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CUSTOMS INTELLIGENCE

First steps in developing an intelligence structure within the Egyptian Customs Administration

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CUSTOMS INTELLIGENCE

FIRST STEPS IN DEVELOPING AN INTELLIGENCE
STRUCTURE WITHIN THE EGYPTIAN CUSTOMS
ADMINISTRATION

TECHNICAL ASSISTANCE FOR POLICY REFORM II

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CUSTOMS INTELLIGENCE

FIRST STEPS IN DEVELOPING AN INTELLIGENCE STRUCTURE WITHIN THE EGYPTIAN CUSTOMS ADMINISTRATION

EXECUTIVE SUMMARY

This document has been prepared to highlight a time frame for the implementation of a national intelligence structure within the Egyptian Customs Administration (ECA) based on the national model already submitted.

This timeframe allows the critical elements identified in implementing and deploying staff to this new structure, to be addressed by the ECA.

There are two main phases to the implementation plan. The first is to target having, by January 2007, an analytical unit based centrally that can conduct meaningful analysis that will generate profiles for dissemination to local risk management units and operational staff. This is the cornerstone for future risk analysis and the timing for deployment of staff to this unit should be linked to the provision of Risk Management IT modules and the provision of specialist analytical training.

The second element of this implementation plan is to create a national structure, (in line with the agreed national model), that allows the secure flow of information between the analysis unit, intelligence and investigation staff, local risk management units and anti smuggling staff. This second phase can be completed by June 2007.

The dates indicated are reliant on the implementation of a Customs IT network and secure communication system available to all ECA offices and staff.

The recommendations are made as such that by June 2007, ECA will have a new intelligence structure that is flexible enough to meet the ever changing needs and risks faced by a modern Customs service. This structure will support and complement risk management units which will drive and support operational activity.

INTRODUCTION

USAID have submitted recommendations for the restructuring and reorganization of the ECA and the formation of a new intelligence directorate. The Commissioner of Customs has agreed this and progress in the finalization of this plan is ongoing.

A national intelligence model, based on international standards, was submitted to the Customs Reform Unit on 1st April 2006 for consideration. The following points must now be considered by the ECA before implementation can commence.

- Agreement on the creation of a national structure
- Appointment of a national head of Intelligence
- Appointment of local heads of intelligence
- Role and responsibilities identified for a National Intelligence and Analytical Unit
- Assessment of staffing numbers to be made at each port and airport in the country according to assessed risk
- A generic job description to be created is to be created for all intelligence staff regardless of geographical location
- Agreement on the recruitment and deployment of suitable staff for each location
- Suitable staff to be interviewed and appointed
- A training plan to be developed for successful staff
- Immediate recording of all cargo examinations detailing reasons for examination and positive or negative results. This can be maintained on a simple database and input into any future IT system to build and provide a data history for intelligence and risk purposes.

It is suggested that these steps form the basis of the outline of a logical implementation plan.

There are several points that may require ongoing input from intelligence managers at all levels to deal with ongoing issues. One of these main issues will be to ensure that the officers within the new structure are empowered to be effective in carrying out their responsibilities. This will require ongoing assessments of the legislation and powers required in the future.

The issue of legislative changes is part of a current review of the Customs Law by USAID.

There are other points that require a structured and transparent approach in order to ensure that each particular step has been achieved fully before moving on to the next stage.

It is important in the implementation process that resource efforts are focused on each phase of the plan to ensure that it is achieved within or ahead of the proposed time frame. It is also important to highlight the individual objectives within each step so that all staff and managers involved know when that step is complete.

It is important also that legislative, regulatory and cost implications contained within some of the above steps are addressed at the appropriate level.

The national analytical unit will become the cornerstone of future intelligence and risk-based procedures within the ECA. It is recommended that this unit be staffed, trained and begins to develop experience ahead of recruitment of staff in other posts.

IDENTIFIED BENEFITS OF A NATIONAL INTELLIGENCE STRUCTURE

The main objective of creating a streamlined, transparent intelligence structure is the immediate ability to allow the free flow of information on a national level and carry out consistent action across the country.

Intelligence developments will be reported in a timely manner, progress can be monitored more easily, links to other agencies maintained at a secure level and local, regional and national trends identified. Trade facilitation will be enhanced by more accurate risk analysis based on developed information and targeting of non-compliant traders.

