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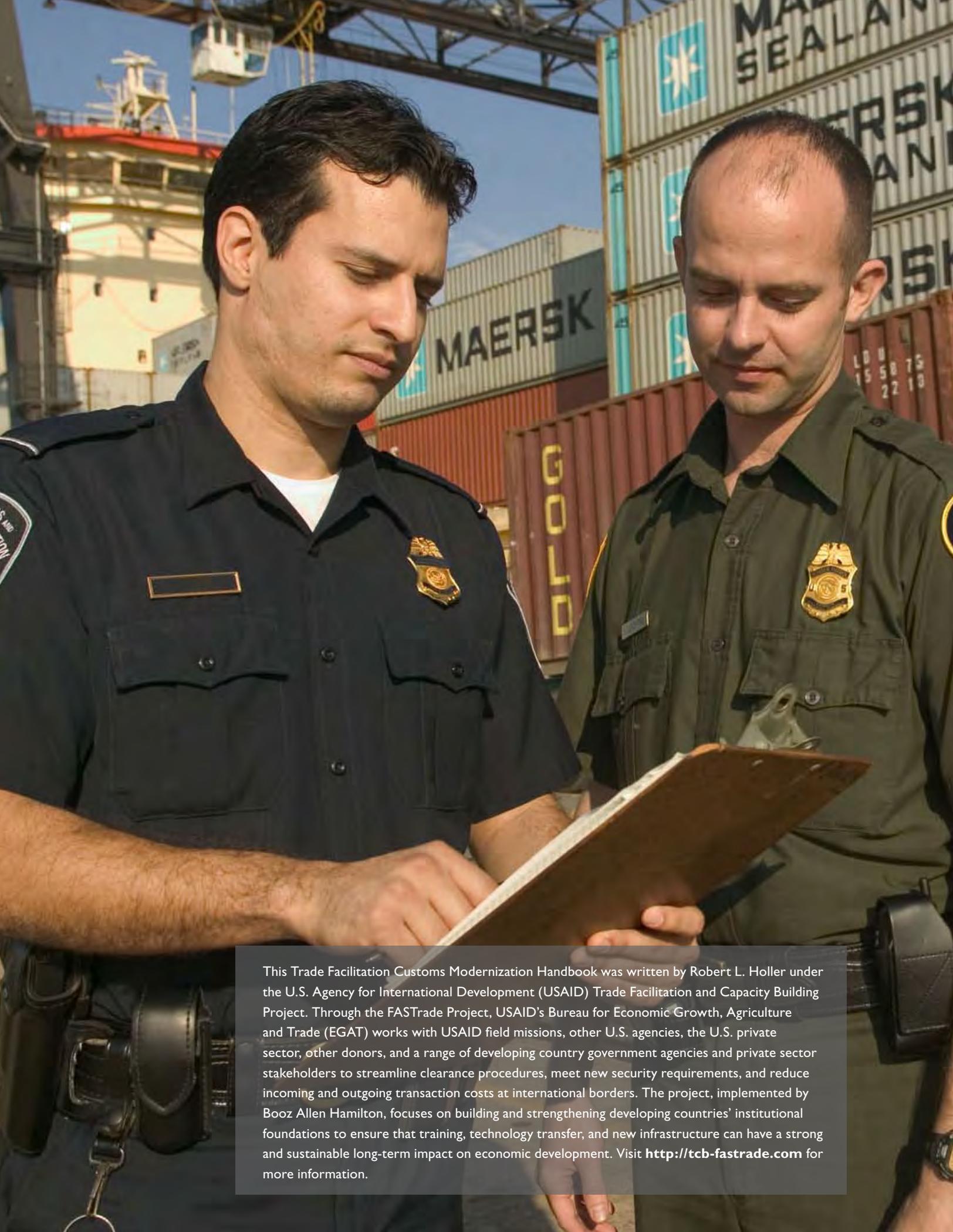
CUSTOMS MODERNIZATION HANDBOOK

ESTABLISHING AND IMPLEMENTING A CUSTOMS INTEGRITY PROGRAM



September 2005

This publication was produced for review by the United States Agency for International Development. It was prepared by Robert L Holler for Booz Allen Hamilton.



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ESTABLISHING AND IMPLEMENTING A CUSTOMS INTEGRITY PROGRAM

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Appendices 1–16: Sample Directives and Forms are available on the Handbook CD and are also available for downloading at: <http://tcb-fastrade.com/handbooks.htm>

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ONE TEAM - ONE FIGHT!

MON - FRI
CARPOOLS
5 AM - 10 PM
3 OR MORE
↓

MON - FRI
CARPOOLS
5 AM - 10 PM
3 OR MORE
↓

↓ OPEN / ABIERTA

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13

12

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WARNING!

WARNING!

WARNING!



INTRODUCTION

This handbook, part of a series of USAID FASTrade self-help handbooks, provides practical guidance to any Customs administration desiring to establish a comprehensive program to actively combat corruption and instill integrity within the workforce. It sets forth a comprehensive step-by-step strategy that will enable Customs managers to adapt and implement an effective Customs Integrity Program with minimal outside assistance.

Much has been written in the area of Customs corruption and integrity. The World Customs Organization (WCO) has published a very informative *Integrity Development Guide* that focuses on outlining an integrity self-assessment process as a practical tool toward integrity enhancement. This tool is an important element of the integrity strategy outlined in this document. Additionally, the recently published World Bank *Customs Modernization Handbook* includes an article that has a very informative discussion of Customs corruption and its consequence, as well as a briefly outlined strategy for reducing it.

Every effort has been made to ensure that this handbook is consistent with and complements accepted guidelines and current best practices related to this important revenue collection, trade facilitation, and national security issue. This handbook outlines a strategy that includes 16 separate but interrelated components. Each component is presented in a manner designed to provide sufficient guidance to allow Customs managers to adapt and implement the component without the necessity of on-site technical assistance. In addition, reference material such as samples of recommended documents is included on the Handbook CD and can also be downloaded from the FASTrade Web site at: <http://tcb-fastrade.com>.



COMPONENTS OF THE CUSTOMS INTEGRITY STRATEGY

The strategy outlined in this document consists of a number of equally important initiatives, or components. There is no “magic pill,” no single answer to fighting corruption. Implementing a Code of Conduct is one step, but that alone will not ensure compliance. Establishing an internal inspections unit is another step, but that too is insufficient by itself to create the changes required in employee behavior and public perception.

Customs administrations desiring to implement an effective anti-corruption program usually have good reason to do so – such as when there are internal and external perceptions that Customs is a corrupt organization with low expectations of Customs by the trade, by the Government, and by Customs officers themselves. Managers committed to modernization and reform are faced with the difficult task of changing these pervasive perceptions and attitudes. Management must clearly communicate its expectations to the workforce, to the trade, and to the public at large. This can be done in a variety of ways. The workforce and the trade must perceive that Customs is totally committed to changing the very nature of the organization and that failure on their part to support and participate in this change may result in serious professional or personal consequences.

Managing change is always difficult. It requires thorough planning, a consistent message, visible commitment from Customs management and higher level Government managers, training, perseverance, and continuing evaluation. As Customs is attempting to effect dramatic changes, implementation must be accomplished in a dramatic manner, purposely designed to capture and hold the attention of Customs staff, the trading community, Government, and the general public.

The components of this strategy must be energetically implemented over the shortest possible period of time without any real or apparent inactivity that might lead the workforce or the trade to think that Customs has lost interest or lacks strong motivation. There must be visible, tangible, and immediate changes. Various components in this strategy will call for placing posters in public areas, requiring officers to sign receipts acknowledging that they have received new guidelines, advising the public how to report unethical behavior, and if necessary changing the physical appearance of the officers. The message Customs must convey is that this is a new day and this is a new and improved Customs administration. An important part of this message is that the old ways of doing business are no longer acceptable.

The Customs Integrity Program strategy is not simply an internal effort; it requires a well-planned, proactive outreach and public relations effort. High-level Customs managers must make themselves available for media interviews, and for meetings with the trade. They must visit Customs offices near and far to promote this new initiative to the public and the Customs workforce. Many will be skeptical at first – both within and outside Customs. Questions will be asked and the answers will not always be easy, but the public, the trade, and the workforce must be convinced of unwavering commitment to this change by both Customs and the Government.

The components of the Customs Integrity Program are as follows:

- **Outreach** – Customs reaches out, both internally and externally, to educate, to gain cooperation and support, to improve compliance, and to change perceptions of Customs officers, the trading community, importers and exporters, and the public at large.
- **Public Service Charter** – Customs works in cooperation with the importing and exporting community to develop a public service charter that clearly establishes minimally acceptable levels of service that Customs will strive to meet.
- **Integrity Self-Assessment** – Customs conducts and documents a formal integrity self-assessment using an internationally accepted instrument developed by the World Customs Organization.
- **Conduct and Discipline** – Customs implements a concise and understandable Code of Conduct that is consistent with the WCO model and supplemented by (1) a Directive on Officer and Employee Conduct and Responsibility, and (2) a Code of Discipline.
- **Required Legal Authority and Coordination** – Customs and the Ministry or Department of which it is a part ensure that Customs has the authority and necessary cooperation of other Departments to properly administer an anti-corruption program.
- **Establishing an Internal Inspections Unit** – Customs fields a well-trained, well-equipped professional Internal Inspections Unit responsible for internal controls and internal ethics investigations.
- **Ethics Training** – Customs provides ethics training to every Customs employee as part of its initial training program and on a recurring annual basis.
- **Professionalism** – Customs reviews the appearance and quality of its uniforms and ensures that each officer presents a professional and workmanlike appearance. Customs develops brochures, pocket cards, and posters dealing with service standards and the code of conduct. Posters are placed in all Customs offices and public areas to educate the public and to stress the new emphasis on integrity and professionalism.
- **Reporting Mechanisms** – Customs establishes and publicizes mechanisms that encourage the reporting of allegations of misconduct by Customs officers and employees.
- **Asset Reporting** – Customs requires annual reporting and review of financial and other tangible assets by all Customs officers.
- **Internal Controls** – Customs implements internal controls that require periodic inspection and certification by appropriate managers and follow-up review by Internal Inspections Unit personnel.

- **Performance Incentives** – Customs designs and implements a performance incentive scheme appropriate to its needs and financial capabilities.
- **Simplified Procedures** – Customs simplifies commercial trade procedures in order to increase compliance levels and to reduce the incentives and opportunities for officers or traders to engage in corrupt practices.
- **Risk Management and Layered Enforcement** – Customs utilizes a layered enforcement approach and risk management to reduce the ability of any single officer to see that particular shipments are able to avoid appropriate scrutiny.
- **Human Resources Management** – Customs implements fair and impartial recruiting, vetting, training, performance measurement, merit promotion, and disciplinary practices.
- **Benchmarking** – Customs conducts benchmarking evaluations of the Customs Integrity Program annually in order to ascertain the effectiveness of the measures implemented in reducing instances of unethical behavior and improving public, private, and internal perceptions of the level of professionalism within Customs.





Managing Change

An effective integrity program requires the presence and contributions of certain key organizational components:

- *Program management,*
- *Human resources management,*
- *Training, and*
- *Internal controls and internal investigations.*

Individual Customs administrations will have evolved their own organizational structures. The purpose of this handbook is not to advocate one model over another. Nevertheless, the proper organizational placement of two key elements – a program management staff and an internal inspections unit - helps to ensure the successful implementation of an effective integrity program. It is recommended that these two units report directly to the Director of Customs.

Organizational change should not just happen; it must be managed. Customs administrations involved in reform and modernization all too often fail to establish an effective program management capability. Instead, responsibility for managing change either falls to the Director who generally does not have sufficient time in his or her schedule to do so, or it is delegated to a lower graded manager or staff officer who generally does not have clearly established responsibility, accountability, authority, and the requisite respect of field and headquarters managers and staff.

The success or failure of this strategy depends on the implementation of each of the inter-related components and on the active support of all managers within Customs. In the presentation of each of the components, recommendations are made as to which manager or office should be assigned primary responsibility and accountability using the above organizational components as a guide. An effective Program Management Staff, responsible to the Director, serves as his or her eyes and ears in monitoring the progress made by each action party, alerts the Director to unforeseen difficulties or delays encountered, and helps to identify the corrective actions necessary. Although Program Management is not the subject of this handbook, it is vital to the successful implementation of a multi-faceted anti-corruption/integrity enhancement strategy. Customs administrations desiring guidance and technical assistance in establishing and training effective program management may refer to the FASTrade Customs Modernization Handbook entitled Establishing and Implementing a Customs Program Management Process and request assistance through the nearest USAID mission.



COMPONENT I: Outreach

In implementing this integrity program and reducing the perception and reality of corruption within the organization, Customs managers encounter and are forced to deal with long-standing negative attitudes.

These perceptions, in some cases, may be far from accurate. Few people in this world enjoy their interactions with Customs. Customs tends to be viewed by the public not so much as a specific agency with important responsibilities but as the source of everything that can possibly go wrong as they attempt to enter or depart the country at its airports, seaports and land borders or as they attempt to import or export goods. Customs officers are traditionally viewed with suspicion and their integrity is routinely questioned. Customs managers must not only deal with corruption within the organization; they must also work to change the perceptions held by the trading community and the public in general. And, of course, Customs must also deal with the perceptions held by its workforce.

Effective Customs outreach efforts include both a well-coordinated public information campaign as well as an internal change management campaign. A clear and unmistakable message is delivered to the Customs workforce, the trade, and the general public: first that Customs is modernizing; and second that, as a key element of its modernization efforts, Customs demands ethical behavior on the part of its personnel as well as its clientele. This public relations campaign begins by issuing a press release and an open letter to all employees. *[Sample drafts of these documents are provided in the Handbook CD under Appendices 1 and 2.]*

The logical first step in combating corruption is for management to make it unmistakably clear to all concerned that corruption will not be tolerated. It accomplishes little to limit this information to Customs employees. In every corrupt act, there are at least two parties involved: the person who accepts the bribe, gratuity, or favor and the person who offers it. Both are equally guilty and both must be held equally responsible. When such gratuities or favors have been a part of doing business for years, the parties involved may not even view them as a breach of ethics. That perception must change. Customs must alert all parties as to what it expects from them and what they are entitled to expect from Customs: ethical and professional performance on both sides.

The workforce letter and the press release are followed up by personal appearances by the Director, and later by other high-ranking Customs managers, to deliver the message. Public perception is enhanced by the fact that the message is coming personally from the “men and women at the top.” These personal appearances must include television and radio interviews, brokers and trade association meetings, local town-hall type meetings, and any other opportunity where this critically important message can be delivered.

Equally important, Customs managers must take this message to the employees at their places of work. Management must literally look the workforce in the eye, explain the new

program to them, and answer their questions and concerns. Employees' belief in senior management's deep commitment to the integrity program is critical to its success. Issuing the letter to all employees is only the first step. The message must be reiterated in person by top management.

To help assure compliance, the workforce must be made to understand that old behaviors are no longer acceptable and that what may have been acceptable in the past will now result in severe consequences. Employees must understand these new expectations before they can be expected to comply with them. The message must be delivered consistently and repeatedly. It must be delivered over and over again until it has gained both public and internal acceptance. Unless Customs management follows up its words with visible actions, the entire effort will be viewed as a sham. Every manager must deliver this message not only by letter and word of mouth but also by his or her personal behavior, which serves as an example for subordinates and Customs clientele.

Customs is undertaking the difficult challenge of changing behaviors that may have existed for a long period of time. Even if those behaviors were not exactly condoned, they may have been tacitly allowed to exist. Behavioral change of this type within a large and geographically dispersed workforce will be difficult, but not impossible to achieve.

The workforce needs to view this program as a sincere effort to enhance Customs reputation, Customs effectiveness, and the professionalism of its officers. They cannot see it as just a disciplinary effort or, worse, simply a political publicity campaign with little to no resolve or sincerity. The desired transition from the old culture to the new, the reasons for it, and the consequences for failing to "get on board" must be made clear to managers, the workforce, and traders. The rank and file will test management's resolve, and management must be ready to meet that test.

Once the program is put into effect, "business as usual" after the implementation of the program becomes very different from business as usual before the transition. Managers at every level emphasize that Customs is undertaking a new program, with new rules and a new enforcement policy, and they deliver this message in a forceful and convincing manner. Even during the early stages where the necessary "behind the scene" staff work is being accomplished prior to implementation of the more visible elements of the integrity program, managers actively begin stressing the Code of Conduct and the new values of the Department to all officers and employees.

One potentially difficult policy issue is that of declaring an informal amnesty for minor acts of corruption that occurred prior to the implementation of the new program. This is what is called the "line in the sand" concept. That is, on a certain date when the new expectations and policies go into effect, a curtain comes down on minor corrupt or unethical practices of the past. Given the typical history of corruption within reforming Customs administrations and the historical lack of effective management action to curb it, a substantial number of officers and employees have likely done something in the past that

under the new program would call for disciplinary action. This can preclude them from coming forward in the future, for fear that an act of theirs in the past will come back to haunt them. For an anti-corruption program to succeed, internal inspections units need inside information from concerned officers. These officers may not speak up if their pasts are now potential threats to their careers.

Systemic corruption does not happen in a vacuum. Almost everybody knows about it, but nobody talks about it. If Customs wants its knowledgeable junior officers and staff to come forward with information that it needs, it must give them an incentive and immunity from past minor misdeeds. Otherwise why should they tell the new Internal Inspections Unit anything? Unless given some protection like this, they will all band together in silence.

In a harsher world, a reforming Customs administration might terminate all employees and replace them with new officers in order to start the program from an “integrity pure” position. Of course, in the real world this is totally impractical. No organization can afford such a loss of expertise, skills, and knowledge. So instead, Customs is forced to draw a line in the sand saying, in effect: “There will be no penalty imposed for minor acts of corruption that occurred before May 1st (*an arbitrary date when the program takes effect*), but for any act of corruption after that date, we will show no mercy.” Obviously, Customs needs to caveat this “no penalty/no mercy” policy with some conditions. The simple bribe taking or minor theft of goods can be overlooked, as distasteful as it may be for reform-minded managers. On the other hand, if violence, narcotics, weapons, or major financial corruption or other serious crimes were involved, that is an entirely different matter.

This approach may be controversial and may at first tend to give the impression of being “soft on corruption.” It is not. It creates a clean slate for almost all and clearly establishes a fair and balanced approach to dealing with any future corrupt acts. Customs must implement this “line in the sand” quietly, through internal meetings and correspondence, not through repeated public statements and poster campaigns. Whereas a very important element of an effective anti-corruption program is public outreach and publicity campaigns, this conditional immunity aspect of the program is internal and must remain so as much as possible. Customs managers should make this known to the officers and staff in face-to-face briefings and not through the media. The failure to use an approach like this is why many anti-corruption efforts fail.

Although the terms “corruption” and “anti-corruption” are used throughout this document, this new initiative is to be characterized as a *Customs Integrity Program*, designed to enhance Customs professionalism. This has a more positive connotation and allows Customs to characterize the anti-corruption efforts as but one element of its overall modernization and reform program. This offsets the perception that management intends only to punish employees and stresses the many positive efforts Customs is taking to improve working conditions.

Recommended Assignment of Responsibility

- The Customs Director assumes primary responsibility for the outreach effort and officially announces the implementation of the Professionalism Enhancement Program. Change requires effective and visible leadership at the highest level. The willingness of the Director to make himself or herself available to the press and to the employees is an important factor in changing both internal and external perceptions. This places a heavy burden, initially, on the Director's schedule. After the initial opening efforts, however, the Deputy or Assistant Directors are used to supplement the Director's efforts.
- The Program Management Staff is responsible for finalizing and issuing the press release and an open letter to all employees as well as for scheduling for the Director to speak at public and trade forums and to visit major Customs offices to meet with employees. At least one member of the Program Management Staff accompanies the Director on each personal appearance and thoroughly documents the presentation.
- Field office managers are brought to the headquarters and are briefed on the modernization and anti-corruption efforts and on their responsibilities. They are required to address the issue at local meetings with employees, traders, and interested organizations in their local communities and to report back to the Program Management Staff about each such presentation regarding who attended and how the presentation was received.
- The Program Management Staff reviews and analyzes each report of presentations by the Director and by subordinate managers to identify areas and/or locations where additional attention is warranted.

Resource Material:

Handbook CD - Appendix 1: Proposed Letter to All Customs Employees

Handbook CD - Appendix 2: Proposed Press Release to be Issued by Director





COMPONENT 2: **Public Service Charter**

The second component of a Customs Integrity Program is to establish and publish clear service standards in the form of a Public Service Charter, also called a Customer Service Charter or a Client Service Charter.

A Public Service Charter describes the minimal level of service a client can expect from a Government Department or Office. The Charter states Customs' commitment to providing services to its customers, includes a short mission statement and description of the services provided, defines service standards in clear terms and simple language, informs customers how to make a complaint or a suggestion (including, if appropriate, forms of external appeal), and includes the date of the Charter and contact details.

A Public Service Charter does not seek to cover everything a Department does. It instead focuses on what is important to its clients. Similarly, the Charter does not focus on internal processes or policies to achieve the service standards. It is more important that Customs clientele gain an understanding of the expected level of service rather than a detailed explanation of how Customs intends to achieve it.

Developing a Public Service Charter involves four stages:

- Consultation with customers/stakeholders,
- Commitment to service standards,
- Evaluation of performance, and
- Reporting on results.

A detailed guide on developing such charters has been prepared by the Public Service Modernization Division, Office of the Taoiseach, Government of Ireland. This guide, *Customer Charters – Guidelines for Preparation*, can be found on the Internet.

Additionally, a detailed guide on designing and conducting client service surveys has been developed by the United States Office of Management and Budget. This guide, *Resource Manual for Customer Surveys*, can also be found on the Internet.

[Two examples of Customs Public Service Charters are provided on the Handbook CD: The Australian Customs charter is provided in Appendix 3 and the Zambian Customs charter is provided in Appendix 4.]

Recommended Assignment of Responsibility

- The Director designates a senior manager to form a working group consisting of Customs headquarters and field officers as well as representatives of the trade (such as brokers or agents associations, freight forwarders association, Chamber of Commerce).

- Using the resource materials listed below as guidelines, this “partnership” working group mutually agrees upon service standards.
- The Director reviews the draft Charter, discusses it with the appropriate Minister, if necessary, and approves it.
- Once the Charter has been approved, the Program Management Staff is made responsible for ensuring that it is distributed and publicized and that Customs staff receive training.
- The Program Management Staff is assigned responsibility for monitoring Customs’ performance in meeting the established service standards and preparing annual performance reports.

Resource Material:

Customer Charters – Guidelines for Preparation, Public Service Modernization Division, Office of the Taoiseach, Government of Ireland, <http://www.bettergov.ie>.

Resource Manual for Customer Surveys, Statistical Policy Office, Office of Management and Budget, Executive Office of the President, October 1993, <http://www.customerservice.gov/resources.htm>



COMPONENT 3: Integrity Self-Assessment

Although this document offers a broad-based, comprehensive approach to implementing measures within Customs to curb corruption, it cannot address every area in which opportunities for improvement exist. Customs should, therefore, perform a close self-inspection of its current operational and administrative environment to identify areas where additional attention may be required. Fortunately, there is a standard internationally accepted instrument to guide Customs in conducting this self-assessment: the World Customs Organization’s *Integrity Development Guide – Self-Assessment and Evaluation*.

Customs should form a task force to conduct the assessment. The task force should be chaired by a high-ranking Customs manager, either at the Deputy or Assistant Director level with members selected from the headquarters and major field offices. Although this is a self-assessment, Customs should consider inviting one or more prestigious trade organizations, such as a Chamber of Commerce and Industry, to provide a representative who is experienced in international trade to participate. This inclusion of outside members builds upon the outreach activities described above by showing a willingness to work in partnership with the trade on substantive issues. It also provides a point of view and set of knowledge and experiences that the Customs members of the task force may not possess.

The self-assessment should include interviews and field observations of Customs operations at various offices. Every effort should be made to interview brokers, importers, and exporters who may be willing to provide information to which the task force would not otherwise have access. The inclusion of the trading community, as a member of the task force and in the interviewing process, will serve as an unmistakable indication of the seriousness with which Customs is addressing the issue of integrity.

The final written report will serve both as a snapshot of the integrity situation in Customs prior to implementation of the integrity program and as a supplement to this document in terms of additional actions which can and should be taken to enhance integrity within the Customs administration.

Recommended Assignment of Responsibility

- The Deputy or an Assistant Director should be assigned responsibility for planning and leading the Integrity Self-Assessment. A firm deadline should be established for completing the assessment (not more than 30–45 days). At the conclusion of the assessment, a written document should be made available to the Director and other interested parties detailing the findings and recommendations of the task force.
- The Program Management Staff should assume responsibility for overseeing the actions necessary to enact the recommendations.

