

# COMPILATION OF **INTEGRITY** **PRACTICES**

FROM WCO MEMBERS



WORLD CUSTOMS ORGANIZATION

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# FOREWORD

The WCO has strongly encouraged its Members to focus on integrity within Customs since the early 1990's. Over the years it has developed a comprehensive integrity programme as well as new tools to respond to an increasing demand of assistance from WCO Members in various areas related to integrity and the fight against corruption. Fighting corruption within Customs is essential given the driving role of Customs in promoting trade. The WCO believes that integrity cannot be addressed as a standalone issue but needs to underpin the Customs reform and is the basis of institutional development. To encourage Members to be proactive in this area and to highlight some of the practices that Members have adopted in line with the principles of the Revised Arusha Declaration, the WCO invited Members to propose articles to be included in an Integrity Newsletter.

Since 2010, the WCO has published 13 Integrity Newsletters with a total of 62 articles provided by 50 WCO Members over the years. The intention behind the Newsletters was to be modest and brief in scope and to describe in a few short pages Members strategies, practices and measures to enhance integrity and fight corruption. The WCO decided to publish a compilation of those articles that are classified under each of the 10 elements of the Revised Arusha Declaration (RAD), that is to say:

*Leadership and Commitment; Regulatory Framework; Transparency; Automation; Reform and Modernization; Audit and Investigation; Code of Conduct; Human Resource Management; Morale and Organizational Culture; Relationship with the Private Sector.*

Several articles featured in this Compilation of Integrity Practices present a series of integrity measures that correspond to more than one element of the RAD. For this reason such articles have been presented under the 5<sup>th</sup> element of the Revised Arusha Declaration: Reform and Modernization. Most of the articles would also qualify to feature under the first element of the Revised Arusha Declaration (Leadership and Commitment) as leadership is needed to implement the type of reforms that are illustrated through those practices. All articles, except those that referred to policies and measures that are now obsolete due to changes in strategy and reorganization within the Administration concerned, are reproduced in this Compilation.

We hope that you will find those practices interesting and useful. Do not hesitate to contact the WCO Secretariat to be put in contact with a representative of the Administration that provided information on such practices.

**Ernani Checcucci**  
*Director, Capacity Building*





## 1. Leadership and Commitment



### Malaysia\*

ROYAL MALAYSIAN CUSTOMS DEPARTMENT (RMCD) LAUNCHES THE ENHANCING INTEGRITY AND ACCOUNTABILITY BLUEPRINT

On 1 June 2011, the Director General of the Royal Malaysian Customs Department (RMCD), Y Bhg Dato'Sri Hj. Mohamed Khalid bin Yusuf launched the Blueprint on Enhancing Integrity and Accountability at RMCD Headquarters, as part of its plan to meet Customs challenges in the 21st Century.

The five existing pillars of RMCD's Modernization Plan consist of One Customs Concept, RMCD Strategic Plan 2010-2014, Implementation of the Customs Transformation Programme, RMCD Integrity Plan for 2010-2014 and RMCD Human Resource Development Plan 2010-2014.

RMCD acknowledges the challenges Customs faces in managing integrity and accountability while fulfilling its role of collecting revenue, facilitating trade, improving delivery systems and enhancing stakeholder satisfaction, observing compliance of Customs laws and regulations, as well as contributing to the nation's economic development. A series of initiatives have been identified to achieve these functions, in accordance with the WCO Revised Arusha Declaration.

This Integrity and Accountability Blueprint will lay the foundation to produce responsible, professional, efficient and dedicated RMCD personnel.

The official launching of the Blueprint was broadcasted on the newly introduced RMCD Web TV, thus giving all RMCD officers access to the event.



\* WCO Integrity Newsletter Issue N°6

## 2. Regulatory Framework



### France\*

FORWARD-LOOKING LEGAL DEVELOPMENTS CONCERNING THE PROFESSIONAL CONDUCT OF GOVERNMENT OFFICIALS

In France, government measures introduced by the Law of 6 December 2013 on combating tax evasion and major economic and financial crime, have had a significant impact on the professional conduct of public officials. These changes form part of a broader government project to encourage good practice in public life. Two lines of work have been prioritized: (1) consolidation of the role of civil society in disclosing offences committed by officials; (2) strengthening of the measures available for investigating and prosecuting such offences.

### 1. Civil society, a key stakeholder in encouraging good practices in public life

Two symbolic measures characterize the legal recognition of civil society's essential role in disclosing attempts by public officials to undermine probity. These involve anti-corruption associations and whistle blowers, whose status has consequently been enhanced.

#### Anti-corruption associations

The law enables anti-corruption associations to pursue civil claims for damages arising out of criminal offences specific to officials (extortion, accepting bribes, influence peddling, unlawful conflict of interest and favouritism, embezzlement and misappropriation of public property).

#### Whistle blowers

Legal protection for whistle blowers has been introduced into the rules governing the French civil service. Henceforth, no proceedings concerning recruitment, appointment, training, assessment, discipline, promotion, assignment or posting may be brought against an official (whether a civil servant or engaged under contract) who discloses or testifies in good faith to any crime or offence which he or she has become aware of in the course of his or her duties.

\* WCO Integrity Newsletter Issue N°11

In the case of proceedings concerning the application of the law, the burden of proof is reversed to the benefit of the official, provided the latter presents information from which it can be inferred that he or she has disclosed or testified to the offence or crime in good faith. It is then up to the defendant to prove that their conduct is justified by objective information unrelated to the whistleblower's declaration.

### This reform is ambitious in two respects:

- on the one hand, protection is not granted solely for disclosures made to the administrative or legal authorities – public officials are also protected in the event of disclosures to third parties, particularly the press;
- on the other hand, the conduct reported is not restricted solely to "conflicts of interest" but also extends to "any act constituting a crime or offence".

The introduction of this legislation raises many questions that can be clarified only through the practice of the administrative and ordinary courts when they are called upon to hear legal disputes concerning its application. Questions that arise are the reconciliation of this mechanism with the principles of professional secrecy or the duty to comply with instructions from superiors. Moreover, any official who has disclosed acts in "bad faith" will be subject to prosecution for the criminal offence of making false accusations.

### 2. Strengthening the measures available for investigating and prosecuting specific offences committed by civil servants

### Increased fines

The new legislation has substantially increased the fines levied for offences specific to public officials to ensure that such penalties represent a greater deterrent:

- the fine for extortion and unlawful conflict of interest has been increased from EUR 75,000 to EUR 500,000 and may be raised to twice the proceeds of the offence;
- the fine for accepting bribes, unlawful conflict of interest and misappropriation of public property has been increased from EUR 150,000 to EUR 1,000,000 and may be raised to twice the proceeds of the offence;
- the fine for unlawful favouritism has been increased from EUR 30,000 to EUR 200,000 and may be raised to twice the proceeds of the offence.

Prison sentences for such attacks on probity, on the other hand, remain unchanged: 5 years' imprisonment for extortion and unlawful conflict of interest, 10 years' imprisonment for accepting bribes and influence peddling, 1 year's imprisonment for misappropriation or embezzlement of public property, 2 years' imprisonment for unlawful favouritism.

### Lower penalties for repentant offenders

By contrast, in the case of accepting bribes or unlawful conflict of interest, the penalty may be reduced by half for repentant offenders (a perpetrator or accomplice who has made it possible to prevent the offence or to identify the other perpetrators or accomplices, where applicable, by alerting the administrative or legal authorities).



Increased scope for recourse to investigative measures derogating from ordinary law. For accepting bribes and unlawful conflict of interest, the law allows a broadening of the scope for recourse to the investigative measures derogating from ordinary law that were applicable previously only in relation to organized crime (possibility of infiltration, interception of correspondence, voice capture in private or public premises or vehicles, image capture in private premises, computer data capture, 96-hour detention in custody, etc.).

A government bill focusing specifically on the professional conduct of public officials is currently being adopted and will complement and clarify the provisions described above.

### 3. Transparency



#### Bolivia\*

NATIONAL CUSTOMS AUTHORITY TEAMS UP WITH PRIVATE OPERATORS TO COMBAT CORRUPTION IN THE FOREIGN TRADE SUPPLY CHAIN

#### Background

Bolivia's National Council against Corruption, Illicit Enrichment and Money-Laundering was founded on 26 April 2006 to prevent, prosecute and punish corruption by raising ethical awareness among public officials. Its ultimate aim is to ensure that public bodies and institutions are free of dishonesty and impunity.

Against this general legal background of anti-corruption policy, the Bolivian National Customs Authority, the ANB, created an Anti-Corruption Unit in 2006. The primary focus of this unit, which reports to the Commissioner of Customs was to provide evidence to support the opening of internal administrative proceedings, to adjudicate in criminal proceedings, which had to be initiated by the National Anti-Corruption Board, and to monitor cases processed by the unit until they were closed.

The need to combat corruption was formalized with the adoption of Supreme Decree No. 0214 of 22 July 2009,

the "National Transparency and Anti-Corruption Policy", the purpose of which is to provide instruments to prevent, investigate and punish acts of corruption while ensuring transparency and access to information. This national transparency and anti-corruption policy establishes four pillars of preventive action and anti-corruption measures. The pillars are: (1) Strengthening citizen participation; (2) Strengthening transparency in public Management and the right of Access to information; (3) Measures to eradicate corruption; (4) Institutional building and coordination mechanisms.

Under this legislative umbrella covering the two fundamental elements – the prevention and punishment of corruption – the National Customs Authority approved the change in the name of the "Anti-Corruption Unit" to the "transparency and anti-corruption unit".

#### Responsibility to society: Public accountability

The purpose of these measures is to ensure transparency in public management by providing civil society with information on all economic, financial, political, planning and other matters concerning the institution's public management.

The key characteristic of public accountability is that people can examine the institutional information provided to ensure that the use of public resources is monitored and that results which enhance public management and which can be used to formulate recommendations are prioritized.

Public accountability allows the bodies of the National Customs Authority to publicize their achievements and difficulties as their management develops, and to gather public feedback.

The issues on which accountability focuses are: (1) Information on progress made in managing and achieving the strategic objectives of the Annual Operational Plan as well as information on public services, publicizing how the institution resolves provision of service issues on a day-to-day basis; (2) Management of financial resources in seeking to balance the institution's real income and expenditure; (3) Publication of the legislation, powers and legal functions assigned to the National Customs Authority.

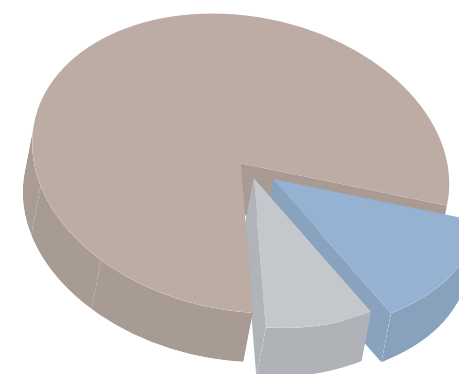
People are encouraged to attend these events by means of nationwide public invitations in the press to ensure that all social sectors and stakeholders are included and take part.

#### IT system for allegations, complaints and/or information requests (SIDQ)



As part of the firm commitment to adopt measures to reduce corruption and strengthen communication between service users and the National Customs Authority, the SIDQ – an IT system for filing and monitoring allegations, complaints and information requests – was put in place so that the general public can carry out these actions online.

The principal objective of the system is to allow users of a National Customs Authority service to inform the



Number of incident stored in SIDQ IT System

up to 03/06/2015

731	Information requests
81	Complaint
131	Denunciation

Transparency and Anti-Corruption Unit of an unjustified delay in processing, requests for money, gifts or donations to facilitate a procedure or discourteous treatment by a Customs official, or simply to request information on National Customs Authority services.

Use of the SIDQ is not exclusive to users of National Customs Authority services but is also a way to control the processing of and ensure a rapid response to allegations, complaints and information requests.

#### ANB contact: online app for allegations, complaints and/or information requests



The National Customs Authority has developed and implemented a mobile app for recording and tracking allegations, complaints and/or information requests from touch-screen mobile devices such as smart phones or tablets. This technological innovation is available only for Android devices from the respective web browser in Google Play Store.

This technological application breaks down barriers to communication that may arise when an allegation, complaint and/or information request is made to the National Customs Authority and allows the Transparency and Anti-Corruption Unit to be informed of alleged irregular acts detrimental to the common good.

Processing and tracking are ensured through the same IT system, since once an allegation, complaint or information request has been registered, it is allocated an incident number by the system. This can also be done via a toll-free number.

\* WCO Integrity Newsletter Issue N°12



### Transparent access to information mechanisms



The CLICK Customs public consultation system provides information on pending Single Import Documents (SIDs). These can be accessed online from any Internet-enabled device or mobile phone from the National Customs Authority's website, [www.aduana.gob.bo](http://www.aduana.gob.bo), in the CLICK application section.

### Fighting corruption head-on: arrests on duty

The National Customs Authority has been the complainant in all proceedings concerning corruption offences identified within the institution and has worked in co-ordination with the Public Prosecution Service and the National Police Force to detain Customs officials who commit offences while on duty.

An Inter institutional Agreement has also been signed between the National Customs Authority and the Attorney General's Office with a view to prioritizing investigations in criminal proceedings concerning Customs violations and corruption and protecting whistleblowers and witnesses.

The Transparency and Anti-Corruption Unit has notified all national Customs officers that the same rigour will be applied in other possible corruption cases which are not only detrimental to those involved but also damage the institutional image and affect the interests of the State in particular.

### Alliance between the Attorney General's Office and the National Customs Authority

On 27 August 2014, an Inter institutional Agreement was signed between the National Customs Authority and the Public Prosecution Service.



This Agreement forged an alliance to combat corruption and Customs offences by setting up commissions that will establish the guidelines to be applied in direct action against corruption on duty, Customs offences, the guidelines to be followed when staff are arrested while committing an offence and whistle blower and witness protection.



### Anti-corruption Letter of Understanding: ongoing battle on two fronts

In 2014, the National Customs Authority worked directly with service users in workshops where various private-sector organizations were made aware of the need for co-operation in preventing, investigating and penalizing corruption.

On 17 December 2014, an Anti-Corruption Letter of Understanding was signed between the National Customs Authority and different stakeholders in the foreign trade supply chain, together with a number of private-sector bodies. In order to implement and ensure the effectiveness of the objectives set out in the anti-corruption Letter of Understanding, the National Customs Authority has signed individual Letters with each sector which signed the generic Letter, leading in the early months of 2015 to several one-to-one meetings with each signatory in the cities of La Paz, Oruro, Cochabamba and Santa Cruz, where the private sector's interest in and full backing for this joint anti-corruption work was evident.

### World Customs Organization (WCO) support in Transparency Unit activities and projects

Since 2014, the Transparency and Anti-Corruption Unit have been working on a project entitled "Reinforcing the National Customs Authority Transparency and

Anti-Corruption Unit". The aim is to work in co-operation with WCO integrity experts to exchange experience in preventing and combating corruption so as to consolidate short and long-term strategies in this area, in co-ordination with users external to the National Customs Authority and international bodies.

This year, a WCO mission met the institution's authorities and other relevant stakeholders. Capacity-building workshops have also been organized in La Paz and Santa Cruz with a focus on integrity and the prevention and combating of corruption.

This work is intended to strengthen the application of ethical principles among Customs officers, foreign trade operators and ancillary Customs staff and to lower indices of corruption by discouraging the development of corrupt practices within and outside the National Customs Authority.

## 4. Automation



### Cameroon\* PERFORMANCE CONTRACTS

On 1 February 2010, the Director General of Cameroon Customs signed individual performance contracts with her colleagues working in the main Customs offices at Douala Port. These two offices, namely Office Douala Port I (DP I) tasked with monitoring the importation of containerized goods and Office Douala Port V (DP V) which handles vehicle imports, have collected approximately 76% of Douala Port's Customs revenue over the past three years. It is worth recalling that revenue from Douala Port accounts for close to 90% of national Customs revenue.

These performance contracts are undertakings, made by the inspectors working in the relevant Offices to the Director General of Customs, to work in accordance with eight scored performance objectives on which they will be assessed. Some of these objectives are directed at faster processing times (4 objectives) and others are aimed at combating Customs fraud and bad practices (4 objectives). They consequently make it possible to monitor the behaviour of the players in the field.

This experiment is an initiative by Cameroon Customs, supervised and supported by the World Bank (WB) and the World Customs Organization (WCO).

An initial evaluation of the experiment some three months after its launch (February – April 2010) yielded encouraging results, given that the players are turning their back on some objectionable practices in an effort to fulfil their undertaking.

Impact on bad practices: Although the rerouting\*\* of declarations from the yellow to the inspection channel is undoubtedly legitimate, it has to be based on a serious doubt as it could be misinterpreted and place pressure on the user. From this point of view, Customs inspectors have shown true discipline. In Office DP I, 42% of rerouted declarations were the subject of litigation in April 2010. The rate was between 10 and 12% in February and March and below 10% the previous months. In Office DP V, the rate rose from 11% and 15% respectively in February and March 2010 to 58% for the month of April 2010. In previous months it ranged from 0% to 5%.

Impact on revenue: In Office DP I, the duties and taxes assessed increased by 1.5% over the period under contract in 2010 compared with the same period in 2009, while the values declared fell by 3.5% and the number of imported containers by 22%. As for Office DP V, Customs issuances increased by 26% in 2010 compared with the same period in 2009, which is in line with the increase in values (+30%), volumes (+41%) and the number of declarations (+33%) between the same periods. However, the average yield per declaration stands at 2.2 million CFA francs over the performance contract period, whereas it was 2 million CFA francs between November 2009 and January 2010 and 1.9 million CFA francs between August and September 2009.

Impact on processing periods: There has been an overall reduction in processing periods within the offices. The months covered by the performance contract were the most productive since 2008. Almost 90% of declarations are currently assessed the same day they are recorded in both offices, whereas beforehand the figures for both offices were below the 80% threshold.

Impact on disputes: In qualitative terms, the inspectors have abandoned low-level adjustments in favour of major ones.

\*\* The Customs inspector has the option of redirecting a declaration initially bound for the yellow channel (this corresponds to a facilitation channel in the ASYCUDA system) towards the red channel (a more cumbersome inspection channel).

In Office DP I in March and April 2010, 100% of inspectors collected an average of over 1 million CFA francs per adjustment, compared with 30 to 50% of inspectors over the preceding months. The median adjustment increased from around 1 million CFA francs during the months prior to the period under contract, to over 2 million CFA francs in March and April 2010. In Office DP V, half the inspectors carried out adjustments in excess of 1 million CFA francs in March and April 2010. This compares with a third of inspectors in January and February 2010, with no inspector attaining this threshold in the months prior to that.

### Conclusion and outlook

The positive impact of the performance contracts after three months of implementation is measurable in terms of all the parameters, however more time will have to elapse before definitive conclusions can be drawn.

## 5. Reform and Modernization



### Afghanistan\*

ACTIVITIES UNDERTAKEN BY THE  
AFGHAN CUSTOMS DEPARTMENT  
TO PROMOTE INTEGRITY

The Afghan Customs Department (ACD) is uniquely placed to contribute to the government's efforts to ensure fiscal sustainability and reduce international aid dependence. Accordingly, the ACD has adopted the following policies and procedures which are directly or indirectly linked to integrity aimed at fighting corruption.

### Implementation of a Risk Management Module

An important step that should help Afghanistan align with international best practices is the adoption of a risk management-based approach to the examination of cargo and travelers. ACD has already implemented a risk management module within the ASYCUDA \*system at Hamid Karzai International Airport and other key Customs stations. Risk profiles are defined and coded into the system.

### Information and Intelligence Strategy

ACD recognizes the importance of moving towards intelligence-driven interventions. The accurate and timely identification and assessment of high-risk areas and cargo will allow the Department to deploy its limited resources to address those threats and enhance compliance by improving its enforcement activities. The Central Intelligence Unit (CIU) will be strengthened. This Unit will be responsible for providing archival and current information, in a timely manner, on the background, intentions, capabilities and limitations of persons or organizations intending to infringe laws and regulations. This Unit will also act as the Single Point of Contact for the sharing of intelligence with domestic and international agencies.

### Performance results sent automatically via SMS alerts

It is now possible to receive up-to-date revenue collection information automatically from all 14 Customs sites and to store it in the main ACD server. This enables the Director General and Directors to monitor the daily performance of each branch in terms of revenue collection. In addition, a document has been developed to send revenue data in the form of an SMS alert to senior management, which is then in a better position to monitor Customs operations.

### Implementation of an Exemption Module

In the past, ACD's Exemption Section was not computerized, with everything being processed manually and no standardized reporting to control the Exemption Certificates issued. Through the ASYCUDA system, Exemption Certificates are checked against declarations. This system checks the consignee and consignor against declarations and Exemption Certificates and provides accurate reports for statistical purposes. This system is currently in the pilot phase and is only being applied to fuel, although work is underway to extend it to Surface Deployment and Distribution Command (SDDC) goods.

### Merit- and skills-based competitive selection procedure

Another very important measure taken by ACD is the hiring or appointment of officials following a skills-based competitive selection procedure, as the development of

competent and well trained professional officers is considered essential. This should lead to Customs officers being more interchangeable and prepared to carry out different tasks.

### Border Management Model

In 2011, the Ministry of Finance and the Afghanistan Chamber of Commerce and Industry (ACCI) presented a joint proposal on a Border Management Model to the President of the Islamic Republic of Afghanistan, for approval. Following approval, a series of meetings was held between the Ministry of Finance, represented by ACD, and the Ministry of Interior Affairs, represented by the Afghan Border Police. This culminated in the signing of a Memorandum of Understanding on the Border Management Model by the Minister of Finance and the Minister of Interior Affairs.

### Development of Transparency, Integrity and Anti-Corruption Strategies

Recognizing the importance of combating corruption in order to provide good governance and accountability, ACD will introduce a clear and comprehensive Customs Integrity Programme (CIP) with a view to reducing the effects of corruption and rent seeking. The measures identified should lead to a more efficient and respected organization.

### Electronic payment mechanisms

To enhance trade facilitation, ACD is committed to providing brokers, importers and traders with an electronic payment facility for duties and taxes. This facility will be known as ePay and will provide trade with an option to pay outstanding amounts electronically, either through their commercial bank account or by means of a cash payment over the counter (this latter option will be phased out over time). The ePay facility will be available at all commercial banks operating within Afghanistan.

### Implementing the Code of Conduct

ACD will initiate discussions with the Independent Administrative Reform and Civil Service Commission (IARCSC) to have the Code of Conduct, formulated by the Department, accepted as an article in the CSC Regulations for disciplinary purposes. All Customs personnel will be required to sign a copy of the Code of

Conduct to demonstrate that they have read, understood and accepted the contents of the Code as governing their behaviour as Customs officers. Any breaches of the Code will attract disciplinary action. To that effect, ACD will establish a Disciplinary Committee/Tribunal for Customs linked to and falling within the IARCSC regime.

### Afghan National Customs Academy

ACD will continue to harness the capabilities of the Afghan National Customs Academy (ANCA) in order to maximize the capacities and professional skills of its personnel. ANCA will ensure the development of technical skills to meet both individual career and organizational needs and to build an external skills pipeline. This will require ANCA to establish and maintain a Curriculum Development Programme. ANCA will deliver and coordinate all the basic and advanced training programmes for Customs personnel. It will also organize refresher courses on subjects such as Customs valuation, classification, rules of origin, and commercial fraud detection and investigation for the benefit of the field staff working in these areas.

### Development of procedures

New Customs procedures will be introduced to reduce discretionary powers and make better use of automation, joint inspections and other technological controls. This will involve greater use of the automated Customs clearance system to increase the effectiveness of Customs controls and limit corruption, and should pave the way towards Afghanistan's accession to the Revised Kyoto Convention (RKC).



\* WCO Integrity Newsletter Issue N°12





## Australia\*

CASE STUDY-AUSTRALIAN CUSTOMS  
AND BORDER PROTECTION



As a result of a joint investigation between the Australian Commission for Law Enforcement Integrity (ACLEI), the Australian Federal Police and ACBPS, a report on allegations of corruption conduct among officers at Sydney airport was issued in mid-2013. This report identified that a culture had been allowed to develop within the Australian Customs and Border Protection Service (ACBPS or the Service) in Sydney International Airport that accepted poor standards and allowed the flouting of rules and regulations as the norm.

The corrupt conduct occurred as a result of long term collusion between a small number of Customs officers at the airport to facilitate the importation of illicit drugs. They used their inside knowledge to defeat surveillance and interdiction systems including information about law enforcement techniques and systemic vulnerabilities. The officers had privileged access to databases and to the secure border environment. By working together they exploited weaknesses in the supervision system and manipulated rosters and job placements. They used their official positions and exploited friendships and other connections that they had developed in the workplace to gather information, and to cover their tracks.

At the time of these incidents Customs and Border Protection was facing significant challenges, including the growth in volume of cargo and numbers of travelers, increasingly complex trade and travel patterns and increasingly sophisticated organized crime.



The joint investigation identified that opportunities for corrupt conduct had been boosted by introduction of a 'whole of airport' operating model to address peak workloads, which had resulted in exposing more staff to sensitive information and created an increase in opportunity for corrupt conduct. Some individuals became compromised because of their use of illicit drugs and links to criminal networks, including outlaw motorcycle gangs. Evidence also suggests there was a risk that any supervisor who took action about misconduct would be open to reprisal from any staff.

Identification of corruption, and a culture conducive to corruption, was a wake-up call to the organization. It highlighted significant vulnerabilities and the challenge now is to address these vulnerabilities.

