



Inside CBP's 2026 Playbook: Anticipating the Top Audit Targets

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Top Audit Targets - Topics

- CBP Enforcement Tone
- CBP Targeting
- Audit Types and Investigations
- CBP Focus Areas
- 2026 Enforcement Preparation



CBP'S ENFORCEMENT TONE
MORE ENFORCEMENT, FASTER RESULTS, &
AGGRESSIVE PURSUIT OF REVENUE



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CBP Enforcement and Audit Trends

- Enforcement is a top priority
- Trade Security = National Security
- “Improper avoidance of tariffs and customs duties”
 - Priority Enforcement Area for DOJ
- Emphasis on Reporting Trade Fraud
- Increased Number of Investigations
- Increased Emphasis on Analytics and Targeting



CBP Enforcement and Audit Trends

Increased CF-28/29 Activity

- Batch CF-28s
- CF-29 Action Taken (instead of Proposed Actions)

Less leniency on prior disclosure deadlines

Quicker Audits/Surveys by Regulatory Audit

Stricter audit timetables

Unfavorable and stricter rulings – First Sale for Export

Changing of the Guard – New employees and the knowledge gap



CBP TARGETING DATA, DATA, AND MORE DATA



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Data Targeting Tools

- Trade Violation Reporting
- Automated Commercial Environment (ACE)
- Other CBP and Government Databases
- AI Tools
 - Sayari
 - Kharon
 - Panjiva
 - Others



Trade Violation Reporting

REPORT SUSPECTED
CRIMINAL/ILLEGAL ACTIVITY

REPORT TRADE VIOLATIONS

[e-Allegations FAQ](#) [Intellectual Property Rights
Information](#)

REPORT EVASION VIOLATIONS

SUBMIT MOIETY CLAIM

- 4 Trade Violation Options on CBP Website
 - Report Suspected Criminal or Illegal Activity (Homeland Security Investigations)
 - Report Trade Violations (E-Allegation)
 - Forced Labor
 - Broker Violations
 - Non-EAPA AD/CVD
 - Other commercial trade violations
 - Report Enforce and Protect Act (EAPA) Violations
 - Moiety Claim
- False Claims Act



Leveraging ACE for Enforcement

CBP can identify risk at the importer or industry level before/after tariff implementation

- HTS
- Country of Origin
- Average Unit Values
- Tariff Exclusions and Chapter 99 HTS Code Errors

Emphasis on changes to the above data points

- Section 232
- IEEPA
- AD/CVD



Industry Targeting and AI Tools

- CBP commodity and industry targets based on data analysis
- Coordinated reviews of groups of importers
 - CF-28s, Risk Assessments, Audits, and Investigations
- Results analyzed and AI Tools leveraged to identify links between bad actors
 - Corporate connections
 - Ownership
 - Business partners
 - Suppliers/MIDs
 - Freight forwarders
 - Brokers



AUDITS AND INVESTIGATIONS EMPHASIS ON REVENUE COLLECTION



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CBP Inquires and Audit Plan



Emphasis on Revenue Collection

CEE Inquiries

- CF-28/29
- Investigations
- Coordinated industry targeting – Section 232 Exclusions
- EAPA – AD/CVD

Trade Regulatory Audit – Audit Plan

- Investigations
- Risk Assessments
- Risk Analysis and Survey Assessments (RASAs)
- Other Audits