Resource Material:

WCO Integrity Development Guide – *Self-Assessment and Evaluation*, found at: <http://www.wcoomd.org>. Select the Customs topics tab followed by Customs Modernization and Integrity and then WCO Integrity Program.



COMPONENT 4: Conduct and Discipline

The World Customs Organization also has developed a model Code of Ethics and Conduct as a guide for its member administrations. Customs administrations not having a code of conduct in place are encouraged to immediately draft one using the WCO model as a guide. Customs administrations already having a Code of Conduct in place take this opportunity to review the existing code using the WCO model as a point of reference. For the Code of Conduct to be an effective document, it must be clear and concise and avoid difficult legal phrasings. Customs officers and employees are then willing and able to read and understand it.

Once Customs is confident that its Code of Conduct meets these requirements, it is to be supplemented with two additional, related documents: first, a Directive on Officer and Employee Conduct and Responsibility and second, a Code of Discipline.

The Directive on Officer and Employee Conduct and Responsibility sets forth in greater detail, but still in the clearest possible language, Customs' expectations with respect to conduct, responsibilities, and prohibited practices. This document should identify and summarize the actual sections of law or regulations upon which sanctions would be based. *[A sample directive is provided in Appendix 5 on the Handbook CD.]*

The Code of Discipline clearly sets forth the consequences of failing to meet the expectations set out in the Code of Conduct and the Directive on Officer and Employee Responsibility. The Code of Discipline identifies the range of internal sanctions to be applied according to the nature and seriousness of the offense. It also provides for criminal offenses to be fully investigated and prosecuted and requires that any staff member charged with a criminal offense report the fact immediately to his or her manager. Finally, the Code of Discipline provides for a formal appeals process in all cases of misconduct. The design of the Code of Discipline must be consistent with the local civil service system rules, regulations, and practices. This requires coordination with and vetting by those governmental departments or agencies with human resource oversight authority. The finalized Code of Discipline is distributed to all Customs employees, and they must receive a minimum of eight hours of training annually. *[Appendix 6 on the Handbook CD provides guidance and examples.]*

The next step in implementing an effective disciplinary system is to develop the mechanism or organization that will administer discipline in a fair and uniform manner: a Disciplinary Review Committee. The Disciplinary Review Committee is necessary to ensure fairness and consistency in addressing cases of alleged serious employee misconduct. The primary function of the commission is to review reports of the investigations and propose the appropriate disciplinary or corrective action. *[A sample directive is presented as Appendix 7 on the Handbook CD.]*

Recommended Assignment of Responsibility

- The Director establishes a working group either to review and update an existing Code of Conduct or draft an entirely new Code of Conduct using the WCO model as a guide. The working group consists of representatives from the offices responsible for Human Resource Management and Internal Inspections, and several major field offices. Depending on the existence of a government-wide or ministry-wide Code of Conduct, a representative of the responsible office also may be invited to participate in an advisory capacity.
- The Human Resources Management office is the logical organization to be assigned responsibility for drafting both the Directive on Officer and Employee Conduct and Responsibility and the Code of Discipline. These drafts are vetted by other governmental entities as deemed necessary by the Director.
- The headquarters office responsible for procurement and services prints sufficient copies of the above documents and distributes them to all Customs employees. Each

employee is required to sign a receipt acknowledging that he or she has received a copy of the Code of Conduct, the Code of Discipline, and the Directive on Officer and Employee Conduct and Responsibility. These receipts are maintained in the employees' personnel folders at the headquarters.

- The Director establishes a Disciplinary Review Committee and implements procedures similar to those recommended.
- The Program Management Staff monitors progress and reports to the Director.

Resource Material:

WCO Model Code of Ethics and Conduct, found at: <http://www.wcoomd.org>. Select the customs topics tab followed by Customs Modernization and Integrity and then WCO Integrity Program.

Handbook CD - Appendix 5: Proposed Conduct and Officer/Employee Responsibilities Directive

Handbook CD - Appendix 6: Sample Code of Discipline

Handbook CD - Appendix 7: Proposed Directive on Disciplinary Review Committee



COMPONENT 5: **Required Legal Authority and Coordination**

Completing the first four components can generally be accomplished without difficulty within the existing authority granted to Customs by the Government.

Moving on to the next step, however, generally requires coordination with other governmental departments and ministries and can require memoranda of agreement or, possibly, new legislation giving Customs the authority to conduct its own internal investigations. In today's world, at least one or more governmental departments has been granted authority to deal with corruption. It may be the Police, it may be a central Anti-Corruption Department with responsibility for addressing corruption within all governmental departments, or it may be a special prosecutor.

Generally, identifying the appropriate agency is not difficult. It should be a matter of public knowledge and certainly well-known within the Government. If Customs is going to be successful in dealing with corruption, it requires the authority of Government to conduct internal investigations, either through specific legislation or by agreement or delegation. Customs generally will not have the authority to prosecute officers and employees and will have to work through other agencies.

Although the basic principles of internal investigations are almost universal, they must be synchronized with the legal system of the individual county. Customs must meet with those Ministries and Departments that have the basic required legal authority to deal with matters of corruption, whether in setting policy, conducting investigations, or prosecuting. The purpose of this coordination is first, to ensure that Customs has the support of these agencies and second, to ensure that Customs' internal investigations meet all existing legal and procedural requirements established by these Ministries and Departments. It may be that cases above certain thresholds have to be referred to a higher investigative authority or perhaps can be investigated in cooperation with that authority. It may be that Customs requires search warrants or other legal documents from the courts, or police assistance in querying criminal databases. It may be that Customs has to work with a particular prosecutor or court in pursuing its cases. Whatever the situation, Customs must ensure that it has the necessary authority and cooperation.

Recommended Assignment of Responsibility

- The Director briefs the appropriate Government Ministries and Departments on all aspects of the Customs Integrity Program and ensures that Customs has the necessary cooperation and legal authority, including memoranda of agreements if necessary.



COMPONENT 6: **Establishing an Internal Inspections Unit**

Establishing an Internal Inspections Unit in any law enforcement or regulatory agency is always controversial from the point of view of both the agency staff and the public. Agency employees tend to see the unit as a squad of “head hunters” either intent on finding everyone guilty of something or as a tool used by management to assail unpopular or vocal employees or, in the worst scenarios, to enforce corrupt practices in which senior management is involved. An additional but less serious problem is that managers often use the internal affairs unit to handle minor issues (tardiness, discourtesy, and similar minor acts) that they are unwilling to address themselves, thereby remaining the “good boss” and making the internal affairs unit the enemy in the eyes of the employee. The public often sees an internal investigative unit as an “in-house cover up” crew reluctant to pursue charges against their colleagues except in the most blatant and nefarious circumstances.

The issues involved in fighting corruption all hinge on credibility: the credibility of the Director of Customs, the credibility of the Internal Inspections Unit in responding to and pursuing allegations and issues regarding misconduct and criminal behavior, and the credibility of the Disciplinary Review Committee in fairly assessing reports of investigation and recommending appropriate responses. For an effective Integrity Program, the Director exerts strong leadership and, even though the detail work is delegated to subordinates,

remains personally involved in the process. The Internal Inspections Unit conducts itself in such a manner that it is seen by management and employees as fair and impartial. When conducting investigations into integrity allegations, the unit has not only the responsibility of identifying guilty officers but also the responsibility of clearing innocent ones. The Internal Inspections Unit will never be popular, but it must be respected.

New Internal Inspections staff must be carefully selected and well trained. Creation of an effective new organizational entity within a Customs administration involves five distinct phases: conceptualization, approval, set-up, deployment, and oversight.

- **Conceptualization.** Conceptualization is challenging, particularly when a manager knows what results he or she wants accomplished, but has little personal knowledge of the technicalities of bringing the new program into actual operation. This handbook is designed to assist Customs managers with the conceptualization necessary to implement an effective anti-corruption program based on the best practices of other Customs administrations and international organizations.
- **Approval.** Depending on governmental requirements and restrictions, revising an approved organizational structure to create a new sub-organization may require various levels of approval above the Director level. Customs managers are aware of the bureaucratic approvals required and ensure that all such approvals are obtained as part of the Set-up Phase. Additionally, the approval of commissions or agencies with government-wide anti-corruption responsibility may be required.
- **Set-up.** The following tasks need to be accomplished:
 - Ensure that the National Customs and Civil Service legislation provides sufficient authority for Customs to implement and manage an effective internal inspections program. This includes specific authority to conduct both administrative and criminal investigations and to manage an internal discipline program. The basic authorities required were discussed in Component Five.
 - Establish a budget and acquire office space and resources:
 - Assure essential security and control of access to facility space.
 - Secure investigative files and related administrative records. Provide locking file cabinets and a safe.
 - Provide desktop computers and a printer for processing and maintaining investigative reports and other documents and for conducting research.
 - Dedicate vehicles to the unit for performance of field investigations.
 - Provide vital communications capabilities (i.e., radio, mobile telephone, preferably both).

- Provide required tape recorders and still and motion video cameras.
- Determine whether those officers conducting criminal investigations will be authorized to carry firearms.
- Prepare supporting documentation:
 - Write a functional statement describing the duties and responsibilities of the new unit. [See the Handbook CD, Appendix 8 for an example.]
 - Determine the number and types of positions necessary to staff the new unit and write a functional description of work for each position.
 - Determine the desired qualifications for various types of positions. People should be of good character, possess good knowledge of Customs laws and procedures, and have corruption-free backgrounds.
 - Write a directive announcing the formation of the Internal Inspections Unit and outlining its authority and responsibilities. [See the Handbook CD, Appendix 9 for an example.]
- Recruit and select Internal Inspection Unit staff:
 - Issue a written notice announcing the new positions and qualifications, and invite employees to submit written applications (in accordance with existing human resource management rules and practices).
 - Form a small selection committee to screen and select applicants, based on review of qualifications, training requirements and possible conflicts of interest.
 - Conduct selection committee interviews of candidates in confidentiality, providing the candidate an overview of the prospective job and an opportunity to ask questions.
- Appoint and install a Unit Manager and subordinate employees.
- Enact a Non-Disclosure Policy:
 - When officers and other employees are selected, they are required to sign a legally binding non-disclosure statement not to communicate any information about matters being investigated to outside entities (i.e., the media, public, or other Government employees outside the Internal Inspections Unit).
 - The Disciplinary Review Committee also signs non-disclosure statements to ensure and/or affirm that all communication and information sharing about official investigations are conducted strictly on a need-to-know basis.

■ **Deployment.** Once the Department has substantially completed the Set-up Phase, technical support is required to train and deploy the Internal Inspections Unit staff. An experienced criminal investigator provides training. That trainer has in-depth experience both in conducting internal inspections and investigations and in managing internal inspections organizations. Possible sources of such expertise are the National Police, or another national agency with government-wide responsibility for integrity investigations, or donor-supported expert technical assistance. Formal classroom training is supplemented by informal mentoring, and it includes the following subjects:

- Ethics,
- Code of Conduct,
- Conduct and Officer/Employee Responsibilities Directive,
- Code of Discipline,
- Internal Inspection Unit-Mission and Role of Employees,
- Interview and Interrogation,
- Design and Implementation of Internal Controls,
- Investigative Methods,
- Principles of Accounting,
- Law Enforcement Authority,
- Confidential Sources/Informants,
- Case Management,
- Rules of Evidence,
- Rules of Criminal Court Procedures, and
- Graduation and Deployment of Personnel.

■ **Oversight.** The Program Management Staff oversees the implementation process and monitors the effectiveness of the Internal Inspections Unit.

Recommended Assignment of Responsibility

- The Director obtains the necessary approvals to establish an Internal Inspections Unit responsible for internal investigations of allegations of misconduct or unethical activities on the part of Customs officers and employees.
- The Program Management Staff establishes a written project plan covering the five distinct phases discussed above, establishing reasonable target dates for each of the activities. The Program Management Staff also is responsible for closely monitoring progress. Should unforeseen delays or obstacles be encountered, the Program Management Staff assists in overcoming them.

- The appropriate headquarters offices are assigned responsibility for establishing the budget, acquiring office space and resources, preparing supporting documentation, recruiting personnel, and designing and implementing the non-disclosure requirements. (Legal assistance may be required in the development of a legally binding non-disclosure document that contains specific criminal and administrative penalty provisions.)
- The Director contacts sources of assistance and schedules specialized training in investigative techniques.

Resource Material:

Handbook CD - Appendix 8: Recommended Functional Statements for Internal Inspections Unit

Handbook CD - Appendix 9: Proposed Directive Announcing the Formation Responsibilities and Authority of Internal Inspections Unit



COMPONENT 7: Ethics Training

Without a clear and consistent set of departmental values and the ethics code that flows from those values, no training program can be effective. Developing and publishing the Code of Ethics does not guarantee that employees will comply. It serves as notice to the employees that Customs has certain new expectations, but the burden is still on Customs management to ensure that the employees are aware that the new Codes of Ethics, Conduct and Discipline will be enforced. This is accomplished in a variety of ways, including by setting the proper example, ensuring that employees encounter Customs ethics expectations on a regular recurring basis, and providing formal training, and through repetition and reinforcement at every opportunity.

- The *first step* is to enlist management support for the ethics program. Employees' perception of management's commitment is one of the most important components of a successful program. Managers and supervisors set an example for others to follow by demonstrating ethical behavior at all times. Managers should actively participate in delivering the training, as described below.
- The *second step* is to ensure that every Customs officer and employee receives a personal copy of the:
 - Code of Conduct,
 - Officer and Employee Conduct and Responsibilities Directive, and
 - Code of Discipline.

Each employee is required to sign a form acknowledging that he or she has received these documents. Obtaining a signed receipt may later prove to be of value in responding to employee appeals of disciplinary actions imposed for infractions by eliminating the excuse of: "No one told me that this behavior or activity was not permitted."

- The *third step* is to create a range of easily referenced materials for employees including pamphlets, posters, and wallet cards. This is important not only to reinforce the message, but also because different employees absorb information in different ways. Consider such things as having a contest inviting all Customs officers and employees to develop posters to be placed in each Customs office.
- The *fourth step* is to develop formal ethics training. This begins by incorporating ethics into managerial and new staff orientations to communicate to employees that ethics is an integrated part of the Customs culture. Each new officer and employee receives a copy of each of the three relevant documents as a part of his or her initial indoctrination and processing. Each staff member receives at least eight hours of formal training in the main elements of the ethics policy within the first 60 days of joining Customs. Refresher training is to be conducted annually. [A suggested model for that training is included in the Handbook CD - Appendix 10. This model is only an outline: it must be customized with provisions of the appropriate national legislation, including penalty provisions.] The training includes group discussions of hypothetical situations that an officer or employee might face. Interactive training results in considerably better retention than simple lecturing.

At a later date, Customs will consider training to specific job requirements; for example, by providing additional detailed training for its employees involved in purchasing. Obviously, the completed training program should be translated and presented in the country's national language or languages. Training programs tend to be more effective if delivered in the local language by a well-respected employee or manager who is a national of the country or region.

For the initial training, an effective approach is a train-the-trainer or cascading process in which each manager trains those who report directly to him or her, beginning with the Director. Such a process ensures that all employees go through the training and demonstrates clear commitment from the top of the organization to the importance of a comprehensive ethics program. Although subsequent training can be assigned to the training staff, participation by managers as co-instructors is recommended.

- The *fifth step* is to evaluate the effectiveness of the training and to recognize and reward notable examples of ethical behavior in difficult circumstances. Evaluation is ongoing.

Recommended Assignment of Responsibility

- The Training Office develops an ethics training program based on the model provided in the Handbook CD - Appendix 10. This requires research of applicable legislation and implementing regulations and coordination.

- The Internal Inspections Unit and the Human Resource Management office provide assistance. If Customs does not have a fully staffed and functional training capability, an alternative is to appoint an ad hoc working group to develop the ethics training module.
- The office responsible for procurement of services arranges for the printing of sufficient copies of the above documents and distributes them to all Customs employees at the time of training. Each employee is required to sign a receipt acknowledging that he or she has received these documents. These receipts are maintained in the employees' personnel folders.
- The Program Management Staff schedules and monitors completion of the initial training. With the Director's approval, this includes a management staff meeting in which the Director personally presents the training to those managers reporting directly to him or her.
- The Training Office assumes responsibility for ensuring that the ethics program is effectively delivered, updated as necessary, and documented by creating a training file for every officer and employee listing training received and dates of training.

Resource Material:

Updated/Finalized *Code of Conduct*

Transparency International Corruption Perceptions Index Index 2005 available at:

<http://www.infoplease.com/ipa/A0781359.html>

The *WCO Arusha Declaration – Revised*, available at: **<http://www.wcoomd.org>**. Select the customs topics tab followed by Customs Modernization and Integrity and then WCO Integrity Program.

Handbook CD - Appendix 5: Directive on Officer/Employee Conduct and Responsibilities

Handbook CD - Appendix 6: Code of Discipline

Handbook CD - Appendix 7: Directive on Disciplinary Review Committee

Handbook CD - Appendix 9: Directive on Internal Inspections Unit

Handbook CD - Appendix 10: Suggested Outline for Ethics Training



COMPONENT 8: Professionalism

Customs delivers the message that it is a new day, a new Customs administration, and the old ways will no longer be accepted. In the outreach component, officers and employees are made to see this as an effort to increase their professional stature and respect rather than as a mere disciplinary program or a political publicity campaign with little or no resolve behind it. The transition must be clear. The intense public relations/outreach campaign is one element of clearly marking that transition. Additional steps are to be taken to ensure that no one underestimates Customs' commitment to increasing the level of professionalism and improving public perceptions.

- *First*, posters are designed and placed in all public areas. The posters are simple and concise, easy to read, and virtually impossible to misunderstand. They convey the message that Customs demands ethical behavior on the part of its workforce and provide information as to how to report allegations of misconduct. These are supplemented with posters advising of citizens' rights and of the Code of Conduct (in an abbreviated form). One way to engage the workforce is to have a contest where officers and employees can submit designs. Legislation and Government practice permitting, trade and tourist associations are approached to voluntarily assist in the printing of the posters. Likewise, international donor organizations are approached for assistance. As Customs is promoting a "professionalism" campaign, the posters are professional in design and execution. Posters can be supplemented by small laminated cards to be issued to each officer and employee. These cards are of a size suitable to be carried in a uniform shirt pocket or wallet. The cards summarize the most serious and common ethics violations, and list the major points of the code of conduct.
- *Second*, since Customs officers are among the first representatives of Government encountered by visitors, including traders and potential investors, Customs reviews its uniform standards and dress code to ensure that the uniformed officers present a professional appearance. Uniforms need not be elaborate or expensive, but they must be sufficiently distinctive to identify Customs officers in a crowd and to bring credit to the Customs administration. One alternative is dark pants of a specified color, material, and pattern; white shirts with button pockets and epaulet straps to allow the attachment of a Customs badge or insignia and rank indicators; and plain black shoes and belts. Another alternative is to adapt existing uniform items of other uniformed services. It is not necessary to incur the expense of creating new design patterns or engaging new suppliers. Customs can minimize cost by adopting readily available uniform items and distinguishing the uniform with Customs-specific insignia. Improving professional appearance requires not only professional uniforms, but also that reasonable dress standards are strictly enforced. Dress uniforms are appropriate for formal ceremonies, but the average uniformed Customs officer attends very few formal ceremonies. A practical working uniform is the uniform of the day. Desirable characteristics are a

permanent press, washable material that needs minimal ironing. Fabrics that are soil-resistant are also desirable.

- *Third*, each uniformed Customs officer is required to wear a unique identification on his or her outer garment. This allows anyone who wishes to file a complaint against that officer to easily identify the officer. There are two ways this can be done. The first is to require the officers to wear a law enforcement style badge with a unique stamped or engraved number. This badge number must be large enough that the average person can read it while standing at arm's length. The second is to require officers to wear distinctive name-tags on their outer garments. Customs officers also wear distinctive rank insignia identifying junior, mid-level, and senior officers.

Recommended Assignment of Responsibility

- The Director forms an ad hoc working group to design posters stressing integrity and providing information on how to report complaints. Consideration is given to a design contest open to all officers and employees.
- Once approved by the Director, the headquarters office responsible for procurement of services is responsible for printing and distributing the posters.
- The Director forms a working group consisting of a purchasing officer, one or more headquarters staff officers, and a number of officers currently assigned to field offices, to evaluate the current uniforms and, if necessary, to identify realistic alternatives for upgrading the uniform appearance of Customs officers. The committee is required to present a written report with recommendations, samples, and cost estimates to the Director. The working group also is required to recommend reasonable dress standards to be implemented and enforced.
- The Program Management Staff monitors progress and reports to the Director.
- The Director has the responsibility of resolving any financial considerations.



COMPONENT 9: **Reporting Mechanisms**

To enhance the effectiveness of the Integrity Program, Customs must provide simple and effective means for the public to report allegations of misconduct. These include regularly scheduled stakeholder and town-hall type meetings where interested parties can complain in person as well as a mechanism by which the public can report allegations anonymously or confidentially.

Sources of information, whether they are known, anonymous, or confidential, are essential for Customs to be effective in detecting, interdicting, and apprehending violators of the

law. Due to the hostility and violence associated with many smuggling operations, especially drug and weapon trafficking, citizens may often be intimidated, concerned for their safety, and reluctant to report information relating to smuggling activities or corrupt practices. Those doing business with Customs on a regular basis may be hesitant to report unethical behavior for fear of retribution by the officer involved or by his colleagues.

To counter such hesitancy and to assure confidentiality, Customs must establish a well-publicized direct telephone line for reporting information relating to the smuggling of drugs, weapons, or other prohibited goods; customs fraud; and unethical behavior. This telephone line is to be answered 24 hours a day, 7 days a week, and there is to be no charge for calling it. Designated Intake Officers are assigned to answer the hotline, following training on how to elicit complete information from callers, how to document calls, how to assign code numbers to anonymous callers, and how to process the information once it has been recorded. Establishing a hotline involves more than simply designating a telephone. Budgetary and staffing issue must be addressed, and if Customs cannot staff the hotline on a 24 hour-a-day basis, a reasonable alternative must be developed, such as answering the telephone from 08:00 to 20:00 and having an answering machine for the remaining hours.

In order to encourage the public to provide information regarding smuggling activities and corrupt practices affecting Customs, monetary rewards are often provided by Customs administrations for original information that results in an arrest, seizure, or indictment. Customs' ability to implement such a reward system is entirely dependent on national legislation and available funding sources. Even though establishing a system of compensating those who provide valuable information is not mandatory, it is desirable and should be given due consideration.

Typically, callers use the hotline to report not only information about smuggling and unethical behavior but also to complain about other Departments or about possible criminal activity that is not within the purview of Customs. Established guidelines direct the Intake Officers to refer those calls to the appropriate Departments.

[Three sample directives are provided to guide Customs in implementation of the necessary reporting mechanisms in the Handbook CD - Appendices 11, 12, and 13.]

Another potential source of information relating to unethical actions by officers is a transparent and well-publicized appeals system. Every tax law, no matter how well written, is capable of being interpreted differently. It is important that taxpayers have the ability to challenge decisions and be assured of a fair and equitable hearing by an impartial staff expert who does not supervise, work with, or report to the officer who took the action they are appealing. Appeals are monitored for signs of repetitive incorrect actions or decisions by specific officers. Although such repetitive mistakes may indicate only a need for further training, they could suggest unethical conduct.

Similarly, written complaints must be carefully reviewed to determine whether there are indications of improper or unethical conduct on the part of the officers. This is not to suggest that every complaint should be referred for investigation, but all complaints must at least be looked into administratively and responded to in writing. All complaints and responses are to be maintained and catalogued in a central office. [See the Handbook CD - Appendix 14 for a sample complaint handling system and postage paid reporting card.]

Recommended Assignment of Responsibility

- The Program Management Staff explores the feasibility of establishing a hotline, estimating costs, logistical considerations such as office and equipment needs, and staffing requirements. A plan is prepared and submitted to the Director.
- The Director identifies funding and resource availability and determines the extent to which Customs can establish and staff an intake office.
- The headquarters office responsible for processing penalties and appeals designs a printed brochure and posters explaining and promoting a formal appeals system.
- The Head of the Internal Inspections Unit finalizes the proposed directives and procedures (samples provided in the resource material for this section).
- The Program Management Staff monitors progress and reports to the Director.

Resource Material:

Handbook CD - Appendix 11: Sample Directive on Reporting Allegations of Employee Misconduct

Handbook CD - Appendix 12: Sample Directive on Customs Hotline

Handbook CD - Appendix 13: Sample Directive on Payment of Awards for Information

Handbook CD - Appendix 14: Sample Complaint Reporting System



COMPONENT 10: **Asset Reporting**

Requiring Customs employees to disclose their assets in writing deters unjust enrichment and provides investigators and auditors with a powerful instrument to detect corruption by identifying the existence of unexplained wealth. Financial reporting requirements must be strictly enforced and monitored. Failure to report or false reporting must be considered to be a serious breach of ethics. The United Nations Office of Drug Control's Anti-Corruption Toolkit recommends that sanctions against non-disclosure or false reporting be approximately as

severe as those against the underlying corruption, to include the possibility of dismissal or removal from office.