As the organization implements its reform agenda, focus on the elements of human resource management, morale and organization culture are central. Attention to deployment, rotation and relocation of staff removes opportunities for officers to hold vulnerable positions within sensitive areas for long periods. Allied to this the organization's suitability checking processes have been enhanced, both at the recruitment stage and with ongoing monitoring for links between staff and criminal groups.

Provision of adequate training and professional development throughout officers' careers will continually promote and reinforce the importance of maintaining high levels of ethical and professional standards. The performance appraisal and management systems reinforce sound practices and foster high levels of personal and professional integrity, and link with the need to provide reasonable opportunities for career development and progression.

A robust, multi-faceted and well publicized Reform Program is being undertaken by ACBPS to create a modern, highly effective, collaborative and adaptable agency with a unified end-to-end operating model and a high performance culture to match. The initial focus has been on specific integrity measures to align the ACBPS to the same levels of assurance as other Australian law enforcement agencies and to maintain public confidence in the Service.

New legislation passed by Parliament in 2013 provided stronger powers including the ability to conduct integrity testing of Customs and Border Protection officers,



the power for the CEO to make a declaration that an officer's employment has been terminated as a result of serious misconduct; mandatory reporting requirements under which officers are legally required to report misconduct, corrupt or criminal activity; and workplace drug and alcohol testing for all ACBPS officers. These enhanced powers have significantly strengthened the service's integrity framework.

Support for officers to meet their integrity obligations is an important element of the programme of integrity reform. An Integrity Support and Referral Network (ISRN) was established to provide a trusted network of officers available to their colleagues to provide support and advice on options regarding reporting obligations, or as another avenue to report concerns regarding serious misconduct, corruption and/or criminal behaviours. When the call went out across ACBPS for volunteers to be trained as Integrity Support Officers, this was met with an overwhelming response from all levels within the Service and resulted in more officers volunteering than positions available. The thirty selected officers underwent integrity screening and received training for their role, and are now active throughout the organization.

Like other Customs administrations around the world, ACBPS is aware that criminal organizations will seek to avoid the systems and processes in place. Consequently those systems and processes are continually reviewed, and where necessary improved.

A new Division, the Integrity, Security and Assurance Division was created within the Service. The new Division is responsible for management of all disciplinary processes. This furnished a more integrated approach to managing professional conduct in the workplace as well as fighting corruption and criminal infiltration and dealing with misconduct.

The Reform Programme being undertaken will transform ACBPS into a modern, highly effective, collaborative and adaptable agency with a unified end-to-end operating model and a high performance culture to match. The Service will be working closely with partners in the business and trading community in Australia, the Asia Pacific region and through the WCO business engagement forums, to design a vigorous future business model and supporting systems. The four pillars in the WCO Strategic Plan as outlined by Secretary General will also provide an excellent source of information and direction.



## Brazil\*

MEASURES THAT PROMOTE INTEGRITY

### Introduction

The Customs Administration of Brazil operates through the Secretariat of the Federal Revenue of Brazil (RFB) which has a workforce of approximately 30,000 staff. With close to 600 units, the Secretariat of the RFB is present throughout the country. As it is important for such a large and widespread institution to pay special attention to integrity among its staff, certain measures have been taken to fight corruption and promote integrity and these are presented below.

### Code of Conduct

The first version of the Code of Conduct for Public Officials is now available to all civil servants for review and to obtain suggestions for improvement. The Code of Conduct is a tool designed to help guide the activities of civil servants within the RFB according to ethical and moral principles. The Code is expected to enter into force in the first half of 2013. The draft Code was developed by the Ethics Committee for the Public Section of RFB (CEPS-RFB) and draws inspiration from several Codes in application, such as the Code of Professional Ethics for Civil Servants of the Federal Executive Branch, the Code of Conduct of the High Federal Administration, the WCO Model Code of Conduct, and the Model Code of Conduct for the Inter-American Centre of Tax Administrations (CIAT).

The main objective of the CEPS-RFB is to promote and disseminate notions of ethical conduct expected of all public officials working within or with the RFB.

\* WCO Integrity Newsletter Issue N°9

\* WCO Integrity Newsletter Issue N° 8

## Internal Affairs Department

The RFB's Internal Affairs Department is responsible for preventing and investigating misconduct and taking disciplinary action. It collects information via complaints, the media, and other government institutions. The Head of Internal Affairs is appointed by the Minister of Finance, on the recommendation of the Secretary of the RFB, for a three-year term and may be reappointed. The civil servants working within Internal Affairs are recruited internally through a specific selection process.

## Conflict of interests

Law No. 11890 (24/12/2008) stipulates that those holding a position as a Career Auditor within the RFB are not permitted to undertake other paid activities (public or private) that could potentially create a conflict of interests, except for teaching.

## Recruitment procedures

- **Career Auditors at the RFB**  
A Career Auditor is recruited through a competition. The applicant must possess at least an undergraduate qualification or equivalent legal qualification. Promotion is granted based on merit and good performance. Participation in programmes and training courses organized by officially recognized schools is also a requirement for promotion. Participation in programmes and training courses organized by officially recognized schools is also a requirement for promotion.
- **Managerial and executive positions**  
Since 2009, managerial positions at the RFB have been filled through open competitions. The Internal Administrative Act establishes the rules of the selection process for positions such as "Chief of Local Units" and "Chief of Customs Units". A Database was created as a new way of selecting civil servants, based on merit, who are capable of and interested in occupying managerial positions. It also contains information on interviews carried out to assess the managerial skills required by applicants.

- **Sanctions**

The law lays down serious penalties for civil servants involved in inappropriate behaviour. These penalties include: warning, suspension, termination, forfeiture of pension, dismissal from a position or the public service, or payment of a civil penalty.

- **Confidentiality of information**

Tax secrecy in Brazil falls under the National Tax Code which prohibits the disclosure by the State or its civil servants, including RFB officers, of information on the economic status of clients, of taxpayers, or of a third party, or on the nature and conditions of their business or activities.

To preserve the availability, integrity, confidentiality and authenticity of information, the RFB has established a specific structure responsible for managing information security, ensuring that controls are implemented to provide essential protection to their information assets, using risk management. The RFB Security Policy states that civil servants only have access to resources, information and services within a computerized environment. Taxpayers can access the information themselves by means of a digital certificate or access code.

- **Conclusion**

The Secretariat of the RFB plays a role in preventing and combating tax and duty evasion, smuggling, piracy, commercial fraud, trafficking in drugs and endangered animals, and other unlawful acts relating to international trade. It has evolved in terms of strengthening a culture of integrity, as demonstrated above.

All leadership positions are occupied by the organization's staff members. This ensures stability within the RFB, even in times of major political change.

Considering the above, the RFB considers itself to be an efficient, modern and professional Tax and Customs Administration which guarantees the integrity, impartiality and continuity of its activities according to the strict observance of integrity, promoting respect for all citizens who request its services.



## Burkina Faso\*

THE WORK OF A GAPIN AMBASSADOR

The WCO GAPIN (Great Apes and Integrity) Project, sponsored by the Swedish Government, focuses on the protection of wildlife and related corruption. In the context of the Project, two Customs officers were chosen to act as GAPIN Ambassadors within the countries covered by the Project. One of the Ambassadors is an Inspector from Burkina Faso Customs. With the support of his Administration, he started touring his country in April 2012 with the purpose of presenting the Project and seeking support to carry out the defined objectives.

In preparation of his tour, several national authorities were contacted and met to discuss the illicit cross-border trade in species protected by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and to address the problem of corruption in this context.

The tour generated interest for the Project and spurred on Customs officers, especially those in the Bobo Dioulasso Mobile Unit (Western part of the country) which seized 300 crocodile skins originating in Ghana and bound for Nigeria, being transported by a Malian national, shortly after the Ambassador's visit.

In July 2012, a GAPIN II mission travelled to Guinea. The first session was led by the Director General of Customs who suggested extending the activities to other Customs Administration services such as the Directorate of Customs Investigations and the Postal Items Inspection Office. Organizations in contact with international trade could play a more effective role in combating trafficking in protected species because they maintain business relations with the stakeholders.

## Airport and port visits

Presentations and discussions were also held in the airport and port Customs Offices, the Postal Items Inspection Office, the Customs Investigation Service, and OGUIDAP (Office guinéen de la diversité biologique et des aires protégées – Guinean Office for Biodiversity and Protected Areas). On these occasions, different aspects of the work of these services in connection with CITES, Project GAPIN and integrity were addressed. In view of these services' experience and their resources,

Project GAPIN II revealed needs and challenges to be met in order to fight against the illicit cross-border trade in species protected under CITES and to enhance Customs integrity.

## Communication

To promote good practices and integrity in the context of the Project, the Customs Administration of Guinea circulated the Revised Arusha Declaration in this country. In this connection, OGUIDAP welcomed the existence of the Project and has started to work on the identification of species and the actions to be taken when protected species are seized.

The Burkina Faso Customs Administration has also taken the initiative to produce roller banner stands displaying official Project posters. These have been placed in the arrivals and departures halls at Ouagadougou Airport, as well as in the visa waiting area and VIP lounge.

The Head of the non-governmental organization (NGO) 'SOS Elephants Chad', which is responsible for fighting elephant poaching in Chad and Guinea, showed interest in Project GAPIN and plans to co-ordinate activities with Guinea Customs.



This is just the beginning of a long process during which operational capacities need to be built in order to improve efficiency in detecting illicit trafficking in protected species. The awareness-raising process requires the involvement of Customs' partners such as public and private stakeholders, NGOs and associations, because the fight against the illicit cross-border trade in species protected under CITES and the battle to fight related corruption will be more effective through co-ordinated actions.

\* WCO Integrity Newsletter Issue N° 7





## Dominican Republic\*

ROAD OF THE GENERAL DIRECTORATE OF  
CUSTOMS OF THE DOMINICAN REPUBLIC  
TOWARD INSTITUTIONAL STRENGTHENING  
AND TRANSPARENCY

The government of the Dominican Republic is committed to increasing the strength and transparency of public institutions, in order to promote integrity among its employees and enhance the efficiency of services provided to the end user.

In keeping with this vision, the current President, Mr. Danilo Medina, has implemented a Code of Ethical Guidelines which commits all government officials to adopt appropriate standards of behaviour. The Code describes sanctions to be implemented if government officials fail to act according to the undertaking they made, and it should be noted that this is something that has never been done before. The President's intention is to empower government officials to carry out their administrative and operational activities free of influence peddling and corruption in order to create the foundation for a moral and ethical administration.

For the General Directorate of Customs of the Dominican Republic, like many other institutions within the country, the regulation of integrity failure and corruption at work are key issues that must be addressed. In order to deal with these issues, over recent years the Administration has launched an array of measures and strategies aimed at strengthening the institution, improving integrity among its employees, enhancing the public perception of the administration, achieving better levels of efficiency of internal operations, increasing the country's competitiveness by providing a better and faster service to the end user and, finally, gaining international recognition among other Customs administrations around the world. Some of the strategies and measures are described below.

The implementation of the Customs Management Integrated System (SIGA, Sistema Integrado de Gestion Aduanera) is without doubt one of the biggest achievements. SIGA is a flexible instrument that provides management with a control mechanism and contributes to the efficiency of Customs procedures, ensuring the standardization of administrative and operational processes in the search for efficiency.



Another major achievement is the ratification by Congress of the Revised Kyoto Convention on Simplification and Harmonization of Customs Procedures. The implementation of the highest international standards of trade facilitation should contribute to increasing the country's competitiveness and business climate. Within this context, the General Directorate of Customs has been involved in the revision of internal policies and procedures, which provide for regulatory compliance at all levels of the institution and serve as a reference for the Standards and Recommended Practices set out in the Revised Kyoto Convention.

With the goal of improving the procedures, policies and organizational structures of Customs, an external consulting firm was hired to assist with developing the Administration's new organizational structure along with the policies, procedures, roles and functions associated with SIGA.

The Administration also designed and implemented a comprehensive plan for strengthening the human resource capability within the institution, which gave consideration to increasing salaries and benefits for Customs officials at every level of the institution. From 2011 to 2012, 84 training courses were given on a series of subjects and approximately 3,064 employees were trained.

In order for innovation to be effective within the Administration, there is a need for internal controls. This implies that each individual knows the rules they must follow in the workplace, and act accordingly. In this regard, Customs has used risk-based control management to identify risks that could affect each of the internal departments, and rolled out a pilot plan that included risk evaluation and an audit plan.

\* WCO Integrity Newsletter Issue N° 8

This set of measures emphasizes the efforts made by the General Directorate of Customs of the Dominican Republic with a view to strengthening and promoting ethics and transparency in the public administration. It is important to emphasize that this cannot be achieved in a space of a few short years, but requires a strong commitment to constantly improve and adapt internal processes and procedures in response to the different factors that affect our environment over time.



## Egypt\*

EFFORTS BY THE EGYPTIAN CUSTOMS  
ADMINISTRATION TO ENHANCE INTEGRITY

The Egyptian Customs Administration (ECA) wishes to share its efforts to enhance integrity with the assistance of the Customs Reform Central Directorate (CRCD) and other WCO Members.

The CRCD has been working at different levels simultaneously.

### Sharing of international practices to combat corruption

The WCO conducted an Integrity Development Workshop in Egypt September 2012. Subsequently, through one of the USAID project managers, the ECA managed to open a communication channel with the Commercial Law Development Program (CLDP) to assist the ECA in implementing a Strategic Plan to combat corruption.

### Fostering rules on integrity and enhancing transparency

This has been achieved through decrees pertaining to transparency and in accordance with Article 47 of the Egyptian Constitution on the accessibility of information and with Article 204 referring to the establishment of a framework for the National Commission for Combating Corruption.

The CRCD has developed a Code of Conduct for Work Ethics in the ECA which is based on the WCO Model Code of Conduct, in order to complement the Customs Code of Ethics. The purpose of this document is to provide guidance and reference for all employees in

situations they might encounter as well as to establish ethical criteria and basic rules and principles of Customs work ethics. Finally, it sheds some light on the role of Customs officials in enhancing the service and the credibility of the service provided.

The CRCD has also developed a draft Employees' Handbook which is meant to serve as a guide for ECA employees, explaining the administrative structure of the ECA, career paths, existing training programmes and all the issues of relevance to new recruits.

The CRCD has designed a number of posters for stakeholders containing diagrams explaining Customs regimes and procedures.

### Disseminating the culture of integrity and transparency

In January 2013, the CRCD held three workshops covering all Customs regions. They were attended by a total of 230 employees of different administrative levels and were intended to present the proposed Code of Conduct and Employees Handbook and to obtain feedback from our colleagues before publishing and circulating them within the Customs Administration. The workshops also involved practical training sessions on situations employees could experience while on duty. In addition, the workshops discussed how transparency issues are dealt with in different foreign legislations in comparison to the Egyptian legislation. During the workshops, a questionnaire on concepts of integrity was handed out to participants. It was followed by group discussions on reporting of corruption.

The purpose of those discussions was to: (1) identify the mechanisms that could be developed to establish a reporting system; (2) define the proposed guarantees for protecting whistleblowers; (3) establish mechanisms for informing employees about the penalties imposed following the infringements.

### The outcomes of the workshop were as follows:

A department responsible for handling complaints and providing consultation to employees has been included in the organizational structure. A web page for enhancing integrity amongst employees has been created on the ECA's official website.

- The Code of Conduct has been approved by the Commissioner and will be published shortly.

\* WCO Integrity Newsletter Issue N° 8





## Fiji\* FIJI REVENUE & CUSTOMS AUTHORITY (FRCA)'S INTEGRITY STRATEGY



FRCA indicates that integrity is more than simply the absence of corruption. It involves developing and maintaining a positive set of attitudes and values which give effect to an organization's aims and objectives. It is therefore regarded by FRCA as a prerequisite for the proper functioning of Customs administration.

The special position of Customs authorities within the international trade supply chain, both in terms of its regular contact with financial and goods movements, and the application of specific legal powers, requires a high degree of professional integrity on the part of Customs officials.

Integrity in Customs also plays its part from a trade facilitation view. A Customs administration suffering from a lack of integrity will normally be less effective and certainly inefficient resulting in little or no trade facilitation due to mismanagement, bad governance, and thriving corruption. It is thus essential for our administration to fully support a culture of integrity throughout the supply chain process.

The following are some of the measures introduced in year 2013 which have been implemented to have effective integrity management at FRCA.

### Customer Satisfaction Survey

FRCA strives to improve its services and ensure that the services it provides are satisfactory to its customers. In order to do that it is carrying out a Customer Satisfaction Survey to establish the level of satisfaction of its customers and improve on its services. A Customer Satisfaction Index will be developed from this survey and the Authority will use this as a benchmark to measure improvements of its service delivery in future.

### FRCA Staff Climate Survey

An employee climate survey enables an organization to operate more efficiently through the use of staff input and satisfaction ratings. It provides an overall picture to

staff views/opinions on how the organization is performing, and in this survey FRCA is seeking staff feedback on how we are performing in line with FRCA's Values - Leadership, Results Focus, Continuous Improvement and Learning, Design Quality and Prevention, Partnership Development, Valuing Employees, One Organization, CEO's Balance Score Card & participation at the Public Service Excellence Awards (SEA).

The balance score card drives a high performance culture and challenges a "CAN DO" attitude for all of us. "Out-Performance" target achievements will be rewarded with bonuses, with adherence to highest integrity management.

The SEA evaluation team visits FRCA and evaluates FRCA's performance and FRCA has been this year awarded the highest level Service Excellence Awards being offered by Public Service Commission for Service Excellence. FRCA was able to win this within a record 3 years of entering the international performance benchmarking system.

### Internal Assurance

The Internal Assurance Section ensures that principles of good governance, transparency and integrity are maintained and promoted at all times by employees and Executive Management by overseeing inter alia, the following functions:

- **Internal Audit**

Good public sector governance involves internal auditing of the way public resources are managed. Internal audit provides an unbiased, objective assessment to ensure that public resources are responsibly and effectively managed to achieve intended results. Internal auditing is carried out in accordance with an annual internal audit plan. Audits are undertaken on the operational activities of the department as well as the financial resources and information and communication technology (ICT) resources of the Authority.

- **Ethical Standards Unit**

This Unit develops and implements an ethical code of conduct in compliance with the FRCA Conduct & Discipline Regulations 2002. It also identifies and

investigates corrupt activities within the Authority. It responds to complaints registered against employees for non-compliance with the Code of Conduct and conducts special investigations required by the office of the CEO and the Board.

Other than implementing those measures, FRCA has a Code of Conduct which can be obtained from FRCA. It also has established a Zero Tolerance Policy according to which any breaches of fraud, misappropriation or issues relating to honesty and integrity will result in summary dismissal and will apply to all FRCA staff, on all grades/positions irrespective of the amount or person involved. FRCA has also established a Staff Tax Audit Policy which is effective in managing integrity of officers to be self-tax compliant in order to gain public confidence assurance.



## Jamaica\* THE JAMAICA CUSTOMS AGENCY'S ANTI-CORRUPTION STRATEGY

The Jamaica Customs Agency (JCA), in recognizing its public responsibilities is committed to providing the highest degree of ethics to inspire confidence and elevate the Agency to a leading position reflecting international standards of integrity. The JCA's Anti-Corruption Strategy is a multi-pronged initiative which creates and maintains high levels of staff and organizational integrity, while combating widespread corruption. The Anti-Corruption and Ethics Committee of the JCA is in place to ensure that the implementation and the review of the strategy reflects modernization efforts while JCA indicates that it maintains commitment to facilitating trade, fostering compliance to optimize revenue and protecting the border. This mission is achieved through the effective management of competent, motivated and professional human resources in keeping with the Agency's policy objectives.

\* WCO Integrity Newsletter Issue N° 9

To fulfill its objectives, the JCA's Anti-Corruption Strategy incorporates a number of initiatives; these include the staffing policy, an annual Customer Satisfaction Survey, risk management tools, increased automation of Customs processes, a comprehensive regulatory framework and an enhanced relationship with stakeholders.

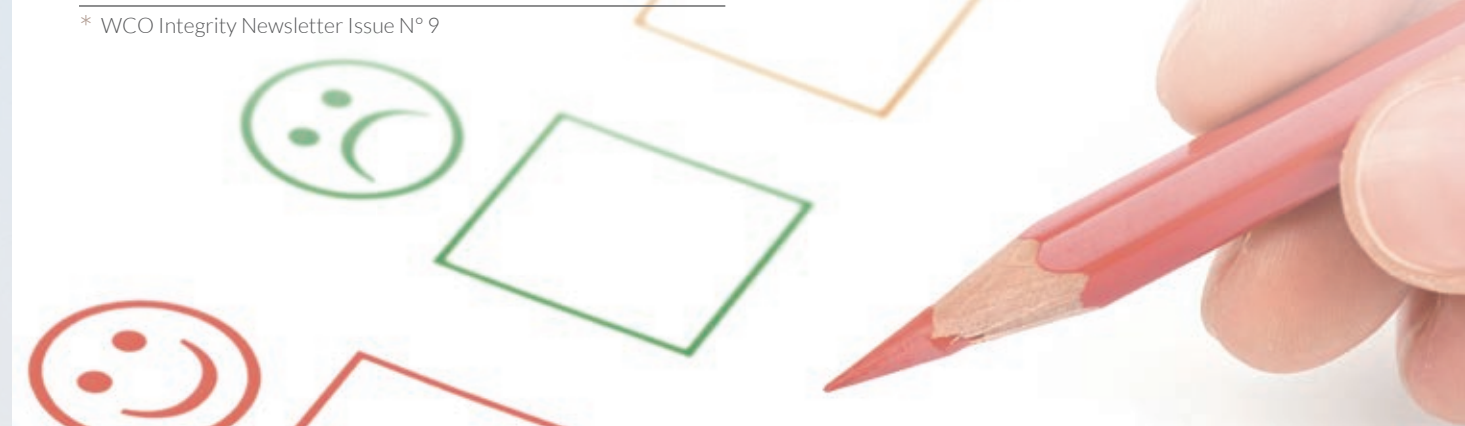
### Staffing Policy

The potential for risk is significantly reduced in the JCA recruitment process, as candidates are subject to security vetting, which includes a polygraph component for select positions, and the senior staff are offered three year renewable contracts based on performance. Staff members are guided by the JCA's Integrity Manual, the Staff Orders and the HR Policy Document, which outline ethical behaviour, compliance with the law, and standards of conduct. A revised version will be available in December 2014, to reflect the current environment, while maintaining key elements of the World Customs Organization's (WCO) Integrity Development Guide.

### Customer Satisfaction Survey

JCA recognizes that satisfied customers are less susceptible to corruption and therefore actively pursues high levels of customer service. Performance is assessed through the use of an annual Customer Satisfaction Survey which measures customer satisfaction, and the efficiency of the cargo clearing process during the peak period at the major Air and Sea ports located in Kingston and Montego-Bay. The Donald Sangster International Airport has consecutively won the top Customer Service Award in Jamaica. The overall objective of the survey is to identify key areas for enhanced service delivery and improved Customs processes. The results of findings are shared, and recommendations are delivered to both internal and external stakeholders in order to facilitate improvement to the services delivered by Customs staff, as well as the wider border control agencies.

\* WCO Integrity Newsletter Issue N° 9



## Risk Management Tools

The JCA's "Agency Risk Management Policy 2014" (ARMP) is a systematic approach to determining which transactions present the greatest risk to Customs objectives, and targets control efforts and resources on these risks to effect the general Customs policy. The ARMP guides the JCA internal and external audit plans, and seeks to integrate existing risk management elements to ensure alignment with international standards and best practices. The regime places substantial emphasis on pre-clearance, intelligence and post clearance controls. A key intelligence mechanism that supports these efforts is the 1-888-corrupt hot line which is managed off-shore to garner intelligence through confidential means.

## Automation of Customs Processes



The modernization of Jamaica Customs has consistently been on the agenda of the Government of Jamaica (GOJ) and ongoing initiatives have been taken to transform the Agency into being one of the most efficient Customs administrations in the world. The implementation of the Customs Automated Services (CASE) system was one of the principal initiatives taken to automate the technical infrastructure of Jamaica Customs. The CASE has been in operation for over a decade, attributing to increased revenue collection, increased levels of efficiency and improved trade facilitation. However, with a suite of over twenty (20) systems and satellite programmes serving the CASE, there is an absence of a fully integrated ICT solution to serve Risk Management, Post Clearance Audit and an electronic-manifest application to fulfill the needs of the stakeholders and the JCA. Consequently, the JCA has embarked on the implementation of the Automated System for Customs Data (ASYCUDA) World, with related pilot activities set to commence in December 2014. Once implemented, ASYCUDA World will require staff to

document their actions using their credentials, which supports transparency, accountability and traceability, which strengthens the integrity of the System.

## Revised Regulatory Framework

Recent amendments to the Customs Act were passed to facilitate the implementation of ASYCUDA World, which enables an environment for electronic declaration. The system also creates an environment for enhanced risk management by providing for the advanced submission of Electronic Manifests, which facilitates Pre-Arrival processing.

The GOJ through the implementation of the Omnibus Legislation 2014 has sought to establish a transparent and comprehensive system to govern all tax incentives. The Omnibus Legislation saw the simplification of tax bills, and repealed approximately 99 percent of various Incentive Acts and Amendments to the Customs and Stamp Duty Acts.

The Revenue Administration Act (RAA) has also been amended to allow tax authorities access to third party information to enable better post audit assessment and greater transparency of fiscal obligations.

