

# WCO Integrity Newsletter

September 2010



WORLD CUSTOMS ORGANIZATION

## WCO Integrity Newsletter Issue N° 2

### Table of contents

Editorial	2
Snapshot of Members' best practices	3
• Australia	3
• Cameroon	5
• Madagascar	7
• United States	9
Activities since the last ISC-pilot projects	11
Other integrity activities	13



# EDITORIAL

The first issue of the Integrity Newsletter was due to be released during the 9<sup>th</sup> Session of the WCO Integrity Sub-Committee (ISC). However, as you are aware, the 9<sup>th</sup> Session of the ISC, scheduled to be held on 21 and 22 April 2010, had to be postponed as a result of the travel disruption caused by the ash cloud produced by a volcanic eruption in Iceland. The WCO Secretariat consequently took the decision to send the first issue of the Integrity Newsletter to the registered participants and to post it on the WCO websites.

As stated in the first issue, the aim is to use this Integrity Newsletter as a dynamic means of sharing and promoting WCO Members' integrity initiatives and of keeping WCO Members abreast of the latest integrity developments.

If Members consider this a useful means of communication, then the WCO Secretariat could produce three to four issues a year, each issue containing four to five articles presenting WCO Members' integrity initiatives.

Although the concept of the Integrity Newsletter and some design details have to be discussed at the rescheduled ISC meeting taking place on 30 September and 1 October 2010, the feedback received to date and the fact that countries have volunteered to share their national experiences with us are indicators that this initiative has been welcomed by the majority of Members. The WCO Secretariat consequently decided to produce a second issue of the Integrity Newsletter for presentation at the 9<sup>th</sup> Session of the ISC.

We wish to reiterate that the choice of countries has been determined by replies to our request for information. In this second issue of the Newsletter we are pleased to share the experiences of the Customs administrations of Australia, Cameroon, Madagascar and the United States.



## AUSTRALIA

### The Z-card

In an effort to educate staff about integrity and support them in upholding a high level of integrity and ethical standards across the organisation, the Australian Customs and Border Protection Service has disseminated to its officers a special reference card (known as a 'Z card'). The Z card outlines the support available to officers from the Integrity and Professional Standards Branch located within the Australian Customs and Border Protection Service.



Michael Carmody, CEO Australian Customs and Border Protection is extremely supportive of the initiative. He has noted that the reference card reinforced the fact that having integrity – as individuals and as an organisation – is vital in ensuring the organisation is able to maintain the trust and confidence of the public, as well as its officers.

“Preparedness, Prevention, Detection and Resolution are the key elements of the Customs and Border Protection Fraud Control Framework,” the CEO said. “To achieve these goals, effective and transparent pathways have been provided for staff and leaders to report suspected fraud, corruption or misconduct and to ensure staff are able to seek advice on issues of ethics and integrity.”



Picture

The z-card



SNAPSHOT OF MEMBERS' BEST PRACTICES

The information contained in the Z card addresses internal Customs and Border Protection integrity policies for staff, as well as information pertaining to integrity and professional standards policies across the Australian Government. The Z card includes information on:

- who to contact
- where to find support, and
- reporting methods.



Picture  
The z-card unfolded

The Z card also provides information on the role of a number of other key Australian Government integrity and anti-corruption mechanisms including the Australian Commonwealth Whistleblower Scheme, the Australian Public Service Commission Ethics Advisory Service, the Australian Commonwealth Fraud Control Guidelines and the Australian Commonwealth Protective Security Manual

The design of the Z card makes it easy to have on-hand as a quick reference tool. The CEO has encouraged all staff to read the information contained in the card and to store the Z card in their wallets or identity holders for quick and easy reference.

**For more information about the Z-Card, please contact the Australian Customs Integrity and Professional Standards Unit.**

**Contact**

Integrity and Professional Standards Unit

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## 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%.

\*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).



SNAPSHOT OF MEMBERS'  
BEST PRACTICES

- **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.

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.

**Please contact Marcellin Djeuwo, Head of the Risk Management Unit, for more information on this experiment.**

#### Contact

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## 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, 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 :

#### More information

<http://www.bianco-mg.org>



## SNAPSHOT OF MEMBERS' BEST PRACTICES

- 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.