The Code of Conduct requires that before entering into any outside employment or business activity, officers and employees must obtain prior approval from Customs. Employees given approval to engage in outside employment must promptly advise their supervisors, in writing, if the approved employment terminates or of any other changes to their outside employment. Additionally, Customs must be made aware of any potential conflict of interest created by the employment of other family members. For example, if a Customs officer's wife, son, aunt, or brother works for a major Customs broker or freight forwarder, this has the potential to create a conflict of interest. For these reasons, outside employment by officers, employees and family members is to be included in the Asset Declaration.

Customs must establish specific deadlines for the filing of the Asset Declaration forms. New officers and employees are required to file an Asset Declaration at the time they apply for positions, and these declarations are reviewed prior to the actual offer of employment. Officers and employees transferring from other Government Departments are required to file an Asset Declaration form within a very short period of time, for instance, within 15 working days of reporting to Customs, regardless of whether or not they have filed such a report with their previous Department. All other employees are required to file an Asset Declaration at least once a year on a date established by Customs.

Recommended Assignment of Responsibility

- The Human Resources Management office and the Internal Inspections Unit collaborate to develop an Asset Declaration form that is satisfactory to both sections and is in compliance with local laws and civil service regulations. This requires coordination with legal counsel or with Government Departments with government-wide responsibility for anti-corruption activities [see the Handbook CD – Appendix 15 for a sample].
- Office supervisors are held accountable for ensuring that declarations are filed by every officer under their supervision in accordance with designated submission times. Office supervisors review each declaration for completeness. Incomplete or illegible declarations are returned to officers and employees to be corrected. Satisfactorily completed declarations are then forwarded in a sealed envelope to the Internal Inspections Unit for detailed review.
- The Internal Inspections Unit maintains all Asset Declarations in secure files and vigorously protects the confidentiality of the information disclosed on those declarations.

Resource Material:

Handbook CD - Appendix 15: Sample Asset Declaration/Financial Reporting form



COMPONENT II: Internal Controls

A system of well-defined internal controls is the primary method used to safeguard assets and other resources and to assure that those assets and resources are used as directed by management.

Effective internal controls rely on effective written procedural guidelines. The combination of effective guidelines and effective controls helps to reduce the opportunities for officers or employees to engage in corrupt activities and increases the likelihood of detection and punishment. Internal controls are used to check the accuracy and reliability of financial data, to promote operational efficiency, and to encourage adherence to prescribed managerial policies and applicable laws.

Managers at all levels should be required to regularly review work done by their subordinates to ensure that they are carrying out their duties in accordance with existing procedures and in accordance with the Code of Conduct. This ongoing, routine management oversight is supplemented by an effective internal controls system. Internal controls are the first line of defense in safeguarding assets and preventing and detecting errors and fraud.

Internal control systems should provide reasonable assurance that the following objectives are being achieved:

- Effectiveness and efficiency of operations, including using Department resources in a manner consistent with the agency mission and objectives, and safeguarding agency assets from waste, fraud, and mismanagement;
- Reliability of financial reporting, including reports on budget execution, collections, and financial statements;
- Compliance with applicable laws and regulations; and
- Safeguarding of assets.

The recommended internal controls system utilizes checklists that are completed by the managers of each Customs office on a monthly basis. Completed checklists are certified as correct in writing by the manager and forwarded to the Internal Controls Section of the Internal Inspections Unit. The Internal Controls Section reviews all internal control checklists received for thoroughness and to identify repetitive mistakes encountered among different Customs offices. The Internal Controls Section also carries out periodic unannounced on-site audits of different Customs offices.

In conducting both the reviews of certified controls and onsite audits, the Internal Controls Section also monitors performance measures and indicators by comparing and assessing actual performance data with performance goals and analyzing significant differences between the two. Significant discrepancies may indicate failure to follow

established procedures, unrealistic expectations, or corruption. In any case, the cause must be identified and corrected.

Even though the Internal Controls Section performs a significant monitoring role and provides consultation and advice, responsibility for developing and managing the internal control system lies with the Director and his or her senior managers. Senior managers are responsible for internal control policies and procedures specific to their offices.

Customs identifies the operational, administrative and fiscal procedures that carry a significant risk and develops internal control checklists to ensure that proper procedures are being followed. Checklists relating to operational processes are based on clearly defined procedures that are set forth in manuals or procedural guides. These include, for example, reviews of declaration processing and procedures for the selection of shipments for physical inspection. Included in this category are information processing controls to ensure that sensitive information such as commercial declaration data or information on specific traders is safeguarded from unauthorized disclosure, that access to resources and records is limited to specifically authorized individuals, and that accountability for their custody and use is appropriately assigned and maintained.

Checklists relating to the administrative processes, the collection of funds, and the expenditure or use of Government assets identify and counter potential opportunities to misappropriate funds or misuse Government resources. These include, for example, activities related to the collection of duties, the purchasing of supplies, awarding of contracts, and payroll issues. Physical controls are developed to secure and safeguard vulnerable assets such as cash, securities, inventories, and equipment that is vulnerable to risk or loss or unauthorized use.

In time, controls are developed for effective management of the workforce, focusing on hiring the right personnel for the job and providing the right training, tools, structures, incentives, and responsibilities.

The first step in establishing effective internal controls is the development of clearly defined procedures and their publication in manuals or procedural guides. By clearly defined, it is meant that standard operating procedures are written in a simple and concise manner that leads an inexperienced officer step-by-step through a given process. Existing written procedures are reviewed to determine if they meet that test. If not, they are revised and improved. Where written procedures do not exist for important Customs processes, they are created.

At a minimum, control activities are to be established and maintained in the following categories:

- Proper execution of transactions and events. Are transactions and processes conducted in accordance with written guidelines, standard operating procedures, or manuals?

- Accurate and timely recording of transactions and events. Are transactions promptly and accurately recorded to maintain their relevance and value to management in controlling operations and making decisions?
- Segregation of duties. Are key duties and responsibilities divided or segregated among different people to reduce the risk of error or fraud? Are transactions and other significant events executed only by persons acting within the scopes of their authorities?
- Risk management. Have managers and supervisors identified the areas of highest risk and are they focusing their attention and resources on those areas?
- Fiscal Control. Are duties being accurately determined, properly collected and secured, being accurately documented, and deposited in a timely manner? Are accounts reconciled on a timely basis and variances documented and resolved?
- Asset Control. Do inventory controls provide reasonable assurance regarding prevention or prompt detection of unauthorized acquisition, use, or disposition of Customs property or other assets?
- Appropriate Documentation. Are all internal controls clearly documented and readily available for examination?
- Human Resource Controls. Are the duties of both organizational units and individual officers and employees accurately described in writing? Have employees received adequate training to accomplish assigned duties in an effective manner? Are instances of substandard performance identified and addressed?

Recommended Assignment of Responsibility

- The headquarters office(s) responsible for writing and maintaining up-to-date policies and procedures and the Internal Controls Section conduct a joint review of all existing written standard operating procedures and manuals. Existing written guidelines that are procedurally sufficient are converted to a standard format. [Format examples may be found in the various recommended directives included in the Handbook CD Appendix section.] Existing written guidelines that are determined to be procedurally insufficient are referred to the appropriate headquarters section to be rewritten. Where it is determined that there is a need for a new procedural guideline, it is referred to the appropriate section. For example, a request to write a new guideline on the proper procedures for detaining undeclared goods and/or issuing administrative penalties is referred to the headquarters office responsible for processing penalties and appeals. Some policy guidelines require input from more than one section.
- The headquarters office(s) responsible for writing and maintaining up-to-date policies and procedures and the Internal Controls Section should draft checklists designed to ensure that the established procedures can be verified through the internal controls process.

Resource Material:

Handbook CD - Appendix 16: Sample Internal Controls Checklists



COMPONENT 12: Performance Incentives

Performance incentives support achievement of the goal of a well-trained, ethical, highly motivated, and productive workforce.

It is recommended that Customs administrations not having such a system develop and implement a performance incentive program that recognizes superior performance, special achievements (such as completion of a special project in an exemplary manner, the interdiction of a major smuggling attempt, or the detection of significant fraudulent attempts to circumvent Customs laws and requirements), and demonstrated high levels of integrity and professionalism.

The USAID-sponsored FASTrade project has developed and published an informative issue paper on performance incentives. This issue paper recommends that Customs administrations consider a mix of various types of monetary and non-monetary incentives and types of recognition for its officers. This mix consists of team-based annual bonuses, sustained superior performance awards, special act awards, adopted suggestion awards, and honorary awards. Recognizing that Customs' ability to implement such a program may be constrained by budgetary limitations, the paper suggests low-cost alternatives.

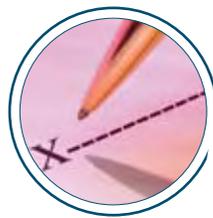
It is obvious that in order to reward performance, written performance standards must exist. The creation of realistic and meaningful performance plans for managers and employees does not prevent corruption, but it does help to better identify those employees who are not performing in a productive manner, so that management may intervene appropriately.

Recommended Assignment of Responsibility

- The Human Resources Management office evaluates any currently existing incentive awards program for effectiveness. In conducting this evaluation, that office researches the resource material, applicable civil service provisions relating to performance awards (if any), and performance awards systems in use by other governmental departments.
- Based on this research, Customs develops and implements a cost-effective performance award system or corrects any deficiencies noted in its existing system. An ad hoc group consisting of both headquarters and field managers and officers is appropriate for this effort.

Resource Material:

Performance Incentives for Border Control Officers: The Role of a Well-Motivated and Professional Workforce in Securing and Facilitating Trade. This issue paper was published by the USAID FASTrade project in August 2004 and is available on the project Web site, <http://tcb-fastrade.com>. Follow the link to “Issue Papers.”



COMPONENT 13: **Simplified Procedures**

Simplified, transparent procedures facilitate trade, reduce delays and costs, and help to increase compliance levels. Customs managers intent on curbing corruption also need to be aware that these simplified procedures deter corruption. By making it easier for a trader to comply with Customs laws, by reducing processing times, and by making delays the exception rather than the norm, Customs deprives corrupt officers of many opportunities to demand gratuities or favors for expediting shipments or overlooking minor technical errors.

Coupling simple, transparent procedures with automated systems reduces the degree to which Customs officers can misuse individual discretion by:

- Taking much of that discretion away from them,
- Reducing delays,
- Reducing face-to-face interactions between traders and officers only to essential personal contact, and
- Reducing the number of Customs personnel who are involved in reviewing and processing any given declaration.

Key elements of a simplified, transparent Customs declaration system* are:

- **One step process** - A customs declaration is lodged at the reception counter of the Customs office and the paperwork is processed by the administration with no further need for contact until that processing has been completed.
- **Information and documentation minimization requirement** - Customs administrations define their information and documentation needs in a way that minimizes administrative requirements upon the importers and exporters.

*Practical Measures to Promote Integrity in Customs administration, John Crotty, Chief Tax Administration Division, Fiscal Affairs Department, International Monetary Fund

- **Consistent interpretations** - Importers can be expected to self-declare their liabilities only in an environment where the interpretation of the laws is consistent and procedures are standardized, with each transaction treated in the same way as the previous one.
- **Computerization** - The introduction of computerized support for the processing of customs documents, perhaps more than any other change, provides the opportunity to implement standardized procedures that leave little to the discretion of Customs officials.

Customs needs to establish a joint Trade Facilitation Committee, consisting of Customs personnel and representatives from the trade community, to work together in simplifying Customs procedures and making them more transparent and easier to comply with. Ample guidelines are available to assist in this effort including the WCO's *Revised Kyoto Convention*, the International Chamber of Commerce's *International Customs Guidelines*, and the World Bank's *Customs Modernization Handbook*. Customs also can seek the technical assistance of donor organizations, such as USAID, UNCTAD, or the WCO, or private consultants to facilitate this process.

The *Revised Kyoto Convention* (formally, the *International Convention on the Simplification and Harmonization of Customs Procedures*) is the WCO's key instrument containing modern principles for simplification of Customs procedures and serves as the blueprint of modern Customs procedures for Governments to implement effective controls and to facilitate legitimate trade. The *Convention* provides legal provisions covering core Customs functions (import, export, transit, and other procedures) and detailed implementation guidelines, including methods of application and best practices.

The ICC's *International Customs Guidelines* includes explanatory notes expanding each guideline and identifying its advantages to Government, business, and Customs. The guidelines and explanatory notes draw on a wide range of WCO documents and ICC policy statements. Many guidelines—for example, the use of risk assessment techniques with pre-entry and post-audit procedures—are as favorable to better security and other border controls as to improved trade facilitation. The guidelines have numerous uses. For example, they set out, in a convenient form, a summary list of key provisions which, when cross-referenced to corresponding stipulations in the WCO Conventions, can be readily expanded into a Code of Best Customs Practices. Additionally, selected guidelines and explanatory notes have been assembled into toolkits for use in assessing Customs practices in relation to such specific concerns as supply chain security and integrity.

The World Bank's *Customs Modernization Handbook* provides an overview of the key elements of a successful Customs modernization strategy and draws lessons from a number of successful Customs reform projects undertaken by the World Bank and other donors. It describes a number of the key issues that need to be considered and suggests solutions for many of the problems that plague Customs administrators and private sector traders. It provides a range of practical guidelines to enhance the efficiency and effectiveness of Customs throughout the world.

Recommended Assignment of Responsibility

- The Director convenes a joint Trade Facilitation Committee made up of Customs and trade representatives to review the extent to which Customs procedures can and should be simplified and made more transparent. This committee is charged with developing specific proposals and new standard operating procedures.
- The Trade Facilitation Committee conducts a thorough review of Customs procedures, using the reference materials listed above as a basis for decision making, and prepares a report for the Director. Every effort is made to simplify existing procedures within the bounds of current law. All too often, Customs takes the approach that it cannot simplify procedures because of specific requirements of the Customs Act. Often, this approach is based on an overly conservative reading of the applicable legislation. There may be times, of course, when current law is outdated and must be changed. In those instances, revisions are proposed and forwarded as appropriate for consideration and enactment.
- The Director, upon receiving the report from the Trade Facilitation Committee, reviews the recommended new procedures as well as any additional recommendations. The recommendations are presented in sufficient detail to allow immediate implementation after appropriate advance notice is given.
- The Director has the option of seeking an outside source of technical assistance to facilitate this process.

Resource Materials:

WCO Revised Kyoto Convention, which can be found online at: <http://www.wcoomd.org>. See conventions tab.

International Chamber of Commerce *International Customs Guidelines*, which can be found on line at: http://www.iccwbo.org/home/statements_rules/statements/2003/customs_guidelines.asp

Customs Modernization Handbook; Luc De Wulf and Jose B. Sokol; The World Bank; 2005. Can be found on line at: <http://www.worldbank.org>. See the publications page.



COMPONENT 14: Risk Management and Layered Enforcement

Risk analysis allows Customs to systematically target high-risk shipments for more thorough scrutiny and to release low-risk shipments with minimal intervention. Risk management identifies both the risk and the most effective method of countering it (the “treatment”). Various treatments include thorough physical examination of targeted high-risk shipments; equally

thorough physical examinations of shipments selected entirely at random; post-release audit of broker's, importer's, or exporter's records; and investigation to determine the intent, involvement, and magnitude of violations discovered during the examination or audit process. Mobile enforcement teams conducting unannounced "blitzes" at cargo examination facilities or even importer's premises complement these treatments and add yet another layer of enforcement capability.

By establishing a layered enforcement capability, Customs begins to curb the ability of any one corrupt officer to facilitate incidents of intentional non-compliance. In a layered approach, no single officer can guarantee that a particular shipment will not be scrutinized. If a shipment is selectively designated for physical examination, a reviewing officer cannot override that designation without supervisory approval. Shipments designated for physical examination are not examined by the reviewing officer; they are handed off to trained examining officers operating under specific procedures and under close supervision.

If a shipment is not selected for physical examination, it may still be subject after release to intensive scrutiny by an audit team, by a mobile enforcement team, and/or by a separate unit of trained Customs investigators. This layered approach not only increases the likelihood of identifying incidents of willful or unintentional non-compliance, it takes away the ability of one officer to assure that a given shipment will not be scrutinized. Furthermore, when violations are discovered, it allows Customs to determine who was involved and whether there was complicity on the part of Customs personnel.

Recommended Assignment of Responsibility

- The Director evaluates the current cargo-processing environment to ensure that risk management and layered enforcement strategies are currently in place.
- Assistance in both conducting the evaluation and addressing deficiencies may be obtained from the USAID FASTrade project through the local USAID mission, or from other donors.

Resource Materials:

Establishing Risk Management/Cargo Selectivity Capability, published by the USAID FASTrade project in July 2004. It is available on the project Web site, www.tcb-fastrade.com. Follow the link to "Handbooks."



COMPONENT 15: **Human Resources Management**

The placement of Human Resources Management—as one of the last components in the Customs Integrity Awareness Program—is not intended to reflect a lower priority than those components that precede it. If anything, this placement reflects that Human Resources Management deficiencies, while often serving as major contributors to integrity deficiencies, are often

the most difficult to address. The difficulty lies not in recognizing what needs to be done to improve the quality of Customs staff but in making changes in such a way as to not run afoul of government-wide civil service practices and procedures. If one accepts that a Customs administration's most important resource is its personnel, it follows that effectively managing those human resources is a matter of top priority.

The following are key elements of an effective Human Resources Management program:

- **Recruiting** – Recruiting has two principal objectives. The first is to hire individuals most likely to maintain the standard of integrity that has been established by the administration. The second objective in hiring is to employ applicants who will be competent officers. This process starts with well-defined qualifications standards and a standardized application process. Friends and relatives of current Customs or other Government officials must undergo the same recruiting process as anyone else.
- **Screening** – The applicant selection process provides the opportunity for an organization to screen potential employees thoroughly. Therefore, all allowable screening techniques will be applied to ensure hiring an applicant with the best possible integrity profile. Because past actions are often indicative of future conduct, the applicant selection process offers an invaluable opportunity for judging integrity.
- **Background investigations** – Applicants must be adequately screened prior to selection. Interviewing applicants and conducting polygraph examinations, drug tests, and background investigations including financial circumstances at the time of application can best accomplish this. Customs officers and employees must also be subjected to periodic routine follow-up background investigations, particularly of their financial matters, during the course of their employment by Customs.
- **Training** – Workforce training is crucial to the development of professional customs administrations. Newly selected officers must receive substantial training before being deployed to field assignments. This training is to be supplemented with regular in-service training.
- **Performance standards** – For an employee to perform well, he or she needs to know what is expected. This is accomplished through position descriptions or functional statements and clearly defined performance standards for each position. Employee performance should be rated at least annually, good performance recognized, and deficient performance addressed.
- **Merit promotion/career ladder** – Each individual must feel that there is an opportunity, based on hard work, to advance to a position of greater responsibility and better remuneration. Artificial barriers, such as requiring an advanced degree to achieve a certain level, are often counter-productive.

- **Personnel records** – The Human Resources Management office maintains a current personnel record file on each employee. This file begins with his or her application and continues with training certificates, awards, disciplinary actions, promotions, and related personnel actions. Dates and results of background investigations are included in the file, but the actual background investigation reports are maintained in a separate filing system by the unit that conducted the investigation.
- **Compensation** – Compensation must provide for an acceptable standard of living and eliminate the need to accept “facilitation fees.” When it is not possible to address low civil service pay in general, special pay scales and incentives for staff in revenue agencies are viable alternatives.
- **Working conditions** – The provision of appropriate working conditions is important, including proper office space, equipment, supplies, and transportation. Customs must not need to rely on importers, exporters, or their agents to provide any facilities or equipment, since such treatment implies that a favor is expected in return.
- **Discipline** – Each individual must clearly understand that inappropriate behavior may jeopardize his or her career and lead to dismissal or criminal prosecution in serious cases.
- **Rotation** – Staff rotations must take place on a regular basis to reduce opportunities for collusion. However, consideration and assistance is required to ease the resulting financial burden on officers being rotated.

Even though each of these elements is vital to an effective Human Resource Management system and contributes in varying degrees to enhancing the overall morale, productivity, and integrity of the workforce; special attention must be given to the background investigation process. As individual values are generally demonstrated by past behavior, Customs must thoroughly investigate applicants and hire only those whose past conduct indicates commitment to values that the agency wants to sustain.

Major elements of a background investigation include the following:

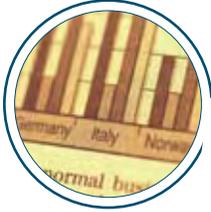
- All previous employment and periods of unemployment are covered, including if possible, statements made in former applications for employment.
- Police checks are conducted where the subject lived or was employed for a specified period of time (for example, six months or more within the last ten years).
- A neighborhood investigation is conducted where the subject lived for a specified period of time (for example, one year or more within the last five years).
- A specified number of named and unnamed references are interviewed.
- Each educational institution attended above high school is verified.

- A personal interview is conducted and the topics discussed during the interview are included in detail in the full field investigation report.
- Thorough credit checks are conducted.
- Any falsification during the selection process by an applicant results in mandatory non-selection or dismissal, and action is taken to prosecute the applicant or employee.
- Background investigators are thoroughly trained and highly motivated to uncover and/or detect previous unethical behavior that is unacceptable to an agency's integrity policy.

Customs must evaluate its current Human Resources Management environment to determine if it is fully contributing to the efficiency, productivity, morale, and integrity of the administration. Even though such an evaluation can be conducted in-house or in cooperation with the Government agency with overall civil service management authority, a thorough review by an impartial evaluator will in the long run be more productive. Assistance in conducting a detailed evaluation may be obtained from the USAID FASTrade Project through the local USAID mission or from other donors.

Recommended Assignment of Responsibility

- The Customs Director commissions a review of the current Human Resources Management environment, either within house, in cooperation with the governmental civil service authority, or through an independent evaluator.
- The Program Management Staff monitors the evaluation and assumes responsibility for coordinating and overseeing implementation of the recommendations.
- The Director emphasizes the standards that will ensure high applicant integrity and competence to all decision-making officials responsible for hiring. They must clearly understand the connection between their decisions and organizational integrity.



COMPONENT 16: Benchmarking

In order to measure and improve upon the effectiveness of a Customs Integrity Program, it will be useful to assess before **and** after the implementation of the program, both the observable, measurable, and perceived changes to Customs' organization, procedures, and operations that spell an improvement in Customs integrity. The Component 3 systematic assessment conducted before or early in the stages of implementation of the Customs Integrity Program can serve as the baseline for future evaluations in order to measure success. A similar follow-up assessment should be conducted within one year of implementation of the program, to judge the success of the intervention and to identify possible areas requiring further improvement.

Recommended Assignment of Responsibility

- The Program Management Staff is responsible for conducting an annual benchmark evaluation using the WCO Integrity Self-Assessment model.

Closing Remarks

The purpose of the handbook is to provide practical guidance to any Customs administration desiring to establish an effective program to combat corruption and instill integrity within the workforce. It sets forth a comprehensive step-by-step strategy that will enable Customs administrations to adapt and implement an effective Customs Integrity Program with minimal outside assistance. When it is felt that technical assistance is required, the handbook offers suggestions as to where it might be obtained. The USAID FASTrade project may be available to provide such on-site assistance. For further information, contact your local USAID mission.

The appendices referred to in this handbook are available for download in PDF and MS Word formats on the Handbook CD and on the USAID FASTrade project site - <http://tcb-fastrade.com>. Follow the link to the Handbooks.



LIST OF APPENDICES

The appendices referred to in this handbook are available for download in PDF and MS Word formats on the Handbook CD and on the USAID FASTrade project website: <http://tcb-fastrade.com>. Follow the link to the Handbooks.

The sample directives, forms, and press releases included in these appendices are intended solely to provide the basis for policy directives. It is not intended that they be copied verbatim. Customs administrations wishing to prepare similar documents should feel free to adapt these samples to meet their specific situations and requirements. The following samples are provided.

Appendix 1: Letter to All Customs Employees

Appendix 2: Press Release to be Issued by Director

Appendix 3: Public Service Charter: Australian Customs

Appendix 4: Public Service Charter: Zambia Customs

Appendix 5: Conduct and Officer/Employee Responsibilities Directive

Appendix 6: Code of Discipline

Appendix 7: Directive on Disciplinary Review Committee

Appendix 8: Recommended Functional Statements for Internal Inspections Unit

Appendix 9: Directive Announcing Formation, Responsibilities and Authority of Internal Inspections Unit.