Investigations

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection

NOTICE OF ACTION
19 CFR 152.2

This is NOT A Notice of Liquidation			1. DATE OF THIS NOTICE
2. CARRIER	3. DATE OF IMPORTATION	4. DATE OF ENTRY	5. ENTRY NO.
6. MFR/SELLER/SHIPPER	7. COUNTRY CN	8. CBP BROKER AND FILE NO.	
9. DESCRIPTION OF MERCHANDISE			
10. TO		11. FROM	
12. THE FOLLOWING ACTION, WHICH WILL RESULT IN AN INCREASE IN DUTIES, --			
<input checked="" type="checkbox"/> IS PROPOSED			
▶ IF YOU DISAGREE WITH THIS PROPOSED ACTION, PLEASE FURNISH YOUR REASON IN WRITING TO THIS OFFICE WITHIN 20 DAYS FROM THE DATE OF THIS NOTICE. AFTER 20 DAYS, THE ENTRY WILL BE EITHER LIQUIDATED AS PROPOSED OR CHANGED AS PROPOSED.			
<input type="checkbox"/> HAS BEEN TAKEN			
▶ THE ENTRY IS IN THE LIQUIDATION PROCESS AND IS NOT AVAILABLE FOR REVIEW IN THIS OFFICE.			
TYPE OF ACTION			
A. <input checked="" type="checkbox"/> RATE ADVANCE			
B. <input type="checkbox"/> VALUE ADVANCE			
C. <input type="checkbox"/> EXCESS <input type="checkbox"/> WEIGHT <input type="checkbox"/> QUANTITY			
D. <input checked="" type="checkbox"/> OTHER (See below)			
13. EXPLANATION (REFER TO ACTION LETTER DESIGNATIONS ABOVE)			
No response was received to our rejection, a proposed CBP29 is being issued to provide you with the opportunity to make corrections and collect the cash deposit required. If your goods are not subject to the Countervailing Duty case, please respond with appropriate documentation to show otherwise. You will have 20 days to respond or the entry will be changed to a 03 type and CVD duties will be added to the appropriate line(s). An investigation has been initiated based on the possibility that a violation may exist.			
changed to a 03 type and CVD duties will be added to the appropriate line(s). An investigation has been initiated based on the possibility that a violation may exist.			
14. CBP OFFICIAL	15. TEAM DESIGNATION	16. TELEPHONE	
17. FAX NUMBER	18. EMAIL		

CBP Form 29 (05/14)

- Investigations can be unannounced or announced
- Importer contact
 - Letter of Investigation
 - CF-29
- Should be taken very seriously!



Section 232 Exclusion Targeting – CF-29

12. The following action, which will result in an increase in duties, ---

is proposed

▶ IF YOU DISAGREE WITH THIS PROPOSED ACTION, PLEASE FURNISH YOUR REASON IN WRITING TO THIS OFFICE WITHIN 20 DAYS FROM THE DATE OF THIS NOTICE. AFTER 20 DAYS, THE ENTRY WILL BE EITHER LIQUIDATED AS PROPOSED OR CHANGED AS PROPOSED.

has been taken

▶ THE ENTRY IS IN THE LIQUIDATION PROCESS AND IS NOT AVAILABLE FOR REVIEW IN THIS OFFICE.

type of action

- A. Rate Advance
B. Value Advance
C. Excess Weight Quantity
D. Other (See below)

13. Explanation (Refer to action letter designations above)

Customs and Border Protection (CBP) conducted an internal review of the importers products exclusions issued by DOC/BIS. CBP has determined that Section 232 evasion has occurred based on the overused allotted quantities approved by DOC/BIS on the entries listed below. The entries will be rate-advance to assess Section 232 duties owed to the U.S. Government and bills will be issued upon liquidation of the entries.



Section 232 Exclusion Investigation

- 232 Exclusions
- Multiple targeted importers
- No previous CF-28/29 Activity for this importer



610 South Canal Street
Chicago, IL 60607
U.S. Customs and
Border Protection

Date: [REDACTED]

[REDACTED]

Dear [REDACTED]

[REDACTED] U.S. Customs and Border Protection, Base Metals Center of Excellence and Expertise. [REDACTED]

The Letter of Investigation was initiated based on your company's non-compliance with instructions provided by the Department of Commerce (DOC), Bureau of Industry and Security (BIS). Upon granting your exclusion under Section 232, the approval letter stated that, "This exclusion is granted only in the quantities requested from each identified supplier and country of origin, as specified in the original exclusion request form." You exceeded your allotted quantity(s) as outlined in the attached Product Exclusion ID (PEI) report.

