



DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE

PORT OF CHICAGO PIPELINE

NO. 96-25

July 9, 1996

TO : Customhouse Brokers, Importers and Others Concerned

SUBJECT: Official Warning - Discrepancies Between CF 3461 and CF 7501

The purpose of this pipeline is to serve as an official warning letter to all filers in the Port of Chicago that Customs will pursue the appropriate penalty action when discrepancies between the CF 3561 and the CF 7501 are discovered.

This issue was previously addressed in Chicago District Pipelines 89-15, dated May 5, 1989, and 90-8, dated March 5, 1990.

In the past, the Port of Chicago has counseled brokers and issued warning letters to address the problem, initiating penalties in a few instances only as a last resort. However, research indicates that the problem of CF 3461/CF 7501 discrepancies still persists. In comparing data on the CF 3461 with that on the CF 7501 for fiscal year 1996, innumerable discrepancies have shown up in the following areas:

- | | |
|-----------------------|--------------------|
| 1. Classification | 5. Consignee |
| 2. Country of Origin | 6. Entry Type Code |
| 3. Incomplete CF 3461 | 7. Quantity |
| 4. Value | |

The following are examples of these discrepancies:

Example 1 - The country of export code is shown instead of the county of origin code in box 25 of the CF 3461.

Example 2 - Various auto parts which are properly classified under twenty different tariff numbers are shown under one general tariff number for "other auto parts" on the CF 3461 rather than under the actual twenty different tariff numbers.

Example 3 - One or more classifications are used to obtain a paperless release and one or more different classifications (which would not have given a paperless release) are used on the CF 7501

The CF 3461 and related documents are an entry, as defined in CFR 141.0a(a). An

entry is the documentation required to determine admissibility. Customs uses Cargo Selectivity as a tool in reviewing entries and determining the type of examination necessary. If the CF 3461 entry is incomplete or inaccurate, Customs cannot perform selectivity properly.

Nothing in this pipeline shall be construed as preventing a change in the CF 7501 from the information shown on the CF 3461 **provided a legitimate reason** (new information, advice from an import specialist, etc.) **is given on an add slip attached to the entry summary**. However, it should be noted that repeated discrepancies of significance may result in the loss of paperless entry privileges, penalty action, or both.

The coordination and cooperation between the Port of Chicago and the importing community has earned Chicago a reputation of having one of the most effective Trade Compliance operations nationwide. Customs expects voluntary compliance with all applicable rules and procedures, and filers are obligated to exercise reasonable care when conducting Customs business. Those filers who continue having numerous discrepancies leave Customs with no alternative but to take further corrective action.

Richard Roster
Port Director