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## **ETHICS AND TRANSPARENCY IN CUSTOMS**

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### ***Abstract***

*The relevance of the issue being considered by the author is confirmed by the fact that the governments of many countries are making tremendous efforts and use all available resources (both technical and financial) to ensure the transparency of customs procedures and improve the professional ethics of customs officers in order to reduce the level of corruption and the promote an economic growth.*

*From this point of view the author has made the economic analysis of corruption and highlighted its three basic characteristics: a clear and transparent regulation that has been broken; an official that breaks the law and obtains a benefit; the appreciation that the benefit is a direct consequence of the corrupt act.*

*The author has also analyzed the measures undertaken by the Uruguay National Customs Directorate with the aim of raising the level of professional behavior of employees and increasing the transparency of customs formalities. Among them there are the following: executive management team responsibility; changes in the regulatory framework; automation of customs procedures and improving their transparency; contracting officials followed by an assessment of their activities; implementation of incentive policies to promote a high level of professional ethics and preventive strategies aimed at the detection of corruption and disciplinary measures or prosecution of those employees who are participants in corruption schemes; establishment of codes of professional conduct of Customs officials; implementation of sound human resource management policies; implementation of corporate social responsibility system; promoting open, transparent and productive relationship with the business sector.*

*To more deeply research the chosen subject the following scientific methods were used: analysis, synthesis, comparison, generalization, induction, deduction.*

*In conclusion, the author emphasizes that it is crucial to work on ethics and transparency at the Customs administrations around the world to combat corruption for the sake of the Customs administrations and society. In author's opinion, in order to be successful in combating corruption the Uruguay National Customs Administration has to act in a planned and coordinated manner by means of implementing different innovative measures.*

*Keywords: professional ethics, Customs officials, transparency of customs procedures, corruption, the Uruguay National Customs Directorate.*

### **Introduction**

Every society has a set of rules and habits that are sanctioned as either positive or negative, which are linked with moral principles. Ethics is the philosophical reflection on why these habits and rules, and not others, are the ones that are sanctioned, either positively or negatively. Ethics analyzes moral issues. Morals answer the question “*What should be*

*done?*”, while ethics answers the question “*Why should we do it?*” Corruption is the consequence of not acting in accordance with ethics.

Public Ethics is ethics applied to civil servants and put into practice in government matters. It involves all those people that perform a public function, and have a responsibility towards the State and the citizens. Civil servants shall perform their duties considering public interest as a pre-eminent matter. Lack of ethics in the public function is translated into corruption acts by the officials (Galarza 1999).

Corruption affects the growth and development of countries, and it limits the government's ability to implement stabilization policies, since it hinders controls and affects the whole economic system. It also lowers consumption, investment and exports levels, slows the country's growth process, and results in the loss of confidence in the institutions.

The public sector generates financial gains or profits, which are coveted by the corrupters, who are willing to pay a bribe in order to obtain those benefits. Three elements combine in the cases of corruption: 1) a clear and transparent regulation that has been broken; 2) an official that breaks the law and obtains a benefit; 3) and the appreciation that the benefit is a direct consequence of the corrupt act (Report of the First Meeting of High Authorities for Corruption Control in MERCOSUR 2012). Fiscal corruption is an illicit agreement between the tax payer and the official in order to avoid tax payment, to the detriment of the State.

Corruption is not just an underdeveloped-country phenomenon. Most of the authors that study this topic think that there is a solution for corruption, and even though they doubt whether it can be completely eradicated, they think that it can be reduced to a minimum level (Toledo 2014).

There are different types of corruption: political corruption refers to power, involving the exercise of governmental power, with the illegitimate exercise of power with the aim of obtaining personal or collective gain. Corruption in the public administration refers to practices carried out by the civil servants in order to benefit private interest, or to obtain economic rewards or status. “Social corruption” refers to social survival processes, and private corruption violates the rules and values of the system in order to gain advantage over others.

There are many factors that enable corruption. One of the root causes is the lack of separation between the public and private sphere. On the other hand, the cultural causes include the attitudes and beliefs that the citizens share, such as the acceptance or tolerance towards corrupt behavior, while the material causes include those specific situations that lead to corrupt practices. There are also other causes such as the impunity of corrupt officials, the excessive paperwork, slow decision-making, and inefficient management.

Therefore, corruption is one of the main ills afflicting our society, both in the public and private sphere. It is not a new phenomenon, it has existed since the beginning of life in society, but its importance has increased in recent years. Corruption itself is not new, the deep and common concern about it is new. Currently, there are new ways of uncovering corruption and its pernicious consequences, such as: globalization, openness of the economic system, disappearance of commercial borders, improvement of the means of transport, increase in the flow of goods and capital, new information and communication technologies (ICTs), improvement in the democratic awareness of people, emergence of new forms of social control and participation. In spite of all the abovementioned, the new forms of organized crime, money laundering, growth in illegal drug trafficking are appearing.

When we talk about corruption and the challenges it poses, we have to consider that each country has different political, institutional and cultural situations, and the types of corruption each country has to deal with is different.