The allotted quantity approved by DOC/BIS was overused. If the entry(s) are outside the exclusion's active use period, CBP will initiate penalty action under 19 USC § 1952 to collect any unpaid duties for importer [REDACTED] with importer of record number [REDACTED]



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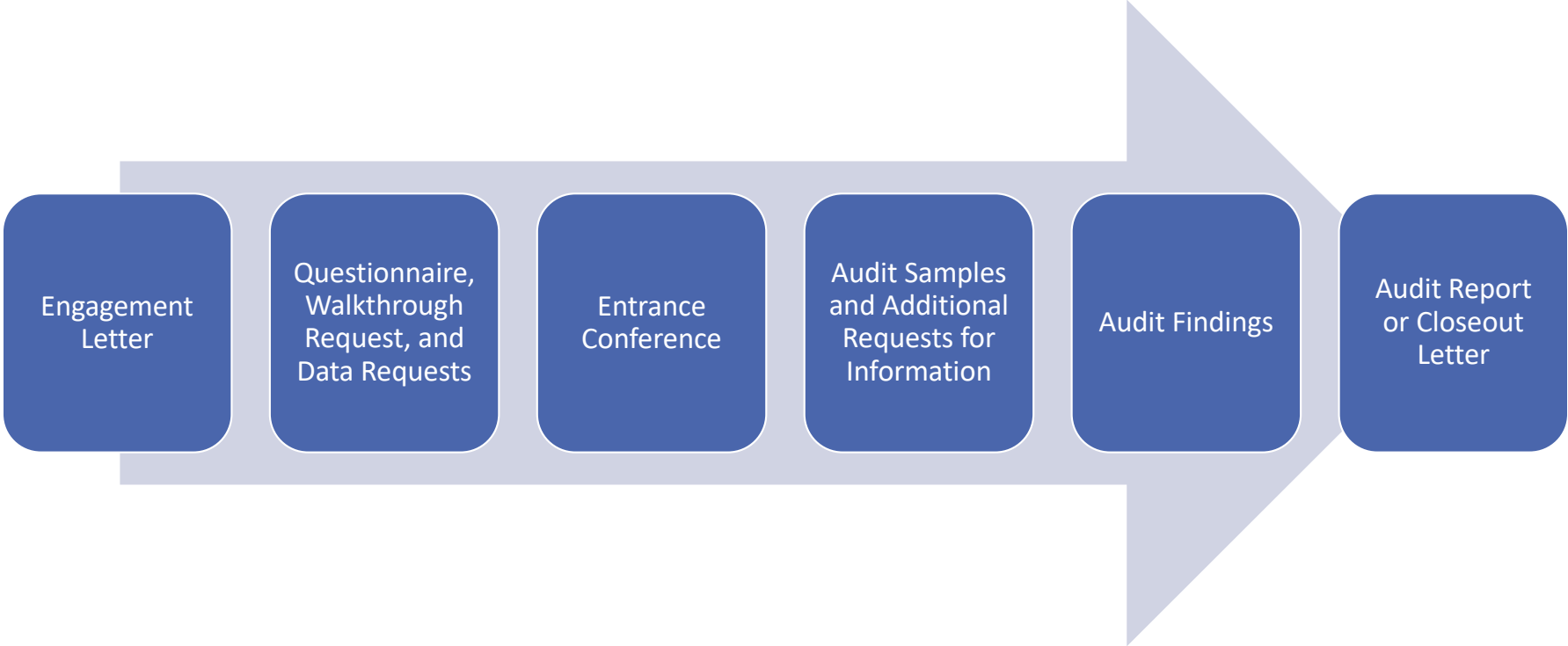
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What is a RASA?

