



# § 111.32 Separation from a Client

Please send any questions to the Broker Management Branch  
email: [brokermanagement@cbp.dhs.gov](mailto:brokermanagement@cbp.dhs.gov)

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The modernized customs broker regulations include a requirement for a broker to notify CBP when the broker separates from a client that is intentionally attempting to defraud the U.S. government or commit any criminal act against the U.S. government (19 CFR 111.32). CBP has codified the reporting expectation in regulation as part of the expected duties of a licensed customs broker to deter bad actor importers from intentionally using a broker to attempt to defraud the U.S. government or commit any criminal act against the U.S. government. If a broker separates from a client because of the foregoing reasons, then the broker must report this information to CBP, which will assist in combating fraud and other schemes against the U.S. government. CBP distinguishes these scenarios from situations where a broker advises the client on the proper corrective actions required (19 CFR 111.39), the client follows and completes the corrective actions, and the broker determines it is unnecessary to separate from the client.

## Examples of Reportable Client Offenses

Examples of client conduct that may cause a broker to separate from a client and subsequently require a broker to report the separation and associated facts may include, but are not limited to, the following:



Intentionally providing a false/fraudulent statement, information, or documents to CBP to obtain an improper duty rate or duty refund



Intentionally depriving the U.S. government of duties, taxes, and fees, such as undervaluing or misclassifying imported goods to evade the actual customs duties owed



Intentionally declaring false country of origin information to avoid anti-dumping and/or countervailing duties (AD/CVD), or to import restricted or prohibited merchandise to the U.S.



Intentionally importing prohibited or restricted merchandise, such as counterfeit/fake goods or other controlled or illegal items or substances



Committing cybercrimes such as website fraud

See Chapter 10, Section B.11 of the [Customs Broker Guidance for the Trade Community](#) for more information.



## Required Elements for a Broker to Report to CBP

1

The client has an intent to defraud the U.S. government or commit a criminal act against the U.S. government

3

The broker has identified the attempt

2

The attempt is being made through the broker

4

The broker has separated from the client or canceled representation because of the client's attempt



## How to Report to CBP

A broker must report the separation from/cancellation of representation of a client, in accordance with 19 CFR 111.32, by phone, email, or mail to a supervisory point of contact at the client's assigned Center of Excellence and Expertise and/or through CBP's e-Allegations program (brokers must provide the required reporting information).



## Required Information to Include in Report to CBP

- The broker's contact information
- The former client's business name(s) and address(es)
- Description of the client's potentially fraudulent or criminal activity
- Date of separation or cancellation
- Documentation evidencing how/why the broker determined the former client was engaged in possible fraud or criminal activity
- Any other information that would assist CBP's investigation

A broker's identity and any other information submitted will be protected to the extent possible in accordance with law, including, but not limited to, the Privacy Act, the Freedom of Information Act, the Trade Secrets Act, and CBP and DHS regulations.



U.S. Customs and Border Protection

Additional Resources



[Customs Broker Guidance for the Trade Community](#)



[CBP e-Allegations](#)



[Centers of Excellence and Expertise Directory](#)