Appendix 10: Suggested Outline for Ethics Training

Appendix 11: Directive on Reporting Allegations of Employee Misconduct

Appendix 12: Directive on Customs Hotline

Appendix 13: Directive on Payment of Awards for Information

Appendix 14: Complaint Reporting System

Appendix 15: Financial Reporting Form

Appendix 16: Internal Controls Checklists

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- [Appendix 2](#) **Press Release to be Issued by Director**
- [Appendix 3](#) **Public Service Charter: Australian Customs**
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APPENDIX 1

Sample Letter to All Customs Employees

The following should be treated as a first draft of a communication from the Director to all Customs officers and employees. Although every effort has been made to ensure that this document is consistent with typical Customs goals, it is fully expected that some of the wording will be changed and that additions or deletions may be appropriate. The importance of this document is that it clearly alerts all Customs employees of changes that will affect them and the way Customs does business.

To All Customs Officers and Employees,

I am pleased to announce to the citizens of our nation and to the many fine officers and employees of the Customs that we are implementing a new program to increase the professional stature of our organization. Our goal and intention is to establish and earn a reputation for integrity and professionalism second to no other Customs administration in the region. To accomplish that, we must ensure that all staff observe the rule of law and perform their duties in a fair, impartial, honest, trustworthy, polite, and professional manner.

This is the beginning of a new era for Customs. We are moving forward with a comprehensive program to modernize our organization, our procedures, and our infrastructure. We cannot accomplish this overnight; it will take time but we must start now. I am pleased to inform you that we have the support of our Government and the broad support of the International Community. I ask for your support in this effort as well. We must work together to achieve our goals. If we are successful, and I believe we will be, we will all be able to take pride in being members of a highly respected, professional Customs administration that contributes greatly to the well-being of our nation, our economy, and our citizens.

Let me give you a few examples of changes that will occur within the Customs administration:

- We will be implementing a new automated system for designating cargo examinations. No longer will it be our practice to examine every cargo shipment. We will examine only those shipments that are considered high risk.
- We are forming a new Cargo Selectivity Management Unit that will research past violations, current threats, and other national priorities and establish criteria for conducting examinations. Although we will be conducting fewer examinations, those examinations will be more thorough. We will also conduct a small percentage of examinations on a computer-generated random basis to help us measure compliance.
- We will be upgrading Customs offices and other facilities and increasing the availability and use of computers by our officers and employees.
- We will assume responsibility for investigating violations of Customs requirements. We will be creating a new specialized enforcement organization capable of conducting criminal investigations of customs fraud, to conduct audits of importers, exporters, brokers, and carriers records, and to analyze information from many different sources in order to formulate intelligence-driven operations to stem customs crimes.
- We are establishing a new toll-free 24-hour hotline where citizens can report information regarding customs crime and corruption, remain anonymous, and yet receive a reward if their information results in seizures, arrests, or other significant enforcement activities.
- We will begin conducting our own specialized Customs training. Our training programs will ensure that our workforce receives necessary training on a regular basis.

- We are updating our code of conduct based on the standards set forth by the World Customs Organization (WCO)—the international coordinating body that establishes standards for professionalism for Customs administrations worldwide. Each of you will receive a copy of the new code of conduct and will participate in a training program. That code of conduct will be posted in every Customs office in the country and will be made available to anyone who wishes to see it.
- We will publish guidelines on employee conduct and responsibilities as well as a Table of Offenses and Penalties. A copy of each guideline will be provided to every Customs officer and employee. Each officer and employee will receive training regarding both the Code of Conduct and the Table of Offenses and Discipline.
- We will develop a program to recognize and reward those officers whose conduct and work reflect positively on the Customs administration.
- We will establish a new Internal Inspections Unit within Customs with the sole purpose of ensuring the integrity of our operations. This new unit will conduct investigations of alleged misconduct and will oversee the internal controls process.
- We will establish a Disciplinary Review Committee that will assume responsibility for reviewing all the reports of investigations of misconduct and proposing the appropriate response. There will be instances where the allegations are proved to be false or cannot be proven, and there will be instances where the allegations are found to be true, but you can rest assured that our investigations and disciplinary program will be fair and unbiased. Where reports confirm misconduct, the Disciplinary Review Committee will determine the appropriate action, including written reprimands, suspensions from duty, reduction in grade and pay, reassignment to other duties, termination of employment, or even criminal prosecution.
- We will implement a new system of internal controls in which our local managers will certify in writing that their operations meet specific standards. Those controls will be subject to unannounced audits by a professional staff.
- We will place posters in our offices telling our clients what our integrity and service standards are and what they can expect of us. In addition, when we do not live up to those standards, we will advise them that we want to know about it. We will begin meeting on a regular basis with trade organizations, tourist organizations, and chambers of commerce to hear their suggestions as to how we can do better.
- We will ensure that our officers' uniforms reflect their honorable status as members of a uniformed law enforcement service.

Our goals are simple—to become a highly respected customs organization with the highest standards of integrity and professionalism. We are working hard to achieve those goals, and we will sustain our determination until we achieve them.

/signed/ _____

Name, Director

APPENDIX 2

Sample Press Release to be Issued by Director

The following press release should be treated as a first draft of a communication from the Director to the nation. Although every effort has been made to ensure that this document is consistent with typical Customs' goals, it is fully expected that some of the wording will be changed and that additions or deletions may be appropriate. The importance of this document is that it clearly alerts all Customs employees of changes that will affect them and the way Customs does business. As an alternative, this press release could be revised and released in a joint press conference and signed by both the Director and the Minister of Finance or higher Government official.

Mr. (Name), Director of the Customs, today announced the implementation of a comprehensive program to modernize Customs and to increase the professional stature of the organization. Director (Name) stated that his goal is to establish and earn a reputation for integrity and professionalism second to no other Customs administration in the region. "To accomplish that," he said, "we must ensure that all staff observe the rule of law and perform their duties in a fair, impartial, honest, trustworthy, polite, and professional manner."

Mr. (Name) summarized the changes that Customs intends to implement. "Over the next year, you will see some very visible changes," he stated. "We will take the very simple step of ensuring that our officers' uniforms reflect their role as members of a professional uniformed law enforcement service. Our officers will be required to wear badges that clearly identify them by name (or unique number). If a citizen has a complaint against a Customs officer, the citizen must be able to identify that customs officer. The new identification badges will ensure that this is possible."

"We will establish a new system of internal controls in which our local managers will be required to certify, subject to audit, that their operations meet specific standards."

"We will update our Code of Conduct based on international standards of the World Customs Organization and our officers will be trained. The Code of Conduct will be posted in every Customs office in the country and will be made available to everyone who wishes to see it."

Working with the trading community, we will establish a new Public Service Charter that sets forth the minimal levels of service our clientele can expect from us.

"We will establish a new toll-free 24 hour hotline on which citizens can report information regarding possible customs crime and corruption, and remain anonymous. We hope to implement a system in which such persons can receive a financial reward if their information results in seizure, arrests, or other significant enforcement actions. "We will establish mechanisms where any allegation of misconduct by a Customs officer or any information regarding violations of Customs law can be reported confidentially or even anonymously. Allegations will be thoroughly investigated, and we will hold all parties to instances of corruption accountable, not just the involved Customs officials."

"We will establish a new Internal Inspections component within Customs to ensure the integrity of our operations. This new organization will investigate all allegations of officer or employee misconduct. Those involved in unethical activities will be disciplined. Those involved in criminal activity will be prosecuted."

"We will create a new specialized enforcement organization with improved capabilities to conduct criminal investigations of customs fraud; to conduct audits of importers', exporters', brokers', and carriers' records; and to analyze information from many different sources and formulate intelligence-driven operations to stem customs crimes."

“We will establish a Disciplinary Review Committee to assume responsibility for reviewing all the reports of investigations of misconduct and proposing appropriate responses.”

“We are in the process of implementing a new automated system for designating cargo examinations. No longer will it be our practice to examine every cargo shipment. We are forming a new Risk Analysis component within Customs for the purpose of researching and establishing intelligent criteria for conducting examinations. Although we will be conducting fewer examinations, those examinations will mostly be targeted against high-risk shipments and will be more thorough.”

“We are updating our training programs and will ensure that our officers receive necessary training on a regular basis.”

“We will place posters in our offices telling our customers what our standards are and what they can expect of us. If we do not live up to those standards, we want to know about it. We are now meeting on a regular basis with trade organizations, tourist organizations, and chambers of commerce to hear their suggestions as to how we can do better.”

“Our goal is simple: to become a highly respected customs organization with the highest standards of integrity and professionalism. “

APPENDIX 3

Sample Public Service Charter: Australian Customs Service Client Service Standards

Customs has committed to achieving certain standards of client service under our *Client Service Charter*.

These standards include such things as:

- Our response times to your inquiries,
- Our conduct during baggage searches,
- The availability of our cargo reporting systems, and
- Processing times for tax refunds under the Tourist Refund Scheme.

View all of our service standards below.

CLIENT SERVICE STANDARDS

STANDARD TITLE	STANDARD
<i>If you telephone a Customs office within business hours</i>	We aim not to transfer your call more than once without your agreement, or we will arrange for the appropriate person to return your call.
<i>When you deal with us</i>	Customs officers will be honest, fair, courteous, helpful, and professional.
<i>If you write to us</i>	We aim to respond within 15 working days of receipt of your correspondence. If we cannot fully answer your query in that time, we will give you an interim response.
<i>If you have English language difficulties</i>	We will make every effort to provide you with information in your preferred language.
<i>If you E-mail information@customs.gov.au</i>	We aim to provide a full response within 15 working days. If we cannot fully answer your query in that time, we will give you an interim response.
<i>When we provide you with written advice of a Customs decision</i>	Where internal or external review or appeal mechanisms exist, you will be advised of your rights to access these mechanisms at the time you are notified of our decision.
<i>If there are charges associated with any services that Customs provides</i>	We will publish the nature and the amount of any charges.
<i>If you need information about Customs requirements</i>	Customs Information Centre staff in each capital city will provide free information by mail, facsimile, and telephone, E-mail, or over the counter during normal business hours for the cost of a local call phone: 1300 363 263 or email: information@customs.gov.au
<i>Travelers arriving on an international flight</i>	We aim to have the majority of passengers on your flight complete initial Customs and Immigration formalities within 30 minutes of arrival at the processing lane.
<i>Travelers departing on an international flight</i>	We aim to ensure that you complete Customs and Immigration formalities as soon as possible after you present yourself at the departure processing point.

STANDARD TITLE	STANDARD
<i>Travelers arriving or departing on a seagoing vessel</i>	We aim to ensure that you complete Customs and Immigration formalities as quickly as possible, either on board the vessel or when you arrive at the arrival or departure processing point.
<i>Transit passengers disembarking from a seagoing vessel for sightseeing only</i>	Formal Customs documentation will not be required.
<i>When you collect your baggage</i>	Most passengers who have nothing to declare to Customs will be able to leave the baggage hall as soon as the airline makes baggage available for collection.
<i>If we need to search your baggage</i>	We will treat you in a professional manner and your belongings with care. A Customs officer will normally help you to re-pack your bags following the examination.
<i>If we ask you to undergo a personal search</i>	A Customs officer will clearly explain the procedures and your rights.
<i>When you have contact with Customs</i>	You will be able to clearly identify the Customs officers by their uniforms or by sighting their official identification. We will give priority to people with specific needs, such as the elderly, infirm, disabled, and passengers with young children.
<i>If you claim for refund of the Goods and Services Tax under the Tourist Refund Scheme</i>	We aim to process cash claims within 10 minutes of your arrival at the processing queue. If you choose to mail your claim we aim to process it within 30 days of receipt of your application.

COMMERCIAL STANDARDS

STANDARD TITLE	STANDARD
<i>If you lodge an electronic cargo report</i>	We aim to transmit Customs release advice for cargo on arrival of vessel or aircraft, provided a physical examination is not required. To achieve this we require: <ul style="list-style-type: none"> - A full and accurate report to be submitted 48 hours before arrival of sea cargo, and 2 hours before arrival of air cargo, and - Customs entry formalities to be completed.
<i>If you lodge an import entry electronically</i>	Entries lodged electronically will be accorded a higher priority than those lodged manually. We aim to transmit a release advice to importers within 30 minutes of entry payment, provided all other Customs and AQIS requirements have been met.
<i>Availability of electronic systems for cargo reporting</i>	With the exception of scheduled computer maintenance downtime, we aim to provide access to electronic cargo system (Air Cargo Automation and Sea Cargo Automation and EXIT 1 and 2) 24 hours a day.

STANDARD TITLE	STANDARD
<i>Availability of electronic systems for lodging import entries</i>	With the exception of scheduled computer maintenance downtime, we aim to provide access to COMPILE during the following hours: Monday 0600 to 2330 (AEST) Tuesday to Friday 0600 to 2300 (AEST) Saturday to Sunday 0600 to 2200 (AEST)
<i>If there is a failure by any relevant Customs user or network system</i>	We will advise users of a system failure and the expected resolution times as soon as practicable. We will maintain contingency arrangements for processing urgent consignments.
<i>If you lodge a manual sea cargo report</i>	We aim to transmit Customs release advice for cargo on arrival of vessel or aircraft, provided a physical examination is not required. To achieve this we require: – A full and accurate report to be submitted 48 hours before arrival, and – Customs entry formalities to be completed.
<i>If you lodge a manual air cargo report</i>	We will process the report as soon as practicable after receipt. Legislation requires manual reports to be lodged within three hours of aircraft arrival.
<i>If you lodge an import entry manually</i>	Subject to processing of entries lodged electronically, we aim to advise on whether goods can be cleared, or require further Customs examination, by close of business of the next working day after receipt of a complete and accurate entry.
<i>If we need to examine your cargo</i>	We aim to schedule a physical examination for air cargo within 1 working day and for sea cargo within 2 working days, provided you or your representative is available. When we cannot schedule an examination within these times, we will agree to a mutually suitable time. If the goods require special treatment, such as chemical analysis or safety testing, examination may take longer to schedule. We will tell you if there are delays.
<i>If you ask for Tariff advice</i>	We aim to finalise your request within 30 calendar days of receipt of a completed Application for Tariff Advice.
<i>If you ask Customs to review a Tariff decision</i>	We aim to finalise the review within 60 calendar days of receipt of a submission containing full details of your arguments against the decision. If we cannot finalise the review within this time, we will write to let you know the reason for the delay and advise a revised finalisation time.
<i>If you ask for a Valuation Advice</i>	We aim to finalise your request within 30 calendar days of receipt of a completed valuation Advice Application.
<i>If you ask Customs to review a Valuation Decision</i>	We aim to finalise the review within 30 calendar days of receipt of a submission containing full details of your arguments against the decision. If we cannot finalise the review within this time, we will write to let you know the reason for the delay and advise a revised finalisation time.
<i>If you inquire about Rules of Origin</i>	We aim to respond within 30 calendar days of receipt of complete information.
<i>If you ask Customs to review an Origin Decision</i>	We aim to finalise the review within 60 calendar days of receipt of a submission containing full details of your arguments against the decision. If we cannot finalise the review within this time, we will write to let you know the reason for the delay and advise a revised finalisation time.

STANDARD TITLE	STANDARD
<i>If you lodge a refund application</i>	We aim to process completed refund applications within 30 calendar days of receipt of all necessary documentation.
<i>If you lodge a paper main outwards manifest more than 2 hours prior to vessel or aircraft departure</i>	We aim to clear the vessel or aircraft before the scheduled time of departure.
<i>If you lodge an electronic main outwards manifest more than 1 hour prior to departure</i>	We aim to clear the vessel or aircraft before the scheduled time of departure.
<i>If you lodge an export entry electronically</i>	Entries lodged electronically will receive a higher priority than those lodged manually. We aim to transmit clearance within 10 minutes of receipt of a complete and accurate entry, provided there are no regulatory impediments.
<i>If you lodge an export entry manually</i>	Subject to processing entries lodged electronically, we aim to provide clearance by close of business of the next working day after receipt of a complete and accurate entry, provided there are no regulatory impediments.
<i>Availability of electronic systems for lodging export entries</i>	With the exception of scheduled computer maintenance downtime, we aim to provide a 24-hour service for electronic lodgment of export entries.
<i>If we undertake a review of Anti-Dumping or Countervailing measures</i>	We will decide whether to initiate a review of measures within 20 days of receipt of a complete application. Unless there are exceptional circumstances, we will produce a statement of essential facts within 110 days of initiation of a review of measures. We will provide the Minister for Justice and Customs with a final report and recommendation within 45 days of the publication of the statement of essential facts.
<i>If you need guidance on a Dumping or Countervailing matter</i>	The Dumping Liaison Unit will respond to inquiries within 1 working day.
<i>If you lodge an Anti-Dumping or Countervailing application</i>	We will decide whether to initiate an investigation within 20 days of receipt of a complete application. Unless there are exceptional circumstances, we will produce a statement of essential facts within 110 days of initiation of an investigation. If appropriate, we may impose provisional measures at any time after 60 days of initiation of an investigation and following the publication of a Preliminary Affirmative Determination. We will provide the Minister for Justice and Customs with a final report and recommendation within 45 days of publication of the statement of essential facts.
<i>If you ask Customs to review your draft application</i>	The Dumping Liaison Unit will respond within 5 working days of receipt of your draft application.
<i>If you apply for a Tariff concession order (TCO)</i>	We will decide whether to accept your application within the statutory 28-day period from the date of receipt of a completed Application for a Tariff Concession Order. If we do not make a decision within the 28-day period, your application will be deemed to be accepted. We will make a decision on your Tariff Concession Order application within the 150-day statutory period after the date of gazettal.

STANDARD TITLE	STANDARD
<i>If you wish to lodge an objection to a TCO application</i>	You have 50 calendar days, from the date that notification of the application appeared in the Commonwealth of Australia Gazette, to lodge your Submission objecting to the Making of a Tariff Concession Order.
<i>If you ask that a TCO be revoked</i>	We will make a decision within the 60-day statutory period after lodgment of a Request for Revocation of Tariff Concession Order or Commercial Tariff Concession Order.
<i>If we initiate action to revoke a TCO</i>	We will make a decision within the 60-day statutory period after the date notification of the intended revocation appeared in the Commonwealth of Australia Gazette.
<i>If you ask Customs to review a decision in relation to the making of a TCO</i>	We will finalise the review of the decision in relation to whether or not a TCO should be made, within the 90-day statutory period after the last day for lodgment of the application.
<i>If you ask Customs to review a decision made in relation to a request for revocation of a TCO</i>	We will finalise the review within the 60-day statutory period after the last day for lodgment of the application.
<i>If you claim Duty Drawback</i>	We aim to process claims within 21 working days of a completed Duty Drawback Claim.
<i>If you apply to register as a claimant for Duty Drawback</i>	We aim to process your registration within 3 working days of receiving a completed registration form.
<i>If you apply to transfer your Cheese and Curd Quota</i>	We aim to complete transfer of the quota within 4 working days of receipt of a completed Transfer of Base Quota Allocation.
<i>If you contact us because you believe that your intellectual property rights are being infringed by imports</i>	We will promptly inform you of the provisions of The Trades Mark Act 1995 and the arrangements that can apply for protection of your intellectual property rights against infringement by imports.
<i>If you apply for a warehouse licence or a licence for an approved place to store excisable goods</i>	For a new application, we aim to make a decision on your completed application within 30 calendar days of receipt. For licence renewals, we aim to make a decision on renewal notices within 14 calendar days of the date the government approves the relevant licence fees and we aim to make a decision on applications for renewal within 14 calendar days of receiving the completed application and the appropriate fee.
<i>If you ask for a weekly settlement permission</i>	We aim to make a decision within 7 calendar days of receipt of your request.
<i>If you apply for permission to move goods under bond</i>	We aim to make a decision on your completed application for a single transaction movement permission within 1 working day of receipt. Should a security be required, we aim to make a decision within 1 working day of receipt of the completed application and the required security. We aim to make a decision on your completed application for a continuing permission within 7 working days of receipt.

STANDARD TITLE	STANDARD
<i>If you lodge an Industry Referral</i>	We will acknowledge the referral within 5 working days and provide a final report on the status of the referral within 3 months. If the referral takes longer than 3 months we will provide quarterly updates until a conclusion is reached

Source: <http://www.customs.gov.au/site/page.cfm?u=4293>

APPENDIX 4

Sample Public Service Charter: Zambia Customs Client Service Charter

OUR VISION

The Customs and Excise Division will be a recognized model of excellence, integrity, and professionalism, challenging traditional boundaries, seizing opportunities, and setting the standard for quality service. We will achieve this because we:

- Value highly motivated, skilled, and adaptable staff,
- Manage risks and business relationships professionally,
- Use technology with innovation and flair,
- Do the job efficiently and effectively, and
- Are objective, creative, and achievement focused

OUR MISSION

Our mission is to facilitate trade, collect due revenues, protect industry and society, provide accurate and timely advice as well as trade statistics, and offer customer service in a fair, professional, transparent, effective, and efficient manner to all stakeholders by:

- Maximizing and sustaining revenues in a fair, equitable, efficient, and effective manner;
- Administering the Government's economic, tariff, and trade policies with a practical and pragmatic approach;
- Facilitating legitimate trade, industry, and movement of people by streamlining and simplifying Customs and Excise processes and helping Zambian business to enhance its competitiveness;
- Creating a climate for voluntary compliance by providing guidance and building mutual trust;
- Combating revenue evasion, commercial frauds, and illegal imports and exports in an effective manner;
- Enhancing the use of information technology;
- Streamlining the Customs and Excise legislation and procedures;
- Evolving cooperative initiatives;
- Assisting in the formulation of tariff policies; and
- Appreciate the effort of all our staff.

CUSTOMS & EXCISE CLIENT CHARTER

Our commitment is to provide a service that will go beyond and above collecting duties and taxes. We will control, regulate, and facilitate the movement of commodities within and through Zambia to:

- Provide the highest quality of services to our customers. We will exceed our clients' expectations by providing friendly, courteous, knowledgeable, and prompt service in all areas of our operations. Objectivity, transparency, innovation, technology, creativity, and achievement focus will always be our drive.
- Emphasise the importance of our employees by providing an environment where they can realise their full potential, where they feel good about their work, are challenged and well trained, and are able to grow both

professionally and personally, by maximizing their contributions. We seek productivity through participation, teamwork, networking and accountability.

- Conduct our operations based on international provisions implemented by the Community for East and Southern African States, World Customs Organisation, World Trade Organization, and other international organisations. Integrity, competence, and conformity with international standards will characterise our Customs system.
- Endeavour to be a good citizen at all times by engaging in activities that have a positive social and economic impact on the communities in which we work and the world at large.

We further commit that:

- All officers will wear identity cards;
- Personal and business information disclosed to us will be kept confidential;
- Clearance of consignments will be withheld only after explaining the reasons for our action and we will give you full opportunity to explain before passing any final order;
- Clients should expect courtesy, fairness, and consideration;
- In case of an investigation, the investigating officer will explain the legal provisions and your rights and obligations;
- We will provide full information about appeal procedures and the authorities with whom appeals can be filed;
- We will continually consult all the commercial interest organisations when reviewing our policies and procedures and provide timely publicity of all the changes in the law or procedures;
- Every possible assistance will be rendered by the Advice Officers at Head Office or at the port by providing all the relevant information and details of procedures as may be required; and
- Our service level will be measured against these standards, and independent surveys of clients' perception and assessment of non-revenue performance and the results will be publicised.

RIGHT OF OUR CLIENTS

- You have a right to get an official receipt for any money paid to our officer.
- You have a right to information on all customs matters.
- You have a right to appeal to higher authorities whenever you are not satisfied.
- You have a right to receive a good service in all our ports and head office.
- You have a right to remain silent during an interrogation.
- You have right to know the identity of any of our officers who approach you.

OUR EXPECTATIONS

We expect our clients to be prompt and reasonable in fulfilling their duty and legal obligations and be true and honest in furnishing information to us.

OUR STANDARDS

We shall:

- Respond to all communications within 10 working days of their receipt,
- Settle any disputes relating to declarations or assessments within 5 working days of receipt of your written or oral explanation,
- Process refund claims within 15 working days of receiving a valid claim,
- Release, where your declaration relating to any consignment is complete and correct, within 8 hours of lodging in an entry,
- Complete Excise registration formalities within 10 days of receiving your application,
- Complete inspection and certification of your exports within 5 working days of receipt of your intimation, and
- In case of likely or inevitable delay in decision making or when an issue is disputed, we shall promptly communicate the reasons on our own initiative.

COMPLAINTS & GRIEVANCES

- We will promptly acknowledge your complaints and, within 30 working days of their receipt, provide final replies.
- If you have a complaint or grievance, you may also take up the matter with the next senior customs official at the port.

HELP LINES

For any additional information and guidance, you can contact any of our station managers in the ports or the ZRA Advice Centre on 226227 or 229214/18.