- Risk Analysis and Survey Assessment
- Intended to be a quick risk assessment and allows the CBP auditor to focus on the areas of greatest risk
- Most often a single objective (e.g. ADD/CVD, Value, FTA, 301 Exclusions, etc.)
- Generally, referrals are industry or commodity specific
- Audit Surveys/RASAs are NOT actual audits under 19 CFR 163.11
- Focus is on revenue recovery, some emphasis on internal controls
- Less subjective than a Focused Assessment
- Much more dangerous for Importers.
- Possible outcomes of audit survey:
 - ✓ No further action needed (no risk or minimal risk)
 - ✓ Prior Disclosure submitted and will be perfected
 - ✓ Auditor makes referral for Audit
 - ✓ Auditor makes referral for Investigation
 - ✓ Commencement of formal Investigation



Audit Process



Risk Assessment Confirmation

- Example of Broad Scope Risk Assessment
- Classification, Value, Country of Origin, and AD/CVD Review Areas

This confirms arrangements made on [REDACTED], 2025 by U.S. Customs and Border Protection (CBP) to meet with [REDACTED] on [REDACTED] 2025 at 10 a.m. at [REDACTED]. The purpose of the meeting is to conduct a risk assessment under the authority of Title 19 of the United States Code § 1509(a).

The objective of the risk assessment is to determine if there are factors associated with the classification, value, country of origin, and antidumping/countervailing duty of [REDACTED] imports warranting further consideration by CBP. The scope of the risk assessment will include: discussion of [REDACTED] procedures and review of documentation related to the following entries:

- Questionnaire request
- Request for Information for walkthrough documentation

There are two files attached to this correspondence. The first file, [REDACTED] Importer Questionnaire, is a questionnaire to obtain information about [REDACTED] importing activities. Please complete the questionnaire and provide your responses to [REDACTED]@cbp.dhs.gov by [REDACTED], 2025.

The second file, [REDACTED] – Request for Information, identifies the types of documentation for each of the entry line items selected for a walkthrough review. Please provide your information to [REDACTED]@cbp.dhs.gov by [REDACTED], 2025. For the risk assessment meeting, personnel from the appropriate departments should be available to discuss the importation of the items.



CBP FOCUS AREAS

ENFORCING TARIFFS LIKE NEVER BEFORE



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CBP Focus Areas – Emphasis on 2025 Tariff Initiatives

- Emphasis on Section 232
 - Steel, Aluminum, Copper
 - Expanded Scope – Derivatives
 - Increased Rates – 50%
 - Automotive and Trucks
 - Timber and Other
 - More to Come – Pharmaceuticals?
- IEEPA – Pending Supreme Court
 - Fentanyl
 - IEEPA Reciprocal
 - Brazil
 - Russian Oil
- Section 301 China
 - Tariff Exclusions



CBP Focus Areas – Emphasis on 2025 Tariff Impact/Revenue



- Country of Origin
 - Tariff Evasion – AD/CVD, IEEPA, Russian Aluminum
 - U.S. Origin – Section 232
- Classification
 - Tariff Evasion – AD/CVD, Section 232, Section 301
 - Chapter 99 code errors
- Tariff Exclusions (2025 tariff evasion)
 - 301 Exclusions
 - HTS 9801
 - USMCA – IEEPA reciprocal and fentanyl
 - Civil Aircraft – UK and EU, Section 232 and IEEPA evasion
- AD/CVD
 - Transshipment



USMCA Exclusion Targeting Via CF-28

- Proof of Payment
- Photographs and invoices, or lease agreements for each major machine used in production
- Supply chain list of suppliers associated with production
- Shipping records for raw materials used in the manufacture of the goods

REQUEST FOR INFORMATION CBP Officer Message (Continuation)