## Relationship with the Stakeholders

As part of its commitment to the WCO SAFE Framework, the JCA re-launched its Authorized Economic Operator (AEO) programme in July 2014, which fulfills the security criteria vital to the integrity of the programme. Risk management techniques are essential to streamlining the trade process, as well as enabling the AEO programme. The AEO programme provides an international platform where both Customs administrations and the trade related private sector, can share in the responsibility of securing the international supply chain. The development of Customs to Business relations is a necessary component of the AEO programme, designed to engage and validate all players and build integrity in the trade process.

The JCA in its continuous efforts to enhance relationships with the private sector hosts a monthly Quality Assurance Meeting. This meeting provides an opportunity for open dialogue aimed at resolving issues and making recommendations to improve the quality of service delivered by the Agency, and also aims to foster compliance while building integrity.



**Malawi\***

MALAWI REVENUE AUTHORITY IS GEARED AT INSTITUTIONALIZING ETHICAL CULTURE

## Background

Malawi Revenue Authority (MRA) is an agency of the Government of Malawi responsible for the assessment, collection and accounting for tax revenues. MRA was established by an Act of Parliament in 1998 and launched in February 2000 to improve on the functions previously carried out by the Divisions of Customs and Excise, and Income Tax in the Ministry of Finance. However, this noble mission cannot be effectively achieved amid high level of fraud and corruption.

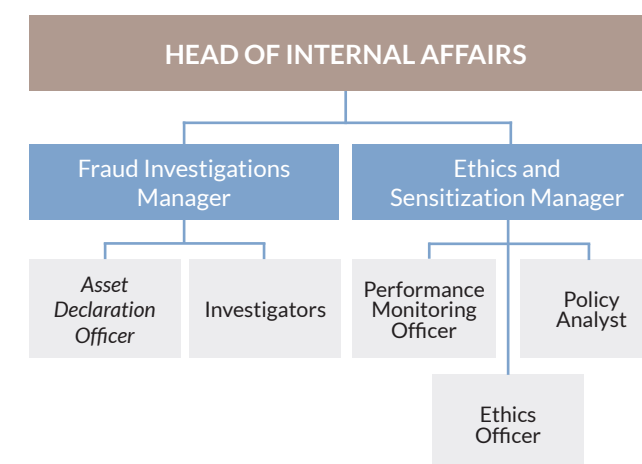
Knowing that corruption in Customs is a true obstacle to any organizational reforms, and disruptive to the pursuit of its overall strategic objectives, and contribution to the economic development of Malawi, the MRA has taken the necessary institutional measures to provide a sound foundation for anti-corruption and integrity enhancement.

## The Internal Affairs Department

It should be noted that at the time of the Maputo Declaration, made on 22 March, 2002, MRA was exactly two years old. Notwithstanding the teething challenges, MRA did not stop at incorporating the issues of integrity in its organizational development process but rather demonstrated serious commitment to the African response and declaration to fighting corruption in Customs. The MRA initially incorporated its Integrity programmes into the Human Resources Division.

In 2012, the MRA Board of Directors approved management's proposal to create a new Department to be called Internal Affairs that would be entrusted with the responsibility of championing staff Integrity issues.

The Internal Affairs Department started its operations in February, 2013. The Internal Affairs Department is headed by the Deputy Director of Internal Affairs. The Department comprises two sections namely: Ethics and Sensitization; and Fraud Investigations. The two sections are headed by two Managers and ten staff.



## Milestones and Achievements of Internal Affairs

The Internal Affairs Department, through its investigative and integrity awareness efforts, provides internal oversight responsibilities focused on ensuring that MRA has an effective and transparent system of accountability in place and also the capacity to identify, assess and mitigate the risks that might prevent it from achieving its strategic objectives.

To combat fraud, waste and abuse, the investigative work is focused on the areas of MRA employee integrity and external attempts to corrupt tax administrators. To heighten integrity awareness and to provide a deterrent effect against fraud, waste, abuse and misconduct, the Internal Affairs Department conducts integrity awareness presentations to MRA employees and tax practitioners alike. It also performs integrity audits to determine if the MRA is adequately ensuring fair and equitable treatment of taxpayers. Audit recommendations result in cost savings, as well as other quantifiable impacts, such as reduction of taxpayer burden, protection of taxpayer rights and entitlements, taxpayer privacy and security, and protection of MRA resources.

## The following activities are implemented to achieve this goal:

- Detect and deter fraud, waste, abuse or other misconduct and promote the fair treatment of all our valuable clients;
- Administer investigative programs to identify and mitigate potential corruption in MRA operations;
- Maintain an effective system of appraising MRA management of corruption;

\* WCO Integrity Newsletter Issue N° 10



- Heighten integrity awareness to provide a deterrent effect against fraud, waste and misconduct, and to promote a greater understanding of the importance of a corruption-free MRA;
- Develop proactive initiatives designed to detect illegal or improper acts by MRA employees or external entities that would attempt to corrupt MRA employees while in the performance of their duties or illegally interfere with the administration of custom laws; and
- Investigate complaints of criminal or serious administrative misconduct by MRA employees in a thorough, fair, and timely manner.

#### Policy Framework

The framework governing staff behavior and expected standards of ethics are contained but not limited to the following policies:

- **MRA Ethics and Code of Conduct**

MRA has what is called Ethics and Code of Conduct which largely serves internal purposes by giving rules and guidelines that can prevent unethical behavior. It stipulates conduct and practices that are unacceptable in MRA. The Code has just been reviewed and we are in the process of sensitizing employees on this Revised Ethics and Code of Conduct.

In order to avoid cynicism and skepticism from the employees who are the major stakeholders to the Code, there were wide consultations and meeting to ensure that the end product has their input. The purpose of this code is largely to cultivate commitment to shared values among employees of MRA hence the required wide consultations.

MRA code can be described as directional. It has already been observed, as is expected of directional codes, that it is a lengthy document. It is likely, however, to be faced with the problem of “if it is not forbidden, it is allowed” since it is not possible to cover all scenarios that may occur in MRA.

- **MRA Gift and Hospitality Policy**

Members of staff of MRA are subject to provisions of the Corrupt Practices Act, 2004 (CPA). This Act prohibits the soliciting or receiving or accepting any gift or advantage as described by this Act. It is the view of MRA that public service and employment carries with it public trust. This policy provides a safeguard for the Authority by providing clarity about the standards the Authority sets and what is expected of its employees in terms of Gifts and Hospitality.

- **MRA Procurement Policy**

MRA's Procurement Policy was promulgated pursuant to the Public Procurement Act, 2003 and the Malawi Revenue Authority Act, 1998. The Policy is aimed at obtaining goods and services at the best value for money in support of MRA programmes and activities with commitment to providing equal opportunity to both domestic and foreign suppliers. In order to achieve the best value for money, MRA in its tender evaluation does not take only the competitiveness in price, but also compliance with users' requirements, reliability of performance, qualitative superiority, whole-life costs and after-sale support, where applicable.

- **MRA Recruitment Policy**

In the recruitment policy MRA undertakes to set guidelines for election of qualified and suitable individuals from a pool of candidates who will be able to contribute to the fulfillment of the Authority's objectives. MRA deliberately sets out to recruit and develop good quality staff that has the ability to meet the standards of performance that will be expected by the Authority. MRA is currently reviewing its recruitment policy to ensure that recruitment of personnel with low integrity is completely eliminated. The vetting process has been implemented by the Internal Affairs Department which goes beyond the usual HR process of contacting referees and former employers to include checking an individual's criminal record.

#### Conclusion

MRA realizes that the potential for corruption in Customs is enormous and there is no easy or quick solution. What is needed is a comprehensive and systematic approach to put the required measures in place and to ensure their effective operation.



#### Paraguay\*

ETHICAL CONDUCT AND ANTI-CORRUPTION STRATEGIES PROMOTED BY THE NATIONAL CUSTOMS ADMINISTRATION



The Paraguay Customs Administration is composed of 30 Customs offices and 1,361 public officials located throughout the national territory. The Customs administration is responsible for applying Customs legislation, controlling goods traffic across borders and through airports, levying import and export duties and combating smuggling.

In 2005, a report produced jointly by the Consejo Impulsor del Sistema Nacional de Integridad [Anti-Corruption Commission] and the World Bank classified the Customs Administration as the most corrupt public institution in the country. Since then, the DNA has been strengthened and has adopted a range of strategies focusing on promoting ethical conduct, improving its institutional image and combating corruption. This strategy involves the components set out below.

#### Quality management system

The gradual implementation of the Quality Management System in the organization's key procedures under ISO 9001 ensures transparent and predictable management. This approach has promoted a positive cultural change that optimizes management geared towards continued improvements in services and user satisfaction.

Procedures have been redesigned, simplified, standardized and improved, bureaucracy has shrunk and processing times have been cut (23 steps have been reduced to 13, and the timeframe has been shortened from 8 hours to 30 minutes). User and infrastructure services have been improved, records are generated which allow procedures to be controlled, assessed and adjusted, and technological modernization (formalities online), monitoring and analysis of management by periodic internal and external audits has been established, among other activities.

#### Zero cash

Public officials working for Customs do not receive cash payments for services and/or taxes for Customs operations. There are no authorized cash funds in the

institution, and all payments are made through a link between the Customs IT system – “SOFIA” (Sistema de Ordenamiento Fiscal de Impuestos Aduaneros [Customs duties system]) – and local bank computer systems, allowing automatic debiting from the accounts of users who work with the institution.

#### Organizational modernization

An Integrity Department has been established which is responsible for promoting ethical conduct among all the institution's officials and for implementing a structure for developing ethical management procedures. This Department is responsible for developing and supporting these procedures, in co-operation with the Ethics Committee and the High Level Team.

An Internal Affairs Unit has also been set up and is tasked with investigating corruption by Customs officials during the course of their duties. To date, 183 cases have been investigated, disciplinary action has been taken against 92 officials, and penalties have been imposed on 33 officials.

An Internal Affairs Unit has also been set up and is tasked with investigating corruption by Customs officials during the course of their duties. To date, 183 cases have been investigated, disciplinary action has been taken against 92 officials, and penalties have been imposed on 33 officials.

#### Code of ethics and rules of conduct

The DNA adopted a Code of Ethics in 2010 which aims to promote ethical principles and values to guide officials in carrying out their duties. The Code details the guiding principles and values proposed by the institution and is reviewed annually with considerable input from officials. Internal rules of conduct which establish the standards of conduct expected of personnel and the penalties envisaged for non-compliance have also been put in place.

#### Awareness-raising campaign

An awareness-raising and dissemination campaign focusing on ethics and integrity was initiated in 2011, accompanied by presentations. The most successful results were recorded in 2012, when it was extended to 90% of officials. Pocket versions of the Code of Ethics were also distributed to over 1,200 officials, and an “Ethics link”

\* WCO Integrity Newsletter Issue N° 11



was created on the institution's website, which also presents a brief review of progress made, plus photographs, information and other documents linked to the promotion of the institution's ethical principles and values. This is replicated on the intranet, where monthly articles are posted on ethics and integrity matters. Finally, mass e-mails have been sent out with information on the promotion campaign.

Formulation of ethical commitments

After the Code of Ethics was widely disseminated, ethical commitments for specific Customs areas were formulated in participatory workshops. This allowed officials to combine the values set out in the code of ethics with the specific duties of their area, and to explain and examine the strengths and weaknesses of their application. Officials consequently drew up collective commitments involving all their colleagues in the area, focusing on the desired behaviours that enable such values to be incorporated into day-to-day performance. A total of 21 areas of support and 30 Customs offices formulated ethical commitments.

Capacity building

Capacity building was introduced in relation to ethical transparency and integrity with a view to establishing a corpus of knowledge. This was based on anti-corruption rules and measures adopted at both national and international level, including information from bodies responsible for applying these provisions. The following are some of the courses developed: WCO Integrity e-learning course (30 officials); Paraguayan Customs Ethics e-learning course (based on the WCO Integrity course but focusing on institutional documents and tools, designed jointly by the Integrity Department and the body responsible for the SOFIA Information System – 1,032 officials); course on Ethics and Transparency in the Civil Service (40 officials); and an Ethics and Integrity module forming part of the curriculum of the Customs management degree programme for higher technical staff (350 officials).

An induction scheme is also in place for the benefit of new officials, who are taught the skills required. Longer-serving officials are re-skilled under Human Resources Department supervision.

Structure for promoting the ethical management process

An Ethics Committee has been set up. Importantly, top management plays a part in implementing and supporting the ethical management process. The Committee meets on a monthly basis and comprises the Deputy National Director, the Human Resources Director, the Director of Administration and Finance, the Director of Auditing and the Head of the Customs Management Audit Department. A total of 27 meetings have been held since its inception, giving rise to over 200 agreements and promoting an annual average of 15 ethics-related initiatives. These include competitions, surveys of users and officials, the posting of articles on the intranet, inductions, reskilling, capacity building, web link creation, a review of the Code of Ethics, formulation of ethical commitments by units, approval of the operating procedure for implementing the ethical management process and integrity indicators. Defined duties and rules of procedure govern the Committee's activities, some of the most important of which are the annual analysis and proposal of ethics and integrity objectives and targets and the approval of the plan for improvements and its timetable, in accordance with the weaknesses and aspects to be strengthened.

An Ethics High Level Team has also been set up. This team consists of officials from different Customs units who are equipped to train trainers and to carry out activities in connection with implementing the ethical management process in the institution, under the co-ordination and support of the Ethics Committee.

Ethical management implementation procedure

The ethical management implementation procedure was drawn up as a guide to this process. The procedure describes the steps to be taken in implementing the Code of Ethics and in developing ethical conduct diagnosis surveys of Customs officials, the plan for improvements and the schedule of activities.

Surveys

Annual surveys on ethics and integrity have been designed and carried out since 2012 to ascertain how Customs officials perceive certain issues. A total of 291 officials are surveyed each year. The results highlight the

strengths and weaknesses in the development of the management process and allow corrective improvement measures to be taken.

Customs service users are also surveyed annually to seek their views on ethics and integrity. The last survey was highly favourable compared to the preceding one, according to which only 68% of users felt that Customs officials performed ethically in carrying out their duties, while 81% of users now believe that officials act ethically.

Integrity indicators

Integrity indicators have been designed at institutional level in seeking an objective mechanism to assess the impact of the ethical management process. This tool collects data from the institution's various units and enables aspects constituting the ethical conduct of officials to be measured on an annual basis. Some of the data considered are: cases investigated, officials against whom disciplinary action has been taken, unjustified absences and lateness, overall performance assessment results, user ratings of services, etc. Customs has published the results of these indicators since 2013 and has comparative indicators for the period from 2010 to 2014. The results obtained are encouraging, since positive development has been recorded in 12 out of the 15 assessment items. These indicators also reflect weaknesses for which corrective measures must be applied.

ARE DNA OFFICIALS RESPECTFUL OF INTEGRITY ?

Comparative table

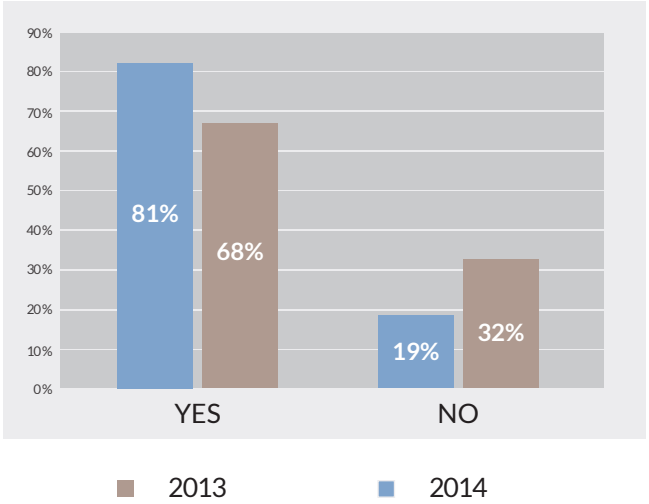


Diagram 1 - Survey of user perceptions of ethical conduct 2013 – 2014

		General average 2013	General average 2014
1	Personal principles and ethical values	4.54	4.50
2	Ethical principles and values in the institution	3.13	3.32
3	Director's leadership in ethical management	3.53	3.77
4	Relations with officials	3.39	3.50
5	Relations with contractors and suppliers	2.30	2.33
6	Relations with other public institutions	3.60	3.77
7	Relations with the community	3.01	3.47
8	Environmental relations	2.76	3.56
9	Existence of ethical benchmark	3.84	4.14
DNA overall ethical diagnosis		3.34	3.60
		Average	Average
		2013	2014

Ranges of interpretation of diagnosis of internal control system			
Inadequate	Poor	Satisfactory	Adequate
Range 0.0-2.0	Range 2.1-3.0	Range 3.1-4.0	Range 4.1-5.0

Table 1- Survey of Customs officials perceptions of ethical conduct 2013 – 2014

Source	No.	Statistic	Ethical Values	2010	2011	2012	2013	2014	
Internal Affairs Unit	1	Cases investigated	Integrity	67	23	30	17	46	✓
	2	Officials against whom disciplinary action has been taken		23	12	10	21	26	✓
	3	Officials penalized		20	7	0	1	5	✓
	4	Officials dismissed	Integrity	1	5	2	2	1	✓
Human Resources Department	5	Unjustified lateness	Responsibility Commitment	1,812	1,974	2,798	7,250	3,313	✓
	6	Unjustified absence		1,184	908	1,600	934	640	✓
	7	Officials fined for unjustified absence and lateness	Responsibility Commitment	615	736	772	260	369	✓
	8	Sense of belonging and commitment to the institution	Commitment	78% 2009	96.5%	-	97.1%	91.4%	✗
	9	Teamwork and team spirit	Solidarity	57% 2009	86.2%	-	86.5%	83.2%	✗
	10	Performance of customs officials: good, very good, excellent	Responsibility Commitment Excellence	99%	-	98.5%	98.8%	99%	✓
Public Relations and Communication Office	11	Complaints and/or claims	Service	11	56	15	9	18	✓
	12	Suggestions		1	3	3	2	0	✓
	13	Allegations	Service	4	27	14	9	10	✓
Quality Management System Coordination	14	Non-conformity reports issued	Excellence Service Responsibility Commitment	4,991	2,173	1,903	492	695	✗
	15	Classification of DNA service according to user survey: good, very good, excellent	Service	69%	75%	71%	76%	77%	✓

Table 2 – Integrity indicators 2010 – 2014

KEY: ✓ Favourable development of the indicator 2014  
✗ Unfavourable development of the indicator 2014

### Complaints department

This participatory structure allows citizens to make complaints, claims and suggestions regarding Customs. These are addressed efficiently and quickly while guaranteeing the confidentiality of the person submitting them. The authorized facilities available are the Customs' web-page, telephone lines, complaint and suggestion boxes in all offices and the institution's e-mail. This process as a whole is regulated by an operating procedure.

### Recognition of good practice

It is very gratifying to note that in 2013 the Secretaría Nacional Anticorrupción – SENAC [National Anti-Corruption Office] recognized the Paraguayan Customs Administration at national level for its good practices in implementing the institutional ethical management process, the operating procedure for investigating corruption and the Complaints Department.

### Recognition programme

The Human Resources Department is responsible for an annual programme which recognizes individual officials who have performed exceptionally well. Certificates and acknowledgements are awarded to personnel whose colleagues recognize their abilities, skills and ethical conduct in carrying out their duties in a particular domain.

### Merit and skilled-based competitive selection procedure

Another very important measure taken by Customs is the hiring or appointment of officials following a merit and skills-based competitive selection procedure. A Selection Committee whose members include the Heads of the Internal Affairs Unit and the Integrity Department has been formed to oversee the whole procedure. Transparency is ensured by delegating a private company with proven expertise in the area to carry out curriculum assessments and interviews and to administer Customs knowledge, IT and psychological tests.

### Conclusion

The key to the development of these activities is the total commitment of the authorities and the participation of all officials.

The major challenges remaining to be faced include: a survey of citizens, accountability, the approval and implementation of a career development scale for officials, the establishment of a mechanism ensuring that staff rotations are effective and relevant, the breaking of the status quo, scepticism and resistance in certain sectors and the continued building and application of innovative tools allowing the consolidation of responsible, efficient, full and transparent management by all Paraguayan Customs officials.



**Philippines\***

THE PHILIPPINES' BUREAU OF CUSTOMS:  
HITTING "RESET" ON A CORRUPT AGENCY

For decades, most Filipinos have believed that the Philippines' Bureau of Customs (BOC) was the most inefficient, inept and corrupt government agency.

As the second-largest revenue collection agency of the government after the Bureau of Internal Revenue, contributing about 22% of the total national government revenue, the BOC is mandated with the triple mission of collecting revenue, facilitating trade and protecting borders. However, because of corruption and inefficiency, the BOC had become virtually irrelevant in fulfilling its mandates. In 2010, the Federation of Philippine Industries, a group of about 800 Philippine companies, reported that smuggling was "costing the Government about 2.8 billion USD in foregone revenues annually. Worse, smuggled goods were unfairly competing with local products thereby resulting to closure of legitimate local businesses and unemployment". The same group disclosed in another study that the Philippine Government incurred staggering revenue losses of about 30 billion USD from 2002 to 2011 due to the undervaluation, misdeclaration, misclassification and diversion of shipments, or technical smuggling. These losses did not include foregone taxes resulting from outright or pure smuggling operations that took place in isolated parts of the country and did not involve import documents.

In a February 2014 report entitled "Illicit Financial Flows to and from the Philippines: A Study in Dynamic Situation, 1960-2011," a Washington DC-based research and advocacy group Global Financial Integrity (GFI) said that an estimated 277.6 billion USD was illegally transferred into the country "predominantly through

\* WCO Integrity Newsletter Issue N° 10

the mis-invoicing of trade transactions.” Mis-invoicing is commonly known as “technical smuggling” or the under-declaration of imported goods in terms of quantity, quality or value to cheat on Customs duties and taxes.

But beyond cheating on taxes and revenue leakage, corruption and inefficiency at the Bureau of Customs had heightened border control risks, with the possible entry of weapons of mass destruction, contaminated or contraband goods, as well as trafficking of illegal drugs. The root cause of the massive revenue leakage and losses is due to corrupt practices stemming from loose policies, wide discretionary powers and antiquated policies.

### Uproot corruption, reboot BOC

To remedy this situation, President Aquino initiated a complete reform with a three-fold objective: streamline and revitalize bureaucracy, uproot the culture of corruption, and jump-start a virtuous cycle of integrity and true public service at the Bureau of Customs.

To set the stage for the Customs Reform Project, two offices were created; the Office of the Revenue Agency Modernization (ORAM), whose role is to implement system and process enhancements, and formulate a Code of Ethics to improve the integrity and performance of revenue generating agencies such as the BOC; and the Customs Policy Research Office (CPRO), a specialized agency whose main task is to provide necessary policy and procedural reforms in the internal administration practices and processes, collection, monitoring, and storage of data, documents and records, as well as analysis to improve baseline monitoring and performance measurement of the BOC; and to draft legislation to reform and modernize the BOC.

Changes in the Senior as well as Middle management were made, beginning with the appointment of new Deputy Commissioners. Fifty of the BOC’s senior and middle managers were deployed to the CPRO, and employees of ORAM were detailed to take the vacated positions.

This was followed by the stepping down of the serving Commissioner and the appointment of a new Customs chief, an Undersecretary of the Department of Finance and a former investment banker.

The BOC also sought to look into staffing and manpower issues at the BOC. About 60% of the 3,600 employees were not qualified to assume the roles or positions they were given. The new Commissioner ordered all employees of the Bureau to revert to their ‘mother units’ so that all positions could be rationalized.

The new leadership put a stop to the unabated release of shipments without required import permits or proper valuation. While this had caused a drastic change in Customs clearance times, the initiatives were also justified by statistics which showed that eight out of every ten shipments placed on alert or on hold showed findings of discrepancies like misdeclaration or undervaluation. Recognizing the critical role of post-entry audits in improving revenues and enforcing compliance with the rule of law as well as in providing the necessary check and balance mechanism for the BOC, the post-entry audit functions of the BOC was transferred to the Fiscal Intelligence Unit of the Department of Finance.

### Transparent procedures

Today, the Bureau of Customs is more transparent, thus publishes the list of all importations into the Philippines as well weighted average dutiable values for all imports. All issuances, policies and regulations are published on its website. This allows all stakeholders wide access to information about the Bureau anytime, anywhere.

The Bureau’s efforts at making its data widely available has been recognized by proponents of Open Data, including the Open Data Partnership, a global initiative aimed at improving governance.

### New recruitment policies

In order to fill the lack of manpower, BOC has opened job vacancies in first and second level positions in the agency’s various groups, offices, and collection districts. Over 1000 job openings were secured by the Bureau. In the past, job vacancies were practically given to relatives of incumbent officials and employees.

New policies against nepotism were promulgated, reiterating existing anti-nepotism laws. Background checks and notarized application forms ensured that job applicants with relatives in the BOC up to the 4th degree of consanguinity or affinity were disqualified and barred from applying for any position in the Bureau.

Promotions, which were also once highly politicized and disregarded rank or qualifications, are no more automatic for incumbent employees. All open positions are disclosed, allowing both new applicants and incumbent employees to apply for these on equal footing. A rigorous examination is conducted for all applicants, in partnership with the Civil Service Commission.

Officials and employees are all made accountable for their actions by mandating signatures and approval levels. The Bureau also files administrative cases against employees for conniving with unscrupulous brokers and importers.

