailing where the 3PL has met or exceeded established standards as well as where enhancements are needed. The 3PL will then be required to formally respond, detailing what action will be taken to address those areas requiring improvement.

Danbee will be responsible for overseeing these actions i.e., determining if they are adequate and confirming that they have been implemented within a reasonable period of time.

This process will be repeated every 12 months (unless a 3PL is scheduled to receive an on-site audit).

Danbee's fee of \$1,500.00 includes all services rendered and expenses incurred.

Every three years, the 3PL will be subject to an on-site audit, during which time all security related policies, procedures, practices and technology will be evaluated by a Danbee professional. The protocol for briefing company management and taking remedial action for deficiencies identified will be the same as previously detailed for the initial on-site supply chain security audit.

Danbee's fee of \$8,500.00 includes all services rendered and expenses incurred.