This is notification that U.S. Customs and Border Protection is reviewing entry summary [REDACTED] for goods classified in subheading [REDACTED], HTSUS. 1 with country of origin Mexico. Please provide the entry documents in accordance with 19 CFR 142.3. 2. Provide the Certificate of origin for this entry. Provide an unredacted contract. 3. Provide purchase order(s) for this transaction. 4. Provide proof of payment records for this transaction. Must include an unredacted bank statement or cleared check. The document must come from the bank that was used to do the transaction. 5. Provide a synopsis of the company history, which must include specifically where (state physical address) the item was manufactured. 6. Provide a synopsis of the production or manufacturing process (i.e. flow chart) and description of the steps involved in the manufacturing process. 7. Provide photographs and a brief description of each machine used in production. Must include invoices or lease agreements for each major machine used in production. 8. Provide exterior photographs of the manufacturing facility. Include legible facility signs and road signs. 9. Provide a supply chain list of suppliers associated with the production process, including names and contact information (addresses, email addresses, and phone number). 10. Provide the bill of materials (BoM) with cost data. Include raw material invoices and receipts for all suppliers and sub-suppliers, which supports the BoM. 11. Provide the shipping records for raw materials used in the manufacture of the goods, which supports the BoM. 12. Provide proof of payment records for raw materials used in the manufacture of the goods, which supports the BoM. The document must come from the bank that was used to do the transaction. 13. Provide a statement stating the BoM is complete. 14. For entities in the production or manufacturing process, identify any relationships in accordance with 19 C.F.R. 152.102(g). 15. Provide a photograph of each class of goods, in its imported state. Ensure all labels are captured and legible. 16. Provide an explanation of how the country of origin was determined? Additional Notes: 1. Any documents in a foreign language must be translated into English or have an English translation as an attachment. 2. Exporters or producers may respond directly to CBP in order to protect business confidential information. 3. Commercial information provided to CBP will be treated as privileged/confidential. (See 19 CFR 103.35 for additional information) The request for information is made in accordance with 19 U.S.C. 1509 and 19 CFR Appendix-to-Part-163. Failure to produce the demanded information may result in a penalty pursuant to 19 U.S.C. 1509 (g).



Valuation Emphasis Areas

Valuation Schemes

Undeclared Payments

Undeclared Additions to Value

Invalid Deductions

Related Party Pricing

First Sale for Export Valuation

Price Unbundling

Section 232 Valuation



CF-28 – First Sale

REQUEST FOR INFORMATION CBP Officer Message (Continuation)

Please provide ONE sample for [REDACTED], [REDACTED] [REDACTED] (Invoice [REDACTED]) for item entered under [REDACTED]. Please provide a detailed invoice with description of item, method of construction, & fiber content. Please provide the following: Footwear-FDRA-Classification-Data-Forms, purchase orders, commercial invoices and ALL PROOFS OF PAYMENT for the entire invoice. Ensure that invoice provides sufficient information to support HTS #s. Please see 19 CFR 141.86, 141.87, 141.89 and 19 USC 1481 and 1484 re INVOICING REQUIREMENTS and provide sufficient information to classify these goods to the STATISTICAL LEVEL. All information is to be provided within 30 days of the date of this notice. Identify if First Sale is utilized in this transaction. If so, identify all the parties involved in the transaction, and submit the second-tier invoice and/or any other invoices as applicable. Thank you.

- All purchase orders
- All invoices
- All proofs of payment
- First Sale Inquiry
- 30-day timeline



Section 232 Steel/Aluminum/Copper Derivatives Metal Content Valuation Methods – Ripped from the Headlines Are any of these methods correct?

Full value of article

Supplier purchase price of steel/aluminum

Supplier's supplier purchase price of steel/aluminum

Hot rolled price of steel manufacturer (all the way upstream)

Full value less cost of non-steel/aluminum components

Calculate steel/aluminum cost % of Bill of Material and apply steel/aluminum% to article value to calculate steel/aluminum value

Zero steel/aluminum value

No 232 HTS for item on derivative list



CBP Base Metals CEE 232 Derivative Guidance

- For steel articles of chapter 73, aluminum articles of chapter 76, and articles classified elsewhere (not including chapter 72):
 - If the *articles* are 100% steel or 100% aluminum, there is no non-steel/aluminum content to separate and Section 232 duty is assessed on the full entered value of the article. There is no backing out of any costs not allowed by the Customs Value laws. Manufacturing, labor, coating, etc. costs are not subtracted.
 - If the *articles* are not wholly of steel or aluminum (there are non-steel/aluminum parts/components), the Section 232 duty is assessed on the steel/aluminum content of the article.