### Battles won, but the war is far from over

As a result of all the reforms done by the BOC, from January to September 2014, total revenue collections of the BOC reached about 5.8 billion USD; 18% over the same period last year. Improvements in the Bureau’s system for the valuation of goods, coupled with enhanced enforcement and apprehension efforts, yielded an 18.23% hike in the Customs value for imported products and a 19% increase in the duties and taxes collected, offsetting a slight decrease in the average tariff rate.

Several Philippine companies have openly attributed the growth in their sales to the revitalized anti-smuggling efforts of the Bureau. Publicly-listed food and plastic input manufacturer, D&L Industries grew its nine-month net profit by 24% year-on-year approximately 28.7 million USD as a result of the crackdown on competing smuggled commodities that allowed the company to gain a larger market share for its products.

While these quick wins prove that the reform efforts are coming along, much is left to be done.

In 2015, the Bureau hopes to cut down on the processing time of import transactions by setting a goal of clearing 90% of all shipments within four hours of filing import documents. This ambitious goal will entail streamlining processes and operations; automation and a massive culture change in the organization.

But with a reform project touted by many as sweeping, bold and unprecedented already in full swing, the vision of a professional, competent and efficient Philippine Bureau of Customs may just come into fruition.



**United-Kingdom\***  
UK BORDER FORCES’  
ANTI-CORRUPTION STRATEGY

### Background



The United Kingdom Home Office is the lead government department for customs, immigration, passports, drugs policy, crime, counter-terrorism and police. Customs controls in the United Kingdom are administered by the Border Force, a law enforcement command within the Home Office. Border Force secures the border and promotes national prosperity by facilitating the legitimate movement of individuals and goods, whilst preventing those that would cause harm from entering the UK.

### Border Force is responsible for:

1. checking the immigration status of people arriving in and departing the UK;
2. searching baggage, vehicles and cargo for illicit goods or illegal immigrants;
3. patrolling the UK coastline and searching vessels;
4. gathering intelligence alerting the police and security services to people of interest.

### Civil Service Principles

Border Force officers are Civil Servants. The Civil Service supports the Government in developing and implementing its policies, and in delivering public services. Civil Servants are accountable to the public and need to meet the highest possible standards in all that they do.

The core values of the Civil Service reflect this and as Civil Servants Border Force Officers are bound to the Civil Service Code which requires all officers to act with:

- Integrity – putting the obligations of public service above personal interests;
- Honesty – being truthful and open;

\* WCO Integrity Newsletter Issue N° 9



- Objectivity – basing advice and decisions on rigorous analysis of the evidence;
- Impartiality – acting solely according to the merits of the case and serving governments of different political parties equally well.

## Law

Common law in the UK provides for an offence of Misconduct in Public Office. It carries a maximum sentence of life imprisonment. It is an offence confined to those who are public office holders and is committed when the office holder acts (or fails to act) in a way that constitutes a breach of the duties of that office. The offence is committed when: a public officer acting as such willfully neglects to perform his duty and/or willfully misconducts himself to such a degree as to amount to an abuse of the public's trust in the office holder without reasonable excuse or justification.

In addition, all Civil Servants are subject to a wide range of legislative requirements such as those within the Bribery Act 2010 and the Data Protection Act 1998. The Bribery Act modernizes the UK law on bribery and introduces two general offences of (i) offering, promising or giving a bribe and (ii) requesting, agreeing to receive or accepting a bribe. It also contains a specific offence of bribery of foreign public officials, and a corporate offence of failure of institutions to prevent bribery. The Data Protection Act sets out rules governing the processing of personal data (that is, information relating to identifiable living individuals). It also provides people with the right to see personal data held about them. The act sets out eight principles that must be followed when processing personal data including keeping personal information for lawful purposes and keeping it secure.

## Strategy

The Home Office expects the highest levels of integrity from its staff and the staff carry out their roles with professionalism and integrity. However, on the rare occasion there are staff who fail to act appropriately and as a result we have a strategy in place to mitigate this risk. The Corporate Security Directorate is responsible for integrity policy and strategy. The Home Office Anti Corruption Strategy is divided into six themes – Deterrence, Prevention, Detection, Investigation, Sanction and Redress. These are interlinked and mutually supportive of each other.

The Corporate Security Directorate is currently proactively reducing the motive and opportunity for corruption by increasing our deterrence and prevention activity and creating an anti-corruption culture. We are also enhancing our capability to proactively identify more corrupt activity and to create a centre of investigative excellence in anti-corruption by further developing the skills and capabilities of the investigators and enhancing the processes utilized for the management of anti-corruption activity.

One key element of the strategy is communication and we make it clear that we have strong processes in place to prevent, to detect, to investigate and to sanction corruption. Corrupt staff are arguably less likely to engage in corrupt activity if they believe they will be caught and sanctioned. We also ensure that security is at the forefront of people's minds in everything they do, in particular in the minds of those leading programmes and projects, to ensure that the need to deliver does not override security concerns, and in the minds of line managers who should remain alert to the potential for corruption.

Another key element of our strategy is the use of data mining to proactively identify wrong-doing in the business. The tool provides the framework to devise, to implement and to visualize rules that relate to behaviour that is suspicious, and to obtain lists of users ranked against such rules.

Data mining can also be used to develop investigations by spotting connections, and to build profiles of staff which can provide enhanced integrity checks when required.



## Uruguay\*

ETHICS AND TRANSPARENCY MEASURES  
IMPLEMENTED BY THE URUGUAY NATIONAL  
CUSTOMS DIRECTORATE

As corruption cannot be attributed to one single cause, it needs to be fought with different measures, at different levels and in a creative and innovative way. Some of the measures should be aimed at preventing corruption, while others should be aimed at punishing it as a way of combating all the variables involved. Different measures have been adopted by the Uruguay National Customs Directorate (DNA), based on the WCO's Revised Arusha Declaration.

**Leadership and commitment:** "The prime responsibility for corruption prevention must rest with the Head of Customs and the executive management team."

Senior officials from our Directorate, in compliance with Article 1 of the Revised Arusha Declaration, have confirmed their commitment and leadership duties. They have committed themselves to detecting and fighting possible transgressions within the work environment. All of them comply with Law No. 17.060, issued on 23 December 1998 and imposing the requirement for all civil servants to submit details of their assets, listed in an affidavit, to the Commission for Transparency and Public Ethics (JUTEP) every two years.

**Regulatory framework:** "Customs laws, regulations, administrative guidelines and procedures should be harmonized and simplified to the greatest extent possible so that Customs formalities can proceed without undue burden."

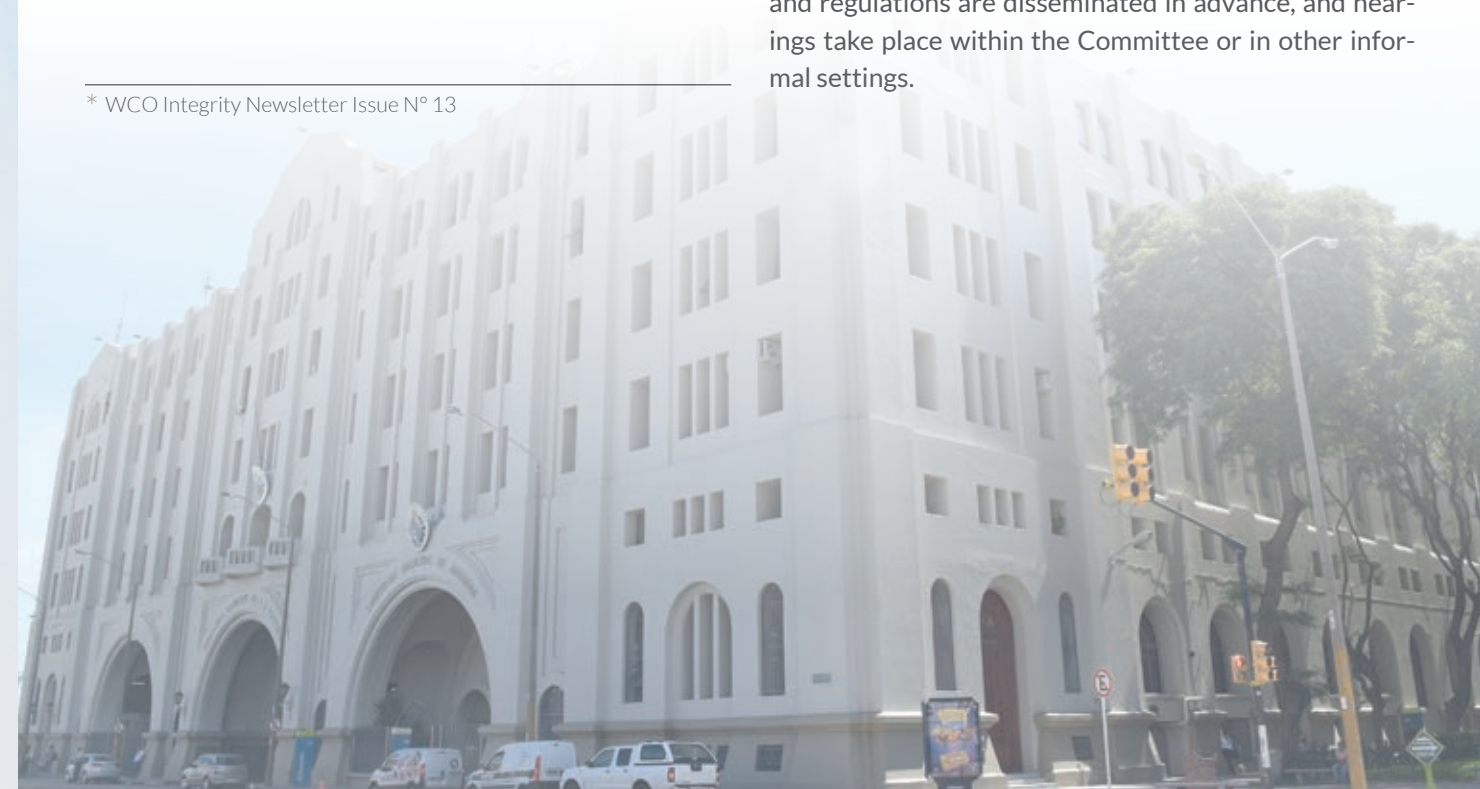
The Customs Code of the Eastern Republic of Uruguay (CAROU), Law No. 19276, was passed on 13 September 2014. It has systematized regulations that were previously scattered and has also updated those regulations and aligned them with best international practice, therefore establishing clear and coherent regulations.

The simplification of procedures has resulted in a paperless approach and demanded a re-engineering of procedures and new features provided by IT systems, in order to allow the simplification of requirements to be fulfilled and the implementation of information exchange with other agencies, as well as electronic payment. It has also led to the development of new Procedure Manuals.

**Transparency:** "Customs clients are entitled to expect a high degree of certainty and predictability in their dealings with Customs."

On 2 April 2014, the "Uruguay National Customs Directorate – Private Sector Consultancy Committee" was created by Customs Regulation No. 23/2014. The objective of this Committee is to serve as an organized forum for approaches and concerns by the foreign trade community. As far as possible, changes to procedures and regulations are disseminated in advance, and hearings take place within the Committee or in other informal settings.

\* WCO Integrity Newsletter Issue N° 13



Law No. 18.381, passed on 17 October 2008, regulates the right to access public information and offers citizens the possibility of requesting information held by the Directorate, while respecting Law No. 18.331, passed on 11 August 2008, on personal data protection.

Article No. 317 of the Uruguayan Constitution establishes the right of appeal against administrative acts, which is regulated in Articles 142 et seq. of Decree No. 500/991 issued on 27 September 1991. The administrative appeals procedure grants the right to appeal against Customs decisions or to request a re-examination of such decisions.

**Automation:** “Where possible, automated systems should be configured in such a way as to minimize the opportunity for the inappropriate exercise of official discretion, face-to-face contact between Customs personnel and clients and the physical handling and transfer of funds.”

Since 2010, some 1,007 PCs and 32 laptops have been issued to officials, representing a high degree of computerization within the Directorate. The DNA comprises 1,047 officials.

We use an “Electronic File System” (GEX) allowing Customs brokers, through the “Pre-File” Application, to initiate Customs files electronically (from their offices) and to receive electronic notifications.

The “Digital DUA” (DUA: Single Customs Document) project is a Customs operations control process for imports, exports and transshipment which are documented in an electronic and automated fashion with minimal reliance on paper. The following initiatives have been implemented through this project: electronic document, electronic signature, storage of documentation on Customs operations under Customs brokers’ responsibility, and re-engineering of Customs controls. The “Sistema Lucia” IT system makes use of the Electronic Customs Document, Digital Goods and Merchandise Detention Record, and Computerized Control of Warehouse Stock.

The DNA’s Single Window for Foreign Trade Department (VUCE) is aimed at optimizing and unifying, through electronic means, the information and documentation required to carry out import, export and transshipment operations and at ensuring the availability of this documentation at a single entry point. As at September 2015,

there were 33 Customs procedures incorporated in VUCE, with 440 registered users and 8,449 import and export documents processed.

**Reform and modernization:** “Corruption typically occurs in situations where outdated and inefficient practices are employed and where clients have an incentive to attempt to avoid slow or burdensome procedures by offering bribes and paying facilitation fees.”

Management by Process is an ongoing project to create greater institutional security by limiting the discretionary powers of Customs officials.

Management Agreements are commitments made by officials appointed to specific hierarchical positions (“functions”) within the Directorate for a period of 15 months. After that period, a panel shall evaluate the official’s compliance with the Management Agreement and decide whether or not the position should be renewed. The activity plans envisaged in the agreements contribute to the achievement of the Directorate’s institutional objectives. Each Management Agreement comprises four types of indicator: fulfilment of the duties established in the Directorate’s Balanced Scorecard; fulfilment of the duties included in the Unit’s Balanced Scorecard; level of compliance with punctuality and attendance control duties; and fulfilment of the Unit’s annual work plan.

**Audit and investigation:** “... a reasonable balance between positive strategies to encourage high levels of integrity and repressive strategies designed to identify incidences of corruption and to discipline or prosecute those personnel involved.”

The DNA aims to train its officials and enhance their professionalism, as well as to foster their ability to discern whether someone’s conduct is unethical.

The Customs Inspection, Internal Audit and Customs Response and Intelligence Group (GRIA) services work together and have the autonomy to investigate and identify acts of corruption. Over the past five years, CRIA has conducted 26 criminal prosecutions of Customs officials.

**Code of conduct:** “... which sets out in very practical and unambiguous terms the behaviour expected of all Customs personnel.”

The DNA has submitted its own Code of Ethics to the Executive Branch. This Code has the same status as a Decree. Likewise, there are regulations about the

ethical performance of public duties in our country, such as Article 59 of the Uruguayan Constitution, the Penal Code, Law No. 17.060 (“Anti-Corruption Law”), the Statute for Public Servants (Law 19.121) and its regulatory decrees, that govern, among other aspects, disciplinary procedures for civil servants. Decree No. 30/2003 sets out the duties, prohibitions and incompatibilities applicable to civil servants and establishes the principles of pre-eminence of the public function, while the duties of Customs officials are set out in Article 14 of Decree No. 204/013.

**Human resources management:** “The implementation of sound human resources management policies and procedures plays a major role in the fight against corruption in Customs.”

Corporate Governance is the set of processes, habits, policies, laws and institutions that affect the way a company or organization (corporation) is directed, managed or controlled. It also includes the relationship between the different agents involved in it (the Directorate, external controllers, creditors, investors, customers, suppliers, employees, the foreign trade community and society as a whole).

Innumerable measures have been implemented to accompany Corporate Governance. One such measure is salary improvement. Alongside this measure, the employment situation of officials who have applied and obtained permanent status has been improved, fostering their careers as a result.

Training courses available to officials are published on our website. Our Training and Knowledge Management Department delivered 320 courses between January 2011 and September 2015, with a total number of 4,202 course enrolments.

We follow the example set by the WCO Integrity Development Guide, which has been disseminated through seminars, workshops and courses.

Repairs to Customs premises are being made throughout the whole country in order to provide officials with the appropriate infrastructure to work in comfort. Since 2010, approximately 29 building and warehouse refurbishments have taken place, while a new Integrated Control Area has been built and alarms installed. A Building Maintenance Plan has been developed to cover the period 2016-2020. This Plan includes six public works projects to be carried out in Montevideo and the provinces in order to preserve the Directorate’s architectural heritage.

The Incentive System for Best Performance was developed in 2013 as a way of rewarding officials fairly. Three factors are taken into consideration when granting incentives: Responsibility, Participation in the discovery of Customs infringements and Performance. In terms of the “Performance” factor, the achievement of individual, group and corporate goals area measured, along with punctuality, attendance and individual performance.





**Morale and organizational culture:** “Corruption is more likely to occur in organizations where morale or ‘esprit de corps’ is low and where Customs personnel do not have pride in the reputation of their administration.”

In order to foster a better relationship with society, we have developed information campaigns that explain Customs officials’ activities, revenue allocation, the reasons behind combating smuggling and the ways in which our community and the national economy are being protected. The “Knowing the Customs Directorate” project is currently being rolled out. It consists of informative workshops by Customs officials, aimed at primary school children across the country. A high level of participation by officials is sought in these and other activities taking place. These activities also promote a sense of belonging, commitment and pride among Customs officials. Corporate Social Responsibility activities have also been carried out since 2013, with active involvement by Customs officials.

**Relationship with the private sector:** “Customs administrations should foster an open, transparent and productive relationship with the private sector.”

We have concluded 11 Integrity Agreements with the private sector, in compliance with the suggestions made in Article 10 of the Revised Arusha Declaration to sign Memoranda of Understanding and develop Codes of Conduct or Integrity that include appropriate penalties.

Our website ([www.aduanas.gub.uy](http://www.aduanas.gub.uy)) contains a link to a Freephone number (0800 1855) enabling users to report any complaints.

We already have 14 Qualified Economic Operators in Uruguay. To date, 49 Uruguayan companies have expressed their intention to participate in this programme.

We have concluded Agreements with Brazilian Customs (17 July 2014) and Argentine Customs (4 November 2014) on Bilateral Implementation of the Intra-Mercosur Pilot Programme on Customs Security in the Goods Supply Chain. This Programme ensures a high level of Customs security within the goods supply chain, since the goods in question are exported from the territory of one Members.

## 6. Audit and Investigation



**Kenya\***  
INTEGRITY TESTING

The Integrity Testing Programme is an investigative tool designed to provide the organisation with a robust means to maintain integrity and public confidence. It is related to the investigation of allegations of corruption, malpractice and other unacceptable behaviour by employees of the Kenya Revenue Authority. The programme also extends to include any person associated with any of the above malpractices, in any capacity, regardless of whether or not those persons are employed by the Authority or have any legitimate association with the organisation. It aims to provide an equitable, consistent and proportionate response to such allegations.

### The objectives of integrity testing are to:

Determine whether or not a particular officer is likely to engage in corrupt practices;

Increase the actual and perceived risk to corrupt officials that they may be detected, thereby deterring corrupt behaviour and encouraging officials to report instances when they are offered bribes; and

Identify officials who are working in areas exposed to corruption as being honest and trustworthy, and therefore likely to be suitable for promotion and assignment to sensitive areas.

For this reason it is essential that any regime of integrity testing include random elements and not rest solely on suspicion.

The Integrity Test consists of the creation of an ‘artificial’ situation replicating the normal day-to-day situations that officers experience, during which the integrity of the officers involved will be tested. The officer will be presented with an opportunity to commit a misdemeanor or partake in corruption without realizing that they are being closely monitored. The idea behind the secretive integrity testing is to establish an ‘aura of omnipresence’ of the Authority’s vigilance so that officers could reasonably believe that any interaction with a member of the public (including potential corruptors) could be a test by the Authority.

\* WCO Integrity Newsletter Issue N° 3

### There are two types of Integrity tests:

- I. **Targeted integrity tests** – These are conducted against specific officers or a group of officers where information is available that point to problematic behaviour. Targeted Integrity tests will only be deployed as a result of specific intelligence or information;
- II. **Random integrity tests** – These are not conducted against specific officers. The random factor is that the Authority does not know exactly which officers will be tested. These tests are conducted at a particular place and any of the officers on duty could undergo the test.

Integrity tests can range from simple one-off engagements to more sophisticated operations that take place over time. The important factors in relation to these types of tests include: to try and capture the officer’s response to the test on video or audio tape, and to never allow officers to know that they have been subjected to an integrity test. However, the decision on whether or not to disclose the results of an Integrity Test to the affected member of staff will be at the discretion of the Commissioner-General.

The consequences of failing a test depend on the matters at hand or the incidence outcome and can lead to internal disciplinary steps or training if Regulations were not followed. Criminal acts picked up during integrity tests will be prosecuted in the courts.

Staff must know that Integrity Testing is likely to be performed at regular intervals. The fact that Officers know that the tests are taking place will encourage them to report cases of bribe-givers approaching them, as they will not know which are genuine and which are ‘tests’.

An Oversight Committee\*\* has been created to sit as an Integrity Review Board to determine which officers have been found to display a high level of integrity. The Officers who have been so identified shall be given preference in handling high profile work assignments and shall enjoy accelerated career development within KRA.

\*\* The Oversight Committee consists of representatives from the Support Services Department, Investigations and Enforcement Department, Human Resources Department, the KRA Integrity Division and an official from the Kenya Anti-Corruption Commission.



**Mauritius\***  
NEW CENTRALISED COMPLAINTS  
MANAGEMENT SYSTEM

‘In recognition of the right of its stakeholders to expect a good service from the organisation and to promptly put things right where they go wrong, MRA has initiated a project to implement a Centralised Complaints Management System with a view to devoting closer attention to its complaints handling process.

MRA believes that an effective and efficient complaint handling process would be an important way of ensuring MRA is providing to its customers the service they are entitled to expect. On the other hand, complaints would provide valuable feedback to MRA and can be early warnings of failures in service delivery. Efficient and effective complaints handling can thus provide opportunities for MRA to improve its service and reputation.

The proposed system for implementation aims to focus on outcomes, and to be fair, proportionate, and sensitive to complainants’ needs. At the outset, an attempt is made for the complaint process to be clear and straightforward, and readily accessible to customers. Guidelines will be proposed through Standard Operating Procedures for an effective and efficient process for complaints handling to ensure that decisions are taken quickly, corrective action taken where necessary and lessons learnt for service improvement.

### Three main high level processes will support the proposed model, namely:

1. Facilitated mode for filing of complaints by making the process clear and straightforward, and readily accessible to stakeholders. A new online complaint filing facility is being introduced in that context;
2. Capture and management of complaint data on an electronic platform; and
3. An effective and efficient complaint management function that would ensure prompt resolution of complaints and make appropriate recommendations for improvement of services or systems where appropriate.

\* WCO Integrity Newsletter Issue N° 13



The date a complaint is filed and the date of its resolution will be systematically tracked in the system to gauge MRA's timeliness in the complaints handling process.

The new proposed system has been developed by MRA's personnel with the assistance of its in house Information Systems Division and is due for launching in the coming weeks.



## Norway\*

COOPERATION WITH THE OFFICE OF THE AUDITOR GENERAL

Norway is one of the countries having answered the WCO Secretariat's call to share its experiences and measures in the integrity domain.

Some countries, and this is true of Norway, use an independent body tasked with verifying the proper use of the States' resources in general, including those of Customs. In Norway, this body is called the Office of the Auditor General (OAG) and, amongst other tasks, it audits the accounts of the various Ministries and State services and systematically conducts investigations to that end. Its findings are submitted to Parliament. These audits

enable the OAG to prevent and detect irregularities and errors. The existence of an independent audit body is an additional weapon in the fight against corruption and ought to improve integrity within the civil service as a whole.

**More information on this body is available via the link featured in the box.**

In the Norwegian Customs Administration, integrity training forms part of the basic Customs curriculum and new recruits follow a course which covers the different integrity theories and recommended methods. It provides a detailed description of the Government ethical guidelines as well as of the Customs Code of Conduct by which officers undertake to abide. The course employs actual situations facing officers on a daily basis and is designed to raise their awareness about their role and to ensure that all aspects of their work are integrity driven. Integrity is also one of the subjects covered in the final exam to be taken by new recruits. Several other courses are also conducted where ethical behaviour, good performance and service to customers are vital elements. You are most welcome to contact the Norwegian Customs Administration for more information on the measures it has taken to fight corruption and safeguard integrity.

\* WCO Integrity Newsletter Issue N° 1



## Tanzania\*

TANZANIA REVENUE AUTHORITY ANTI-CORRUPTION INITIATIVES

The Tanzania Revenue Authority (TRA) started operations in July 1996. Its functions are essentially to assess, collect and account for government revenues. The TRA recognizes the growing importance of good governance as a test of effectiveness and in achieving its organizational vision and mission. While cost-effective revenue collection is the core business of the TRA, the provision of high quality customer service is paramount in order to establish trust and confidence with taxpayers, the public and employees who are our most valuable external and internal customers. Since its establishment, the TRA has responded to the threat of corruption by developing a range of management control strategies geared towards improving the effectiveness and efficiency of the organization. With improved governance structures and commitment by the TRA Board of Directors and Management, the Authority has made progress in building a more professional, efficient and ethical organization.

Revenue collection has certainly increased due to efficient collection practices, improved staff competence and the establishment of simpler and modernized processes leveraging Information and Communication Technology (ICT). One of the measures taken by the TRA was to establish an Internal Affairs Department.