Any new Customs IT system should incorporate data mining, and occurrence and relationship mapping tools. This will greatly enhance intelligence development capabilities a support risk management objectives.

A transparent strategy based on intelligence, risk management and selected examinations based on identified risk will greatly enhance trade facilitation. These processes once publicised to both trade organizations and the public will generate more confidence in customs processes and controls.

Trader compliance is a by-product of enhanced intelligence and risk management driven operational activity. Risk testing and a structured dissemination of information will identify compliant traders and allow resources to be concentrated on new or in-compliant importers.

As compliance improves the ECA can focus enforcement action on the non compliant trading sector and become more proactive in the development of strategies to tackle continued non compliance and organized customs fraud.

The Central Intelligence Unit (CIU) will contain the analytical unit that will be responsible for monitoring the success, or otherwise, of national risk profiles. This unit will have access to information on a national level and should have the structure in place to ensure that the information remains up to date and relevant. Information will flow from the national intelligence unit through regional and local intelligence officers working in Local Intelligence Units (LIU) to drive operational activity at ports and airports. The results of all action taken based on intelligence should be reported back to the CIU so that accuracy and relevance can be routinely updated and trends identified.

A clearly defined structure allows suitable training to be delivered to the right people and will ensure consistent action nationally whilst taking into account localised needs.

INTELLIGENCE AIMS

- Achieving excellence in intelligence by continually learning and achieving real outcomes
- Developing strategy by continually revising and improving the approach of staff
- Developing people by investing in training, knowledge and skills
- Developing relationships by actively building and enhancing constructive and effective partnerships internally and externally
- To identify through analysis of information, strategic threats posed by major smuggling trends. To advise the Commissioner of such threats and to prepare counter measures for implementation on a national basis.

The Intelligence directorate, as part of the ECA business strategy will plan to:

- Increase revenue collection by countering smuggling and customs fraud
- Improve trader compliance
- Take the lead by excelling in the development of high quality intelligence and risk analysis
- Ensure that the highest standards of integrity and professionalism and common throughout the intelligence function
- Have staff who will become regarded as experts in their field of work and committed to maintaining that reputation
- Apply all international standards to the highest level

The task is to supply strategic, tactical and operational intelligence that supports the delivery of the ECA's objectives. Within available resources, the aim is to supply intelligence product that is:

- Timely
- Relevant and useful to the aims of the ECA
- Used to measure overall performance through achievement

In order to deliver the contribution required, staff will have to:

- Acquire and develop skills required to excel in all types of work
- Become successful at growing and spreading new ideas and innovative practices
- Challenge and change less effective practices and be prepared to move resources and be constantly flexible
- Draw local, regional and national intelligence units together as a cohesive national unit
- Operate flexibly and influentially with all ECA partners to achieve successful outcomes
- Engage closely with external partners to maximize their contribution to the work

ECA Intelligence managers will provide:

- Clear, transparent, and consistent management control
- Decisive and clear decision making with delegated levels of responsibility
- Identification of staff development needs and training plans
- Management and identification of areas of greatest risk and the deployment of staff to address the risk

IMPLEMENTATION POINTS

1.0 An Intelligence Structure to be created.

This decision is the catalyst to that should generate the allocation of resources to facilitate all other steps towards the identification, training and deployment of trained staff. Finalization of the reorganization plan for the ECA is the first step towards the creation of this.

It is important throughout any process of change that staff are regularly informed of the changes agreed and affects of the implementation of these changes.

The appointment of a national intelligence director to oversee all aspects of the program and report directly to the ECA senior management team is the first step in this process and should be completed in the near future.

Following this an assessment of the operational needs is a relatively short-term process and can be completed based on site visits, trade and traffic statistics and compliance / seizure records. This can be completed within a 3-month timescale once implementation is agreed.

The Central Intelligence Unit

This unit is required to:

- Produce and develop strategic intelligence;
- Perform a national risk assessment function;
- Establish national and international contacts, within Customs departments, trade organizations, etc.;
- Collate intelligence from national and local sources;
- Identify national or international trends;
- Disseminate intelligence to Customs Control and Investigative units;
- Act as a liaison point between and interface with local intelligence units to ensure that work is not duplicated or overlooked.