Source: <http://zra.org.zm/customs/charter.htm>

APPENDIX 5

Sample Officer and Employee Conduct and Responsibilities Directive

The following should be considered only as a guide in developing an Officer/Employee Conduct and Responsibility Directive. Although every effort has been made to ensure that this document is consistent with typical Customs goals, it is fully expected that some of the offenses and penalties will be changed and that additions or deletions may be appropriate. This document should mirror the new Code of Conduct to the extent that all prohibitions and requirements in that Code are discussed in this document.

PURPOSE

The purpose of this document is to:

- Encourage the development of every officer's and employee's capacity for making responsible conduct decisions, so that each may realize his or her potential as a valuable member of the Department;
- Assist supervisors in the recognition of officer/employee misconduct and to encourage prompt preventative or corrective supervisory actions;
- Prevent misconduct by providing every officer and employee with fair notice that they have a duty to comply with the Code of Conduct and all laws, regulations, and policies; and
- Provide a basis for appropriate remedial action, which may include change in assigned duties, disqualification for a particular assignment, or disciplinary action.

POLICY

Standards and rules of conduct are designed to fulfill two fundamental objectives:

- Promote and maintain the efficiency of the Customs in enforcing the laws and regulations which govern the entry of articles and merchandise into (*NAME OF COUNTRY*), particularly in protecting revenue and preventing entry of prohibited articles and merchandise; and
- Promote and maintain the public confidence in the integrity of the Customs.

SCOPE

The conduct and responsibility guidelines contained in this directive must not be seen as all-inclusive. The absence of a published standard or rule does not necessarily mean that a particular action or omission is considered acceptable conduct. Enforceable standards and rules of conduct can be implied from the very nature of a particular situation, operation, position, or assigned duty, as long as the implied standard or rule is reasonable and consistent with Customs policies and principles regarding conduct. *Note that whenever the terms "officer(s)" or "employee(s)" are used, they reflect all persons employed in any capacity within the Customs.*

INVESTIGATION OF MISCONDUCT

Responsibility for investigation of alleged misconduct on the part of any Customs officer or employee rests with the Internal Inspections Unit. Misconduct of an obvious administrative nature may be handled without referral to the Internal Inspections Unit, unless assistance is considered necessary to develop essential facts. The following are examples of administrative misconduct:

- Absence without approval,
- Failure to follow instructions,

- Inefficiency or negligence in the performance of assigned duties when the revenue has not been endangered and no question of failure to enforce Customs or related laws exists,
- The use of intoxicants while on duty, or
- Reporting for work under the influence of intoxicants.

In these cases, the supervisor is authorized to issue an oral admonishment, written reprimand, or suspension from duty without pay for one day. In cases where suspension from duty of more than one day or removal is deemed by the supervisor to be appropriate based on the Code of Discipline, the facts of the misconduct and proposed disciplinary action must be forwarded, immediately, to the Internal Inspections Unit.

CONDUCT STANDARDS AND RULES

General Conduct Prejudicial to the Government

Officers and employees will not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct prejudicial to the Government. For purposes of this provision the following definitions or interpretations are applicable:

- "Criminal" conduct means conduct that has been determined by verdict and judgment of a court to have constituted commission of a crime, as defined and made punishable by law.
- "Infamous" conduct means criminal conduct as defined above, but which results in a disqualification to hold public office or to vote, or renders the convicted officer or employee incompetent as a witness in the particular jurisdiction, or tends to seriously and adversely affect the employees credibility as a witness.
- "Dishonest" conduct implies an act of lying, cheating, the wrongful taking of money or property, or a deceitful act or practice.
- "Immoral" conduct is interpreted as an act contrary to the generally accepted moral norm or standard. Immoral conduct may or may not involve a violation of law. It does not encompass every act that may violate a particular religious or moral concept or tenet. Immoral conduct may involve an interference or threat of interference with a right of another person or other persons, and/or an element of serious incompatibility with the duties of the employee's position or a mission of the Customs.
- "Notoriously disgraceful" conduct is interpreted as conduct widely and unfavorably known and discussed. It implies conduct which results in a loss of public respect for the employee.
- "Prejudicial" conduct is interpreted to mean any act or failure to act that adversely affects or tends to adversely affect: (1) the efficiency of the Customs in carrying out its missions and/or (2) the public confidence in the integrity of the Customs.

Proscribed Actions

Officers and employees will avoid any action that might result in:

- Using public office for private gain,
- Giving preferential treatment to any person,
- Impeding Government efficiency or economy,
- Losing complete independence or impartiality,
- Making a Government decision outside official channels, or

- Affecting adversely the confidence of the public in the integrity of the Government.

Performance of Duty

Officers and employees will carry out all properly assigned duties:

- With such preparation as is adequate under the circumstances,
- In accordance with departmental instructions or the reasonable standards of performance for their positions and grades,
- Within specified time limits or within such time as is reasonable under the circumstances,
- Utilizing reasonably available and proper means, and
- In an accurate and conscientious manner.

Officers and employees will not interfere with other employees in the performance of their official duties.

Officers and employees will conduct their relations with other employees in such a manner as will not cause dissension or discord among those employees or disrupt the conduct of official business.

Duty Hours

Officers and employees must observe designated duty hours and be punctual in reporting for work and returning from lunch periods.

Officers and employees assigned to security or investigative duties will not leave their assigned posts of duty without proper authorization until properly relieved.

Officers and employees must arrange in advance to obtain authorization for absence from duty, except in case of illness or unavoidable emergency.

Officers and employees will notify their supervisors or another appropriate official within two hours after the beginning of business on the first day of absence, or as soon as possible under the circumstances, where the absence results from illness or unavoidable emergency.

Officers and employees will not use sick leave for other than authorized purposes.

Courtesy

Officers and employees will be courteous and businesslike in every official activity involving contact with others. For the purposes of this provision, "courteous" means being pleasant, polite, respectful, considerate, helpful, and patient. This requirement must be adhered to even under difficult conditions and in times of personal stress and in the face of provocation that does not involve a violation of law. In this regard, officers and employees will not make any abusive, derisive, threatening, profane, obscene, other insulting, offensive, or provocative statement or gesture to or about another person.

In the face of unlawful conduct or extreme provocation, officers and employees will deal with the situation in a firm, professional manner, within the scope of their authority. Where that is deemed insufficient to resolve the problem encountered, employees will request whatever assistance is necessary under the circumstances, including law enforcement assistance when appropriate, to properly bring the situation under control.

Preferential Treatment

Officers and employees may not give preferred or expedited treatment to any person, company, or organization other than as authorized by written policy or through supervisory channels.

Reporting Violations of Laws Enforced by Customs

Violations by non-employees. Employees will promptly report through supervisory channels to the Internal Inspections Unit, any knowledge they may have, or any allegation or information they may receive, concerning the possible violation by a non-employee of any of the laws enforced by the Customs.

Violations by officers and employees. Officers and employees will promptly report through supervisory channels to the Internal Inspections Unit any knowledge they may have or any allegation or information they may receive concerning the possible violation of any law by any Customs employee.

Officers and employees, including supervisors, will not conduct unauthorized investigations into matters described above.

Examples of alleged violations that must be referred to the Internal Inspections Unit for investigation are provided below. This list is not all-inclusive and is issued as a guide only:

- Arrest for misdemeanor or felony;
- Solicitation or acceptance of a gratuity or bribe in connection with any Customs matter;
- Solicitation of contributions for gifts to supervisors or acceptance of gifts by supervisors from subordinates;
- Improper association with importers, brokers, crew members, and others who have regular recurring business with Customs, which could violate ethical standards or be in violation of rules of conduct;
- Unauthorized or negligent use of official automobile;
- Embezzlement of Government funds;
- False statements, misrepresentation, or fraud in completing official documents;
- Unauthorized disclosure of information to the public;
- Improper use of narcotics;
- Improper or questionable financial transactions; and
- Negligence in performance of duties, if revenue may have been endangered or possibility of failure to enforce any customs or related law exists.

Furnishing Testimony or Information

Officers and employees must furnish testimony, or fully disclose information in their knowledge or possession, concerning any matter of official interest, to any court, government board or panel, or official authorized to conduct a particular inquiry, investigation, hearing, trial, or other proceeding, or to act upon such testimony or information. In this regard, employees must answer any proper questions, under oath or affirmation if required, including furnishing or authorizing the release of information related to their financial affairs, which has a significant relationship to matters of official interest.

Publication, Release or Disclosure of Official Information

Officers and employees shall obtain the approval of their supervisors before publishing, releasing or disclosing any official information to the public.

Safeguarding Official Information

Officers and employees will not use, process, store or otherwise handle for any purpose any classified or sensitive official information or material requiring protection against unauthorized disclosure in the interest of national security or the efficiency of the Customs without affording the information or material the required or appropriate protection under the circumstances.

Officers and employees will not remove, conceal, alter, mutilate, obliterate or destroy any official record without proper authorization and, when authorized, will do so in strict accord with the limits of the authorization.

Care of Money and Property

Officers and employees will account for, conserve, protect or dispose of any money, property or other thing of value received by them, or coming into their possession, control or custody, or to which they have access, in accordance with established procedures or in accordance with such standards of care as are reasonable under the circumstances.

In the event of any loss, misplacement, theft, damage or destruction of such money, property or other thing of value, officers and employees must promptly report such occurrence to their supervisors.

Supervisors, upon receipt of information concerning alleged loss, theft, or embezzlement of Government funds or property by Customs officers and employees, shall immediately refer such information to the Disciplinary Review Committee. Supervisors need not report losses of Government property that they consider to be of nominal value. Any supervisor in doubt as to whether a loss should be reported shall obtain advice from the Disciplinary Review Committee.

Use of Government Owned or Leased Property or Other Thing of Value

Officers and employees will not use, or authorize the use of any Government owned or leased property, or other thing of value, for other than official purposes.

"Property," for purposes of this provision, includes, but is not limited to, any vehicle, office equipment and supplies, building, space, premises, or facility, badges and credentials.

With regard to badges or credentials, employees will not use any badge or credential issued for use in establishing identity or authority in connection with their official duties, or their official position, status or designation, to exert influence, or obtain directly or indirectly, any privilege, favor, preferred treatment, or reward, for themselves or others, or to improperly enhance their own prestige.

Officers and employees will not transport any person in a Government owned or leased vehicle unless that person's presence is deemed necessary to the successful completion of an official assignment or it would otherwise promote the efficiency of the Customs.

Officers and employees will return all Government owned or leased property issued to them for use in carrying out their official duties upon separation, transfer or reassignment, or on demand from proper authority.

Officers and employees are responsible for adhering to written Customs standards governing the removal of papers by officials upon leaving Customs.

Use of Intoxicants

Officers and employees will not drink intoxicating beverages while on duty except as may be necessary in connection with an official assignment.

Officers and employees in uniform will not drink intoxicating beverages in public places.

Officers and employees will not report for duty under the influence of alcohol. "Under the influence of alcohol" means that employees' effectiveness is reasonably considered to be impaired to a degree that might constitute a hazard to themselves or to others, or to property, or is otherwise unable to perform their assigned duties by reason of their use of intoxicating beverages.

Officers and employees will not operate any official vehicle under the influence of alcohol.

Appearance

Officers and employees will be neat, clean, and businesslike in dress and personal grooming while on duty. Officers will wear the uniform authorized for their particular assignments.

Gifts

Officers and employees will neither solicit contributions from other employees nor make donations for gifts for an employee in a superior official position. No officer or employee may accept a gift from an employee receiving less pay than himself or herself. This provision does not prohibit voluntary gifts or contributions made on special occasions such as marriage, illness, or retirement.

Lending and Borrowing

Officers and employees will not, either directly or indirectly, lend to or borrow substantial sums of money from other employees.

Officers and employees will not solicit, or permit to be affixed to any financial instrument as endorser, the signature of any employee under his or her supervision, nor shall employees act as endorser for any employee under their supervision.

Officers and employees will make every reasonable effort to fulfill or settle their just financial obligations in a proper and timely manner.

Gambling

Officers and employees will not participate in any way in any gambling activity while on Government-owned or leased property, or while on duty.

Outside Employment

Officers and employees must request in writing the permission of the Director of the Customs and Excise to engage in outside employment; i.e., working for other persons or entities outside the Customs or any form of self-employment. Permission will be granted only if such employment is not likely to interfere with the employee's responsibilities to the Customs and if the employment does not involve or give the appearance of a conflict of interest.

A conflict of interest situation may be defined as one in which an officer's or employee's private interest, usually of a financial nature, conflicts or interferes with, or reasonably appears to interfere with, the ability to objectively, impartially, and efficiently perform official duties.

Officers and employees may, with the prior written approval of the Director, generally engage in private employment, with or without compensation, and acquire interests in private businesses, unless their private employment or interests would not be compatible with the full and proper discharge of the duties and responsibilities of their Government employment. Any activity involving an incompatibility of interest is prohibited. Any private employment that might encourage on the part of members of the general public a reasonable presumption or inference of a conflict of interest falls into this category. Incompatible activities include but are not limited to:

- Outside employment that tends to impair the employee's mental or physical capacity to perform government duties in an acceptable manner. Abuse of leave privileges to engage in outside employment will be considered an interference with the acceptable performance of official duties.
- Acceptance of a fee, compensation, gift, gratuity, favor, or any other thing of monetary value in circumstances where such acceptance may result in, or create the appearance of, a conflict of interest.

Acceptance of Gifts or Other Things of Monetary Value from Outside Sources

Officers and employees will not solicit or accept any gift, gratuity, favor, entertainment, meal, and/or refreshments, loan, or any other thing of monetary value, either directly or indirectly, from a prohibited outside source. A prohibited outside source is defined as a person, firm, corporation, association, or other organization that has or is seeking to obtain, business relations of any sort with Customs or has interests that may be substantially affected by the performance or non-performance of the official duty of the Customs employee concerned.

Gifts, gratuities, favors, entertainment, loans, or other things of monetary value bestowed upon members of the immediate family of Customs personnel are viewed in the same light as those bestowed upon Customs personnel. For the purposes of this section "immediate family" includes all relations of Customs employees who are dependent upon them and all their relatives, dependent or not, who are members of their household. *(Note: Reasonable exceptions, as permitted by law or Department policy, may be entered here.)*

Association with Persons Connected with Criminal Activities

Officers and employees may not, except as may be necessary in connection with an official assignment, associate with individuals or groups who are believed or known by the employee to be connected with criminal activities when the association tends to discredit directly or indirectly the character or reputation of the employee or the Customs.

SUPERVISORY RESPONSIBILITIES

Supervisory personnel are responsible for ensuring that employees under their supervision conduct themselves in accordance with the standards contained in this directive. Moreover, supervisors are responsible for preventing the development of situations that may require disciplinary action.

Where non-administrative misconduct or an allegation of non-administrative misconduct by an officer or employee comes to a supervisor's attention, he or she must promptly report the circumstances to the Internal Inspections Unit.

When administrative misconduct by an officer or employee comes to a supervisor's attention, he or she must promptly take or recommend appropriate remedial action. Where an allegation of administrative misconduct by an officer or employee comes to a supervisor's attention, prompt action must be undertaken within the scope of his or her authority to determine the validity of the allegation and, if appropriate, remedial action must be taken promptly or recommended.

Supervisors are responsible for exercising a degree of vigilance that will ensure that officers and employees under their supervision do not fail to conduct themselves in accordance with the standards contained in this section. In this regard, supervisory personnel themselves must be subject to remedial action when the facts and circumstances of a particular situation indicate that, through the exercise of proper diligence, misconduct of employees under their supervision could have been prevented.

SPECIAL PROHIBITIONS CREATED BY LEGISLATION

Describe here the specific legislative prohibitions. For example, if article 100 of the Customs Act prohibits officers from making false statements, that article of law should be cited in this section and briefly summarized.

DISTRIBUTION AND ACKNOWLEDGEMENT

A copy of this directive must be distributed to every officer and employee. Every officer and employee must sign the attached receipt and another person must witness his or her signature. Receipts will be maintained in the employees' official personnel folders.

/signed/

Director

FOR OFFICIAL PERSONNEL FOLDER

I hereby acknowledge receipt of Directive Number ___ dated _____, entitled Conduct and Employee Responsibilities. I understand that I am fully responsible for familiarizing myself with, and strictly adhering to, the contents thereof.

Printed Name:

Identification Number:

Signature:

Date:

Witness Printed Name:

Witness Signature:

Date:

This receipt is to be filed in the officer's or employee's official personnel folder.

APPENDIX 6

Sample Code of Discipline

The following should be considered only as a guide in developing a Code of Discipline appropriate to the needs and concerns of Customs. Although every effort has been made to ensure that this document is consistent with Customs' goals, it is fully expected that some of the offenses and penalties will be changed and that additions or deletions may be appropriate. The importance of this document is that it clearly alerts all Customs employees of the consequences of failing to comply with the Code of Conduct and that it ensures that similar offenses are treated both fairly and uniformly.

Employees are responsible for being knowledgeable of and conducting themselves in accordance with the Code of Conduct of the Customs. Every Customs employee will receive annually copies of the Code of Conduct, the Directive on Officer/Employee Conduct and Responsibility, and the Code of Discipline as well as a minimum of eight hours of ethics training annually.

The Code of Discipline provides a disciplinary table that is intended as a guide for determining appropriate discipline to impose by type of offense committed. The offenses listed are not all-inclusive but rather give examples of some of the offences for which employees may be penalized (whether committed on duty or off duty).

Disciplinary actions must be progressive. However, progressive discipline need not follow any specific sequence of disciplinary actions. Major offenses will be cause for severe disciplinary actions, including removal, regardless of whether or not previous disciplinary actions have been taken.

Customs recognizes that informal counseling, in some circumstances, may be an effective tool in correcting an employee's deficiencies concerning conduct and behavior and in preventing misconduct that could lead to formal disciplinary action. Therefore, supervisors are encouraged to counsel employees whenever necessary.

In taking disciplinary actions, due regard shall be given to the principle that similar penalties should be imposed for similar offenses. For serious offenses, the following factors should be considered:

- The nature and seriousness of the offense and its relationship to the employee's duties and responsibilities, including whether the offense was intentional or technical or inadvertent, or committed for personal gain;
- The employee's job level and type of employment including supervisory role;
- Contacts with the public and prominence of the position;
- The employee's past disciplinary record and work record;
- The effect of the offense on management's future confidence in the employee's ability to perform assigned duties;
- The consistency of the penalty with those imposed for similar offenses;
- The consistency of the penalty with those found in the attached disciplinary table;
- The notoriety of the offense and its impact on the reputation of Customs;
- The potential of the employee's rehabilitation; and
- Mitigating circumstances.

The determination of the appropriate disciplinary action will be made by the Disciplinary Review Committee after review of the report of investigation of all allegations performed by the Internal Inspections Unit.

Officers and employees may appeal the Committee's decision to the Director within 30 days of the date of the decision.

/signed/

Director

DISCIPLINARY TABLE

NATURE OF OFFENSE	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
Absence without leave or authorization of 8 hours or less	Oral admonishment to official reprimand	1- to 3-day suspension	14-day suspension to removal
Absence without leave or authorization between 1 and 5 work days	Official reprimand to 3 day suspension	3- to 10-day suspension	14-day suspension to removal
Absence without leave or authorization of more than 5 work days	14-day suspension to removal	Removal	
Any unauthorized absence resulting in the substantial impairment of mission accomplishment	1- to 5-day suspension	5- to14-day suspension	14-day suspension to removal
Failure to follow established leave procedures	Oral admonishment to official reprimand	1- to 3-day suspension	14-day suspension to removal
Sleeping on the job, inattention to duty <ul style="list-style-type: none"> – where there is no potential danger to life or property or to potential loss of revenue – where potential danger to life or property is affected or revenue is lost 	Official reprimand to 3-day suspension 14-day suspension to removal	5- to10-day suspension Removal	Removal
Negligent of careless performance of assigned duties <ul style="list-style-type: none"> – covering up or attempting to conceal defective work; removing or destroying same without permission – where an inspection or other Customs enforcement function is substantially and negatively impacted 	Official reprimand to 2-day suspension 5- to14-day suspension	1- to 5-day suspension 5- to14-day suspension	14-day suspension to removal Removal
Failure or delay in carrying out orders, work assignments, instructions of superiors, or policies and procedures; or loafing	Official reprimand to 2-day suspension	5- to10-day suspension	14-day suspension to removal
Interference with other employees in the performance of official duties	Official reprimand to 3-day suspension	5- to10-day suspension	14-day suspension to removal

NATURE OF OFFENSE	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
Unauthorized or negligent use, damage or loss of government property <ul style="list-style-type: none"> – misuse of government vehicle when willfulness or intent is involved – misuse of government vehicle when willfulness or intent is not a factor – loss or damage to Government property, equipment, records, etc. – use of Government property, other than vehicles, for other than official purposes 	30-day suspension to removal Official reprimand to 14-day suspension Official reprimand to 14-day suspension Official reprimand to 14-day suspension	Removal 5- to 30-day suspension 14-day suspension to removal 5- to 30-day suspension	30-day suspension to removal 30-day suspension to removal 14-day suspension to removal
Failure to maintain a neat, clean, and businesslike appearance or to comply with uniform dress standards while on duty.	Official reprimand to 2-day suspension	3- to 5-day suspension	14-day suspension to removal
Failure to observe established policies or procedures in the apprehension or detention of violators	7- to 14-day suspension	14-day suspension to removal	Removal
Failure to report arrest to superiors	Official reprimand to 3-day suspension	5- to 10-day suspension	14-day suspension to removal
Failure to promptly report violations of laws enforced by Customs, including failure to report to Internal Inspections information concerning violation of any law by a Customs employee	3- to 5-day suspension	5- to 10-day suspension	14-day suspension to removal
Failure to promptly report an attempted bribe	Official reprimand to 10-day suspension	14-day suspension to removal	Removal
Acceptance of a gratuity or a bribe	14-day suspension to removal	Removal	
Solicitation of a gratuity or a bribe	30-day suspension to removal	Removal	
Unauthorized outside employment or business activity	Oral admonishment to 2-day suspension	3- to 5-day suspension	14-day suspension to removal
Soliciting or accepting gifts from other employees or supervisors	Official reprimand to removal	5-day suspension to removal	14-day suspension to removal
Intentional falsification, misrepresentation, exaggeration or misstatement of material fact in connection with employment, promotion, travel voucher, transaction with the public, or any other record, investigation or other proper proceeding	5-day suspension to removal	10-day suspension to removal	Removal
Discourteous conduct toward members of the public	Official reprimand to 5-day suspension	5- to 14-day suspension	14-day suspension to removal

NATURE OF OFFENSE	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
Disrespectful conduct (Use of abusive, derisive, profane or other offense statement to or about another person, which adversely affects production, discipline or morale.)	Oral admonishment to 1-day suspension	Official reprimand to 5-day suspension	10-day suspension to removal
Fighting, threatening or attempting to inflict bodily harm to another; any violent act or language which adversely affects morale, production or maintenance of discipline	5-day suspension to removal	Removal	
Refusal to carry out a proper order (Insubordination, impertinence of like offense)	5-day suspension to removal	14-day suspension to removal	Removal
Refusal to honor just financial obligations in a prompt and timely manner	Oral admonishment	Official reprimand	Official reprimand to removal
Use of Customs credentials to coerce, intimidate or deceive or for personal gain	Official reprimand to 10-day suspension	14-day suspension to removal	Removal
Borrowing from or lending substantial sums of money to fellow employees	Official reprimand to 3-day suspension	3- to 5-day suspension	14-day suspension to removal
Gambling or betting on Government premises	Oral admonishment to 3-day suspension	3- to 10-day suspension	14-day suspension to removal
Criminal, infamous, dishonest, immoral, notoriously disgraceful conduct, or other conduct prejudicial to the Government	14-day suspension to removal	Removal	
Association with persons connected with criminal activities	14-day suspension to removal	Removal	
Actual or attempted theft of money or property	Official reprimand to removal	14-day suspension to removal	Removal
Refusal to furnish testimony or information in an official inquiry, investigation of other official proceeding	14-day suspension to removal	Removal	
Unauthorized or illegal possession of a weapon	14-day suspension to removal	Removal	
Violation of security regulation covering material classified or sensitive to the Government	Official reprimand to 5-day suspension	5-day suspension to removal	14-day suspension to removal
Use of alcoholic beverages <ul style="list-style-type: none"> – Drinking alcoholic beverages while on duty – Reporting for duty under the influence of alcoholic beverages or being on duty so impaired as to be unable to perform assigned duties or to be a hazard to self or others 	Official reprimand to 5-day suspension 14-day suspension to removal	5- to 10-day suspension Removal	Removal

NATURE OF OFFENSE	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
Use of possession of illegal drugs	30-day suspension to removal	Removal	
Using public office for private gain	14-day suspension to removal	Removal	
Giving preferential treatment to any person	14-day suspension to removal	Removal	
Impeding Government efficiency or economy	14-day suspension to removal	Removal	
Making a government decision outside official channels	14-day suspension to removal	Removal	
Affecting adversely the confidence of the public in the integrity of the Government	14-day suspension to removal	Removal	

APPENDIX 7

Sample Directive on Disciplinary Review Committee

This is a recommended procedure, which, if implemented, must be adapted by the Customs to reflect national legislation, procedures, and human resources practices. This document should not be issued in its current form without review and necessary modifications.