### Internal Affairs Department

The Internal Affairs Department was established within the Commissioner General's Office and is composed of two Units, namely Ethics and Internal Investigations. The Ethics Unit is a proactive governance agency generally responsible for formulating governance policies, conducting ethics training and awareness-raising programmes as well as monitoring the performance of Ethics Committees at Management, Departmental, Regional and District levels. The Internal Investigations Unit is responsible for conducting reactive and proactive internal investigations which are focused on staff integrity matters. In accordance with the TRA's policy whereby all employees are required to declare their assets and liabilities, the Unit also conducts physical verifications of the declared assets and liabilities as a test of honesty. The Department is currently headed by a Director who

reports directly to the Commissioner General and comprises multidisciplinary operational staff with Customs, tax, fraud investigation, law, procurement, education and business administration academic backgrounds.

Since its establishment four years ago, the Internal Affairs Department has recorded a number of achievements which have played a very positive role in promoting staff integrity. These include:

#### The development of a Code of Ethics in June 2009

#### The establishment of Ethics Committees at all management levels

The Committees submit quarterly reports to the Chairperson of the Management Ethics Committee who is also the Deputy Commissioner General. The Committees are, inter alia, responsible for conducting ethics awareness programmes for staff and external stakeholders, providing stakeholders with clear channels to raise their concerns, conducting corruption risk assessments and recommending appropriate measures to sustainably promote staff integrity.

#### Appointment of Integrity Assurance Officers

Integrity Assurance Officers are appointed in every department and region. Their role is to facilitate both proactive and reactive Internal Affairs initiatives in fighting corruption and other forms of malpractice.

#### Ethics training and awareness programmes

The TRA established the Institute of Tax Administration which provides both short and long training programmes on tax administration to staff.

Internal Affairs is responsible for running the Governance and Ethics Course. Ethics is also taught to newly recruited staff during their induction training at the Institute. Internal Affairs also runs integrity awareness programmes for all employees and external stakeholders. Quarterly Stakeholders' Forums are used to raise awareness.

#### Ethical climate assessment

Internal Affairs currently conducts an assessment of the ethical climate in all regions by closely involving TRA

\* WCO Integrity Newsletter Issue N° 8

stakeholders. While internal stakeholders comprise staff at different levels, external stakeholders comprise Regional Commissioners, District Commissioners, the Police Force, the Prevention and Combating of Corruption Bureau, intelligence and security services, Tanzania Chamber of Commerce, Industry and Agriculture, and taxpayers. Stakeholders' feedback from the assessment is incorporated in the Authority's reactive and proactive governance programmes.

#### Verification of employees' declared assets and liabilities

TRA Staff are required to submit a Declaration of Assets and Liabilities at the end of each calendar year. The Declaration includes all assets in the possession of an employee, his or her spouse and children under 18 years old. The Authority is empowered to verify and examine assets declared by employees and this responsibility is vested to the Internal Affairs Department. Any misrepresentation of the facts in the Declaration of assets constitutes a very serious breach of integrity. The Unit is also empowered to conduct physical verifications of the declared assets and liabilities to check whether the value of the assets matches.



#### United Kingdom\*

HOW DOES AN ORGANISATION MEASURE ITS VULNERABILITY TO CORRUPTION AND INTERNAL FRAUD?

In 2008 HM Revenue & Customs, using an approach originally developed by the UK Serious & Organised Crime Agency, undertook a Strategic Risk Assessment (SRA) in relation to internal fraud, corruption and criminal misconduct by staff. The primary drivers of this SRA were:

- To give the various diverse sections of HMRC a recognised standard methodology to capture and assess their internal fraud and corruption risks;
- To give HMRC Directorates the ability to consider and identify their own vulnerabilities and risks – Take ownership of these risks and then devise a control/reduction strategy; and
- To identify the most serious and widespread corruption/internal fraud risks within HMRC – Feed

these risks into HMRC's dedicated internal fraud and counter-corruption unit, HMRC Internal Governance, who would then target these areas and undertake investigation, enforcement or disciplinary action where necessary.

Getting lines of business to evaluate their own corruption and internal fraud risks, and then reduce and mitigate these risks by devising a control strategy, gave the primary responsibility for corruption prevention to the individual HMRC Directorates. HMRC's Internal Governance Unit then used the key risks identified to target specific types of fraud and corruption and undertake enforcement action.

So how were risks and vulnerabilities identified? Each Directorate of HMRC was asked to complete a generic questionnaire covering topics such as details of historic corruption/fraud cases, staff vetting procedures, channels by which employees can report wrongdoing committed by their staff/colleagues, how external complaints are dealt with, data security, conflicts of interest, etc. This was backed up with a set of supplementary questions tailored for specialist work areas – i.e. officers who work in the criminal justice arena, intelligence officers, import/export, Direct Tax, VAT, etc. The information obtained from all the questionnaires was then fed into a dedicated analytical unit who, using risk evaluation best practice from the private sector, evaluated each identified risk, placed these in priority order and established the key risks common to all HMRC Directorates.

Having reflected the results of SRA back to senior managers, HMRC Internal Governance then assisted each Directorate in the formulation of their control strategy. The results of HMRC SRA were also disseminated to the UK Serious and Organised Crime Agency, who then used this information, together with the risk assessment data from 43 British Police Forces, to formulate a National Corruption Vulnerability Assessment for all UK law enforcement agencies.

The key risks identified by the SRA were then used to formulate HMRC Internal Governance's targets and objectives for the coming financial year. It also identified specific risk areas and locations which were then targeted by Internal Governance using data-matching or pro-active intelligence gathering techniques.

Following the success of our initial SRA, this process is now undertaken on an annual basis. With each iteration

\* WCO Integrity Newsletter Issue N° 3

of the assessment the questionnaires, supplementary questions and control strategies are refined to ensure that all risks are properly managed and that our proactive anti-corruption resources are targeting our Department's most vulnerable work areas.



#### United States\*

BEHAVIOURAL AND SOCIAL SCIENCES TO ASSIST IN THE FIGHT AGAINST CORRUPTION

After a series of alarming cases of corruption, the U.S. Customs and Border Protection, Office of Internal Affairs (CBP-IA) recognized the need to understand the threat posed by employees who abuse or misuse the access, knowledge, or authority granted by virtue their official position for personal gain. This "insider threat" includes an array of illicit activity ranging from theft of government property and misuse of government databases to alien and drug smuggling—violations of two of the laws that CBP enforces.

To that end, CBP-IA is conducting a study of its corruption cases that is operational in nature and focused on prevention. Based on an approach the U.S. Secret Service developed to study assassination, the study examines the thoughts and behaviours of these employees as well as other key factors throughout the course of their careers leading up to and including the actual illicit activity.

The purpose of the study is to gather information that could be used to detect future corrupt activity and evaluate those employees who come to the attention of co-workers, supervisors, and Internal Affairs investigators. It will have policy implications for personnel screening, border security operations, and investigations.

The study is one of several related initiatives being conducted by a multi-disciplinary research unit in CBP-IA which was formed in March 2008. The unit is comprised of behavioural and social scientists, analysts, and operational personnel, who conduct systematic, operationally-relevant research, program evaluation, statistical analysis, and consultation to promote integrity and improve CBP-IA's ability to detect, deter, investigate, and prevent misconduct and corruption.

\* WCO Integrity Newsletter Issue N° 3



#### United States\*

HOW USCBP IS TRYING TO ROOT OUT CORRUPTION AND ENHANCE INTEGRITY IN THE WORKFORCE



With more than 60,000 employees, U.S. Customs and Border Protection (CBP) is amongst the largest federal agency responsible for securing the US borders. CBP maintains a commitment to provide border security services with integrity and vigilance. The deployment of advanced technology, physical infrastructure, and additional manpower along the border has made it more difficult for drug trafficking and other Transnational Criminal Organizations (TCOs) to conduct and promote their illegal activities.

Since October 1, 2004, over 160 current or former CBP employees have been arrested or charged with acts of corruption. In a number of these cases, CBP employees have been corrupted by TCOs via monetary bribes. To effectively address these evolving and emerging corruption threats, CBP has developed a unified and comprehensive strategy which incorporates prevention, education and detection capabilities designed to strengthen the integrity of the CBP workforce while deterring, identifying and responding to alleged corruption and serious misconduct.

#### Prevention

CBP utilizes multiple tools to prevent workforce integrity lapses. CBP's integrity assurance process includes initial screening of applicants, pre-employment polygraph examinations of all law enforcement candidates, and an exhaustive background investigation commencing upon the initial selection of a prospective employee. CBP's law enforcement officer positions require a Single Scope Background Investigation (SSBI), the highest level background investigation conducted in U.S. federal pre-employment screening. The SSBI covers a ten-year period and includes checks of citizenship, residence, education, employment, character references, local law enforcement, credit/financial history, court records, military service, investigative and criminal history files of the Federal Bureau of Investigation for the applicant, the applicant's spouse or cohabitant(s), and foreign-born relatives/associates.

\* WCO Integrity Newsletter Issue N° 9



As part of the Anti-Border Corruption Act of 2010, CBP is required to administer polygraph examinations to 100% of applicants for its law enforcement positions. Federally certified CBP Internal Affairs (IA) polygraph examiners administer the standardized Law Enforcement Pre-Employment Tests (LEPET). The LEPET addresses both suitability and national security issues including involvement in serious crimes, distribution or use of illegal drugs, falsifications or omissions on employment application forms, involvement in terrorism or espionage activities, unauthorized disclosure of classified information, and unreported foreign contacts.

Each tool is capable of identifying vulnerabilities the others cannot, and in combination, allow for thorough vetting of the men and women seeking employment with CBP. Periodic reinvestigations are conducted every five years throughout an onboard employee's career, as well as random drug testing, and serve to identify emerging integrity and conduct issues that have the potential to undermine CBP's mission.

#### Education

CBP's Office of Training and Development (OTD) has worked to standardize integrity related training courses for CBP personnel to ensure the same content is provided by the same method on a predetermined, regular schedule. Mandatory and optional courses contain the same course content and are provided in the same way, i.e. either online or in the classroom. The courses are updated at prescribed intervals and overseen by OTD to ensure accuracy and consistency. In addition, employees are required to complete certain mandatory integrity related training at the 1-, 2-, 5-, and 10-year career points.

#### Detection

CBP relies on analytical research methods designed to flag indicators of potential workforce misconduct and corruption. In concert with Internal Affairs (IA), the CBP's Office of Field Operations (OFO) and the CBP Office of Border Patrol (OBP) have taken significant steps to utilize their resources to identify operational data anomalies. Under the leadership of OFO's Analytical Management Systems Control Office (AMSCO), CBP Officers and Border Patrol Agents use automated systems to analyze crossing, referral and results data to identify anomalies that may be indicative of integrity issues. This analysis is critically important as CBP continues to implement new

systems to process travelers and cargo electronically in a more efficient, effective and expeditious manner. In addition, IA uses behavioral science and analytical techniques to identify corruption and insider threat based on data gathered from background investigations, polygraph examinations, known cases of corruption, and other sources. These tools support a proactive, intelligence-driven methodology for detecting potential corruption.

#### Conclusion

CBP understands that collaboration and information sharing is a critical factor in investigating allegations of corruption and serious misconduct. To that end, CBP is committed to maintaining and strengthening relationships with all of its law enforcement partners in order to process and respond to all allegations of misconduct and corruption in a timely manner. The mix of proactive, reactive and sustainment efforts form a robust investigative program.

CBP employees are bestowed significant power and authority in the performance of their duties. With that power and authority comes a high degree of accountability. CBP continues to take aggressive measures to detect, deter, investigate, and prevent misconduct and corruption in the workforce.



**Zambia\***

ZAMBIA REVENUE AUTHORITY (ZRA)  
INTEGRITY COMMITTEE

The vision of the ZRA Integrity Committee (ZRAIC) is to create and sustain a professional and corruption-free workforce for efficient service delivery.

The ZRAIC was established in 2006 and its members attended a two week induction course led by a consultant contracted by the Zambia Anti-Corruption Commission. The Integrity Committee initiative is one of the strategies of Zambia's first National Anti-Corruption Policy (NACP). The initiative is aimed at institutionalizing the prevention of corruption.

#### Composition of the ZRAIC

Four members of the ZRAIC are senior and middle managers from the ZRA. The Integrity Committee also has a Secretariat managed by the Ethics Officer. Integrity Committee members are appointed by the Commissioner General.

#### The role of the ZRAIC:

- Promote transparency and minimize opportunities for corruption in the ZRA by spearheading and facilitating the process of corruption prevention;
- Implement corruption prevention measures aimed at simplifying processes and procedures to reduce opportunities for corruption;
- Facilitate policy and regulatory reforms such as the revision of the ZRA Code of Ethics, the Taxpayer Charter and other related documents;
- Staff in ethics, integrity and anti-corruption theories and strategies;
- Receive, consider and provide redress on all complaints emanating from within and outside the ZRA relating to unethical conduct and unsatisfactory service delivery;
- Provide an efficient and transparent monitoring and reporting mechanism to expose unethical conduct and corruption; and
- Prepare and submit quarterly performance reports on the implementation of anti-corruption programmes to the Secretary to the Cabinet through the Anti-Corruption Commission.

#### Customer feedback mechanisms

The table below illustrates the number of complaints and comments handled by the ZRAIC between 2008 and 2010. In 2009, the number of complaints recorded by the ZRA increased drastically to 217, compared with 17 in 2008. This was due to improved integrity awareness programmes for both members of staff and the public. Furthermore, the placement of suggestion boxes at local tax offices and border posts and the training of an integrity focal point in the ZRA have greatly contributed to the increase in the number of submissions recorded.

Year	Complaints	Comments	Total
2008	17	0	17
2009	173	45	217
2010	179	54	239

The ZRAIC has put in place a mechanism for receiving comments and complaints in line with the Taxpayer Charter. The mechanism includes the following methods: suggestion boxes and comments and complaints in-person and by letter, telephone, fax and e-mail.

Complaints may also be submitted through other channels such as the ZRA Internal Affairs Unit, the Anti-Corruption Commission (ACC) or Transparency International Zambia (TIZ) via the Advocacy and Legal Advice Centre (ALAC).

#### The ZRAIC conducts various activities such as:

- In 2012, the ZRAIC developed an Ethics Training Module aimed at providing ethics training in a more co-ordinated manner;
- Integrity awareness programmes are conducted for all members of staff and the public;
- Facilitating the appointment and training of Integrity focal point staff in collaboration with the ACC in Zambia;
- Some utility vehicles have been branded with anti-corruption messages and contact numbers for the Integrity Committee;
- The ZRAIC facilitated the development of the Code of Ethics for all members of the ZRA staff;
- The Taxpayer Charter was developed in 2008 in consultation with both members of staff and stakeholders; and

\* WCO Integrity Newsletter Issue N° 6



- Development of anti-corruption materials including posters, leaflets and T-shirts with the slogan “Pay Taxes, not bribes”.

The ZRAIC faces a number of challenges such as inadequate corruption prevention training due to insufficient financial resources and a lack of exposure to corruption prevention best practices for tax administrations. However, the ZRAIC is determined to attain its vision which is to create and sustain a professional and corrupt-free workforce in the ZRA in order to ensure efficient service delivery.

## 7. Code of Conduct



### Central African Republic\* DISSEMINATION OF THE CODE OF ETHICS AND GOOD CONDUCT

In December 2011, Central African Republic Customs started a five-year process to disseminate its Code of Ethics and Good Conduct. This project is being financed by the African Development Bank (AFDB) as part of a project in support of capacity building and economic and financial management by the government of the Central African Republic, of which Customs is a beneficiary.

Two of the Customs Administration’s managers were tasked by the supervisory authority with leading seminars forming part of a programme to disseminate the Code of Ethics. The target audience consists of all the Customs officers from the Central or Regional Administration, ranging from senior officials to implementing officers, and including the key users of Customs services and economic operators.

Two seminars were held in December 2011. The first, which took place from 5 to 9 December 2011, drew together 47 Customs officers including the Central

Customs Administration’s Senior Inspectors and Inspectors, not only from the Directorate General of Indirect Duties but also from the Revenue Service and the capital’s Customs Offices. The second seminar (19 to 23 December 2011) brought together 42 Customs officers, including Senior Inspectors and Inspectors serving in the Revenue Service and the regional Offices.

#### The methodology used encouraged active participation by the attendees by means of:

- Asking volunteers to read the provisions of the Code;
- Displaying a PowerPoint presentation on each section, enabling the facilitators to break down each article based on practical examples; and
- Initiating a discussion after each section.

Twelve seminars are planned for 2012. The first is aimed at Customs Inspectors and the second at Special Advisers and Customs Finance Inspectors and Directors General, Directors and Heads of Service. The forthcoming seminars will be aimed at lower ranked staff, before targeting Customs users and economic operators.

The initial seminars provided Customs officers with a real opportunity for discussion on their Administration. They scrutinized the ills affecting the Administration, offered possible solutions and made recommendations to that end. Central African Republic Customs officers have recognized weaknesses and failings and realized that there is still much to be done, however ownership of this process by Customs at all levels was regarded as vital.



\* WCO Integrity Newsletter Issue N° 6



### Chile\* THE CREATION OF A CUSTOMS COURT AND THE DEVELOPMENT OF A CODE OF ETHICS

#### Customs Court

Over recent years, transparency and integrity have captured the attention of the Chilean Customs Administration. The Administration has been involved in the drafting of legislation to establish a Fiscal and Customs Court ensuring more transparent and faster procedures and also offering the possibility of resolving disputes between importers and Customs using a judicial body that is independent from the Administration.

This reform will be completed by 2013 with the establishment of this Court throughout the country. Not only will this reform ensure compliance with Article X of the GATT Agreement, but it will also help in the context of the many free trade agreements signed by Chile as it will ensure an independent administrative and judicial review in Customs matters.

#### Customs Code of Ethics

A Customs Code of Ethics is being developed for distribution to all staff. It is inspired by the Revised Arusha Declaration, the WCO Model Code of Ethics, and by other codes.

The Code should guide the work of Customs officers when faced with difficult situations that could compromise their integrity or that of the organization. The Code contains tools, advice and examples to help officers behave in a responsible manner. Transparency, conflict of interest, confidentiality, audit, integrity, Customs culture and behaviours are included in the Code.

Innovative and positive values such as a healthy lifestyle, cultural and environmental concerns, and respect are incorporated in the Code. It also deals with gift acceptance, debt prevention and professional training. This Code contains an e-mail address for integrity-related queries and consultations. The Deputy Director of Human Resources is responsible for answering these queries.

As soon as the Customs Code of Ethics is officially announced by the Director General, it will be shared with

\* WCO Integrity Newsletter Issue N° 6

regional Customs and made available on the Chilean Customs Administration’s website for consultation by all.



### Madagascar\* WORKSHOPS TO PROMOTE OWNERSHIP OF THE CODE OF CONDUCT

Workshops to promote ownership of the Code of Conduct by Customs officers have been held in all the Customs offices by the Directorate General of Customs, in collaboration with the Independent Anti-Corruption Office (BIANCO), a Madagascar-based anti-corruption agency.

In accordance with the United Nations Convention against Corruption (Article 8) and the African Union Convention on Preventing and Combating Corruption (Article 7), as well as the Partnership Agreement between the Directorate General of Customs and BIANCO, the drafting of a Code of Conduct is indispensable.

In its Revised Arusha Declaration concerning Good Governance and Integrity in Customs, the WCO also recognized that a key element of any effective integrity programme is the development, issue and acceptance of a comprehensive Code of Conduct which sets out in very practical and unambiguous terms the behaviour expected of all Customs personnel.

Within its strategy, the Malagasy Administration has set itself an objective of creating an effective and efficient administration working in the interests of the national economy, civil society and greater openness vis-à-vis the rest of the world. In order to attain that objective, the said strategy stipulates the need to restore Customs’ image by advocating the promotion of professional integrity and the establishment of effective, fair and enduring mechanisms.

This strategy of introducing a Code of Conduct is aimed at creating a new mindset, bringing about sustainable change and ensuring more effective participation in efforts to reduce or even eradicate corruption in the Customs domain.

In 2007, a working group made up of representatives from a range of services (Inspectors, Controllers,

\* WCO Integrity Newsletter Issue N° 2

Implementing Officers, Reporting Officers and Clerks) and those from other agencies within the Directorate General of Customs was set up to develop the Code of Conduct with technical support from BIANCO, in accordance with the provisions of the Partnership Agreement.

In order for this Code to be widely accepted and respected by those bound by it, the recommended methodological approach from the very outset was a participatory one. To that end, the following activities were scheduled:

- Questionnaires were sent to all the Customs offices to gather each official's opinion: 432 replies have been received. The questionnaires were produced using the Revised Arusha Declaration and the WCO Model Code of Conduct. During this data-gathering phase, fieldwork was carried out in the two main offices in Antananarivo;
- Using the data gathered, the working group produced an initial outline of the Customs Code, with BIANCO continuing to lend its technical support;
- A Validation Workshop was subsequently held in Antananarivo. All Customs' partners, including the Professional Association of Authorized Customs Brokers (GPCAD), took part therein.
- Following detailed discussions on each Article and after some amendments, the Code of Conduct for Customs Officers was adopted, a ministerial order was issued to that end and leaflets were produced and distributed to all Customs officers, thanks to assistance from Norway;
- The final, yet most important stage, is ownership or adoption of this Code. This stage is of paramount importance insofar as it provides an opportunity to more clearly highlight the key points to be borne in mind, to gain a greater understanding of unclear articles which could result in misinterpretation and possibly to determine obstacles which must be overcome in order to adopt this Code of Conduct.

To date, nine Customs offices have reaped the benefits of Ownership Workshops. It is worth pointing out that these have enabled Customs officers from each office to familiarize themselves with the spirit of each article of the Code and to discuss the implementation of the said Code at their respective level of management. To that end, the officers were invited to share their opinions on the three prerequisites for adopting the Code of

Conduct, namely Knowledge (what the Customs officer needs to know ...), Skill (what the Customs officers has to be able to do ...) and Attitude (what the Customs officer has to demonstrate in his/her working method ...).

At the end of each Workshop, a Code of Conduct Leadership Unit comprising representatives of various services, based on the size of the office and tasked with taking over all the education and mobilization activities, was set up in each office.



Over and above these Ownership Workshops, anti-corruption seminars are run for trainee inspectors in collaboration with BIANCO. Inter alia, this training is aimed at helping officers take ownership of the Code of Conduct as soon as they join the Administration, and at instilling within them a culture of integrity.



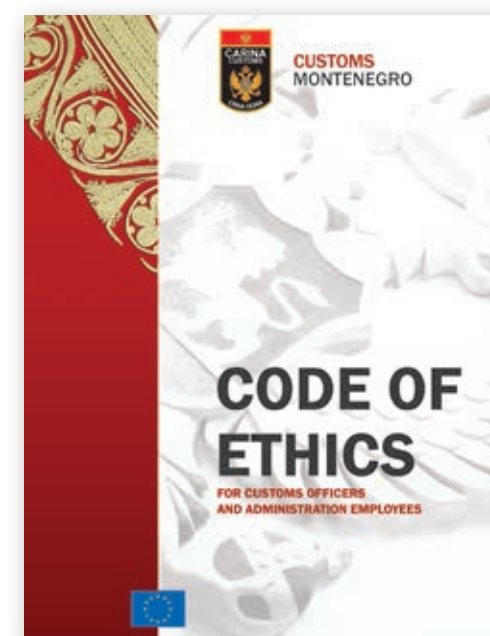
#### Montenegro\* CODE OF ETHICS FOR CUSTOMS OFFICERS AND EMPLOYEES

The Montenegro Customs Service has made integrity a pillar of its reputation, and business ethics a guiding principle in the accomplishment of its duties. Therefore, and to comply with international standards, the Customs Service drafted a new Code of Ethics for Customs officers and employees which was adopted in July 2012 and implemented in January 2013.

The Code of Ethics contains a clear ethical framework for the conduct of Customs officers. It comprises provisions on issues of legality, impartiality, professional standards and accountability, conflicts of interest, gift

acceptance, etc. The Code also contains a series of practical measures which must be undertaken in order to ensure that the actions of Customs officers are in harmony with the regulations or provisions of the Code. By way of example, the Code defines the procedures related to potential and real conflicts of interest, gift acceptance, and declaration of assets. The Customs Service has also set up a system of internal sanctions in the event of conduct unbecoming of Customs officers. Such sanctions are established in accordance with the law.

#### Implementation of the Code of Ethics



Since maintaining a high level of integrity in the Customs Service involves the efficient implementation of the Code of Ethics, it was decided to establish a Board of Ethics. This independent body provides an opinion on the application of the Code of Ethics and monitors the application of ethical provisions and standards in practice.

The Board of Ethics consists of a Chairperson and two representatives chosen from Customs officers, one representative of the Customs Union and a representative from a non-governmental organization (NGO) involved in the protection of human rights and freedoms.

#### Trustees for Ethics

In order to improve the implementation of the Code, prevent occurrences of corruption and take action in the event of unethical and unprofessional conduct, the Customs Service has nominated four trustees for ethics who are officers in charge of monitoring the application of the Code of Ethics within Customs houses.

Customs officers can turn to the trustees for ethics for guidance on all issues and dilemmas related to integrity, their rights and the conduct to adopt. The latter can offer clarification on specific problems, provide assistance in interpreting the provisions of the Code of Ethics and express a need for education on integrity and the fight against corruption.

The Customs Service has initiated a campaign entitled "Consistent implementation of provisions of the Code of Ethics and decisively combating corruption" aimed at familiarizing front-line Customs Officers with the preventive aspects of the Code, as well as sanctions envisaged in case of breaches of the provisions of the Code.