Law No 17.060, issued on December 23, 1998, defines corruption in Art. 3 as: “*misuse of public power or public service, in order to obtain an economic advantage for himself/herself, or for others, whether the damage to the State has actually been committed or not*” (Vazquez 1998).

Jaime Rodriguez Arana has defined corruption as: ‘*...distortion of the public power, which is not used for public service, but for personal benefit (...) Because of this, it is necessary to promote institutional loyalty, rational use of public resources, the pursuit of fairness and objectivity when carrying out administrative functions...to denounce corruption...pride of being a civil servant, the willingness to improve his/her professional training...*’ This author not only defines corruption, he also proposes a way of combating it.

### **1. Case “The Line” in Guatemala**

A specific case of corruption that demonstrated its importance is the case ‘The Line’ in Guatemala. A suspicious flow of goods entering the country and links between importers and customs clerks in order to avoid taxes led the International Commission against Impunity in Guatemala to allegations of involvement of senior Government officials and directors from the “Superintendence of Tax Administration” (SAT) in a sophisticated smuggling network operating at the customs offices in that country. The facilitation (their own individual tariffs, false invoicing, incorrect declaration of goods, abnormal revision of goods content and price adjustment according to the type of product) was granted by telephone contact, known as “The Line”.

23 police operations led to the arrest of 20 people, including SAT authorities and officials, businesspeople and customs clerks. Single customs documents (DUA), telephone tapping, photographs, invoices and shipping companies reports were used as evidence. Customs brokers ordered SAT technicians not to report alterations or to correct the payments for amounts of money that were smaller than the correct ones; senior SAT authorities collaborated with all these activities.

In response to these developments, the Guatemalans organized mass protests to show their rejection to this situation. The process culminated with the resignation of Guatemala’s president, Otto Pérez Molina, on September 2, 2015. Preventive detention was imposed to him, and he is also being investigated for unlawful association, passive bribery and customs fraud ([https://es.wikipedia.org/wiki/Otto\\_P%C3%A9rez\\_Molina#Caso\\_de\\_la\\_L.C3.ADnea](https://es.wikipedia.org/wiki/Otto_P%C3%A9rez_Molina#Caso_de_la_L.C3.ADnea)).

This experience of Guatemala shows that, on the one hand, corruption schemes and mechanisms continue to exist in developing countries and cover all levels of executive and legislative bodies, and on the other hand, there are positive trends in the decisive struggle against corruption initiated by the international organizations (UN, WCO, WTO etc.) offering specific implementation tools of effective measures against illegal operations (Toledo, Pereyra & Casco 2014).

### **2. Measures implemented by the Uruguay National Customs Directorate on ethics and transparency**

Corruption cannot be attributed to a single cause, so it needs to be combated with different measures, at different levels and in a creative and innovative way. Some of the measures should be aimed at preventing corruption, while others should be aimed at punishing and penalizing it, as a way of combating all the variables involved. Different measures have been adopted at the Uruguay National Customs Directorate (Uruguay National Customs Directorate 2013 Yearbook), based on the Revised Arusha Declaration (signed in Arusha, Tanzania, on July 7, 1993 (81st/82nd WCO<sup>1</sup> Council Sessions) and revised in June, 2003 (101st /102nd WCO Council Sessions) (<http://www.wcoomd.org/en/about-us/legal-instruments/declarations.aspx>).

The (Revised) Arusha Declaration acknowledges that integrity is a critical issue for all nations and for all Customs administrations and that the presence of corruption can severely limit customs capacity to effectively accomplish its mission. It also declares that an effective national Customs integrity programme must address the following key factors:

1. Leadership and Commitment.
2. Regulatory Framework.
3. Transparency.
4. Automation.
5. Reform and Modernization.
6. Audit and Investigation.
7. Code of Conduct.
8. Human Resource Management:
  - remuneration and conditions;
  - recruitment, selection and promotion;
  - rotation and relocation;
  - training and professional development;
  - performance appraisal and management systems.
9. Morale and Organizational Culture.
10. Relationship with the Private Sector.

Mission of the Uruguay National Customs Directorate is as follows:

“Our mission is to ensure the security of Uruguayan society and to support the economic development of our country, by controlling the goods that cross our customs borders.

In order to achieve this:

- we will carry out efficient controls, protecting the population from threats.
- we will facilitate foreign trade and the movement of passengers, boosting the country’s competitiveness”.

2020 Vision implies that:

“Society will be protected by its Customs. At the same time, the regional foreign trade community will consider us a model, as a consequence of our actions and capacity to make proposals. We will be an example of effective public management, responsible and active promoters of Uruguay’s economic development.

By then, we will have become main actors in the process of turning the current control culture into a compliance culture, both for the citizens and for the foreign trade actors.

We will be as actively connected with all the members of the global trade community as technologically possible. Our processes will be as virtual and simplified as the ones from the best Customs administration in the world etc.

Because of all of this we will be recognized internationally as a model Customs administration that is open to the world. We will create value by a systematic innovation process of customs practices and management tools, and we will provide technical assistance on an ongoing basis.

To summarize, we will be able to proudly say that we are customs officials, professional and effective public servants, officials with integrity who do not tolerate corruption, committed, with our hearts and our minds, to the fulfillment of our Mission”.