PURPOSE

The purpose of this directive is to establish a Customs Disciplinary Review Committee and define its role in the disciplinary process.

POLICY

The Disciplinary Review Committee is established to promote fairness and consistency in addressing cases of alleged serious employee misconduct. The primary function of the committee is to review reports of the investigations and ensure that disciplinary action, if warranted, is administered in a fair and impartial manner.

RESPONSIBILITIES

Disciplinary Review Committee. The Disciplinary Review Committee is responsible for reviewing completed investigative reports of employee misconduct prepared by the Internal Inspections Unit. The Committee will convene, at least monthly, a panel consisting of the Chairperson and a minimum of two Committee members to review reports of investigations of allegations of misconduct and to recommend appropriate remedial or punitive action. When allegations of misconduct are substantiated, the panel will determine the appropriate corrective or disciplinary action, taking into account the Code of Discipline and other relevant issues. All proceedings of the Disciplinary Review Committee and its individual panels will be recorded in writing. Disciplinary Review Committee members are responsible for faithfully executing their duties, for judging all investigations of reported misconduct fairly, and for maintaining the confidentiality of all investigative and Discipline Review Committee related activities, including reports of suspected misconduct received from any source within or outside the Customs.

Internal Inspections Unit, Internal Investigations Section. The Internal Inspections Unit is responsible for investigating all allegations of misconduct and reporting its findings to the Disciplinary Review Committee. Investigations must be conducted in an impartial, thorough and timely manner and be fully documented.

Customs Managers and Supervisors. Customs managers and supervisors are responsible for maintaining discipline within their workplaces. Although the vast majority of minor misconduct (e.g., tardiness, misuse of sick leave, minor inattention to procedures) is still dealt with directly by supervisors, all matters where it is alleged or suspected that an officer or employee has violated the Code of Discipline must be referred to the Internal Inspections Unit. The failure to refer such matters may be grounds for disciplinary action.

Customs Officers and Employees. Customs officers and employees are responsible for conducting themselves in a manner that brings credit upon and promotes the efficiency of the Department. Officers and employees are expected to comply with the Code of Conduct and with all published departmental policies and procedures. Customs officers and employees may not engage in criminal, dishonest, immoral, or notoriously disgraceful conduct prejudicial to the government. When Customs officers or employees have knowledge of, or reason to suspect, serious misconduct on the part of another, they are responsible for reporting such knowledge or suspicion to either their supervisor or directly to the Internal Inspections Unit. Failure to do so may result in disciplinary action.

Employee Rights. The Disciplinary Review Committee role, in examining the facts of a case and determining appropriate disciplinary or other remedy, does not affect the existing rights of an employee to present his or her side of the story before a decision is reached, or to challenge a decision through the appeals process. Upon receipt of a proposed action, employees retain the right to review the investigative materials and present their views and any favorable information, in writing and/or in person. Decisions of the Disciplinary Review Committee can be appealed to the Director in writing or in person (by appointment) within 30 days of the date of the decision.

DISCIPLINARY REVIEW COMMITTEE AND PANELS

- **Disciplinary Review Committee.** The Disciplinary Review Committee will comprise the Heads of the following offices: Administration, Policies and Procedures, Training, Post Clearance Audit, Cargo Selectivity Management, and Enforcement; and at least one Chief of a major field office.
- **Chairperson of the Disciplinary Review Committee.** The Committee Chairperson will be appointed by the Director. The Deputy will be elected by the members. The Chairperson and Deputy should each serve for a minimum of one year.

Disciplinary Review Panel. A panel consisting of the Chairperson and two members of the Disciplinary Review Committee will be appointed monthly to screen allegations and review investigations of employee misconduct to determine appropriate management response. If a Disciplinary Review Committee member's participation on the panel is determined to create a conflict of interest, he or she may be excused from participation, and an alternate may be designated. The Chairperson will be responsible for making determinations regarding potential conflicts of interest. Examples of circumstances possibly warranting such action include:

- A committee member is involved in the investigation being reviewed.
- A committee member is subordinate to the subject of the review.
- A committee member has a personal or family relationship with the subject of the review.
- A committee member supervises the subject of the review.

PROCEDURES

- **Reports of Investigation.** The Internal Inspections Unit will forward all the completed reports of investigations to the Chairperson of the Disciplinary Review Committee. The Disciplinary Review Panel will determine what action is warranted based on the findings of the investigations.
- **Panel Decisions.** Disciplinary Review Panels operate on majority determinations of the three members; however, the panels strive for consensus. Discipline Review Committee panels may take the following actions:
 - Refer for criminal prosecution;
 - Recommend disciplinary action;
 - Return of case for investigative follow-up (return to the Internal Inspections Unit of cases determined to warrant additional information, with specific instructions for follow-up investigation or inquiry); and
 - Remand of case to the appropriate manager for administrative action.
- A case determined not to warrant Disciplinary Review Committee action will be remanded through channels to the employee's unit supervisor for lesser action. In appropriate cases, the panel may provide a recommended penalty or penalty range.

RECORDS

The Disciplinary Review Committee will maintain written records of all cases referred to it including the decisions of the committee. These records will be made available to the Police and Courts, as well as to the Internal Inspections Unit and Human Resources Management Section as needed for official purposes; but they otherwise are considered to be confidential.

/signed/

Director

APPENDIX 8

Recommended Functional Statements for Internal Inspections Unit

The following should be considered only as a guide in developing functional statements appropriate to the needs and concerns of the Customs. Although every effort has been made to ensure that this document is consistent with Customs' goals, it is fully expected that governmental human resource management policies and practices establish mandatory or recommended formats. These suggested functional statements should serve as a starting point in the development of functional statements that comply with those requirements.

INTERNAL INSPECTIONS UNIT FUNCTIONAL STATEMENT

The mission of the Internal Inspections Unit is to discover and prevent corruption, ensure uniformity of and compliance with various Customs operational procedures, identify and report existing procedural deficiencies, and maintain the overall integrity within the Department. The Internal Inspections Unit comprises an Internal Controls Section and an Internal Investigations Section.

The Internal Inspections Unit will also assist in educating employees concerning ethical standards and integrity responsibilities; evaluating physical security threats to Customs employees and facilities; preventing unauthorized disclosure of sensitive information; and inspecting Customs operations and processes to assess managerial effectiveness and identify needed improvements.

INTERNAL CONTROLS SECTION FUNCTIONAL STATEMENT

The mission of the Internal Controls Section is to ensure, through both regularly scheduled and impromptu inspections, that of all Customs components having operational oversight of importers, brokers, transportation companies, and other businesses that import, export, or conduct Customs business -- operational and administrative activities in accordance with Department policies and procedures, in full compliance with Customs and related laws, and in such a manner to bring credit and respect to the Customs.

Detailed internal controls checklists will be developed to cover important functional areas. Controls will be carried out by the office manager or by a subordinate officer and then certified by the office manager. In either case, the office manager assumes responsibility for ensuring that internal control self-checks are performed in a timely and thorough manner and accurately documented. The Internal Controls Section will periodically carry out both scheduled and unannounced verifications of internal controls in all Customs offices. Results of these inspections and verifications will be a substantial part of the promotional process within the Customs.

INTERNAL INVESTIGATIONS SECTION FUNCTIONAL STATEMENT

The Internal Investigations Section is responsible for investigating allegations of corruption on the part of Customs officers or employees and Customs brokers. In conducting internal investigations, the Internal Investigations Section will cooperate fully with the *(list any other government agency with prosecutorial or investigation responsibilities that may be involved)*.

The Internal Investigations Section is neither a disciplinary tool of management nor a device to settle employee quarrels. It is an impartial fact-gathering office composed of criminal investigators whose duties are to investigate to the fullest possible extent the allegations made by the accuser as well as the defenses offered by the accused. The unit will submit reports of investigation, in accordance with national legislation, to the National Police, the National Prosecutor, or the Disciplinary Review Committee as appropriate under national law and policy. Internal Investigations officers are responsible for conducting all investigations in a thorough, professional, timely, and impartial manner.

FUNCTIONAL STATEMENT FOR DIRECTOR OF INTERNAL INSPECTIONS UNIT

The Director of Internal Inspections Unit is responsible for ensuring that officers and employees carry out their duties in accordance with Department policies and procedures, in compliance with Customs and related laws, and in such a manner as to bring credit and respect to the Customs. This includes responsibility for ensuring compliance with all Customs programs and policies relating to corruption, misconduct, or mismanagement and for deploying the Unit's resources to matters involving internal security, integrity, internal management inspections program and investigations. The incumbent functions under the direct supervision of the Director of Customs. As such, the Unit Director must be a thoroughly experienced customs senior officer with a working knowledge of both headquarters and field functions of the various Customs sub-offices.

Recommended skill requirements include:

- Knowledge of accounting principles, sufficient to understand documents and to know what records to request;
- Familiarity with common customs practices related to one or more commodities to help in knowing which questions to ask and in understanding the answers;
- Ability to maintain complete, organized, and up-to-date files in which information is easily accessible;
- Ability to provide concise oral briefings and written reports;
- An inquiring mind, flexibility, and tenacity;
- Knowledge of at least one "world" language; and
- Five years of unblemished service in the Customs.

FUNCTIONAL STATEMENT FOR CHIEF OF INTERNAL CONTROLS SECTION

The Chief of Internal Controls Section is responsible for developing and implementing a system of effective internal controls that are to be conducted on a routine basis by field office managers and reported to and reviewed by the Internal Controls Section staff. Internal Controls will include, but are not limited to, all aspects of Customs operations related to:

- Assessment of duties,
- Collection of, and accounting for, revenue,
- Issuance of penalties,
- Care, maintenance, and control of government property inventory,
- Control and safe storage of seized and detained property inventory,
- Thorough examination of cargo and accurate reporting of findings,
- Compliance with the ASYCUDA selectivity process,
- Maintenance of official records,
- Time and attendance, and
- Official travel.

The Chief of the Internal Controls Section organizes and manages the resources and activities of the section and establishes procedures and performance standards for personnel as well as the preparation of seminars and

expert literature for upgrading knowledge and skills of the personnel in the internal controls section and the Customs.

Recommended skill requirements include:

- Knowledge of accounting principles, sufficient to understand documents and to know what records to request;
- Familiarity with common practices in one or more commodities and industries to help in knowing which questions to ask and in understanding the answers;
- Ability to maintain complete, organized, and up-to-date files in which information is easily accessible;
- Ability to provide concise oral briefings and written reports;
- An inquiring mind, flexibility, and tenacity;
- Knowledge of at least one “world” language;
- Three years of unblemished service in a Customs field office.

Note: It is essential that this Section be led by a manager thoroughly experienced in Customs and that he or she be supported by a cadre of auditors familiar with Customs administrative and operational procedures. Therefore, seniority initially should play a part in selection in order to provide experienced base staffing. This will assure that new officers, subsequently rotated into the office, can benefit from exposure to the wealth of experience present within the initial staff

FUNCTIONAL STATEMENT FOR CHIEF OF INTERNAL INVESTIGATIONS SECTION

The Chief of the Internal Investigations Section is responsible for managing both the proactive and reactive internal investigations of alleged employee misconduct or corrupt practices. Such activities will be carried out in accordance with the defined objectives, goals, and mission of the Section in accordance with applicable laws and standards governing criminal and civil procedures. Primary allegations to be investigated are those included in anti-corruption statutes and in the Code of Ethics. Those allegations include but are not limited to:

- Bribery;
- Smuggling;
- Perjury and false statements;
- Use of excessive force;
- Misuse of a government vehicle or equipment;
- Negligence resulting in injury or death;
- Negligence causing operational harm;
- Lost/missing/stolen currency or narcotics;
- Mismanagement;
- Unauthorized use of government funds and credit cards;
- Behavior deemed to be prejudicial to the customs;
- Critical incidents;
- Lost badge or credentials; and
- Passenger complaints (delays, inefficiency, property damage, fines, seizures, searches, and examinations).

The Chief plans, organizes, and manages the resources and activities of the Internal Investigations Section; establishes procedures and performance standards for personnel; and provides seminars and expert literature for upgrading knowledge and skills of the personnel in the Section and the Customs.

The Chief is responsible for establishing and maintaining an effective working relationship with the Commission for Investigation of Abuse of Authority, the Public Service Commission, and other law enforcement organizations.

The Chief also coordinates and participates in the preparation and presentation of ethics seminars and expert literature for upgrading knowledge and skills of the personnel in the Investigations Section and the Customs at large.

Recommended skill requirements include:

- Knowledge of white collar crime investigation, sufficient to understand documents and to know what records to request;
- In-depth knowledge of legislation, criminal investigation techniques, and interagency enforcement techniques;
- Ability to maintain complete, organized, and up-to-date files in which information is easily accessible;
- Ability to provide concise oral briefings and written reports;
- An inquiring mind, flexibility, and tenacity;
- Knowledge of at least one “world” language; and
- In excess of five years of unblemished service in a law enforcement agency.

Note: Initially this position should be staffed by an experienced criminal investigator from another government agency, for at least the first 12 to 18 months. It would be a mistake for the chief of such an office to be inexperienced in the conduct of the discipline that he or she supervises. The Chief will require the full respect of colleagues and subordinates. A temporary transfer of a respected senior officer to the Section from the National Police or a similar law enforcement agency will accomplish several important goals from inception:

- *The Chief will have an obviously well-developed skill of managing and conducting investigations that will gain the instant respect of staff and colleagues.*
- *By having those professional experiences in place, the Chief will be able to mentor the staff and build the expertise of the Section quickly and efficiently.*
- *The Chief will not have alliances within Customs that might cloud his or her judgment in the initiation of investigations; therefore, potential allegations of favoritism or of “covering up” incidents needing investigation will be defused.*
- *The Chief’s prior contacts from previous assignments will deliver much needed cooperation and assistance to the fledgling Section from its inception.*
- *Assigning the right manager from the outset is the key to building an effective Internal Investigations Section and staff.*

FUNCTIONAL STATEMENT FOR INTERNAL CONTROL INSPECTORS

The Internal Control Inspector ensures that inspections are conducted on a routine basis by field office managers. Internal Controls will include, but are not limited to, all aspects of Customs operations related to:

- Assessment of duties;

- Collection of, and accounting for, revenue;
- Issuance of penalties;
- Care, maintenance, and control of government property inventory;
- Control and safe storage of seized and detained property inventory;
- Thorough examination of cargo and accurate reporting of findings;
- Compliance with the ASYCUDA selectivity process;
- Maintenance of official records;
- Time and attendance; and
- Official travel.

Inspectors also conduct announced and unannounced internal examinations of headquarters and field offices to verify the accuracy of completed internal control self-inspections that have been certified by the office manager, and to identify operational and/or administrative deficiencies that have not been captured by the routine internal control self-inspections.

Inspectors may be called on to augment inspections and executive management reviews for practices of mismanagement. Inspectors will be responsible to assist in internal inspections when their particular expertise is needed and will provide information of mismanagement uncovered in the performance of their duties to the Internal Control Section as soon as practically possible.

Recommended skill requirements include:

- Knowledge of accounting principles, sufficient to understand documents and to know what reports to request;
- Familiarity with common practices in one or more commodities and industries to help in knowing which questions to ask and understanding the answers;
- Ability to maintain complete, organized, and up-to-date files in which information is easily accessible;
- Ability to provide concise oral briefings and written reports;
- An inquiring mind, flexibility, and tenacity;
- Knowledge of at least one “world” language; and
- Two years of unblemished service in a Customs field office.

FUNCTIONAL STATEMENT FOR INTERNAL INVESTIGATORS

As set forth in national laws and Customs directives, the Internal Investigator enforces the Customs and related laws; conducts criminal and civil investigations; prepares all documents and other evidence necessary for prosecution or satisfactory resolution; and prepares affidavits for execution of arrest, seizure, and search warrants. Based on the final results of investigations, Internal Investigators refer non-criminal violations to the Disciplinary Review Committee. When the investigation has revealed criminal activity, the investigator works closely with the prosecuting authority and other appropriate domestic and foreign agencies to gather evidence and to prepare civil and criminal cases for court trial and testifies in court.

The investigator has full legal and administrative access to importer and customs broker records in Customs civil and criminal investigations. Investigators may employ a variety of surveillance techniques and integrity testing

techniques to include the application of state-of-the-art hi-technology in accordance with the laws and government procedures.

In order to perform successful Customs cases, the investigator must develop confidential contacts and informants in the international trade communities and the public at large; and document, control, and pay non-Customs confidential informants according to Customs policies and regulations.

In order to perform successful Customs cases, the investigator must develop effective working relationships with the Commission for Investigation of Abuse of Authority, the Public Service Commission, and other law enforcement organizations.

Investigators are responsible for conducting assigned investigations in a professional manner:

- Formulating and preparing a comprehensive and cohesive investigative plan;
- Developing official and unofficial sources of information;
- Developing a basic knowledge of forensic criminal investigative techniques;
- Conducting face-to-face interviews of all witnesses;
- Corroborating all witnesses' statements;
- Re-interviewing witnesses as necessary to obtain a clear and factual accounting of events;
- Developing a respected professional and personal reputation with the commission for investigation of abuse of authority, the prosecuting attorney, and the public service commission; and
- Preparing clear, comprehensive, and detailed reports of investigation that will serve as a case results as well as archival records of inquiries and investigations.

The investigator is responsible for conducting assigned investigations in a timely manner. A Customs officer's or employee's reputation is uncertain during an internal investigation, and the phrase "justice delayed is justice denied" will be a guiding principle of the investigator's activities. All investigations must be conducted in a timely manner so that the allegations can be corroborated, disproved, or declared unsubstantiated.

The investigator is responsible for conducting assigned investigations in an impartial manner. Investigators must:

- Convey an attitude of impartiality to the accused and the accuser and diligently investigate all leads and statements provided by both parties;
- Be alert to and avoid personal behavior that could undermine fellow customs officers' faith in the internal investigations section's ability to conduct a fair and impartial investigation; and
- Respect and obey the same code of conduct that he or she investigates others for violating.

Recommended minimum skills include:

- Knowledge of basic accounting principles, sufficient to understand documents and know what reports to request;
- Knowledge of Customs procedures and importation/exportation requirements;
- Ability to maintain complete, organized, and up-to-date files in which information is easily accessible;
- Ability to provide concise oral briefings and written reports;
- An inquiring mind, aptitude for the process of comprehensive investigation, flexibility, and tenacity;

- Ability to work effectively in conjunction with other Customs officers and officers of other departments and agencies; and
- Three years of unblemished service in a Customs field office or two years experience in criminal investigations.

FUNCTIONAL STATEMENT FOR INTAKE OFFICER

The Intake Officer performs the administrative duties associated with responding to allegations of corruption while operating the Customs Hotline; i.e., documenting complaints, making necessary data entries, and referring allegations to the Disciplinary Review Committee. The incumbent may perform the administrative duties in support of internal investigations including the maintenance of controlled investigative files.

Recommended minimum skills include:

- At least one year's working experience in Customs;
- Demonstrated proficiency in communicating orally and in writing; and
- Demonstrated proficiency in the use of Microsoft Office Suite software and the maintenance of database and record-keeping systems vital to the goals and operations of the Internal Inspections Unit.

APPENDIX 9

Sample Directive Announcing Formation, Responsibilities, and Authority of Internal Inspections Unit.

The following should be considered only as a guide in preparing an official notice to all employees of the formation and the mission of the Internal Inspections Unit. This document will reinforce Customs' efforts to stress to all officers and employees that Customs is committed to deal with corruption in a professional and effective manner)

PURPOSE

The purpose of this directive is to announce the formation of the Customs Internal Inspections Unit.

POLICY

As part of the Customs Professionalism Campaign, we have announced, both internally and externally, our policy expectation that all officers and employees will perform their duties in a manner that brings honor and respect to the Department, to all who serve, and to our nation. We have published a Code of Conduct, a Code of Discipline, and a Conduct and Officer/Employee Responsibilities Directive. All officers and employees will receive annual training regarding these policies and their responsibility to conduct the business of the Customs in an ethical manner.

It is our belief that the majority of our workforce shares this goal and is motivated to earn the trust and respect of the nation and the public we serve. We all must recognize, however, that unfortunately not all officers and employees are living up to expected standards. As Customs officers and employees, we must all recognize that laws are meaningless without proper enforcement. However, with this establishment of the Customs Internal Inspections Unit, this situation is about to change radically.

RESPONSIBILITY AND AUTHORITY

The Internal Inspections Unit is responsible for ensuring by inspection and investigation that all Customs officers and employees faithfully comply with all civil and criminal provisions of law as well as departmental policies, programs, and procedures. The Unit will ensure that high standards of honesty, integrity, and suitability of employees are sustained and that the revenue of the nation and that the assets of the Department are safeguarded.

In executing its functions and responsibilities, the Internal Inspections Unit is authorized immediate access to, and may review immediately upon demand and without exception, all internal or external information relating to Customs matters.

In addition, the Internal Inspections Unit is authorized to question and interview any Customs employee or other person who may have knowledge concerning any matter that falls within its scope of responsibility.

The performance of these inspections and investigations will be performed under the direct authority of the Director of Customs and under no circumstances may be delayed or hindered by intermediate managers, supervisors, or other staff. All customs employees are directed to cooperate fully, without reservation, and in complete honesty with members of the Internal Inspections Unit.

MISSION STATEMENTS

Internal Inspections Unit. The mission of the Internal Inspections Unit is to prevent corruption; to ensure compliance with approved operational and administrative procedures; identify and report existing procedural deficiencies; and promote and maintain overall integrity within Customs. The Internal Inspections Unit comprises

the Internal Controls Section and the Internal Investigations Section. To ensure that investigations are conducted in a fair and professional manner, the Internal Inspections Unit reports to the Director of the Customs.

Internal Controls Section. The mission of the Internal Controls Section is to ensure that all Customs officers and units having operational oversight of importers and exporters, brokers, transportation companies, and other concerns that conduct business with Customs do so in accordance with policies and procedures, ensuring full compliance with Customs and related laws. These duties will be carried out in a manner that brings credit and respect to the Customs. Detailed internal controls checklists will be developed to cover important functional areas. Controls will be carried out by the office manager or by a subordinate officer and then certified by the office manager. In either case, the office manager assumes responsibility for ensuring that internal control self-checks are performed in a timely and thorough manner and accurately documented. The Internal Controls Section will periodically carry out unannounced verifications of internal controls in all Customs offices. Reports of the Internal Controls Section will play a key role in the performance and efficiency reports of supervisory personnel in charge of offices reviewed or inspected by this group.

Internal Investigations Section. The mission of the Internal Investigations Section is to investigate allegations of corruption on the part of Customs officers or employees and Customs brokers. The Internal Investigations Section is neither a disciplinary tool of management nor a device to settle employee quarrels or grievances. It is an impartial fact-gathering office composed of criminal investigators whose duties are to investigate the allegations made by the accuser and the defense offered by the accused. The goal of internal investigations is to produce objective, balanced, and accurate determination of facts and circumstances by the investigator, who then reports those facts to the Disciplinary Review Committee, Prosecutor or other agency for adjudication as required by law or regulation. Internal Investigations officers are responsible for conducting all investigations in a professional, timely, and impartial manner. No officer or employee's reputation will be allowed to remain in question any longer than is absolutely necessary to either substantiate or refute the allegations.

EMPLOYEE RESPONSIBILITY

Officers and employees must furnish testimony, or fully disclose information in their knowledge or possession, without reservation, with no attempt to conceal or deceive concerning any matter of official interest to members of the Internal Inspections Unit. This requirement must also extend to inquiries by any court, board, panel, agent, or official authorized to conduct a particular inquiry, investigation, hearing, trial, or other official proceeding. Officers and employees must act upon such testimony or information, when directed to do so by proper authority. Internal Inspections Unit inspectors and investigators have also been granted this authority.

In this regard, officers and employees must answer any question, under oath or affirmation if required, including furnishing or authorizing the release of information related to their financial affairs that has a reasonable relationship to matters of official interest.

Failure by an employee or officer of the Customs administration to cooperate in an investigation or inspection, or to withhold information as described above, is a disciplinary offense and in and of itself is very separate from the focus and reason of the initial inquiry.

/signed/

Director of Customs

APPENDIX 10

Suggested Outline for Ethics Training

INTRODUCTION

Over its past history, the Customs administration has not enjoyed a reputation that we can all be proud of. Customs, along with many other Government Departments, is held in low esteem by many of our citizens, friends, and neighbors.

We are viewed as a corrupt organization by many of our fellow citizens. However, we are prepared and determined to change that. We are going to work together to earn our nation's respect for the demanding work we do under difficult circumstances and for the professional manner by which we serve.