#### Informing the Public

Promoting ethical values and enhancing the importance and reputation of the Customs Service relies on involving the public. To that end, the Customs Service organized a Conference entitled "Promotion of the Code of Ethics for Customs officers and employees" in October 2012. The Conference brought together representatives of State institutions responsible for prevention and repression in the fight against corruption as well as in the NGO sector. Experts from Montenegro and neighbouring countries (Croatia, Slovenia and Serbia) shared their experience and best practices in this area. The dedication of the Customs Service in applying integrity standards was recognized as an example of good practice in enhancing integrity.

Customs is paying special attention to co-operation with the private sector while focusing on transparency. This has been highlighted through participation in a round table entitled "Impact of the Code of Ethics on the reduction of corruption in private sector" held in November 2012. Aside from promoting the rules and standards defined in the Code, the Customs Service has also emphasized the important role of the private sector in the efficient implementation of the provisions of the Code of Ethics, through awareness-raising and increasing incentives for physical and legal persons to report any irregularities detected.

The full commitment of the Customs Service of Montenegro in combating corruption and enhancing integrity resulted in the development of a new Code of Ethics for Customs officers and employees, thus establishing a higher level of professional responsibility and zero tolerance to corruption.

\* WCO Integrity Newsletter Issue N° 8



## 8. Human Resource Management



### Belgium\* PARTNERSHIP WITH ACADEMIA

Belgian Customs has joined forces with academia in an innovative approach to raise Customs officers' awareness about corruption. When it comes to fighting corruption, the Belgian Customs and Excise Administration is acutely aware of the urgent need to take action at a number of levels (especially repressive and preventive measures). It nevertheless favours an unusual approach, namely the primacy of the individual and his/her ability to make decisions in the corruption process. Action essentially has to be taken in terms of the individual and his/her capacity to refuse any involvement in corruption if a crime is to be prevented.

The Administration has consequently decided to focus its attention on the Customs officer, the key player in the corruption pact and the last link in the chain: the only person who, when all else fails, can say "no" to corruption before it is perpetrated. To that end, the Administration has enlisted the services of professors from the Universities of Liège and Ghent to devise a one day awareness raising programme for all Customs officers, who participate in groups.

This is a two-step awareness raising programme. The first step involves defining and framing this phenomenon in a forthright manner, describing different theories on corruption as well as the administrative, legal and psychological aspects of this phenomenon, whilst stressing the impact and consequences of corruption. Participants' feedback is encouraged throughout the programme. Step two of this one day programme involves a series of roleplay exercises about situations involving corruption, acted out by volunteers. Once again, all the officers are invited to share their views. This method puts the shiest and most reluctant officers at ease and enables them to say what they are really thinking. Through this approach, Customs officers gain an awareness of the reality of this phenomenon and are equipped with the tools and instincts to identify a potentially dangerous situation and respond accordingly, if necessary.

An evaluation tool is currently under development, based on a number of questionnaires specially designed to that

end. This tool is intended to measure the impact of awareness raising activities on officers' perception of integrity.

A Handbook is also being produced. It should form a practical tool offering guidance to officers when faced with a situation involving corruption.



### Brunei Darussalam\* INTEGRITY PROMOTION PROGRAMME



The Royal Customs and Excise Department Brunei (RCED) is well aware of the threats of corruption that may undermine its mission and vision. With that realization, RCED has made anti-corruption awareness an important component of its human resource development for all its officers and employees. One of the means of achieving this is by promoting a work ethics culture in its service delivery by inculcating noble values such as transparency, honesty and sincerity. With that aim, RCED has been conducting internal lectures and interactive dialogues with its officers and also its business stakeholders on the threats of corruption and the need to instil a high level of integrity as the basis for conducting business.

The RCED also works collaboratively with other government agencies, including the Anti-Corruption Bureau, in raising awareness on the threats of corruption among RCED employees. In a joint effort to curb corruption, RCED has signed a Memorandum of Understanding (MoU) with the Anti-Corruption Bureau. Under the MoU, both departments will work together through a programme designed to improve and enhance capabilities in the fight against corruption and encourage an anti-corruption culture through corruption awareness activities. Both sides have also agreed to share information, expertise, research and other activities aimed at enhancing knowledge.

To complement the efforts described above, and with a view to enhancing its preventive message to the public, Anti-Corruption Bureau badges were distributed to all RCED personnel. This badge carries a message that promotes excellent service towards a nation free of corruption and is worn by all uniformed RCED officers.

RCED also supports the work of the Anti-Corruption Bureau by displaying anti-corruption posters within RCED premises.

\* WCO Integrity Newsletter Issue N° 1

\* WCO Integrity Newsletter Issue N° 4



### Canada\* PROFESSIONAL STANDARDS STRATEGY

Canada is well known within the Customs community for its activities related to good governance and integrity. In its continued endeavour to promote integrity, the CBSA agreed to share with us some of its recent plans and achievements.

In 2008, the Canada Border Services Agency (CBSA) launched an Integrity and Professional Standards Strategy (IPSS) comprised of about 50 initiatives that would be implemented to ensure organizational integrity. Specifically, the IPSS was created to safeguard the efficient and effective operation of CBSA programs and strengthen support for employees in their efforts to reflect and uphold the highest standards of integrity and professionalism in all their actions, both on and off duty. Currently, many IPSS initiatives have already been implemented, while others will be implemented over the next several years. Ongoing monitoring and structured performance reporting will assure the success of implementation and the capacity to communicate and report the results of each initiative. The initiatives of the IPSS are organized along the following seven themes:

- Recruitment and personnel security screening;
- Operational management;
- Systems review;
- Physical security (facilities);
- Internal monitoring;
- Professional standards investigations;
- Ethics awareness and support to employees.

Within the first theme of recruitment and personnel security screening, the CBSA has already made significant progress. Enhancements are being made to the existing CBSA Personnel Security Screening Policy for all employees. Work is also well under way to create a Personnel Security Screening Standard for high integrity positions. Under this new upcoming standard, high integrity positions will be identified for which enhanced security screening activities may include some or all of the following and more:

- Searches of CBSA enforcement databases;
- Mandatory fingerprints and verification against linked databases;

- An integrity questionnaire;
- Integrity interview after assessment of all information;
- Ethical judgement testing;
- Further background checks via the Royal Canadian Mounted Police;
- Driving abstract verifications, criminal associations and pending charges;
- Field investigations.

In addition to enhancing internal security screening, the CBSA is standardizing security controls for all sensitive systems and developing a security screening standard for all external service providers with access to CBSA information and facilities.

Work has also begun on activities related to physical security and employee security awareness training. The CBSA developed and launched a new online security awareness training program in June 2009, mandatory for all CBSA employees.

In addition, the CBSA successfully implemented a number of initiatives to address operational gaps such as: increasing oversight by managers in operational environments; banning the use of personal two way communication devices for on duty officers; introducing mandatory shift reports by supervisors; and, random rotation of daily roster assignments.

Other areas of focus have included strengthening the internal investigations program by increasing the number of investigators, implementing an automated case management system, and considering legislative amendments to enhance the investigative powers of internal investigators.

However, as important as systems, process, and personnel security are, employee awareness is also essential to assure organizational integrity. Activities to promote ethics awareness and support mechanisms for employees include practical sessions on ethical decision making, ethical risk factors, and integrity awareness. Resource materials for employees are available on the CBSA intranet website, and one on one support is available. As well, a federally legislated support mechanism for employees has been created to afford employees an avenue to report suspected wrongdoing confidentially and without fear of reprisal.

\* WCO Integrity Newsletter Issue N° 1



## Ecuador\*

HUMAN RESOURCE DEVELOPMENT:  
A KEY ELEMENT FOR ENHANCING INTEGRITY



Since 2007, the National Customs Service of Ecuador (SENAE) has been promoting a restructuring process driven by an important political decision, which redesigned the organizational structure of the institution and implemented a new Regulation: the Organic Code for Production, Trade and Investment (officially issued in 2011). The aim was to develop the necessary conditions to optimize administrative and operational processes, enhance human resource skills and consequently ensure efficient tax collection along with facilitation of foreign trade. In other words, to put paid to the inefficient and corruption-steeped Customs of the past, in which there was no service culture.

Once these structural improvement processes had been implemented, the institution began working on the development of the Ecuapass system which has made it possible to automate Customs operations.

It is important to stress that all transformation processes involve modifications ranging from operational processes to a change in the institutional culture. Accordingly, apart from having a modern technological infrastructure with all its processes automated, since mid-2010 SENAE has been implementing a project to strengthen the institutional culture based on a human resource development, ethics and values campaign. We are convinced that the best strategy for fighting corruption is built on a leadership and work style focused on the person, enabling individuals to surpass themselves in life through the accomplishment of great ideals that leave a footprint.

### Five strategic pillars to strengthen the institutional culture

We have been working on the following five strategic pillars within SENAE:

1. Promotion of an institutional vision and mission.
2. Alignment of the senior management leadership style.
3. Comprehensive Human Resource Development Programme.

4. Promotion of the Code of Ethics and Values.
5. Fostering of a service culture.

In 2010, SENAE established its mission, vision and institutional values. However, it really started promoting them from 2011 onwards. It began this project with a diagnosis of the reality of the culture within SENAE, defining styles of leadership, work, communication and interpersonal relationships.

Immediately afterwards, it worked on aligning each Director's leadership style, defining it as participatory and inspirational, focused on living out the example of ethical values.

Among the techniques used for this were the implementation of a programme for the development of managerial skills, the establishment of feedback meetings with the Directorate General on a regular basis, and the pinpointing of ethical values as cornerstones for institutional efficiency within strategic planning. Furthermore, tools are being used to measure and monitor the continued improvement and strengthening of leadership in work teams; for example, evaluation of performance, working environment, focus group and one-on-one interviews.

### Human development: a common language

After defining the leadership style with senior management, there was a need to establish a common language throughout SENAE, from operative to middle management levels, ensuring that the institutional philosophy was taken fully on board in each Directorate. To that end, a training programme was conducted for Ecuadorian Customs personnel, granting them an opportunity for professional development so as to give true meaning to their work. Key concepts such as service, leadership, effective communication and teamwork need to be ingrained in the minds of all public servants.

Despite working with its staff, Ecuadorian Customs still suffered from a poor public image. It therefore sought to ensure that new candidates joining SENAE possessed qualities or characteristics enabling them to align themselves with the culture that was developing. As such, recruitment and selection processes follow a values-based model which aims to attract technically skilled professionals, with a high level of leadership and moral consciousness.

### Constructing an organizational culture based on values

Every organization needs three things: a why, a what and a how. 'What' refers to the strategy, 'why' refers to the objectives and purposes of the organization and 'how' to our non-negotiable values and the rules of behaviour of our institution.

Many changes are taking place in the world. We are witnessing large-scale organizational fraud that has led to changes in organizations' rules. For example, our experience of Customs' constant exposure to corruption has led to the establishment of more and more controls. That is why talking about values is equivalent to talking about the institution we want to have. We are in a world that is moving much faster and is much more regulated, so being clear about what is non-negotiable within an institution and ensuring that we all know what is acceptable behaviour on a daily basis is crucial for any organization. In addition, we are living in an age of transparency where it is increasingly easy to carry out an Internet search on any aspect of an organization or its staff. This is a time of public accountability and values therefore give us a frame of reference that helps reduce the transactional costs and the distrust generated by corruption.

Against this background, in 2012 Ecuador Customs published its institutional Code of Ethics which is disseminated through induction training, face-to-face and virtual courses, communication campaigns and anti-corruption activities. The objective is to make our officials understand the importance of living in accordance with the articles and commitments of the Code. Being aware that the processes of change and the implementation of values in the institutional culture require monitoring and continuous improvement, an Institutional Ethics Committee was set up consisting of officials from different areas of SENAE. This includes the legal domain, customer services, human resources, disciplinary control and technicians. Their role is to deal with the different cases that arise and design strategies that position us as an ethical reference for our users.

We are currently also promoting the SENAE management model to students from the country's most prestigious universities, through visits to facilities and seaports, in order to publicize our institutional culture to attract potential future officials or users of Customs.

### Our strategies, as applied to the Code of Ethics, have generated the following statistics:

	2008	2009	2010	2011	2012	2013	2014
Total amount of employees	1385	1496	1567	1585	1688	1694	1963
Total amount of termination procedures	22	13	7	4	3	20	12
Growth in the number of employees (%)		8,01	4,75	1,15	6,50	0,36	15,88
Growth of termination procedures (%)		-40,91	-46,15	-42,86	-25,00	-566,67	-40,00
Ratio of staff released	1,59	0,87	0,45	0,25	0,18	1,18	0,61

Table 1: Termination procedures due to breaches of the code of ethics and integrity

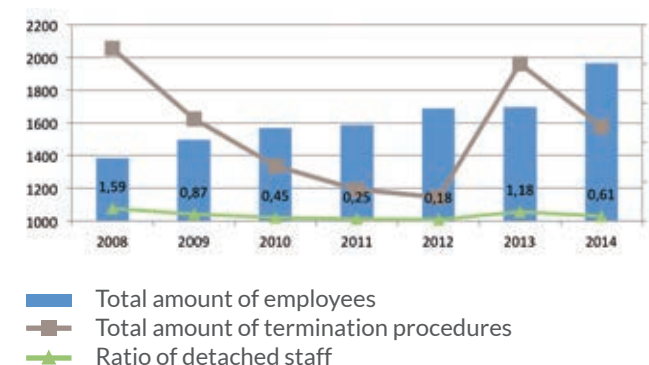


Diagram 1: Ratio of staff released due to breaches of Code of ethics and integrity

The statistics reveal a decrease in termination procedures resulting from breaches of the Code of Ethics (corruption), falling from 1.59% to 0.61 %. In 2014, an 85% external user satisfaction rate was reached, the percentage of external user queries answered was 92%, and a 78% employee satisfaction rate was achieved in the Work Environment Analysis.

\* WCO Integrity Newsletter Issue N° 11



## Main results and challenges

SENAE has obtained the following results through all the changes implemented by means of different strategies:

Revenue has increased. In 2013, revenue stood at \$3,608 million representing a 64% increase over the total raised in 2006 prior to the process of change implemented in SENAE. Some \$21,000 million was collected from 2007 until 2013, while \$3,661 million was collected in 2014.

Regarding operational management, clearance times have fallen from 12 days in 2007 to 5 days in 2014.

Whereas in 2007, 65% of Customs declarations were assigned to the intrusive physical inspection channel, the percentage assigned to that channel in 2014 was 12% of the total Customs declarations presented. Similarly, an automated inspection channel has been set up with a 53% share of Customs declarations.

SENAE has been chosen by the WCO to carry out technical studies due to its technical development and regulatory, technological and human resource advances.

At international level, our institution has, on occasion, been invited by entities such as the Inter-American Development Bank, Argentine Customs, the World Trade Organization (WTO) and SUNAT (Peru Customs) to present successful cases of implementing improvements.

Public and private organizations in our country have asked for Customs officials to train their staff in government ethics issues.

Several universities in the country have called for SENAE to present the institution's management model.

SENAE staff members are regarded as qualified professionals capable of holding positions in certain public and private sector foreign trade institutions.

Despite these achievements, our institution is still facing challenges. Hence the need for workshops on observable behaviour to create awareness about the need to live out the values of the Code of Ethics and put them into practice.

There has also been a strengthening of the virtual training programme (2014: 1,962 employees – average of 33.88 training hours per employee).

In addition, recruitment times have been reduced by making improvements to the database of eligible candidates for staff posts.

Organizational culture has been strengthened through an enhanced Ethics Committee with greater involvement of all staff and the creation of spaces to promote development strategies, projects and ideas related to institutional ethics.



Iceland\*

INTER-AGENCY INTEGRITY TRAINING

In January 2016 Iceland Customs (through the State Customs Academy) in cooperation with the Police (through the Police Academy) and the Ministry of the Interior organized a two day course on corruption and money laundering offenses. The course, which was run twice, was attended by 90 participants representing numerous authorities, such as Customs, Police, District Commissioners, Internal Revenue, Public Procurement Office, District Prosecutor's Office and State Prosecutors' Office.

The course focused on corruption and money laundering offenses in view of the obligations set by international agreements and conventions and national legislation. Furthermore a general introduction to the field of integrity and anti-corruption was provided as well as an overview of the WCO and Customs specific integrity agenda. The WCO was represented by the Chair of the Integrity Sub-Committee and other lecturers and instructors came from Iceland Customs, the Ministry of the Interior, the State Prosecutor's Office, the District Prosecutor's Office, The Directorate of Tax Investigations, The Financial Supervisory Authority and the Police. A compliance officer from one of the major banks came in towards the end of the course to provide the view of the banking system on the money laundering issue.

The outcomes of the course clearly showed the importance of cooperation between national agencies in the field of anti-corruption and money laundering offenses as well as in the more general fight against corruption. The fact that the agencies have different mandates and possess an array of skills and know how means that by pooling resources and working together efficiency will be increased. The aim of the course was for participants to gain increased knowledge and expertise about Iceland's obligations in the field of anti-corruption and of the recommendations and best practices of international organizations, as well as to familiarize themselves with basic concepts, risk factors and risk groups and the methods and volume of those offenses.

The course was seen as a great success by participants and instructors alike. Not only did it provide useful information and training – but perhaps just as importantly it

provided a platform for people working on these issues from different perspectives to exchange ideas and get to know each other which in turn creates trust and a foundation for future cooperation. It is the hope of the organizers that this course marks the beginnings of further cooperation in terms of integrity trainings for the authorities involved and they firmly believe that working together in this manner is a good way to pool resources in the fight against corruption in all its forms.



Italy\*

STRATEGIC APPLICATION OF THE ROTATION PRINCIPLE IN ITALIAN CUSTOMS

## Background and legal provisions

In 2012, Italy adopted an Anti-Corruption Law (Law No. 190) in compliance with several international initiatives, in order to introduce a consistent approach to the fight against corruption. Italian legislation now prescribes that once every three years, all key sectors of the public administration should adopt a Plan to Prevent and Fight Corruption. The Plan is updated every year and is modelled on a general National Plan containing a series of measures, such as transparency requirements, codes of conduct and regulations on conflicts of interest.

Compulsory job rotation for non-managerial and managerial positions features among these measures. This also applies to the Italian Customs Agency.

However, in order to apply staff rotation efficiently, training in specific activities has to be provided to a large number of employees. This has an impact in terms of costs. Indeed, all the new measures imposed by the National Plan to Prevent and Fight Corruption have to be implemented without additional human or economic resources.

For high-risk activities, rotation of non-managerial positions is foreseen after five years and rotation of managerial positions after three years. This provision can be adapted by each administration, based on its specific activities.

\* WCO Integrity Newsletter Issue N° 13

\* WCO Integrity Newsletter Issue N° 11



### Limitations of and risks associated with non-strategic application of the principle of rotation

Although the importance of rotation in the prevention of corruption is generally recognized at international level, rotation of non-managerial positions has serious limitations in terms of cost-effectiveness. This is especially true of highly specialized areas.

In fact, it takes time to develop specialization in most of the activities carried out by Customs and, for that reason, rotation should not take place too rapidly. On the other hand, rotation will not be effective if it takes place too slowly.

To address these constraints and contain risks, and in keeping with the rationale for the Law and its requirements, the Customs Plan considers staff rotation to be a very important measure to combat corruption, but not the only one.

Therefore, in its Customs Plan to Prevent and Fight Corruption, Italy has put in place specific training plans to increase the number of employees who can handle high risk activities. Furthermore, other measures to prevent corruption have been considered.

### Other measures to prevent corruption

Among these features the rotation of managerial positions. Indeed, Italian Customs has approximately 200 Heads of Unit sharing a common background. These individuals are more readily interchangeable and are prepared to change tasks. The Customs Plan to Prevent and Fight Corruption has identified two different mobility schemes, as suggested in the WCO Integrity Development Guide. Offices dealing solely or primarily with processes at high risk of corruption cannot be headed for more than three years by the same individual. In contrast, offices dealing mainly with processes

at medium risk of corruption can be headed for up to six years by the same individual. To identify the risk level, the Internal Audit Office draws up a corruption risk map, at the start of the year, referring to all the main processes Customs manages. These are classified into three areas: (1) areas with a high risk of corruption, (2) areas with a medium risk of corruption, and (3) areas with a low risk of corruption.

A further two organizational measures adopted by Customs are worth pointing out. One applies to the technical domain and is intended to prevent corruption, while the other applies to the support work domain and is intended to prevent inconsistencies and unequal treatment. It was decided that all verification and control activities would be carried out in teams, with no prior warning.

Other structural and general measures were adopted, such as the creation of a new Studies and Procedures Office tasked with checking and reshaping all procedures related to staff assessment and selection (i.e. teaching activities, missions abroad and recruitment). This was done to allow for a clear distinction between who decides on procedures and who applies them.

Additionally, Customs has, for some considerable time, been working towards full automation of procedures.

### Outcomes

Adopting strict criteria for the rotation of managers, coupled with the additional measures described above, will simultaneously be effective and make staff rotation a residual measure. Accordingly, it will be possible not only to reduce the limitations of and risks associated with non-strategic application of the principle of rotation, but also to act against corruption from different perspectives, involving Customs as a whole in striving for the essential goal of integrity.



## Macedonia, the former Yugoslav Republic of \*

### ANTI-CORRUPTION TRAINING BACKGROUND

The Customs Administration of the former Yugoslav Republic of Macedonia benefited from technical assistance under the European Union Instrument for Pre-accession Assistance (IPA) programme in order to develop an Anti-Corruption Training programme for border management staff. The training materials were developed and training provided through a train-the-trainer event. The materials and methods were tested by means of two pilot events. Following minor adjustments, a national training programme was planned and is currently being rolled-out.

### Training

The training is participative and starts with a series of definitions leading to discussions about who could be involved in corruption and what qualifies as corrupt activities. The training then builds on students' existing knowledge of international anti-corruption instruments such as the United Nations Convention Against Corruption, the European Union Criminal Code on Corruption and the WCO Revised Arusha Declaration. The group is also invited to discuss available national legislation and Administration. Attention is also drawn to the Customs website and the '197 corruption hotline'. The training identifies a range of management tools that are available to detect and prevent corruption, such as (1) management/supervisory tools, including risk assessment; (2) management information systems (IT); (3) internal and external audits (including audits by the Supreme Auditors); and (4) other methods, such as CCTV installed at border posts, official police information, etc.

After having been acquainted with the theory, students are asked to conduct practical exercises. At this point, the training deals with identifying corruption not only as a wrongful act, but as a matter of personal choice. Using a Cognitive Criminality Matrix, the students are asked to identify and consider the elements that need to be in place for an individual to commit an act of corruption, i.e. what motivates Customs officers to engage in corrupt activities, the level of risks involved, the approach taken to engage in an act of corruption and the readiness to commit an act of corruption. The students are made aware that breaches of integrity are regulated

by the national Criminal Code and will be sanctioned accordingly. The steps that lead to an act of corruption are identified and explained through role play. The group splits into smaller units to examine case studies, in order to identify possible corrupt behaviours. The students are asked to evaluate the seriousness of the act, to reflect on whether or not there is breach of conduct or an abuse of power and, in which case, whether a criminal act has occurred. Then officers are asked to identify which of the tools previously mentioned could be used to detect and/or prevent cases of corruption. The groups' findings are discussed during the plenary session.

### Next Steps

It is recognized within the Customs Administration of the Former Yugoslav Republic of Macedonia that corruption does not necessarily occur at the border. The training materials (mainly case studies) will be adjusted to suit a wider audience, including Headquarters staff and those involved in procurement and corporate service duties. Training has been developed to meet the needs of managers of different levels. Once delivered, this will mean that the entire Customs Administration will have received the same message, making the detection and prosecution of corruption more effective, as no staff member can claim ignorance of this matter.



## Republic of Korea \*

### THE KOREA CUSTOMS SERVICE CHARTER

The Korea Customs Service (KCS) Charter is based on performance management and was designed to set out (1) standards and a description of the service, (2) methods and procedures for provision of service and (3) correction and compensation procedures in the event of customer dissatisfaction.

The Service Charter was made public to Korean citizens to protect and enhance their rights. The Service Charter was enacted in 1998 and has subsequently been amended four times. It stipulates seven rights for KCS customers:

- Courtesy and Impartiality;
- Uniform Service Information;
- Privacy;
- Immediate Appeal;
- Presumption of Faithfulness.

\* WCO Integrity Newsletter Issue N° 4

\* WCO Integrity Newsletter Issue N° 4



## Assistance from Experts

To ensure that customers' seven rights are fully respected, KCS conducts Customer Satisfaction Surveys and publishes its results on its official website. The surveys generally take the form of (1) telephone surveys, (2) Customer Satisfaction Surveys conducted twice a year using a random sample of KCS customers and (3) random telephone checks to assess Customs employees' attitude, made twice a year. What is innovative about this approach is that the survey results directly influence the Customs employees' salaries. KCS conducts an annual performance evaluation of every official in every division. The results of Customer Satisfaction Surveys, which are a major performance indicator, account for as much as 5% to 15% of the entire performance evaluation. According to the results of the survey, divisions are rated and workers are paid a bonus based on the amount assigned to the division of which they are part. Customs employees are consequently highly committed to respecting the Service Charter, resulting in greater customer satisfaction year after year.



