



Overcoming corruption at the border – How the WCO helps Customs promote Integrity

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The impact of corruption

- ❑ August 2004, two planes left Domodedovo airport in Russia with terrorists on board - 90 people lost their lives
- ❑ September 2004, over 300 people including 186 children died in what is referred to as the Beslan school carnage

The impact of corruption

\$30 million in Customs duties were not collected by Ukrainian officials for goods from Moldova.

Roughly **\$110 million** in Customs duties were not collected by Moldovan officials for goods from Ukraine heading to Moldovan markets

The impact of corruption

The simple fact of accepting a bribe can cause :

- ✓ the loss of many lives
- ✓ lead to huge revenue loss

The impact of corruption

- The harmful effects of corruption are especially severe on the poor because they :
 - ✓ are hit the hardest by economic decline
 - ✓ are most reliant on the provision of public services
 - ✓ are least capable of paying the extra costs associated with bribery
- Corruption is a by-product of poverty

The cost of corruption

According to Transparency International it is virtually impossible to quantify the cost of corruption because bribes do not take only monetary form: favors, services, gifts and so on are just as common

The cost of corruption

- How would one measure the erosion of public confidence and the deterioration of a government's legitimacy, which are the direct result of corruption?
- How could a country encourage international investments knowing that the presence of widespread corruption in Customs could act as a major disincentive to foreign investment?
- How would a country guarantee that the sophisticated security systems and procedures designed to detect weapons of mass destruction offer real protection if they could be circumvented simply by bribing a state official?



Corruption in Customs

- The performance of Customs does much to establish the perceptions of the quality and integrity of the government as a whole
- Acknowledge the problem
- No longer a taboo subject
- Comprehensive Customs reform and modernization

Integrity tools developed by the WCO

- Revised Arusha Declaration
- Integrity Development Guide
- Integrity Best Practices
- Model Code of Conduct
- Capacity Building Diagnostic Framework
- SAFE Framework of Standards
- Integrity e-learning module
- WCO workshops and seminars

REVISED ARUSHA DECLARATION

- (1) Leadership and Commitment
- (2) Regulatory Framework
- (3) Transparency
- (4) Automation
- (5) Reform and Modernization
- (6) Audit and Investigation
- (7) Code of Conduct
- (8) Human Resources Development
- (9) Morale and Organizational Culture
- (10) Relationship with the Private Sector



Integrity Development Guide

- Provides a framework to examine the management, administrative and integrity strategies currently being employed and to identify opportunities for further improvement
- Based on the Revised Arusha Declaration
- Provides a checklist for Customs to conduct a self-assessment of their situation

WCO MODEL CODE OF CONDUCT

- (1) Personal responsibility**
- (2) Compliance with the law**
- (3) Relations with the public**
- (4) Acceptance of gifts, rewards, hospitality and discounts**
- (5) Avoiding conflicts of interest**
- (6) Political activities**
- (7) Conduct in money matters**
- (8) Confidentiality and use of official information**
- (9) Use of official property and services**
- (10) Private purchases of government property by staff**
- (11) Work environment**

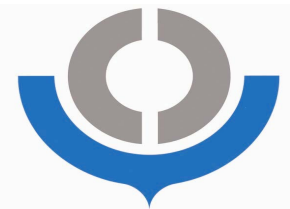
WHY A CUSTOMS CODE OF CONDUCT ?

❑ Customs is vulnerable to corruption because :

- ✓ Direct contact with goods, money and people
- ✓ Sole authority and responsibility
- ✓ Makes important decisions on duties/taxes

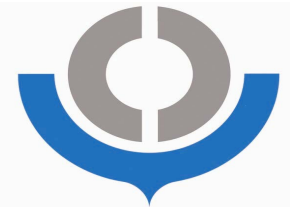
WCO TRAINING AND AWARENESS-RAISING ACTIVITIES

- National and regional workshops/seminars
- E-learning



CONCLUSION

- Consequences of corruption are disastrous for border agencies
- Implement reform and modernization programmes
- Governments must invest money and time to fight corruption
- Improving Customs integrity is not enough



THANK YOU FOR YOUR ATTENTION !

For further information :

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