Photo

Toamasina workshop

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.

**For more information on these Seminars aimed at promoting ownership of the Customs Code of Conduct, please contact Ms. Isabelle Mandimbinaiina.**

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## 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.

**Should you want to know more about this US initiative, please contact Mrs. Regina Park, Management & Program Analyst, Strategic Operations Division.**

**Did your Customs Administration launch an initiative or embark on a project aimed at improving integrity and you want to share it with the WCO Members ? Please send your contribution to the WCO Integrity Development officers at :**

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## PILOT PROJECTS

Here is an update of the latest developments in terms of integrity pilot projects.

### Cameroon



A series of activities are ongoing in the context of implementation of Cameroon Customs' integrity action plan. Following a visit in May 2010, the WCO Secretariat has been seeking experts to help the Cameroon Customs Administration develop a human resource database. A pilot project consisting of the establishment of an internal audit and investigation unit is in the pipeline and the WCO has secured external expertise to assist Cameroon Customs throughout the process.

In the meantime, progress continues to be made with the joint WCO/World Bank performance contract project featured in this issue of the Integrity Newsletter.

### Costa Rica



Following an Integrity Development Workshop, Costa Rica Customs identified the drafting of a Code of Conduct for Customs as a pilot project. To that end, the Director General appointed a group of three people with a legal background to produce an initial draft of the Code of conduct. The text was later circulated amongst Customs senior management as well as the Workshop participants. These consultations produced the requisite amendments to the draft Code of Conduct. This was subsequently transmitted to "Procuraduría de la Etica Pública" (National Anti-Corruption Institution) which also shared its observations. The document has been submitted to the Ministry of Finance's Legal Department and is pending official approval.

### Morocco



In January 2010, Morocco launched an Observatory to enhance integrity and fight against corruption. WCO experts travelled to Morocco in March to review and validate the Observatory's strategy, which was approved by all the members of the Steering Committee. A series of vital documents for the Observatory's operation were produced. After the initial communication exercise, it was decided to launch a more focused communication campaign to reiterate the Observatory's role. An initial status report was issued in June 2010.



## PILOT PROJECTS

### Rwanda



Following the Integrity Development Workshop held in 2009, Rwanda Customs has been implementing its integrity action plan and has identified two areas that could be piloted. The first area relates to defining an integrity communication strategy and the second relates to ways of addressing the issue of partnership with the private sector regarding integrity matters. The WCO is planning a visit to Rwanda in October 2010

### Serbia



In February 2010, Serbian Customs, in co-operation with the WCO Secretariat, conducted an event at which several representatives from other Customs administrations presented their best practices on issues such as partnership with the private sector, integrity testing and risk management. Based on the outcome of this seminar, Serbian Customs has pinpointed the development of a risk atlas as its pilot project. Accordingly, the WCO Secretariat has identified an external expert to assist Serbian Customs with the drafting of a corruption risk assessment questionnaire, the first step in producing the integrity risk atlas. This mission is scheduled for September 2010.

**Please contact the WCO Secretariat  
should you wish to embark on an integrity  
pilot project**



### Kazakhstan



In collaboration with the Organization for Security and Co-operation in Europe (OSCE) and the Customs Control Committee of Kazakhstan, the WCO held a “Regional Seminar on promoting integrity in Customs and Border Services in Central Asia and South Caucasus” on 12 and 13

July 2010 in Almaty, Kazakhstan. This meeting was a chance for participants to learn about other national best practices and experiences.

### Montenegro



In July 2010, three Customs officers from Montenegro visited the WCO on a study tour. As part of their tour, they requested a session on the WCO Integrity Programme

### UNODC



The WCO Secretariat was invited by the United Nations Office on Drugs and Crime (UNODC) to attend the meeting of the “Implementation Review Group of the UN Convention against Corruption” held in July in Vienna. This provided a useful opportunity to draw attention to the WCO’s integrity work and

to establish contact with other international organizations dealing with this issue.

**This newsletter is aimed at updating Members about WCO activities and integrity best practices developed by other Members. We look forward to your contribution.**

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