## Republic of Korea\*

INTEGRITY POLICY OF THE KOREA CUSTOMS SERVICE

## Introduction

In Korea every central Government agency and municipality has their own Code of Conduct in place in accordance to an Executive Order which sets out the Code of Conduct for public officials. The Code of Conduct prescribes the standards of conduct to be observed by all public officials in accordance with Article 8 of the Anti-Corruption Act.

## Regulation

The Korea Customs Service (KCS) has "The KCS Public Officials Code of Conduct" outlining the KCS officials' conduct and ethical behavior such as restriction of bribery, prohibition of personal use of public property, maintaining dignity, restriction of personal contact with parties involving specific duties.

Penalties for corrupt public officials have been strengthened by setting out the rule separately. An officer who receives money or treats with a market value of more

than 4,500 USD will be dismissed or discharged. Also behaviors of embezzlement and receiving gifts or benefit aggregating more than 1,800 million USD will be subject to prosecution.

## Organizational Management

In order to monitor and control public officials' behaviors, the KCS headquarters has an audit team of 10 members. The local Customs Offices also run audit teams at their level, conducting surveillance on officers to ascertain whether they are complying with the rules.

Moreover, an 'Anti-corruption Taskforce' has been established by the Office of the Prime Minister in 2014 to fight against corruption

## Human Resource Management

Information on officers convicted of corruption, and potentially problematic employees with corruption issues in their public and private lives are stored into a database called C-Sirens. Such officers are monitored at all times. A whistle-blowing system has also been created to facilitate internal reporting of inappropriate activities by officers. The system provides for the protection and rewarding of whistle-blowers.

The KCS is also engaged in continuous effort to raise awareness of integrity among officers. Every morning, an 'integrity news' window is popped up in the intranet system, and new employees and high-ranking officials are also mandated to take an integrity courses once in a year.

## Planned Activities

In addition to promoting self-integrity endeavors for KCS officers, the KCS is planning to carry out an integrity campaign for its stakeholders.

This campaign is planned with a view that if the private sector such as importers, transporters, and bonded warehouse operators do not provide causes for corruption, the level of corruption in Customs will be substantially reduced.

The KCS will encourage all relevant stakeholders to join efforts by holding campaigns and conducting surveillance and audit activities to promote and uphold integrity.

\* WCO Integrity Newsletter Issue N° 10

Also, the KCS will undertake to identify high risk areas of corruption in the areas of function such as clearance, bonded cargo management, audit, investigation, etc. and develop a corruption risk map. With intense check and system improvement, these risk areas will be significantly eliminated.

## Outcomes

Based on these constant intensive integrity efforts, the KCS was ranked first among 42 government agencies in the public officials' service evaluation under the Office of the Prime Minister in 2013, and ranked second among 14 enforcement and investigation agencies in the integrity assessment of the Anti-corruption and Civil Rights Commission.



## Thailand\*

THE CUSTOMS FORMALITY PROCESSING FEE:  
AN INNOVATIVE IDEA TO INCREASE SALARIES

Very often when discussing the reasons for corruption reference is made to Customs officers' insufficient remuneration and in times of financial crisis this argument can become even more relevant.

In the light of the foregoing, in 2004, the Thai government introduced a system called "Customs Formality Processing Fee". The Customs Formality Processing Fee is a fee business operators are required to pay for Customs services related to Customs formality processing and cargo clearance and for data key in for both import and export declarations. Even though there are certain conditions for exemption or refund, in general all importers and exporters are required to pay a Customs Formality Processing fee to Customs. The actual amounts of the fee are set at 200 baht (about 4 EUR) per declaration for Customs formality processing and 70 baht (about 1.42 EUR) per declaration for data key in.

A special regulation stipulates the rules for distribution of the revenue generated from the fee among the eligible staff. The largest proportion (85%) goes to eligible Customs officers. The exact proportion distributed to different categories of Customs staff government officers, government employed staff, permanent employed staff, temporary employed staff and other staff of Customs, is defined using strict schemes taking into

consideration the monthly salaries as compared to a mid-standard level of government officer or the educational levels of the eligible officers, depending on which amount is higher.

Furthermore, 10% of the Customs Formality Processing Fee of each month is accumulated and distributed twice a year as monetary reward to a person eligible to receive such a fee, committees, working groups or other offices under the Thai Customs that demonstrate outstanding performance.

A positive example of investing into the future is the fact that 5% of the Customs Formality Processing Fee is always reserved for the procurement of equipment used for processing Customs formalities and cargo clearance.

Is there any evidence or study that the fee lowers corruption in Customs? Two surveys conducted by Academia in recent years indicated that corruption and misconduct in Royal Thai Customs lowered since the introduction of the Customs Formality Processing Fee scheme.

The first one was conducted in April 2007 and revealed that under table money lowered by 50.4%. At that time the level of client satisfaction with Customs services was generally estimated at "quite satisfied".

The second survey was conducted 14 months later and revealed that the situation improved even more as corruption and misconduct levels lowered significantly. The clients were very satisfied with the performance of Customs officers, transparency in Customs improved and complaints on corruption and misconduct were reduced.

The Thai Customs experience has gained international recognition in the World Bank indices. The World Bank ranked Thailand as 13 th in the "2009 Doing Business" rankings while the country occupied the 19 th place before. Thailand proves to be not only the 13 th most favourable country for business and investment out of the 181 countries around the world included in the survey, but also the 4 th most favourable amongst Asian countries. With regard to the index most relevant to Customs – "trade across border", in 2009 Thailand occupied the 10 th position in the world while a year ago they ranked 51 st.

\* WCO Integrity Newsletter Issue N° 1



## Uganda\*

### PRE-EMPLOYMENT STAFF SCREENING

In 2005, Uganda Revenue Authority (URA) management stepped up the drive to promote Integrity in the operations of the organization. The effect of the Integrity promotion drive led to improved performance in revenue yield and improved service delivery. The reputation of the organization greatly improved and employees themselves were proud to belong to and identify with the organization.

Promotion of Integrity at URA continuously involves the following: Integrity Awareness and Publicity campaigns; nurturing external client partnership in the integrity drive; Top Management commitment and effective communication. It included developing the Code of Conduct, Automation of processes and developing anti-corruption policies. It also emphasizes meritocracy in Human Resource functions, namely, recruitment, training, transfers and promotions. It advocates for appropriate remuneration and staff benefits. There are rewards for ethical and excellent performers.

One of the factors that are considered vital in enhancing integrity in URA is to recruit candidates that have integrity. This is facilitated by pre-employment screening of potential employees among other factors. Screening involves:

- Gathering information about the candidate: The starting point is the job application form. The application form is designed to pick information about the potential candidates. This gives an indicator of what kind of person is seeking employment within URA. The information includes personal bio-data, education status, previous work record and income. An amendment has been proposed where the candidate will indicate whether he or she has ever been involved in a criminal activity. It will also require the candidates' professional referees to be immediate supervisors, for those already working elsewhere. It is believed that candidates who are unprofessional and unethical would not indicate their immediate supervisors as their referees.

### Information about the candidate may also be acquired through intelligence and whistle blowing mechanism

- Interview level: During the interview, candidates are tested on integrity issues. For example to demonstrate how they would handle a matter that challenges their integrity. Candidates who demonstrate a previous scenario of how they handled an integrity dilemma would score higher on integrity.
- After the Interview: A verification exercise is conducted to confirm the accuracy of the information provided by the candidates at point of application. This is done for only those that pass the interview but prior to appointment. To this end, there are cases where the candidates were found to have presented false information.
- Verification with previous employers and referees: A confidential inquiry is made with the previous employer, (where applicable), asking for a report on integrity and professionalism of the potential candidate(s). In some cases it was established that the potential candidate had been terminated from previous employment for their involvement in fraudulent activities. Where the candidate's integrity is in doubt, their referees either don't respond or indicate they cannot vouch for the candidate's integrity.
- Asset Verification: Candidates who are recruited are asked to declare their assets and liabilities. The assets are compared with the candidates' previous income if any. Where a mismatch is assessed, the assets are verified. The risk at entry level is that crafty candidates inflate their assets with intention of acquiring assets fraudulently after recruitment but account that they had them prior to employment. Here after, asset verification is conducted based on risk assessment and whistle blowing.

Successfully appointed candidates are sensitised about integrity and issued with the code of conduct and the Human Resource manual both of which encourage and guide staff on integrity matters and prescribe repercussions for fraud, misconduct and non-compliance.

\* WCO Integrity Newsletter Issue N° 3

## 9. Morale and Organizational Culture



## Algeria\*

### ALGERIA CUSTOMS' SOCIAL SERVICES



Ceremony in honour of Algerian youth athletes

The Central Structure for Social Services was set up on 18 May 1998 and there are currently some sixty-two (62) Local Structures providing social services.

### The Central Structure for Social Services is tasked with:

- Implementing social, cultural and sporting action programmes adopted by the National Commission for Social Services and Services for Orphans of Customs Employees established in 1992 (Body of the National Federation of Customs Employees);
- Managing all the resources, funds and assets assigned by the National Commission for Social Services and Services for Orphans of Customs Employees to cover requirements in terms of social, cultural and sporting activities;
- Periodically centralizing the accounts of local management structures;
- Keeping a national inventory of real estate and movable property held by the social services bodies;
- Carrying out internal management audits on the social services provided by local management structures.

The financial resources are generated through an annual contribution by the Customs Administration, through a 20% share of the proceeds of seizures and forfeitures and through donations to the Structure.

The Central Structure for Social Services has implemented a set of provisions, developed by the National Committee for Social Services and Services for Orphans of Customs Employees, aimed at meeting the social needs of Customs employees.

### Assistance schemes\*\*:

- Social loans ranging from 50,000 Algerian dinars up to 500,000 Algerian dinars, with 0% interest, to be repaid over a period of 5 to 7 years;
- Quarterly allowance of 12,000 Algerian dinars for widows of Customs officers;
- Annual allowances for widows of Customs officers payable on religious festivals;
- Annual education grant of 3,000 Algerian dinars;
- Bonus of 15,000 Algerian dinars for passing the Baccalaureate exam;
- Funeral assistance of 30,000 Algerian dinars following the death of a Customs officer (for the spouse or child);
- Activities in favour of Customs officers and their families;
- Annual restaurant subsidies for Customs employees.

### Organization of summer camps:

Agreements in favour of Customs employees and their beneficiaries:

1. Agreement signed with the Algerian Insurance Company (CAAT)
  - Retirement grant: 500,000 Algerian dinars;
  - Death benefits: 500,000 Algerian dinars;
  - Complementary retirement grant;
  - Reduction in comprehensive home insurance policy rates;
  - Reduction in vehicle insurance: 60%.

\*\* The national guaranteed minimum wage (SNMG) is 15,000 Algerian dinars—1000 Algerian Dinars = 9,60 euro. Quarterly allowance of 9,000 Algerian dinars to orphaned minors. Quarterly allowance of 9,000 Algerian dinars to disabled children of Customs officers.

\* WCO Integrity Newsletter Issue N° 5



2. Agreement signed with the National Rail Transport Company: it provides for a 45% reduction in the price of tickets.
3. Agreement signed with Air Algérie: it provides for a 30% reduction in the price of tickets.
4. Agreement signed with Algérie Télécom providing for, amongst other things: a 50% reduction on access costs and on calls on the Algérie Télécom network as well as additional reductions on calls to mobile networks.
5. Agreement signed with the Sea Passenger Transport Company (ENTMV): it provides for a 50% reduction in the price of tickets.

#### Social projects:

- Construction of a family holiday resort;
- Construction of a summer camp;
- Construction of a medical centre;
- Construction of new administrative headquarters for social services;
- Construction of a hydrotherapy centre at a hot spring;
- Ceremony in honour of Algerian youth athletes.

#### Social services in figures:

**872** widows and orphans of Customs officers received allowances totalling **100,898,000 Algerian dinars** in 2010

**110** disabled children of Customs officers received assistance totalling **852,000 Algerian dinars** in 2010

**12,827** children of Customs officers attending school have received education grants totalling **38,544,000 Algerian dinars**

**358** children of Customs officers have received bonuses for passing the Baccalaureate exam totalling **5,370,000 Algerian dinars**

**2,304** female Customs officers received gifts on International Womens Day (8 March) totalling **4,760,000 Algerian dinars** for 2010

**14** families of Customs officers received death benefits (life insurance / CAAT) totalling **7,000,000 Algerian dinars** during the first half of 2011

**58** Customs officers received the retirement grant of **500,000 Algerian dinars** during the first half of 2011

**5,170** Customs officers were granted social loans between 2006 and 2011 totalling **1,606,808.025 Algerian dinars**



### Burkina Faso\*

SOCIAL AND WELFARE PROGRAMME

Burkina Faso, a landlocked country in West Africa, covers an area of 274,200 km<sup>2</sup>, has a population of 16,751,455 people and is led by a democratically elected president. Although "gift giving" in Africa as a whole, and Burkina Faso in particular, used to be considered a highly symbolic act of allegiance and recognition, this custom, which pervades every society, has evolved over time into insidious practices and actions leading to serious breaches of integrity.

Since Upper Volta, now named Burkina Faso, gained independence in 1960, successive governments have shown strong commitment to establish general oversight bodies. These bodies have developed and merged to form what are now the following regulatory and oversight bodies: the Court of Auditors, the General State Inspectorate, the Inspectorate General of Finance (IGF), the Higher State Control Authority (ASCE), the National Monitoring Committee, the National Poverty Alleviation Committee, the National Integrity Committee (CNE) and the High Authority for Co-ordinating the Fight Against Corruption.

Burkina Faso has independent anti-corruption bodies, such as RENLAC, as well as a range of legislation governing the behaviour of public officials.

To complement this legislation, the Burkina Faso Customs Administration is pursuing a capacity building and awareness-raising programme for both Customs officers and their partners. It also occasionally lends material and/or financial support to officers exposed to corruption as a result of their precarious financial situation.

Emphasis is given to periodic vocational training, refresher training and effective interdepartmental communication especially with regard to administration issuances, notes and circulars to afford everyone equal access to and understanding of the information provided. Awareness-raising meetings are held within the regional structures to sensitize officers to integrity and good conduct, to their duties and obligations and to their behaviour vis-à-vis users. This action also reaches out to Customs' partners through the International Chamber of Commerce and associations of freight forwarders and Customs declarants.

\* WCO Integrity Newsletter Issue N° 5

### A social programme has also been developed. It includes:

- The establishment and transparent management of the health insurance scheme. This scheme is financed by the contributions paid by members. It is managed jointly and provides support to patients whose treatments are costly (hospitalization, surgery) and/or lengthy;
- The construction of a Customs nursing station;
- The provision of a doctor twice a week and a regular nurse for consultations by Customs officers and their families;
- The supply of first aid provisions as well as vaccines in the event of an epidemic (meningitis, typhoid, cholera, etc.);
- Care for officers injured in the line of duty and/or disabled under these same circumstances.

These different support activities were the impetus for a group of Customs widows, whose husbands were killed in the line of duty, to join forces in order to organize themselves and assist each other more effectively. "United we stand", as the saying goes. These wives are mostly young women (under 30) with small children to support and no means of earning a living. A core group of seven widows initially set up the Customs Widows and Orphans Association some 11 years ago with the aim of obtaining, with assistance from the Directorate General of Customs, sponsorship for their children and/or funding enabling them to finance their own income-generating activities so as to be able to live and bring up their children in dignity. The Association is supported by the Directorate General of Customs, the National Union of Customs Employees (SYNATRAD) and the Friendly Society of Female Customs Staff (GABELLE).



### Cameroon\*

CUSTOMS CO-OPERATIVE CREDIT UNION:  
NEW PRODUCTS FOR THE YOUNG AND FOR  
OLDER PEOPLE

The Customs Co-operative Credit Union (CPCD) is a first-class microfinance establishment of the co-operative type, set up in 1975 by Customs pioneers. One of its aims is to prepare Customs officers for a change of career upon retirement.

It is worth pointing out that Cameroon lacks a social security system for its public service employees. In addition, if Customs officers wish to obtain funding to meet their various financial needs (prepayment of rent, fitting out an apartment, purchasing land or building a house), they have to turn to normal banks which have the disadvantage of being impersonal (if the customer is not known to the bank, then he/she has little chance of fulfilling all the requisite conditions).

Pioneers realized that they could pool and capitalize on their savings and consequently set up this structure which currently comprises over 1,600 members, and which mobilized over 4,756,370 euro of savings for a total balance of 6,434,960 euro on 31 May 2011. The CPCD, which was initially restricted to Customs officers, has now been opened up, through referrals, to selected external members. It now brings together 991 men, 518 women and 96 associations or businesses. It is run by a Board of Directors which is elected at the general meeting and which is required to convene at least once a month. An annual general meeting is also held to approve the Board of Directors' management and the various reports by the External Auditor. The CPCD has an Integrity Committee and a Supervisory Committee consisting of elected members whose mission is to monitor aspects relating to good governance. The daily management of the credit union is entrusted to a Director appointed by the Board of Directors. Since its establishment up until now, all the members of the different Boards of Directors have always been Customs officers. In response to two findings which explain the stagnation in membership numbers, namely a lack of enthusiasm among young people and the departure of longstanding members, the CPCD has held training workshops. These are designed to sensitize Customs officers to the co-operative state of mind, to the savings and debt management culture, to the management of their administrative

\* WCO Integrity Newsletter Issue N° 5

career which is a prerequisite in order to reintegrate fully into society and to the management of their career change after retirement. As for the credit union's management, it is trained in public asset management, in legal requirements in respect of the Banking Commission of Central Africa (COBAC) prudential ratios, in specific microfinance regulations, in the follow-up of recovery of funds and in standards relating to business governance.

A "project bank" was set up and a decision taken to publish the key aspects of this vital work in the form of a compendium. This compendium will contain procedures to be followed by a Customs officer in all the cases relating to the management of his/her career path, will set out ad hoc regulations and will answer frequently asked questions.

**Another of the major resolutions to come out of this initiative has been to introduce two new products, over and above the four conventional products which are:**

- The traditional loan of up to four times the amount of the applicant's savings and which can be paid back in up to 48 monthly instalments;
- The express loan which is also dependent on the applicant's savings and which is repayable in three months;
- The productive loan relating to investments, which is secured against guarantees and which is repayable within approximately 24 months;
- The education loan which is also dependent on the applicant's savings and which is aimed at helping members meet costs at the beginning of the school year.

**The two new products which are aimed at the young and at older customers are:**

- The installation loan provides young Customs officers with the financial resources to resist, given the very limited means at their disposal, any temptations that might put their professional integrity to the test. It is a low cost loan which does not require any guarantor or guarantee, nor is it dependent on the applicant's savings. It is granted on request, upon completion of the application formalities;
- The career change loan also offers a low rate of interest. It is aimed at helping retired officers set

up a business, which can be inspired by the CPCD project bank, and should also provide him/her with vital working capital. The size of the loan granted depends on the amount of savings accumulated and the number of years the applicant has been a customer.

These two categories deserve particular attention because they are the most sensitive from an integrity perspective. Younger customers are at risk due to their impecuniousness, their inherent needs and because they have to find a way of paying a 12-month advance on their rent, fit out a house, buy a vehicle, etc. Staff members taking early retirement are at risk because they have often made insufficient provision for retirement and wish to offset their losses and make up for lost time.

**Loan activity statistics - Total loans in 2010**

	Amount in euro	Number
Traditional loans	1 882 036	608
Productive loans	615 886	18
Express loans	219 915	104
Education loans	41 227	28
<b>Total</b>	<b>2 759 064</b>	<b>758</b>

**Total loans in 2011 (over 4 months)\*\***

	Amount in euro	Number
Traditional loans	428 824	178
Productive loans	152 447	5
Express loans	605 195	53
Education loans	4 565	12
<b>Total</b>	<b>891 031</b>	<b>248</b>

\*\* The new products have been available since January 2011 and will undergo an initial assessment at the end of the first half of the year.



**Germany\***

THE WELFARE ASSOCIATION OF THE FEDERAL REVENUE ADMINISTRATION  
(Das Sozialwerk der Bundesfinanzverwaltung)

The Welfare Association of the Federal Revenue Administration is a non-profit association with about 24,000 members. Since 27 November 1958 it has helped the Federal Revenue Administration provide for the welfare of its staff.

It offers affordable recreational opportunities at home and abroad. At the time of its establishment it was modelled on comparable institutions in Germany and in other countries. "The social and cultural needs of our members and their families cannot be met solely by governmental arrangements and grants. Only through mutual assistance can these goals be promoted. To this end members of the administration have founded the Welfare Association of the Federal Revenue Administration". The words of Franz Etzel, the Finance Minister at the time, characterize the purpose of the Welfare Association.

Since then, the Administration has been making available to the Welfare Association federal properties which are no longer needed for official purposes and which members of the Association can use for recreational purposes at an affordable price.

Over the years, federal properties have repeatedly been converted into holiday homes, in co-operation between the Administration and the Welfare Association. However, to meet the demand, co-operation agreements have also been signed with other institutions in Germany and abroad, as well as with private providers.

**Thus with the Welfare Association officers and families can:**

- reside in style in Castle Hohenaschau;
- go to the Island of Sylt;
- visit Berlin;
- enjoy the unique cultural offerings of Dresden;
- get some exercise hiking, bicycling or skiing in Winterberg, Oberau or Birgsau;
- take a boat ride on Lake Constance at Wangen or Horn.

They can also enjoy the wine cellars and thermal baths in and around the spa of Bad Bellingen, or spend an affordable holiday at the facilities of partners in Italy, France, Sweden, Finland, Norway or Hungary.

In addition, the Welfare Association supports the Administration's efforts to make work compatible with family life. Programmes for children and teenagers are offered during the school holidays. Besides taking care of the young people when schools and kindergartens are closed, they offer entertainment, a chance to socialize and the opportunity to make international acquaintanceships. These programmes are subsidized by the federal budget.

The Administration and the Welfare Association also work towards keeping people healthy. The activities of the Welfare Association are financed by membership fees, the revenue from renting out holiday facilities, parents' contributions to the youth programmes and the fees paid by participants in special events.

The Association's activities are overseen by the committees formed for this purpose. The day-to-day administration and organization is the responsibility of an office with ten full-time employees of the Federal Revenue Administration. In addition, there are many colleagues who voluntarily support the work of the Welfare Association. The Association employs about 50 people who work as managers or cleaners at the recreational facilities.



\* WCO Integrity Newsletter Issue N° 5





## Hong Kong China\*

### INTEGRITY AND A HEALTHY LIFESTYLE - HONG KONG, CHINA CUSTOMS

To law enforcement officers, the very basis of healthy living is integrity which has long been recognized as one of the core values of Hong Kong, China Customs in delivering its services and achieving enforcement goals. In today's world, we also face immense pressure and challenges for change as the community expects better services. In this process, Customs staff members inevitably encounter some degree of stress at work. It is widely recognized that promoting healthy living and a healthy lifestyle not only improves work performance, but also improves staff members' health so that they are better able to cope with the stress arising from the ever-changing work environment and thus provide quality services.

#### Promoting the importance of integrity and a healthy lifestyle

Over the years, Hong Kong, China Customs has launched a series of publicity and educational campaigns on staff integrity and a healthy lifestyle. An Integrity Steering Committee headed by the Deputy Commissioner has been set up to formulate and review its long-term strategy on staff integrity. Under the Integrity Steering Committee, a Working Group on Promotion of Healthy Lifestyle and Staff Integrity has been established to promote the awareness of all staff members on the importance of a healthy lifestyle and staff integrity. The working group also co-ordinates resources in support of a healthy lifestyle and integrity promotion activities.

#### Communication

Hong Kong, China Customs publishes a quarterly newsletter, "The Pine", to instil the concept of a healthy lifestyle in staff by widely covering stories on the following areas:

- Experience sharing on proper work-life balance;
- Participation in volunteer work and community services;
- Various events/activities organized by clubs and teams;
- Balanced diet and physical training tips;
- Positive work-life attitude; and
- Care and love to colleagues, family members and society.

To heighten staff awareness of the importance of upholding integrity, "The Pine" has devoted a column to publishing articles and sketches on the content of the "Code on Conduct and Discipline". It also includes articles on proper handling of conflict of interest situations. Real-life examples are used to illustrate the concept of conflict of interest so as to foster staff's awareness of this issue.

Being a departmental periodical, "The Pine" also provides a forum for staff to share their experience with colleagues on their interests and hobbies, and promotes a caring culture in the Department through reporting of periodic welfare visits.

Personal financial problems of individual staff members can compromise the integrity of the staff as well as the culture of integrity in the organization. Efforts to raise staff's awareness of prudent financial management are therefore ongoing. From time to time, "The Pine" publishes articles from different organizations and interviews professionals to share their views on prudent financial management.

#### Departmental Sports and Recreation Club

Promotion of physical health can increase the efficiency and productivity of staff. Sports may not only help staff improve their physical fitness, but also relieve the stress from their work pressure and build up their resilience. The Departmental Sports and Recreation Club was formed to promote diversified sports and recreational activities among staff. Currently, there are 21 clubs and interest groups affiliated to the Departmental Sports and Recreation Club. In 2011, over 200 sports and recreational events including charitable activities, training classes, performances and inter-command competitions were organized for staff and their families.

#### Promoting a caring culture among our colleagues

Excessive and continuous stress at work will lower productivity. It also poses a threat to the mental and physical health of staff. Realizing that some staff, despite suffering from emotional problems, have been too self-conscious to seek assistance from others, Hong Kong, China Customs has launched a Caring Colleague Culture Campaign aiming at building and nurturing a culture that generates a heightened sense of solidarity and comradeship among colleagues. It is hoped that through mutual

care in daily work life, some kind of assistance and support can be rendered to those reserved and out of sight staff.