The purpose of our meeting here today is to discuss the new Customs Integrity Program. This program is based upon existing laws, regulations, and policies as well as a deep personal commitment to maintaining the public trust. Our objective is to ensure that the highest possible standards of integrity are fostered and observed by all officers and employees.

There is an old saying that is sometimes used when people or organizations are troubled by the past and wish to put it behind them. The saying is "Today is the first day of the rest of my life." Behind that statement is the recognition that old habits and perceptions will no longer be tolerated and that it is time for a change. That is where Customs stands today.

We have no way of accurately measuring this, but we believe that the serious integrity problems that exist within Customs today are created by a minority of our workforce. We want to believe that most employees exhibit extremely high standards of personal conduct and laudable professionalism. However, we cannot simply want to believe. We must be certain.

In order to address the failings of the few, and to maintain and encourage the existing high standards of the majority, Customs is implementing a new program to:

- Identify and understand the elements of the customs integrity program,
- Familiarize all officers and employees with the standards of conduct that are expected within Customs,
- Identify threats to the Department's integrity, and
- Provide a ready means by which these threats may be addressed.

Our goal is to perform our duties in a manner that reflects favorably on Customs and its officers and employees; and earns the respect of our families, our friends, our neighbors, and our fellow citizens. To do this, we will look to the future, not to the past.

If you will share in the conviction that "This is the first day in the rest of our lives"—both as an organization and as employees of that organization—then our focus can be on the prevention of unethical behavior from this day forward, and a firm, but fair, response to all instances of such behavior.

As you will learn today, our program will include not only ethics training for our employees, but also the creation of a new internal investigations capability that will look at every allegation of unethical behavior, a new statement of employee conduct and responsibilities, and a new code of discipline.

Although we cannot officially excuse past unethical or corrupt behavior, we will not focus on it unless that behavior was so unacceptable and of such a magnitude that it cannot be overlooked. Our focus will be on behavior from this day forward, and we will be considerably less forgiving in the future than in the past.

OBJECTIVES

This presentation has been designed to enable officers and employees to:

- Identify and understand the scope and features of the Customs Integrity Program;
- Identify conduct which represents a violation of our nation's and our Department's laws and regulations;
- Become familiar with our new Directive on Officer/Employee Conduct and Responsibilities and identify conduct which represents a violation of those standards;
- Become familiar with new organizational elements within the Customs that will help implement and maintain the Integrity Program, such as the:
 - Internal Inspections Section,
 - Internal Investigations Unit,
 - Internal Controls Unit, and
 - Disciplinary Review Committee.

WHAT IS INTEGRITY?

- "As used in statutes prescribing the qualifications of professionals such as public officers and trustees, this term means soundness or moral principle and character, as shown by one person dealing with others in the making and performance of contracts, and fidelity and honesty in the discharge of trusts; it is synonymous with probity, honesty, and uprightness. (Black's Law Dictionary) *(Note: It is suggested that the developers of this training module either replace the above definition or supplement it with a commonly accepted local legal definition.)*
- "The habit of doing the right thing, at the right time, for the right reason(s)." (Unknown)
- The second definition emphasizes the word "habit." When we think of individuals who display high standards of integrity, we normally think of them as persons who may be relied upon in all circumstances, that is, habitually, to be trustworthy and honest.

ETHICAL CONDUCT AND DECISIONS

The citizens of our nation have a right to place a special trust in Customs employees because in the exercise of our office we affect the security, health, safety, and economic standing of our citizens and our nation.

We are expected to observe standards of conduct that reflect honesty, integrity, and a willingness to accept full responsibility for our actions. In addition, we are expected to endure a higher degree of scrutiny than the average citizen would routinely tolerate. *(Ask the participants to comment on how well they think Customs as a Department does in meeting these expectations and standards.)*

Hand out *Transparency International (TI) 2003 Country Report* for your country and other corruption-related surveys obtained through an Internet search. Briefly summarize these documents and suggest to the participants that they take the time to review them at their leisure.

During our careers, we are continually exposed to opportunities and pressures that could compromise our integrity. For example:

- **Self-interest.** We all lean toward acting in ways that will benefit us personally and professionally. The ambition to employ our abilities and excel is good when exercised appropriately. However, when we compromise our integrity in the pursuit of our real or imagined self-interest, our personal honor is demeaned. When this behavior is uncovered, we expose not only ourselves but also our families to the consequences of penalties that can be severe.
- **Pressure from peers.** Our colleagues may exert pressure upon us to act unethically. When this pressure is applied, it is normally because the person is attempting to advance his or her own agenda. Rarely are they interested in our well-being. (*What do we mean by peers? Our fellow officers and employees, brokers, freight forwarders, airline and airport staff, family members, and friends.*)
- **Pressure from superiors.** Pressure may also come from superiors acting to make themselves "look good" or disguise their own actions. This pressure is often subtle, and it may be difficult to resist. Nonetheless, it is never an acceptable excuse for unethical behavior on our part.

All of us already have formed personal habits by which we live. However, in reminding ourselves of the values of our profession and of what the citizens of our nation expect of us, we will become more sensitized to and aware of the necessity for the highest standards of personal integrity and proper professional conduct and must adjust our own habits accordingly. What follows is:

- A summary of the standards of conduct expected of us as Customs officers and employees;
- The criminal and administrative violations of which we should be aware;
- The role of the Internals Inspections Unit in assisting both the Department and each of us personally in making certain that we may all be proud of ourselves and our colleagues as we serve the nation; and
- The role of the Disciplinary Review Committee.

CODE OF CONDUCT

Open the discussion by explaining:

- It is important that employees and importers/exporters be aware of the conduct that is expected of both parties. By clearly articulating expectations, Customs administrators can hold employees accountable for performance and take appropriate action when these standards are not met.
- The World Customs Organization (WCO), an organization that works with Customs administrations in all stages of development and in all parts of the World, has acknowledged that there are few public agencies in which the classic preconditions for institutional corruption are so conveniently presented as in a Customs administration.
- What are these preconditions? An administrative monopoly coupled with the exercise of wide discretion, particularly in a work environment that may lack proper systems of control and accountability, can easily lead to corruption.
- The WCO correctly reports that a Customs administration infected with corruption is going to be seriously dysfunctional and the impact of the corruption will be felt throughout the society.

- To assist its member Customs administrations, the WCO has developed a comprehensive strategy to address the issue of integrity in Customs. This strategy resulted in the adoption of the historic Arusha Declaration in 1993 and its latest version, the *2003 Revised Arusha Declaration*.

Hand out the *Revised Arusha Declaration* and have participants read it.

To further assist Customs administrations, the WCO has developed a Model Code of Conduct. Using this internationally accepted standard as our guide, we have developed and issued to all officers and employees a Code of Conduct.

Hand out the Code of Conduct. The instructor should lead a discussion summarizing the provisions of the Code.

Each participant should sign and return a written receipt acknowledging that on this date he or she has received a copy of the Code of Conduct.

FUNCTIONS OF INTERNAL INSPECTIONS UNIT

Hand out the finalized Directive on the Internal Inspections Unit.

The Internal Inspections Unit consists of two sections: the **Internal Investigations Section** and the **Internal Inspections Section**. The Internal Inspections Unit is responsible for ensuring that there is, on the part of all Customs officers and employees, strict compliance with all civil and criminal provisions of law, as well as with Ministry of Finance and Customs regulations, policies, and procedures. The Unit ensures that the high standards of honesty, integrity, and suitability of employees of the Customs are sustained, and that the revenue of the nation and the assets of the Government are safeguarded.

In executing its functions and responsibilities, the Internal Inspections Unit is authorized access to, and may peruse upon demand, all internal documents and other information. Furthermore, it is authorized to question and interview any Customs officer or employee concerning any matter that falls within its scope of jurisdiction.

The Internal Inspections Unit will establish a formal system of internal controls in which managers are required to conduct certain checks of their operations periodically and certify their findings in writing.

The Internal Inspections Unit will coordinate its activities with the Commission for Investigation of Abuse of Authority and report its findings to the Disciplinary Review Committee. The Internal Inspections Unit does not prosecute, nor does it make recommendations concerning disciplinary matters; the Internal Inspections Unit investigates, determines the facts of a matter, and reports the facts to the appropriate authority.

CRIMINAL INVESTIGATIONS CONDUCTED BY INTERNAL INSPECTIONS UNIT

All violations that require a criminal investigation in most instances will fall within the jurisdiction of the Internal Inspections Unit. There are exceptions, such as civil rights violations; these lie within the jurisdiction of the Justice Department.

Although all violations of integrity are serious, not all carry criminal penalties; some are handled by administrative methods that will be discussed later in this presentation.

There are several factors to be considered in determining if a violation warrants criminal prosecution:

- Is the violation covered by a criminal statute? It should be noted that even an administrative investigation can become a criminal matter if the subject makes false statements or commits perjury.
- Does the criminal statute require knowledge and willful intent on the part of the violator?

Note: the above factors are those typically utilized in the U.S. criminal system. It is suggested that the developers of this training module obtain legal advice from the CIAA or Government prosecutor's office to ensure that the factors are appropriate and to determine if there are additional factors to be included.

STATUTES MOST OFTEN UTILIZED IN CRIMINAL INVESTIGATIONS INVOLVING CUSTOMS EMPLOYEES OR CIVILIANS.

This section will require substantial work on the part of the individuals assigned to finalize this training module. It is recommended that the assistance of the Government prosecutor or other legal counsel be obtained. The purpose of this section is to identify each of the major criminal offenses that may apply to corrupt behavior. That identification should include a definition of the criminal act as provided in national legislation, the legal citation of the law, and the penalty or range of penalties provided in the law. The first offense—bribery—below may be used as an example.

This section should be presented by the instructor and supplemented with a written handout for the participants.

- Bribery
 - Definition: Bribery is the act of offering, soliciting (asking for), or accepting the offer of anything of value that affects the performance of official duties. *Note that this is a U.S. definition that should be replaced by the official definition as provided in the Criminal Code.*
 - Applicable Law: Bribery of a public official, such as a Customs employee, is a criminal violation of *list name and section of the Criminal Code.*
 - Penalty: Anyone convicted of bribery shall "be fined not more than three times the monetary equivalent of the thing of value, or imprisoned for not more than 15 years, or both, and may be disqualified from holding any office of honor, trust, or profit under the United States". *Note that this is a U.S. penalty statute that must be replaced by the official national penalty guidelines as provided in the Criminal Code.*
- Gratuities
 - Definition: A gratuity is "that which is given without claim or demand." A gratuity does not require that any illegal or improper act be performed by the person receiving it.
 - Applicable Law:
 - Penalty:
- Assaulting, Resisting or Impeding Customs Officers or Employees
 - Definition:
 - Applicable Law:
 - Penalty:
- Conflict of Interest
 - Definition:
 - Applicable Law:
 - Penalty:
- Falsification of Government Documents
 - Definition:

- Applicable Law:
 - Penalty:
- Conspiracy to Defraud the Government
 - Definition:
 - Applicable Law:
 - Penalty:
- Entry by False Statement, Invoices, etc.
 - Definition:
 - Applicable Law:
 - Penalty:
- Entry of Goods for Less than Legal Duty
 - Definition:
 - Applicable Law:
 - Penalty:
- Smuggling, Imports Contrary to Law
 - Definition:
 - Applicable Law:
 - Penalty:
- Theft from Customs Custody
 - Definition:
 - Applicable Law:
 - Penalty:
- Embezzlement and Theft of Public Money, Property or Records
 - Definition:
 - Applicable Law:
 - Penalty:
- Fraud and False Statements
 - Definition:
 - Applicable Law:
 - Penalty:
- Disclosure of Confidential Information
 - Definition:

- Applicable Law:
- Penalty:
- Illegal Use of Narcotics
 - Definition:
 - Applicable Law:
 - Penalty:
- Malicious Mischief
 - Definition: (any intentional conduct which results in injury or depredation against government property; i.e., the intentional damage of vehicles, office equipment, computers and data, correspondence, and anything else to which the Government may properly lay claim)
 - Applicable Law:
 - Penalty:
- Obstruction of Criminal Investigations
 - Definition:
 - Applicable Law:
 - Penalty:

Note: The above list is not meant to be all-inclusive. The assistance of the Government prosecutor's office and/or other legal counsel will be necessary to complete this section.

ADMINISTRATIVE INTEGRITY VIOLATIONS

Hand out the Directive on Officer Employee Conduct and Responsibilities to all participants. Briefly introduce the document by explaining the following:

- Administrative investigations may result from violations of the Code of Conduct and the Directive on Officer Employee Conduct and Responsibilities.
- The Directive on Officer Employee Conduct and Responsibilities describes the basic policies and principles of the Customs Department concerning employee conduct and sets forth minimum standards and rules pertaining to integrity.
- Publication and issuance of the Directive on Officer Employee Conduct and Responsibilities establishes a presumption of knowledge on the part of every employee and imposes a duty on each employee to regulate his or her conduct accordingly. Upon entering on duty, every Customs employee will be required to sign a statement acknowledging his or her acceptance of responsibility for these standards. This signed statement is made a part of each individual's official personnel record.
- The Directive on Officer Employee Conduct and Responsibilities is not considered all-inclusive. Additional conduct standards, rules, regulations, or interpretive issuances applicable to particular situations operations, positions, or duties may be prescribed by authorized Customs officials.
- The absence of a published standard or rule does not necessarily mean that a particular action or omission is considered acceptable conduct. Enforceable standards and rules of conduct may be implied from the very

nature of a particular situation as long as the implied standard or rule is shown to be reasonable and consistent with Customs policies and principles regarding conduct.

Have each participant sign the receipt form, have another participant sign as a witness, and collect the receipt forms.

Open a discussion of the Directive on Officer Employee Conduct and Responsibilities by having each participant read and summarize a provision of the directive under the guidance of the instructor. The instructor will then lead a brief question and answer discussion of the section.

CODE OF DISCIPLINE

Hand out the Code of Discipline and summarize as follows:

- The table of penalties presented in the Code of Discipline is intended to be used as a management guide in determining appropriate discipline to impose by type of violation. The offenses listed are not all-inclusive, but rather give examples of some of the offenses for which employees may be penalized, whether committed on duty or off duty.
- Disciplinary actions shall be progressive. However, progressive discipline need not follow any specific sequence of disciplinary actions. Major offenses will be cause for severe disciplinary action, including removal, regardless of whether or not previous disciplinary actions have been taken.
- In taking disciplinary action, due regard will be given to the principle that similar penalties should be imposed for similar offenses.
- Remedial actions may include:
 - Change in assigned duties;
 - Disqualification for a particular assignment;
 - Divestment by the employee of a conflicting interest;
 - Referral for counseling;
 - Disciplinary action, including oral admonishment, written reprimand, suspension from duty and pay, reduction in grade, or removal from the government service.
- The following factors, if pertinent to the particular case, should be considered:
 - The nature and seriousness of the offense and its relationship to the employee's duties and responsibilities, including whether the offense was intentional or technical or inadvertent, or committed for personal gain;
 - The employee's job level and type of employment including supervisory or fiduciary role, contacts with the public, and prominence of the position;
 - The employee's past disciplinary record and work record;
 - The effect of the offense upon management's future confidence in the employee's ability to perform assigned duties;
 - The consistency of the penalty with those imposed upon other employees for similar offenses and with the attached table of penalties;
 - The notoriety of the offense or its impact upon the reputation of customs;
 - The clarity with which the employee has been on notice of any rules that were violated in committing the offense;
 - The potential for the employee's rehabilitation;

- Mitigating circumstances surrounding the offense such as unusual job tensions, personality problems, harassment or bad faith, malice, or provocation on the part of others involved in the matter; and
 - The adequacy and effectiveness of alternative sanctions to deter such conduct in the future by the employee or others.
- When appropriate, consideration may be given to imposing a change to lower grade and/or reassignment, in addition to or in lieu of the suggested penalties.

Have participants sign receipt for the Code of Discipline, witnessed by another participant, and collect the receipts.

DISCIPLINARY REVIEW COMMITTEE

Hand out finalized directive establishing Disciplinary Review Committee.

Provide a summary or the purpose of the Committee: to ensure that each allegation received is fairly and impartially reviewed and acted on.

Have participants sign receipt for the directive, witnessed by another participant, and collect the receipts.

ETHICAL REASONING

This section should be treated as an opportunity for give-and-take discussion. Encourage comments from participants. Start by reiterating that the opportunities and pressures to be unethical can be abundant in our profession. It is inevitable that all of us will be confronted with ethical problems and dilemmas some time in our careers.

To help us solve ethical problems, there is a reasoning process that we can utilize. This process comprises three factors:

- Alternatives
- Motivation
- Consequences

Give the following example in which we are confronted with an ethical dilemma—a dilemma being a situation in which there appears to be no right solution. “Should I be loyal to a friend and lie, or be honest to myself and tell the truth?”

The right thing to do is not immediately obvious. Actually, one could argue that there is no "right" thing to do. This is the nature of a dilemma. No choice seems appropriate, yet a decision must still be made. **It is wrong to be disloyal to a friend, but it is wrong to lie.**

Alternatives

In this particular example, we have few alternatives. However, by reasoning through this dilemma we can make a correct choice—an ethical choice. To do this, simply ask yourself a number of questions about each alternative that you have identified:

- Could I honestly say to myself, "Would anyone who was in a similar situation be justified in doing it?" If not, then your action is likely to be unethical. If it is wrong for everyone else, then it is wrong for you as well.
- Does it violate the nation's trust?
- Does it show respect for others?

- If my actions were to become public knowledge, would I be ashamed to admit them?
- Does this action violate established standards of right and wrong?

Motivation

- What are my motives for choosing this action?
- Is there selfish motivation behind this action? Selfishness is a root cause of most unethical behavior.

Consequences

- What are the long-term consequences of this action?
- Would it benefit the Customs Department as a whole if I were to do this?
- What if every employee did what I am considering doing?
- How will this action affect my career? My family?

Summarize by stating that these are not complex ethical questions. Based upon sound ethical principles, they are simple, common-sense questions that anyone who wants to do what is right should ask themselves. If we as Customs employees acquire the habit (the ethic) of asking ourselves these questions when confronted with an ethical dilemma, we will be able to justify our actions. Remember, it is easy to justify ethical behavior. It is impossible to justify unethical behavior.

COMMON EXPERIENCES

Customs officers will be exposed to many opportunities to compromise their personal and professional integrity.

Ask the participants to suggest examples.

Use the following list to generate discussion if the participants seem hesitant to offer comments:

- Counting and handling of currency;
- Gifts offered by importers in exchange for expedited services;
- Offers of free meals or services by importers "just to be friendly";
- Job offers from importers to family members;
- Handling of physical evidence;
- Servicing of specific brokers, messengers, or other public parties in an expedited or non-routine manner;
- Failure to deposit cash collections in a timely manner;
- Securing of the receipt books;
- Examining high-value merchandise while working alone;
- While working alone, examining merchandise and finding money or other undeclared valuables;
- Being approached with a large cash bribe to let narcotics or other contraband pass;
- Personal behavior patterns (e.g., gambling, alcohol) which increase susceptibility to blackmail attempts;
- Abusing the access level of asycuda functions;
- Disseminating asycuda data to non-authorized persons;

- Close personal relationships with small community groups;
- A carrier or broker requesting preferential treatment for an importer;
- An airline representative requesting preferential treatment for a passenger;
- A carrier requesting signature on documents after the cargo was delivered without proper release;
- An airline employee's removing unaccompanied baggage before examination or attempting to persuade that the baggage does not need examination;
- Removal of merchandise for purposes of sampling, but diversion to personal use;
- Misuse of government vehicles;
- Expediting a friend or relative of a co-worker;
- The experience of a personal financial crisis;
- A family member using narcotics.

Situations of potential integrity compromise are limited only by the imagination of the individual. In the vast majority of cases, the opportunity at a given moment, not the act of careful and detailed prior planning, creates the integrity violation.

Our emphasis is not to intimidate officers by means of legal or administrative threats to perform their functions honorably. Our goal is to increase our officers' awareness of the potential for violations. Being aware of the danger is the first and most effective step in avoiding integrity compromises. Awareness of the dangers plus the summoning of our own values of high principle and personal honor are the most effective tools to guarantee the integrity of the Customs mission.

PRACTICAL EXERCISE

Note: It is suggested that the developers of this training module prepare three to five actual examples describing typical interactions between a Customs officer and another person in which the Customs officer may unintentionally take an action that is contrary to Customs' expectations. These should be presented in a manner that will generate active give-and-take discussion among the participants.

CONCLUSION

Closing Statement by Director or Deputy

Distribution of Certificates of Training

APPENDIX 11

Sample Directive on Reporting Allegations of Employee Misconduct

NOTE: This is a recommended procedure that, if implemented, must be adapted by Customs to reflect national laws and procedures. This document cannot be issued in its current form without review and necessary elaboration.

PURPOSE

The purpose of this directive is to advise all Customs officers and employees of the requirement to report allegations of misconduct and unethical behavior and to establish the procedures for making such reports.

POLICY

It is Customs policy that its officers and employees must carry out their duties ethically and without bias or favoritism, in full compliance with standards of conduct, ethics, and integrity and in accordance with all applicable law and Departmental policy. These standards are detailed in the:

- Code of Conduct, and the
- Directive on Officer/Employee Conduct and Responsibility.

Unethical, dishonest, or corrupt conduct or behavior will not be tolerated. Managers, officers, and employees who observe or have reason to believe that unethical activities have occurred are required to report their concerns to the Internal Inspection Unit.

Managers, officers, and employees who become aware, from any source that they are under investigation by or have been charged by any other government agency with any criminal or civil violation will report those circumstances immediately to the Internal Inspection Unit.

Failure to make such reports in a timely manner will be considered a disciplinary offense.

RESPONSIBILITIES

All managers, officers, and employees have the responsibility to promote and preserve the integrity of the Customs. This directive establishes the process for reporting allegations of employee misconduct.

All managers, officers, or employees who observe such conduct or have reason to believe that such conduct has occurred, must report it to the Internal Inspections Unit.

AUTHORITY

List the applicable sections of legislation that address Governmental ethics and corruption, including those that establish the CIAA and those that provide criminal or administrative penalties.

MISCONDUCT THAT MUST BE REPORTED

Officers and employees are required to report any conduct which they have observed or otherwise become aware of that is in violation of the Code of Conduct and the *cite the finalized directive on Officer/Employee Conduct and Responsibilities by title, file number and date.*

PROCEDURES

All employees with knowledge of alleged employee misconduct are required to report such information and are subject to discipline for failing to do so.

Allegations of misconduct are to be reported to the Internal Inspections Unit at *telephone number* or in person at the Internal Inspections Unit offices at the Customs Headquarters. Employees may also mail misconduct allegations to *insert appropriate mailing address*. *This should be a different postal address than the one used for normal customs mail*. Employees may not report or inspire the reporting of such conduct in any way that masks, conceals, or hides their identity through either anonymous reporting or having the information reported by others at their direction. Such conduct will be regarded as a "failure to report" and be subject to disciplinary sanctions.

All allegations must be forwarded immediately and directly to the Internal Investigations Unit. Managers and supervisors will take no administrative action whatsoever regarding reported allegations of misconduct without first coordinating with the Internal Inspections Unit. Managers or supervisors will take immediate action to safeguard both the revenue and the safety of the public, other employees and others put at risk by the actions of the officer/employee when such action is possible.

All employees reporting an allegation will be assigned a case tracking number verifying receipt of the allegation. The employee should retain the number.

ACKNOWLEDGEMENTS

All Customs officers and employees must be provided a copy of this directive at an annual training session and are required to sign the attached memorandum stating that they have received this document, have been provided training on the procedures outlined in the document, and have been given the opportunity to ask related questions and receive answers. Furthermore, they must understand that failure to fully comply with these procedures can result in disciplinary action or dismissal and possibly criminal prosecution.

/signed/

Customs Director

FOR OFFICIAL PERSONNEL FOLDER

I hereby acknowledge receipt of Directive Number ____ dated _____, entitled *Reporting Allegations of Employee Misconduct*. I understand that I am fully responsible for familiarizing myself with, and strictly adhering to, the contents thereof.

Printed Name:

Identification Number:

Signature:

Date:

APPENDIX 12

Sample Directive on Customs Hotline

NOTE: This is a recommended procedure that, if implemented, must be adapted by the Customs to reflect national laws and procedures. This document cannot be issued in its current form without review and necessary elaboration.

PURPOSE

The purpose of this directive is to establish the *Help Customs Fight Crime and Corruption Program*. This program includes a toll-free hotline that is highly publicized to the public for the purpose of reporting information relating to the smuggling of drugs, weapons, or other prohibited goods as well as Customs fraud and instances of corrupt practices on the part of Customs officers or other border inspection officials.