Each of these functions is important but it is worth emphasizing the role of international liaison. In Customs, there is always an international element to trade; obviously, one country's import is another country's export. Where import fraud is suspected or established, only part of the picture may be available in the importing country. The exporting country may well hold essential additional intelligence, and liaison with international Customs colleagues, both on a formal and informal basis, can provide great benefit.

1.1 Local Intelligence Unit

Local intelligence units perform three principal functions:

- The acquisition of intelligence through development of contacts at the local level. It is important that locally obtained intelligence is passed to the central intelligence unit so that it can be collated with intelligence obtained from other sources;
- The further development of strategic and operational intelligence advised by the central unit, and the identification of specific companies and individuals who are a significant risk;
- The acquisition of target intelligence on specific companies and individuals.

1.2 International Intelligence

International co-operation and sharing of intelligence is vital to a modern day customs service in its fight against customs fraud that may be organized on an international level. The sharing of information through the World Customs Organization's Regional Intelligence Liaison Officer Network, the signing of Bilateral Agreements for sharing information and the deployment of Customs Liaison Officers to strategic countries working to enhance the flow of information can greatly enhance the intelligence capability of any customs service.

1.3 Vision

The ECA Intelligence Units aim to deliver its mission with:

- Integrity
- Credibility
- Impartiality
- Sound Judgment

In partnership with other agencies.

It will aim for the highest standards by creating and maintaining an environment which:

- Values staff
- Recognizes achievement
- Makes the most efficient use of resources

Its Vision is:

To provide leadership and excellence in criminal intelligence to combat serious and organised crime in Customs activities.

1.4 Summary

In summary, a structure of local and central intelligence, liaising closely with each other, is necessary for the acquisition and development of intelligence. There are a wide variety of sources from which useful information can be obtained and the role of the Intelligence officers is to identify other sources, which are of value, and contacts that can usefully be made.

(See previously submitted model intelligence structure)

The most important consideration with intelligence is that it is used; that it is passed to those who need to have it, so that it can assist in identifying areas of significant risk. This is the only way for limited resources to be deployed most effectively.

ACTION POINTS

- Action Point 1: The ECA announce the formation of an Intelligence function as part of the agreed reorganization and appoint a head of the Intelligence Directorate.
- Action Point 2: An assessment of staffing numbers required in the national intelligence directorate, analytical unit and regional / local intelligence offices.
- Action Point 3: The analytical team is formed as part of the Central Intelligence Directorate; it is a minimum of 10 people, which will be reviewed after 6 months. This unit will form the cornerstone of the intelligence function and identify strategic risks and develop information and intelligence packages to support operational activity.
- Action Point 4: Specialized intelligence training is developed and delivered to the analytical unit and specialist IT analysis tools researched for implementation and training given.
- Action Point 5: Generic job descriptions are developed for all intelligence staff and managers.
- Action Point 6: Staffs are identified and appointed to regional and local offices and training commenced.
- Action Point 7: A study tour is undertaken to develop an awareness of the use of intelligence and the organizational structure required for a modern customs service.
- Action Point 8: A review of current Agreements on Mutual Administrative Assistance for the exchange of information between Egypt and its neighboring countries customs services is conducted and new agreements recommended. An application for access to the WCO's Customs Enforcement network is made and a terminal is located within the analytical unit.
- Action Point 9: Memorandums of Understanding are prepared and agreed between Police, Government Agencies and trade bodies on the exchange and use of information.
- Action Point 10: A simple database of examinations based on perceived risk is set up as an interim measure to provide a history of actions and successes that can be used for future intelligence purposes.

CONCLUSION

The implementation of this structure is a vital step in developing risk-based controls based driving operational activity through anti smuggling and cargo examination teams. It will also identify suspect transactions and support a Post Clearance Audit Function. The "intelligence cycle" when adopted is recognised internationally as a major tool of a modern customs service when combating customs fraud. As the ECA moves away from static to more mobile and selective controls information and intelligence will take on a higher profile and importance.

Identification of suitable staff, managers and IT support is vital to the success of any intelligence section and will greatly enhance efficiency if care is taken at the inception phase.

The list of requirements and action points is purely a starting point and future actions and requirements will be identified as the implementation process develops.

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