On the education front, Hong Kong, China Customs works hand-in-hand with professional institutions with a view to arousing staff's awareness of mental health issues. Seven series of Mental Health Courses were organized in 2011. They help participants understand sources of stress and their impact, introduce stress management skills as well as encourage participants to cultivate a positive attitude towards life.

To give closer attention to staff welfare needs and to promote a caring culture among our colleagues, Hong Kong, China Customs has appointed 82 officers as Health and Welfare Managers in various offices. To facilitate them performing their job effectively, these officers are provided with job-related training in areas such as mental health, first aid, dealing with pathological gamblers, and counselling skills. In addition to conducting periodic welfare visits, they act as contact points for officers seeking assistance in matters related to welfare, health and work.

Apart from in-house assistance, Hong Kong, China Customs also commissions professional organizations to provide counselling services for individual officers and their family members, including a 24-hour telephone hotline for instant counselling and face-to-face counselling by professional social workers.



#### Way forward

Through these integrity-raising and healthy lifestyle-promoting initiatives, Hong Kong, China Customs has built up a healthy Customs work force that helps secure the confidence of the Hong Kong, China community as well as international law enforcement agencies. However, sustained endeavours are required to entrench a clean and honest culture. As such, Hong Kong, China Customs will continue its education and publicity to fortify the core values of integrity and a healthy lifestyle. Despite the challenges ahead, with the presence of an appropriate system and enthusiastic support of staff, we trust that these efforts will pay off.



## Japan\*

### TRAINING AND MENTOR PROGRAMME



Japan Customs has been recognized as one of the institutions with the highest levels of integrity in the country throughout its 140 year history. Japan Customs nevertheless continues to make efforts to maintain and guarantee integrity through a series of initiatives.

Amongst those initiatives, Japan Customs has developed a comprehensive training system, conducted at the Customs Training Institute (CTI), which is regarded as one of the essential elements in its integrity development programme. All Japan Customs staff begin their professional life with an induction course at the CTI, delivered in April each year.

\* WCO Integrity Newsletter Issue N° 6

\* WCO Integrity Newsletter Issue N° 5

Trainees benefit from lectures on Customs subjects as well as numerous activities such as sports, the traditional martial arts of Judo/Kendo and social events.

In addition to the induction course, the CTI also provides more advanced courses, namely an intermediate course (officer level), an advanced course (unit chief level) and a professional course (assistant supervisor level) in response to the needs of staff at each stage of the career ladder. These training courses include integrity-related programmes. Accordingly, trainees learn about subjects related to the National Public Service Act, service disciplines and public service ethics in a more intensive and practical manner. These subjects are aimed at ensuring professional integrity and ethics.

The most striking feature of the Japan Customs' Integrity Development Programme is a Mentor System that is part of the induction course. Every year, some senior officers (section chief class with 10 to 15 years' experience) from regional Customs are appointed as mentors. They are assigned to spend 3 to 6 months with the new recruits at the CTI and the Customs dormitory. The mentors are expected to lead new recruits to their goals by demonstrating professionalism in an "elder sister" or "elder brother" capacity throughout the training course.

**This system was introduced for the purpose of looking after new officials. The main tasks of mentors are:**

- To give guidance to trainees about life in the Customs dormitory and the training course;
- To check on the health and mental condition of trainees;
- To become a liaison between trainees and the CTI or regional Customs; and
- To plan and implement various activities.

The mentor system has contributed to fostering a sense of belonging to the organization and to promoting integrity. At the end of the new recruit course, life-long relationships between the trainees and the mentors may be developed based on mutual trust, which fosters a traditional atmosphere of a "Customs family."



## Malaysia\* LOAN SCHEMES

In an effort to alleviate the financial problems faced by Customs personnel, the Sarawak\*\* Customs Cooperative Limited (SCCL) has created several loan schemes for the benefit of its members. There are general loans, furniture loans, multi-media loans and education loans. Education loans granted to members by the SCCL were initiated by the Cooperative Society to reduce the financial burden on its members at the start of the new school year.

Education in Malaysia is practically free of charge (primary to secondary level), but school uniforms and stationery still need to be bought. This loan is repayable within 12 months and is interest free.

Loans granted by the SCCL are meant to discourage members from obtaining loans from illegal money lenders. Except for education loans, which are interest-free, loans granted by the SCCL have a very low interest rate (4% per annum). Repayment periods range from 12 to 60 months. Loan amounts are between RM 1,000 to RM 10,000. (100 RM = 24,30 euro).

The SCCL hopes that, as pointed out during the Regional Integrity Awareness Workshop (ASEAN Region) held in Brunei, addressing the financial woes faced by Customs personnel will help to instil integrity within the Customs fraternity.

\*\* Sarawak is a state within the Federation of Malaysia and Sarawak Customs is an entity within the Royal



\* WCO Integrity Newsletter Issue N° 5



## Mexico\* TEAM BUILDING, CAREER DEVELOPMENT AND TOY COLLECTION

It is of fundamental importance that the Federal Public Administration of Mexico has a workforce which is not only committed to the country, but also serves as a model within the community. To this end, the Tax and Customs Administration of Mexico (SAT), as a Federal Government institution, motivates its staff to become more professional and to contribute to a culture which inspires the values of honesty, respect and commitment, thus increasing the wellbeing of citizens.

**In order to achieve this aim, SAT implements various programmes and strategic activities, including:**

- Model of Organizational Culture: As the defining basis for the day-to-day conduct of SAT employees, this seeks to give staff an identity and sense of belonging, as well as to enhance their distinctiveness vis-à-vis other institutions; to reinforce values and principles, and to create the conditions for focusing work on the taxpayer and on users of international trade; it offers guidance on a results-based approach, on promoting team-building and on achieving personal development.
- Professional Career Development: The main aim of this programme is not only to give professional public servants a broad knowledge of fiscal issues, but also to promote human development and strengthen institutional identity, key components of which include ethics and integrity.
- In addition to the above, and looking beyond the professionalism of its staff, our institution cares about its members. This is amply demonstrated by the fact that, since 2005 and on the initiative of officials at the General Administration of Revenue Collection, SAT has been collecting toys for distribution to children's homes during the December holiday period. It is against this backdrop that, in November 2010, SAT officials invited members of the community to join in. As a result, enough toys were collected to bring joy to thousands of children.

\* WCO Integrity Newsletter Issue N° 5



## Nigeria\* CUSTOMS OFFICERS' WIVES ASSOCIATION (COWA)

The Customs Officers' Wives Association (COWA) was established by the wife of the Comptroller-General of Nigeria Customs. It is a non-governmental and non-profit-making organization with 2,500 members contributing a token fee to the Association. The role played by COWA is complementary to the welfare agenda of the current Customs Service Management in Nigeria.

The wife of the Comptroller-General of Customs began to reach out to Customs Officers' wives, in particular those living in the barracks whose husbands go on long distance patrol and are hardly at home. She realized that a number of Customs officers' wives had been made redundant and that, due to a lack of skills and financial support, they were not able to work. She also was made aware of the fact that some deceased Customs officers' wives were not being cared for.

COWA is committed to ensuring sustainable quality of life for the families of Customs officers. Its multifaceted development programmes are aimed at alleviating the financial problems faced by its members and the general public wishing to benefit from it.

**COWA's objectives:**

- Set up schools providing quality education for Customs officers' children and society at large;
- Establish skill acquisition centres;
- Facilitate soft loans from microfinance banks;
- Widows' empowerment; and
- Engage in health programmes for the benefit of its members and others.

\* WCO Integrity Newsletter Issue N° 5



**So far, COWA has achieved the following:**

- Provision of fully furnished offices within the Customs House in Garki, Abuja;
- Donation by a private company of a new 18 seater bus in 2009;
- Inauguration and launching of Zonal and Command Chapters which provide an opportunity for individuals and organizations from the public to donate material and provide financial support;
- Collaboration with the National Directorate of Employment (NDE) to provide vocational training for 150 COWA members in soap making, bead making, computer skills, catering, fashion design, interior decoration and event management. At the end of the training, the beneficiaries are given some tools and equipment to start putting what they have learnt into practice;
- Widows have been empowered financially to trade and improve their living standards; and
- A national COWA seminar on women's health and economic empowerment was organized in March 2011.

Due to the continuous highlighting of the Association's activities, COWA enjoys public confidence and trust as an organization whose activities - apart from positively impacting on standards of living of Customs Officers' families - have become a catalyst for the effective service delivery by Customs operatives who now enjoy much needed family support.



Soap making workshop



**Nigeria\***  
SMALL SOLUTIONS, GREATER BENEFITS

Recognizing that integrity is one of the biggest challenges to Customs efficiency and effectiveness, in 2009 the Nigeria Customs Administration looked for factors associated with a lack of integrity and identified six of them:

- Poor remuneration of staff;
- Manual operations in processing goods;
- An environment that could prompt people to be dishonest;
- Ineffective sanctions and reward system;
- Poor welfare provisions; and
- Differences in salaries in the public sector.

Based on these factors, the Nigeria Customs Administration defined an agenda to work on different measures under the assumption that the solutions of these weaknesses could improve Customs integrity.

With a view to building capacity, it provided training for more than 1,300 officers out of the 20,000 Customs staff.

In order to address the problem of discipline and integrity, it was decided to apply sanctions that are deterrents and that include dismissal, reduction in rank and prosecution.

As part of enhancing the welfare package for staff, accommodation was provided to Customs officers as well as a bus service to take them to and from work. Additional vehicles and equipment were purchased to support operational activities.

Increased use of automation has improved the way of working of officers who are aware that computers record all transactions and that this can be used as a control mechanism.

Collaboration and partnership with stakeholders and international organizations has made it possible for staff to learn about what is being done elsewhere and to adapt it to the Nigerian environment.

Finally, developing mutual understanding between the Nigeria Customs Administration and the public through public relations has improved the image of Customs and the relationship with users.

\* WCO Integrity Newsletter Issue N° 7



**Norway\***  
HOLIDAY HOMES PROVIDED BY CUSTOMS FOR ITS EMPLOYEES

The Norway Customs Service offers its employees and their families a unique venue for the summer holidays. Fourteen former Customs houses located in the most popular destinations and tourist areas in southern Norway are at their disposal. For the past 50 years, these houses had been closed for official business. Instead of being sold to private owners, the Customs Service kept the houses and allowed them to be used for social and welfare activities. The houses date back to the 17th and 18th Centuries and have been painstakingly renovated according to the rules of the Inspectorate of Historic Buildings. Today, the houses comprise comfortable summer apartments and can accommodate 2 to 4 families at a time.

Customs Officers are offered up to two weeks holiday for a reasonable price in some of Norway's most beautiful fjord scenery. Customs officers from different regions can enjoy each other's company. This system builds up and secures a good esprit de corps and morale and has also a strong motivating effect on Customs officers.

The apartments are available through an annual application process in which the employees queue up by seniority. The system is administered by the Directorate of Customs and Excise and is very popular.



\* WCO Integrity Newsletter Issue N° 5



**Paraguay\***  
SOCIAL PROBLEMS ARE EVERYONE'S PROBLEM



A campaign that speaks of the solidarity among officials of Paraguay's National Customs Directorate (DNA). This is a programme by Paraguay's DNA to contribute to preserving the environment, as part of 'Green Customs', and whose main aim is to take social responsibility through campaigns designed to help the country's child cancer sufferers and their families.

Under the Welfare Plan managed by the Staff Welfare Department in the Human Resources Directorate, two competitions to collect plastic bottle caps took place in 2014 and 2015, jointly yielding a total of approximately 4,500 kilograms of plastic caps over both periods. Everyone has signed up to this campaign driven by love, as our efforts will increase the life expectancy of Paraguay's children with cancer and thus offer some peace of mind to their families.

All areas working together for Paraguay's children with leukemia, with the sole objective of collecting kilo upon kilo of plastic caps.

Paraguay's DNA, we practice the value of "SOLIDARITY" as it helps us to be more humane and become better people. We are also convinced that it is the formula for shutting the door on corruption through integrity, ethics and ideals.

A bottle cap can make a huge difference to the lives of many of Paraguay's child cancer sufferers and their families, as donating caps also means sharing love and helping protect our planet.

\* WCO Integrity Newsletter Issue N° 13



The caps collected have been delivered to the “LUCHA” (Fighting Together Against Childhood Cancer) charity, where their processing will generate a great deal of happiness and help meet the needs of the children’s hospices.

It is worth noting that actors have joined this campaign, supporting it and filming a TV spot with participation by the children of Customs officials and children with cancer. Song lyrics have also been written and set to music. In this way, the campaign has reached out to Customs administrations and units the length and breadth of the country and has managed to teach children, from a young age, the importance of giving love and showing solidarity, asking for nothing in return: simply giving!



The project pioneered by “LUCHA” is a programme to support child cancer sufferers and their families. By means of the collection and sale of plastic bottle caps, Paraguayan families going through this difficult situation are offered a glimmer of hope.

Paraguay’s DNA has signed a Co-operation Agreement with LUCHA stipulating that the bottle caps collected will be sold to recyclers, who then commission their use in the manufacture of plastic chairs, glasses, utensils, etc. All the proceeds are distributed to the different institutions that are home to childhood cancer patients.

To ensure we are good public servants and a first-rate Customs service, we need to implement our values and principles. In this way, our world will be healthier, more united, more compassionate and less corrupt.



## Thailand\* DONATION OF SCHOOL EQUIPMENT AND SCHOLARSHIPS

On 28 August 2011, Thai Customs and business partners donated sport equipment and stationery. In addition, a total of 206 scholarships were also awarded to three schools in Phetchaburi Province in Thailand. The students performed some traditional dances during the event. This initiative not only assists in school activities, but also strengthens the relationship between local schools and the Customs-business partnership.

Thai Customs also provides assistance to orphans. For example, in August 2011, an orphanage in the Chiangmai province in the northern part of Thailand giving a home to 150 boys received a donation and scholarships. Thai Customs officers also provided the boys with a wonderful dinner.



\* WCO Integrity Newsletter Issue N° 5



## Togo\* ESTABLISHMENT OF THE NATIONAL HEALTH INSURANCE INSTITUTE (INAM)

It will soon be two years since the Government embarked upon a huge social welfare plan for its civil servants, including Customs officers. The decision to provide social security coverage to civil servants was taken in response to a number of findings made by the Government following an analysis of the current social security system:

- Lack of a specialized structure to manage health care;
- The exclusion of certain benefits, including medicines;
- The absence of a list clearly defining the beneficiaries; and
- Non-coverage by hospitals, etc.

Less than 4% of Togo’s population currently enjoys social security coverage. All these findings have led the Government to rethink the entire social protection system for civil servants and the like.

After pre-feasibility studies (March to May 2009) and feasibility studies (December 2009 to June 2010), the process gained pace during 2011 with the review and adoption of the Draft Law on Health Insurance by the Council of Ministers (December 2010) followed by its adoption by the National Assembly in February 2011, then by the adoption of the INAM Decrees between February and March 2011.

The recruitment of INAM staff and the acquisition of premises and equipment rounded off the phase of setting up the Institute.

The process of registering civil servants has begun and will culminate in the distribution of registration cards at focal points. Law No. 2011-003 of 18 February 2011 on the compulsory health insurance scheme for civil servants and the like includes the beneficiary’s immediate family in this insurance (spouse, children aged 21 or under, adopted children and retired persons).

A great many services are covered, ranging from simple nursing care to specialized consultations. These include hospitalization, transport, surgery, various examinations and medical tests, childbirth, medicine costs, etc.

Coverage ranges from 80 to 100%. An annual levy of 3.5% is made on salaries and pensions as a contribution to INAM. This health cover protects civil servants and the like against risks faced in the line of duty.

In July 2010, a Delegation from the Directorate General of Customs travelled the length and breadth of the country to raise Customs officers’ awareness about discipline and professional integrity and to inform them about this health insurance project launched by the Government. The news was greeted enthusiastically, although officers asked for the Customs Insurance Service to step up its operations pending the entry into service of the new insurance structure.

Indeed, for some years now there has been an Insurance Service for Customs staff known as “DOUANIÈRE” (Customs Officer), whose activities are similar to those of INAM. It covers 50% of the services enjoyed by Customs officers. Customs managers have lent their expertise to the process of developing the new health insurance system for civil servants.

Civil servants in general, and Customs officers in particular, are protected against the risks faced in the performance of their duties, especially risks that can affect their well-being.

If they feel protected in this way, officers will redouble their efforts to achieve the professional goals set for them. This measure consequently boosts officers’ motivation.



\* WCO Integrity Newsletter Issue N° 5





Tunisia Customs has endeavoured to generate viable solutions in the fight against corruption by creating an ethical organization culture, inter alia through social initiatives.

An essential element of corporate social responsibility is employees' health and wellbeing. Since the creation of the Customs Medical Centre (CMC) in 1998, employee health and wellbeing have become increasingly important. Making sure that Customs officers are healthy both physically and mentally encourages loyalty and morale, and ultimately reduces the risk of corruption at the workplace.

Among the initiatives taken features the CMC, which is a public establishment placed under the supervision of the Ministry of Finance and funded by the State budget. The CMC building consists of 6 floors and one-level underground covering an area of 3,696 m<sup>2</sup>. It comprises 30 offices, 19 outpatient treatment rooms and 28 medical facilities.

The CMC provides preventive, curative and rehabilitative health care and emergency medical treatment for Customs officers, their spouses, dependent children up to the age of twenty-five and dependent ascendants. The Centre also provides the aforementioned medical services for retired employees, widows and orphans.

#### The CMC provides:

- Consultations and emergency care;
- Preliminary diagnosis;
- Monitoring of Customs officers' medical records;
- Medical services and accident treatment;
- Medical Examination for Employment and health check;
- Reimbursement of medical expenses;
- Preventive medicine (vaccines, blood donation, etc.); and
- All medical services are provided free of charge and without hospitalization.

With a budget allocation for fiscal year 2010 estimated at 1 829 850,380 Tunisian dinars\*, the CMC aims to deliver medical services to Customs officers and their families in a wide variety of medical disciplines.

The CMC's staff comprises 19 doctors, 3 pharmacists, 24 radiology and laboratory technicians, 11 nurses, 21 medical assistants and 25 administrative support staff.

During 2009, 27,949 medical consultations were offered to Customs officers and their families within the CMC.



\* WCO Integrity Newsletter Issue N° 5

\* 1,000 Tunisian dinars equates to approximately 500 euro

The aim of the Social Promotion and Development Service is to see to the social development and occupational health of the organization's human resources, with a view to helping improve their quality of life fundamentally in the work environment, the understanding being that this will contribute to the achievement of the administration's objectives as a whole.

It has two sections: an Occupational Health Section and a Social Development Section.

#### The Occupational Health Section has the following duties:

- Participate, at the request of the hierarchy, in tasks relating to the recruitment of candidates to the organization, selection via psychometric assessments, and possibly subsequent follow-up of the staff selected.
- Intervene, at the request of the competent departments or head offices (Legal Proceedings, Human Resources, supervisors, administrators, etc.), in any disputes with officials where a diagnostic assessment, intervention and/or technical report is required, whilst aiming at an integrated and contextual approach to the problem.
- Conduct psycho-occupational assessments of officials at the request of the hierarchy.
- Participate, in the sphere of occupational health, in drawing up proposals on subjects which have a ma-

jor impact because of their scale – for example, addictions, especially alcoholism.

- Design and implement workshops on themes relating to prevention and health promotion.

#### The Social Development Section has the following duties:

- Propose arrangements and agreements which seek to meet officials' needs, for example, their educational, sporting, economic and recreational needs, with public or private bodies which encourage the socio-cultural development of officials and their family members.
- Offer social assistance to officials and family members who require it.
- Design and monitor the Subsidized Nursery Service allowance for officials who work inland and cannot send their children to the Nursery of Montevideo.
- Contribute the technical work needed for the effective functioning of the institution's nursery.

#### Concrete measures which they have carried out:

Agreements and arrangements are in force which offer different benefits to officials and their family members. There is thus an arrangement with the National Blood Service concerning the creation of the Blood Donors' Club which, through a system based on solidarity, provides a solution to the volumes of blood required for surgical interventions, emergencies, etc.; holiday agreements with holiday parks which offer officials and their family members recreational opportunities at a lower cost than to the general public; agreement with savings and loan co-operatives; sports agreement.



\* WCO Integrity Newsletter Issue N° 5

## 10. Relationship with the Private Sector



Uruguay\*  
PAVING THE WAY...



Signing MOU with Uruguay Chamber of Commerce

For the Uruguay Customs Administration, like many others, the existence of integrity failings and corruption at work is a key issue that any modernization process must address.

In the case of Uruguay, results of a survey conducted by the National Directorate of Customs to measure public perception of the Administration were released in 2010. They confirmed the feeling that operators' and the public's trust and confidence in the organization were very low, particularly with regard to Customs officers' integrity.

The first step was to take on board and acknowledge the situation before embarking on a plan to change things. The challenge was huge, but it was also felt that the private sector in Uruguay was open and willing to take on its share of responsibility for the issue. As Uruguay Customs Director, Enrique Canon, put it when he took up his post, "external trade agents will be the architects of 21st Century Customs".

### Step by step

The first strategic alliance was made with the Board of Integrity and Transparency (Junta de Etica y Transparencia), and workshops were held throughout 2010 and 2011 where Customs officers were brought up to date with all the regulations that they had to comply with as public servants. This led to internal debate and workshops entitled "Generating integrity"; the workshops were extensive and participatory in nature, and took place all around the country.

The second stage was to participate in the WCO Integrity Sub-Committee (ISC) in October 2010, when a member of Uruguay Customs was able to listen to, discuss and find out about experiences in several countries. Uruguay Customs found it striking to learn that corruption is a challenge that many other Customs administrations share. During the ISC, views and experiences of other countries were presented as well as WCO integrity pilot projects. It also provided an opportunity to expand knowledge of the Revised Arusha Declaration and the WCO tools available to combat corruption.

From the outset, Uruguay Customs decided to concentrate on the 10th element of the Revised Arusha Declaration, which refers to the importance of fostering an open, transparent and productive relationship with the private sector to eradicate corruption and establish Codes of Integrity to that end.

The first task was to draw up a list of key associations of external trade operators. The methodology consisted of sending a letter of invitation to each of them, setting out Customs' intention to sign Memoranda of Understanding on Integrity and Transparency. The content was based on the wording of the Revised Arusha Declaration.

It should be noted that the invitation stated that participation was to be voluntarily. Individual meetings were organized with each association to tell them about Customs' objectives, the importance of working in partnership and the benefits of charting a joint course of action.

It was decided to sign a Memorandum of Understanding with each association to acknowledge and accept their individual characteristics. A model text was used as a baseline that could be adapted to take account of those characteristics.

The first Memorandum was signed in May 2011 with the Association of Customs Brokers of Uruguay. Currently nine Memoranda have been signed with private sector agents : the Association of Customs Brokers of Uruguay (ADAU), the Association of Cargo Agents (AUDACA), the Uruguayan Association of Express Service Businesses (AUDESE), the Uruguayan Chamber of Logistics (CALOG), the Chamber of International Automotive Land Transport of Uruguay (CATIDU), the Free Trade Zone Chamber of Uruguay (CZFU), the Union of Exporters, the Navigation Centre (CENNAVE) and the Chamber of Commerce in August 2012, and negotiations are continuing with other associations.

Once signed, the Memoranda are given effect by setting up a Joint Commission comprising two representatives of the Customs Administration, who are always the same, and two representatives of the association concerned. A one-year or six-month Action Plan, as appropriate, is drawn up, and meetings are scheduled to monitor and exchange views as to how the implementation process is progressing. Each plan of action includes a short, medium and long-term commitment.

These forums allow for interaction and have helped to establish formal spaces for exchanging information and reporting complaints, as well as for drawing up a transparent, ongoing agenda for improvements in the mutual interest.

Two years later, it can be stated that there is an increase in public and private confidence – a key foundation for strengthening integrity in external trade.

Uruguay Customs is currently in the implementation phase of the Memoranda and has achieved specific results that include complaints to the National Directorate for Customs and complaints by the Directorate to private operators, leading to effective outcomes after follow-up action. In the interests of greater transparency in

Customs procedures, the Directorate has been making the arrangements necessary for the Administration and operators to put the results into practice.

Operators have reformulated their Codes of Ethics, and associations that did not previously have codes have drawn up and approved one. Additionally, the Customs Administration already has a Draft Code of Ethics that is undergoing the final stage of internal consultation required before it can be sent to the Government for approval.

In terms of the institutional backdrop, since February 2011, integrity has been incorporated into the induction course for new officials, and the subject features permanently on the Customs curriculum.

At the end of 2012, the results of each Memorandum will be assessed. The Customs Administration is also preparing a new survey to measure the various impacts of these and other policies it has carried out.

Uruguay Customs is following the way it paved for itself with the same conviction and purpose that it had at the outset, namely that the Memoranda are not merely a declaration of intent but include practical measures to improve external trade – the activity that links Customs and the private sector together.

Once Uruguay Customs took note of the image it was projecting, it recognized and accepted the problem, and triumphed over scepticism by joining forces with the private sector to overcome it.

The challenge, therefore, is to make that choice sustainable over time, to be able to pause and assess progress and to continue forging the way ahead, because greater integrity means greater development.

Do not hesitate to contact Uruguay Customs to know more about this project.

\* WCO Integrity Newsletter Issue N° 7







WORLD CUSTOMS ORGANIZATION