CBP Base Metals CEE Guidance Steel/Aluminum Content

- HQ has said this would be based on “the invoice paid by the buyer of the steel/aluminum content to, or for the benefit of the seller of the steel/aluminum content”. The current position is this represents what the *importer* paid for the steel/aluminum content of the *finished* article and is the entered value of the imported article minus the cost of the non-steel/aluminum part/components of the finished article. Non-steel/aluminum content does not refer to fabrication, machining, labor, costs, etc.
- Need documentation sufficient to support the importer’s claimed steel/aluminum content



Section 232 Valuation CF-28 Example

NOTICE OF ACTION Box 13: Explanation (Continuation)

The following entry is under review for the steel content of the article imported in line(s) (1,2). Please ensure that all questions listed below are addressed and the requested information is provided within 20 days from the date of this CBP 29 Proposed Notice of Action:

1. Calculation Method: Provide the method used to calculate the steel content and non-steel content ("the breakdown") of the product.
2. Detailed Explanation: Explain in detail how the breakdown was calculated based on the total value of the product.
3. Cost Analysis: Specify the costs that were added and subtracted for each part of the breakdown.
4. Responsible Party: Identify who calculated the breakdown.
5. Importer Awareness: If the importer did not calculate the breakdown, confirm whether they are aware of how it was calculated.
6. Supporting Documents: Submit all documents related to the calculations of the breakdown.
7. Invoices and Packing Lists: Provide all invoices and packing lists associated with this entry.
8. Schematics/Diagrams: Include schematics or diagrams of the product that indicate the steel content of each section, component, or part, along with the percentage of steel content by total weight of the product.
9. Photograph Requested: Provide a photograph of the product in its imported state.

Failure to provide the requested information within 20 days will result in an increase in the value of the steel content for the imported product



2026 ENFORCEMENT/AUDIT PREPARATION MORE AT STAKE THAN EVER



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Compliance Preparation Tips

- ✓ Keep current
- 📊 ACE data is your best friend
- ⚠️ Post-entry audits are a must
- 💰 HTS 99 codes that reduce duties will be an emphasis of CBP reviews
- 🏠 Get a handle on valuation and valuation additions
- ⚠️ Be wary of supplier recommended duty savings opportunities
- 🕒 Good recordkeeping and timely access to records is a must
- 🗨️ Avoid unintended disclosures of adverse information to CBP inquiries
- 📋 Import Compliance Procedures are more important than ever



Elements of Good Import Compliance Procedures

Address 5 Components of Internal Control

Describe how to perform tasks and internal control processes

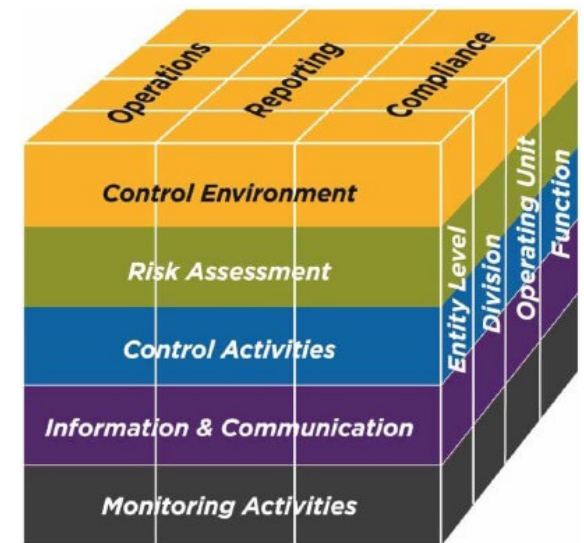
Address all areas of risk (e.g., Value, HTS, AD/CVD, Recordkeeping)

Explain the process for independent verification of tasks

Include a process for reporting & correcting errors

Include a process to update & strengthen internal controls

Not a regurgitation of laws and regulations!



Summary Advice

- CBP has access to more data than ever before.
- CBP has an enforcement mindset; and importers should proactively look for ways to protect themselves.
- Internal controls, processes, and good recordkeeping are more important than ever before because of the revenue at stake.
- Take all CBP inquiries seriously. If you don't understand what they're asking, then you should be getting external advice.



Thank You



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