POLICY

Sources of information, whether they are known, anonymous, or granted confidential status, are essential for the Customs to detect, interdict, and apprehend violators of the law. Due to the hostility and violence associated with many smuggling operations, especially drug and weapons trafficking, otherwise cooperative citizens may often be intimidated, concerned for their safety, and reluctant to report information relating to smuggling activities or corrupt practices.

This program encourages individuals who have information relating to smuggling and/or corruption and may be reluctant to provide that information to law enforcement authorities, to call a toll-free hotline telephone number. In order to encourage the public to provide information regarding smuggling activities and corrupt practices affecting Customs, monetary rewards are provided for original information that results in an arrest, seizure, or indictment.

Any such anonymous notification made or inspired by an officer/employee will not qualify for this program nor will it fulfill the officer's obligation to report such matters and will subject the officer/employee to disciplinary action.

RESPONSIBILITIES

The Head of the Internal Inspections Unit is responsible for establishing and publicizing the *Help Customs Fight Crime and Corruption* toll-free telephone hotline. Every means will be used to publicize this program: print and electronic media, the Internet, interviews, posters, and billboards.

The Head of the Internal Inspections Unit will be provided specially trained personnel to staff the hotline 24 hours per day, 7 days per week.

Intake personnel are responsible for recording each telephone call in writing or by other means, conducting preliminary screening, interviewing, and providing qualifying allegations to the Internal Inspections Unit for review prior to initiation of an investigation.

The Information Technology Section is responsible for designing and implementing an automated system to provide for the recording and tracking of information received from the hotline.

INTAKE SCREENING PROCEDURES

The Internal Inspections Unit is responsible for receiving all allegations lodged against Customs employees, recommending the appropriate classification, and tracking the files until they are disposed of either judicially or administratively. Upon receipt of a complaint or allegation, the Internal Inspections Unit intake personnel will:

- Assign a preliminary Classification Code from the list described below,

- Review files to determine if the employee has a previous history of similar or serious allegations,
- Immediately forward allegations coded as classification 1 and 2 to the internal investigations unit,
- Collect Class 3 allegations and submit them to the internal investigation unit within 24 hours,
- Review Class 4 allegations to determine whether the employee has a previous history of similar actions. Class 4 allegations with no prior history may be forwarded to the officer's or employee's supervisor for corrective action. In this case, the Internal Inspections Unit will assign a deadline for a response from the officer's or employee's supervisor.

CLASSES OF ALLEGATIONS

CLASS 1
Bribery Smuggling Disclosure of Customs or enforcement confidential information Perjury Civil rights violations (use of excessive force) Violent acts or behavior whether on or off duty Other serious criminal activity whether committed on or off duty
CLASS 2
Intentional falsification by trader, broker or Customs officer Misuse of a government vehicle or property Negligence resulting in injury or death Negligence causing operational harm Lost/missing/stolen currency or narcotics Issues related to conflict of interest with professional duties Unofficial querying of computerized law enforcement data base
CLASS 3
Mismanagement Work environment issues Use of government credit card for personal purchases Misuse of credentials or position Rude and unprofessional behavior Minor negligence
CLASS 4
Lost badge or credentials (first offense) Arrest/conviction of family members Passenger complaints (delays, inefficiency, property damage, fines, seizures, searches and examinations) Issues creating media attention

NON-REPORTABLE ISSUES

Leave issues such as tardiness or absence without leave
Performance related issues
Dress code or appearance issues
Workplace atmosphere issues
Minor personality conflicts
Isolated and minimal petty cash fund/collection discrepancies

/signed/

Director

Customs

APPENDIX 13

Sample Directive on Payment of Awards for Information

NOTE: This is a recommended procedure that, if implemented, must be adapted by the Customs to reflect national laws, procedures, and accounting practices. This document should not be issued in its current form without review and necessary modifications.

PURPOSE

The purpose of this directive is to establish procedures to encourage individuals to provide information that is related to customs violations, employee misconduct, or allegations of corruption by paying cash awards for information that results in a seizure, arrest, or indictment.

POLICY

Sources of information, whether they are known or anonymous, are essential for Customs to be able to detect, interdict, and apprehend violators of the law. Due to the hostility and violence associated with many smuggling operations, especially drug and weapon trafficking, otherwise cooperative and law-abiding individuals may be intimidated or concerned for their safety and reluctant to report their knowledge or suspicions relating to smuggling activities, Customs fraud, or corrupt practices.

Customs is establishing the *Help Customs Fight Crime and Corruption* program in order to encourage and enable such individuals to safely report information related to these serious crimes. This program:

- Recognizes that such individuals may be reluctant to provide information to law enforcement authorities for fear of retribution;
- Provides the incentive of a cash award for original information that results in an arrest, seizure, or formal charging;
- Allows these individuals to provide information in person, by mail, or by calling the toll-free hotline telephone number; and
- Guarantees that those callers who wish to remain anonymous may do so and still be eligible to receive a cash award.

RESPONSIBILITIES

The Director is responsible for ensuring that resources and manpower are utilized effectively and that every effort is made to prevent abuses when making information reward payments to anonymous sources under this program.

The Head of the Internal Inspections Unit is responsible for ensuring that the information reward payment program is managed and controlled in accordance with the policies and procedures of the Customs Department.

The Head of the Internal Inspections Unit is responsible for the collection, analysis, dissemination, and control of information received as a result of this program. All such information as to the nature of the allegation and identity of the source will be regarded as highly confidential and will be released only to those officers with a need to know the information. A clear record of those officers to whom this information is released will be kept with the file.

DEFINITIONS

Anonymous Source of Information. Persons who provide usable, original information relating to smuggling violations or corruption within Customs or other border agencies with the expectation that their identity will remain

anonymous and not subject to possible discovery. However, the expectation of confidentiality must be considered on a case-by-case basis and strictly documented in the hotline questionnaire to have on record the informant's specific request for confidentiality. All sources of information will be regarded as the province of the Internal Inspections Unit and no Investigator will maintain private or unknown sources that are rewarded for the provision of their information.

Information Reward. A monetary reward paid to individuals who have provided Customs with original information that has resulted in a seizure, arrest, or indictment. Officers and employees of Customs are ineligible for rewards. Such designation is only to be granted by the Internal Inspections Unit.

PROCEDURES

Identification Procedures for Anonymous Callers. When an individual uses the *Help Customs Fight Crime and Corruption* program hotline telephone number, or any other means, to provide information relating to smuggling activities, the caller will be assigned a source identification number. This source number will be assigned by the intake officer manning the hotline to each caller who is providing original information.

- The initial source number assigned to the caller comprises the current year, followed by the source identification numbers sequentially, beginning with the number one: (2005-0001).
- The caller should be informed that this number is the only future means of identification. The anonymous caller should be requested to call the hotline in approximately two weeks to ascertain whether he or she is eligible to receive a monetary reward for the information.

Information Gathering. The caller will be asked questions from the questionnaire to elicit as much information as possible; as the questions are answered they will be documented on a questionnaire. Every effort will be made to ascertain the caller's basis of knowledge for the allegation (first-hand observation, second-hand information, or rumor) and the existence of any independent evidence or information (documentation, circumstances, or other witnesses) to identify other sources of corroboration and to gauge the credibility of the source of information. The source identification number must be used on the questionnaire as the source of information.

All callers will be advised that they have the right to remain anonymous, but they will be asked if they would be willing to meet, confidentially, with a Customs Investigator in order to more fully develop any circumstantial or other evidence that may in their possession.

Confidential Source Files. Documented confidential informant's files and investigative files are to be maintained in the Internal Inspections Unit until such time as a Customs Investigations Unit is established. Files must be strictly controlled and handled as sensitive law enforcement information—preferably on a password protected and identity tracked stand alone computer system. Such information will be cross-referenced to provide tracking of multiple reports by the same source of information. In addition, the source files should include a copy of the results of any action taken, whether positive or negative, which resulted from the anonymous information. Accurate files are essential to ensure that the information reward payments are in accordance with this directive and existing Customs policies and procedures and to prevent payments for information previously received.

The information furnished by confidential informants or anonymous sources will be analyzed not only for law enforcement potential but also to identify any patterns that might indicate abuse of the anonymous information reward program.

As appropriate, this information will be provided to the Internal Controls Section to advise on the need for alteration of Customs procedures to preclude similar incidents from occurring, and to help with the discovery of similar violations in other Customs offices during inspections or reviews.

UNRELIABLE SOURCES OF INFORMATION

Due to the anonymous nature of the source of information and the publicity used to generate public interest in the program, there is a high potential for crank calls and erroneous information. As most information supplied cannot be verified and smugglers will undoubtedly phone in information to send Customs on "wild goose chases," it is incumbent upon the Customs officers receiving the information to closely screen each call.

Internal Investigations Section officers will investigate any spurious allegations or allegations submitted that have no basis in fact and appear to have been submitted for the sole purpose of damaging the career or well being of the accused Customs officer or employee, his or her reputation, or life by the nature of and/or the filing of the allegation.

PAYMENT PROCEDURES FOR REWARDS FOR ANONYMOUS INFORMATION

When an arrest, indictment, or seizure results from information furnished by an anonymous caller via the hotline, the Director and the Head of the Internal Inspections Unit must jointly review the facts of the investigation to determine the amount to be paid to the source of the information.

If the source agrees to being documented and the case is accepted for prosecution, then the Head of the Internal Inspections Unit is responsible for ensuring that documentation is completed and maintained in a highly confidential manner.

Because the reward program does not allow for anonymous callers to sign the receipt for funds issued, the fictitious name and source number, and a notation indicating that the payment is for an anonymous reward under the *Help Customs Fight Crime and Corruption* program must be made on the designated payment record form. For all anonymous reward payments, a member of the Internal Investigations staff and a Supervisory Investigator will be a witness to the disbursement process, i.e., witness the actual mailing or payment of the reward to the anonymous individual.

No officer or employee of the Internal Inspection Section or other Customs officer or employee may directly or indirectly benefit in any way from the source of information or anyone acting in his or her interest or on his or her behalf. Any such benefit will be regarded as a disciplinary offense and potential criminal offense and be referred immediately to an external investigating authority.

/signed/

Director

Customs

APPENDIX 14 Sample Complaint Handling Process

HOW THE UNITED STATES CUSTOMS HANDLES TRAVELER COMPLAINTS

The United States Customs Service currently has in place four primary programs to address and respond to customer complaints and compliments. They are the Passenger Service Representatives, Comment Cards, Customer Satisfaction Unit, and a program where port directors and supervisors personally respond to telephone and verbal complaints.

PASSENGER SERVICE REPRESENTATIVES

As part of its Quality Assurance Program to improve the quality of services to customers in the air passenger environment, Customs established the Passenger Service Representative (PSR) Program. Currently, there are 47 PSRs stationed at 20 airports nationwide, making the PSR Program an integral component of the Customs Service's efforts to provide quality customer service to international travelers.

Passenger Service Representatives are Customs managers, and the air traveler's main on-site point of contact to address any questions or concerns regarding the Customs inspection process; and are easily recognized by their professional attire, which consists of a navy blue blazer with the Customs logo on the breast pocket, and a Customs scarf or tie.

COMMENT CARD PROGRAM

PLEASE USE THIS CARD TO FORWARD ANY COMMENTS OR SUGGESTIONS TO U.S. CUSTOMS SERVICE

Name	Address	City	State	ZIP	Country
Telephone Number	Customs Location	Date Arrived in US		Time	

The U.S. Customs Service is continually striving to improve its service to the public. We invite you to provide a brief comment on your experience with us. If you provide a telephone number, we will contact you directly for a more complete explanation.

COMMENTS

Thank you for your comments.

Customs comment card program allows travelers to express, in writing, any concern, complaint, or compliment they may have as a result of their Customs processing experience. Customs Headquarters personnel review comment cards and attempt to contact each complainant.

Comment cards provide Customs with valuable feedback from travelers. They are given to all air and sea travelers who undergo a secondary examination and to all air, land, and sea travelers who are subjected to a personal search.

CUSTOMER SATISFACTION UNIT

The Customer Satisfaction Unit (CSU) is Customs' single point-of-contact for reviewing, responding to, tracking, and addressing all customer complaints and compliments relating to Customs interaction with the general public, travelers, industry, Congress, and other government entities. Customs has embraced the concept that complaints are to be viewed as opportunities to improve our service to travelers and to better meet their expectations.

The CSU records the complaint or compliment information in an automated tracking system that assigns a unique identifier number; coordinates responses to complaints and compliments with Customs field locations to ensure a proper review of all issues raised by the complainant. The CSU contacts all complainants, or their respective attorney, senator and/or congressional offices, by telephone within one business day to advise them of receipt of the complaint by Customs Headquarters and to try to resolve the complaint.

TELEPHONE/VERBAL COMPLAINTS

All complaints concerning Customs processing that are received at a port, either verbally or via the telephone, are recorded in a Complaint Information Data sheet. Port Directors, supervisors, or passenger service representatives are responsible for contacting the complainant within one business day to acknowledge receipt and to try to resolve the complaint during the initial conversation with the complainant.

Source: <http://www.customs.gov>

APPENDIX 15 Sample Financial Reporting Form

The completion of this form will assist Customs in ensuring that no officer or employee has a real or potential conflict of interest that could damage the integrity of the service.

All officers and employees, regardless of rank or grade are required to prepare and submit this form annually. The answers to all questions must be true and complete to the best of your knowledge. The information provided on this form will be treated confidentially.

Information relating to outside employment should already have been declared in accordance with the Code of Conduct. If it has not been declared, it is important that it is declared now.

PART 1: PERSONAL DETAILS

Surname and title (Mr/Mrs/Miss)	
First names	
Date of birth	
Town and country of birth	
Home address	
Home telephone number	
Mobile telephone number	
Name and age of all children	
Education qualifications and where obtained	
Date of appointment to Customs	
Current rank	
Current Customs station	

PART 2: EMPLOYMENT DETAILS FOR FAMILY MEMBERS.

Please provide the following employment information regarding the following living relatives who are currently employed or have been employed within the last 12 months: spouse, children, parents, parents of spouse, brothers, and sisters.

Name:	Relationship:	Age:
Residence Address:		
Telephone:		
Employer:		
Employer Address:		
Type of Business:		

Name:	Relationship:	Age:
Residence Address:		
Telephone:		
Employer:		
Employer Address:		
Type of Business:		

Name:	Relationship:	Age:
Residence Address:		
Telephone:		
Employer:		
Employer Address:		
Type of Business:		

Name:	Relationship:	Age:
Residence Address:		
Telephone:		
Employer:		
Employer Address:		
Type of Business:		

Name:	Relationship:	Age:
Residence Address:		
Telephone:		
Employer:		
Employer Address:		
Type of Business:		

If more space is needed to list all employed family members, please attach a separate piece of paper.

PART 3: FAMILY INCOME

What is your salary from Customs?	
Do you have any other income? Yes/No	
If yes, how much (per month)	
What is the source of this income?	
Do you do have other job in addition to working for Customs?	
If yes, list full details, including name of employer.	
If your wife/husband works, what is their monthly salary?	

PART 4: FAMILY PROPERTY

Do you own your own home?	
What is the value of your home?	
Do you rent your home?	
If rented how much rent do you pay?	
Do you live in a property owned or rented by a relative?	
List any other properties that you and your wife/husband own and the current value of each.	

PART 5: OTHER PROPERTY

List the cars, trucks, motorcycles or other vehicles that you and your wife/husband own. Provide the year, the make and model, and the current value.	
---	--

How much money do you owe to anyone, in respect of anything for which you have borrowed money?	
To whom do you owe this money?	
If you have cash in excess of (specified amount to be determined by Customs), please state name of bank(s) or other places where kept.	Cash amount: Bank: Other place:
Where did this money come from?	
Do you, or your immediate family have a bank account, or property outside (name of country)?	
If yes, state where, current balance of any account and details of any property.	

If you make any false statement or deliberately omit information, you could be liable for disciplinary action, which may include dismissal.

I declare that the information on this form is true and complete.

Signature _____

Date _____

APPENDIX 16 Sample Internal Controls Self-Inspection Checklists

Note: The following checklists are samples only. Checklists must be based on written directives or standard operating procedure documents. The references shown at the bottom of each task are fictitious and, for each final checklist the reference must refer to a specific DOC instruction on which the checklist is based. The following checklists do not represent a complete series of checklists. It is up to DOC to identify those operational and administrative areas for which internal controls self-inspection checklists need to be developed.

INTERNAL CONTROLS SELF-INSPECTION CHECKLIST

Core Area: **Collections/Deposits**

Office Inspected: _____

ACTIVITY EVALUATION	YES	NO *	N/A	REMARKS
1. Is there a collection document for each cash collection? <i>Directive #1000, Collections</i>				
2. Are undeposited collections secured at all times and stored in a fireproof safe or vault at the end of the day? <i>Directive #1002, Physical Security of Collections</i>				
3. Has the safe/vault combination been changed once in the past year, or when personnel who know the combination leave? <i>Directive #1002, Physical Security of Collections</i>				
4. Is the transmittal between Customs offices of cash and/or valuables recorded on a signed transmittal form? <i>Cite applicable Directive</i>				
5. Are collections being deposited in accordance with daily/weekly deposit location requirements? <i>Cite applicable Directive</i>				
6. Are the deposit records being prepared properly, i.e., no type-overs, erasures in blocks, signed by both the preparer and a verifier? <i>Cite applicable Directive</i>				
7. Do the deposit receipts agree with the collection documents in the deposit files? <i>Cite applicable Directive</i>				
8. Were overages and shortages reported to the supervisor and/or the Internal Inspections Unit immediately upon discovery? <i>Cite applicable Directive</i>				
9. Were the Deposit Tickets entered in the Deposit Log, and does the log show the date and time the deposit was transmitted to the bank, the signature of the individual transmitting the deposit, <i>Cite applicable Directive</i>				

* If no, attach copies of documents showing non-compliance

CORE AREA SELF-CERTIFICATION (CHECK ONE):

Acceptable Needs Improvement Corrections Made (describe below)

I have conducted a self-inspection of this Core Area, and this worksheet accurately represents the results of my inspection.

Reporting Officer Certification: _____ Date: _____

I have reviewed this worksheet and concur that the rating accurately reflects the results of this self-inspection.

Supervisor Reporting Officer Certification: _____ Date: _____

INTERNAL CONTROLS SELF-INSPECTION CHECKLIST

Core Area: Physical Security Office Inspected: _____

ACTIVITY EVALUATION	YES	NO*	N/A	REMARKS
1. Is a copy of the Physical Security Handbook or Directive on hand and available for reference?				
2. Have local security programs been developed and tested for coping with: a. Bomb Threats b. Hostage Situations c. Civil Disorder d. Personal and Property Crime				
3. Are evidence, firearms, ammunition, and sensitive equipment stored in accordance with Department Guidelines?				
4. Has coordination been made with Police regarding response to criminal activity?				
5. Are procedures in place for identifying and coordinating the response to terrorist activity?				
6. Are procedures in place and adhered to for securing office space on a daily basis?				
7. Are procedures in place and adhered to for responding to breaches of physical security both during and after hours?				
8. Are locks on doors, filing cabinets and seizure rooms checked at least every three months?				

CORE AREA SELF-CERTIFICATION (CHECK ONE):

Acceptable Needs Improvement Corrections Made (describe below)

I have conducted a self-inspection of this Core Area, and this worksheet accurately represents the results of my inspection.

Reporting Officer Certification: _____ Date: _____

* If no, attach copies of documents showing non-compliance

I have reviewed this worksheet and concur that the rating accurately reflects the results of this self-inspection.

Supervisor Reporting Officer Certification: _____ Date: _____

INTERNAL CONTROLS SELF-INSPECTION CHECKLIST

Core Area: **Cargo Examinations**

Office Inspected: _____

ACTIVITY EVALUATION	YES	NO*	N/A	REMARKS
Randomly select one cargo examination for each day				
1. Were the examination results accurately documented on the cargo examination reporting form and in the ASYCUDA inspection act? <i>Directive #2000, Examinations</i>				
2. Was the examination conducted in accordance with examination instructions included in the ASYCUDA record? <i>Directive #2002, ASYCUDA Selectivity Procedures</i>				
3. If the examination was conducted for reasons other than ASYCUDA selectivity, were the reasons documented and valid? <i>Cite applicable Directive</i>				
4. Are all written records of the examination and the examining officer's signature legible? <i>Cite applicable Directive</i>				
5. If selectivity examination instructions are overridden, did the supervisor approve in writing? <i>Cite applicable Directive</i>				
6. Do examination criteria instructions clearly explain to the examining officer the type intensity of examination to be conducted? <i>Cite applicable Directive</i>				
7. Do the deposit receipts agree with the collection documents in the deposit files? <i>Cite applicable Directive</i>				
8. Were overages and shortages and other discrepancies documented? <i>Cite applicable Directive</i>				
9. Are sufficient laborers and tools available to conduct thorough examinations? <i>Cite applicable Directive</i>				
10. Were duty increases or penalty actions completed as a result of the examinations? <i>Cite applicable Directive</i>				
11. Has a threat assessment been conducted to determine the potential for fraud investigations in the office's geographic area of responsibility? <i>Cite applicable Directive</i>				

* If no, attach copies of documents showing non-compliance.

CORE AREA SELF-CERTIFICATION (CHECK ONE):

Acceptable Needs Improvement Corrections Made (describe below)

I have conducted a self-inspection of this Core Area, and this worksheet accurately represents the results of my inspection.

Reporting Officer Certification: _____ Date: _____

I have reviewed this worksheet and concur that the rating accurately reflects the results of this self-inspection.

Supervisor Reporting Officer Certification: _____ Date: _____

INTERNAL CONTROLS SELF-INSPECTION CHECKLIST

Core Area: **Contracts and Procurement**

Office Inspected: Administration Section

ACTIVITY EVALUATION	YES	NO*	N/A	REMARKS
1. Has the procurement request been approved by the appropriate officials? Cite applicable Directive				
2. Is all appropriate documentation attached to the procurement request? (Cost Estimate; Statement of Work; Technical Evaluation information; Recommended Sources; etc.) Cite applicable Directive				
3. Is the office maintaining a file of the Procurement Requests, contracts, invoices and related documents? Cite applicable Directive				
4. Is there a designated contracting officer monitoring contractor performance? Cite applicable Directive.				
5. Is the contracting officer completing a contractor performance report? Cite applicable Directive				

CORE AREA SELF-CERTIFICATION (CHECK ONE):

Acceptable Needs Improvement Corrections Made (describe below)

I have conducted a self-inspection of this Core Area, and this worksheet accurately represents the results of my inspection.

Reporting Officer Certification: _____ Date: _____

I have reviewed this worksheet and concur that the rating accurately reflects the results of this self-inspection.

Supervisor Reporting Officer: _____ Certification Date: _____

* If no, attach copies of documents showing non-compliance.

INTERNAL CONTROLS SELF-INSPECTION CHECKLIST

Core Area: **Time and Attendance**

Office Inspected: _____

ACTIVITY EVALUATION	YES	NO*	N/A	REMARKS
1. Are properly completed and approved Requests for Leave or Approved Absence on file for all leave taken? <i>Cite applicable Directive.</i>				
2. Is there properly completed and approved supporting documentation on file for all overtime worked? <i>Cite applicable Directive.</i>				
3. Does the approving officer review time and attendance worksheets (leave applications, overtime documents, etc.) before approving time records? <i>Cite applicable Directive.</i>				
4. Is the Payroll Office notified of separating employees? <i>Cite applicable Directive.</i>				
6. Are the timecards being approved and submitted by Tuesday of the input week? <i>Cite applicable Directive.</i>				

CORE AREA SELF-CERTIFICATION (CHECK ONE):

Acceptable
 Needs Improvement
 Corrections Made (describe below)

I have conducted a self-inspection of this Core Area, and this worksheet accurately represents the results of my inspection.

Reporting Officer Certification: _____ Date: _____

I have reviewed this worksheet and concur that the rating accurately reflects the results of this self-inspection.

Supervisor Reporting Officer Certification: _____ Date: _____

* If no, attach copies of documents showing non-compliance.

Public sector corruption is a major hindrance to economic development that discourages foreign investment and results in major losses of public funds urgently needed for health care, education, training, and business infrastructure. Historically, Customs administrations in developing countries produce a major share of government revenue, yet they are among the most corrupt of public institutions. There are two overriding and related reasons that this is so: first, government employees in developing countries typically receive a very low level of pay for their work, often below or barely above a “living wage”; and second, by the nature of their work and high level of discretion they have in determining how fast an importer’s entry will be processed and how much it will cost, they have ample opportunity to solicit “facilitation payments” for preferential treatment or even bribes for overlooking cases of smuggling and fraud.

The challenge for a Customs administration committed to modernization and reform is to change the entire culture of the organization by establishing a comprehensive program to actively combat corruption and to instill integrity within the workforce. This handbook offers a comprehensive step-by-step strategy that will enable a Customs organization to implement an effective Integrity Program with minimal outside assistance.



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