The strategic plan 2015-2020 includes the Strategic Map of the Uruguay National Customs Directorate, which has established the Organization’s strategic objectives.

The following factors are taken into consideration:

• **LEADERSHIP AND COMMITMENT:** *“The prime responsibility for corruption prevention must rest with the Head of Customs and the executive management*

*team”.*

The senior officials from our Directorate, in compliance with Art. 1 from the Revised Arusha Declaration, have confirmed their commitment and leadership duties. They have committed themselves to detecting and fighting possible transgressions within the work environment. All of them comply with Law No 17.060, issued on December 23, 1998 (Vazquez 1998), that imposes the obligation for all the civil servants of submitting to “JUTEP” (Commission for Transparency and Public Ethics), the detail of their assets, listed in an affidavit, every two years (Mancebo 2014). Top officials have a proactive approach towards ethics, and they seek to reach that level of commitment in all the officials that work at the Uruguay National Customs Directorate.

The need to continue the anti-corruption plan arose from the group of top officials, and it is included as one of the objectives in their latest activity plan. By doing this, they work in a coordinated way in order to achieve a satisfactory management level. The top officials have regular Managers Meetings in which they share the information from each area and establish shared measures with mutually agreed criteria.

• **REGULATORY FRAMEWORK:** *“Customs laws, regulations, administrative guidelines and procedures should be harmonized and simplified to the greatest extent possible so that Customs formalities can proceed without undue burden”.*

The author emphasizes that it is crucial to have clear and appropriate regulations on this matter. The Constitution of the Eastern Republic of Uruguay has articles that lay the foundations for the set of Regulations regarding Conduct at Public Service.

At the international level, Uruguay has ratified the Inter-American Convention against Corruption, through Law No 17.008, issued on September 15, 1998. It has also ratified the United Nations Convention against Corruption, through Law No 18.056, issued on November 14, 2006.

The Customs Code of the Eastern Republic of Uruguay (CAROU), Law No 19276, was passed on September 13, 2014. It has systematized regulations that were scattered, and it has also updated those regulations, and has aligned them with the best international practice, therefore establishing clear and coherent regulations (Report of the Commemoration of the International Anti-Corruption Day 2011).

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

• **TRANSPARENCY:** *“Customs clients are entitled to expect a high degree of certainty and predictability in their dealings with Customs”.*

On April 2, 2014, the “Uruguay National Customs Directorate – Private Sector Consultancy Committee” was created by Customs Regulation No 23/2014. The objective of this Committee is to receive in an organized manner, the approaches and concerns from the foreign trade community. As long as possible, the changes in procedures and regulations are disseminated in advance, and hearings within the Committee or in other informal settings take place (Diaz, Luna & Recio 2013).

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

The Uruguayan Constitution, in Art. № 317, established the right of appealing administrative acts, which is regulated in Decree No 500/991, issued on September 27, 1991, in Articles 142 and following. The procedure for administrative appealing gives the right to appeal customs decisions or to request a re-examination of them.

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

Since 2010, 1.007 desktop personal computers and 32 portable computers have been given to the officials, which represents a high percentage of computerization within the Directorate. The Uruguay National Customs Directorate has 1.047 officials.

We have the “Electronic File System” (GEX), which allows –through the application “Pre-file”- customs brokers to start customs files electronically, from their offices, and to receive electronic notifications (Pereyra 2014).

The Project “Digital DUA” (DUA: Single Customs Document) is a customs operations control process, for imports, exports, and transit shipments, which is documented in an electronic and automated way, and depends minimally on paper. Through this project, the following initiatives have been implemented: electronic document, electronic signature, customs operations document storage under the customs brokers’ responsibility, and the re-engineering of customs controls. In the IT system, “Sistema Lucia”, we use the Electronic Customs Document, and the “Digital Goods and Merchandise Detention Record and Computerized Control of Warehouse Stock”.

The Single Window for Foreign Trade Department (VUCE), from the Uruguay National Customs Directorate, aims at optimizing and unifying, through electronic means, the information, and the documentation required to carry out imports, exports and transit shipments operations, and their availability at a single entry point. Until September 2015, there were 33 customs procedures incorporated to the “VUCE”, with 440 registered users and 8.449 imports and exports documents processed (Casco 2014).

The group ‘Simplification of the GEX File’ was created. This group is analyzing the simplification of the electronic file tool, by eliminating categories that are repeated and considering the possibility of including more procedures in the Electronic Customs Document System.

Furthermore, the group “100% online formalities” was created. The aim of this group is to adapt all the formalities that are completed at the Uruguay National Customs Directorate can be carried out online. This reduces the face-to-face contact with the users and the risks involved.

In December 2015 the Pilot Program for Automated Customs Controls at “Acceso Maciel” at the Montevideo Port was inaugurated. This has allowed to keep the control level while reducing time and costs, by using an automated System for controlling the entry and exit of cargo to and from the port area.

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

*Management by Process*, a project which we are embarked on, creates greater institutional security by limiting the discretionary power of Customs officials.

*Management Agreements* are commitments made by the officials designated for specific hierarchical positions (“functions”) within the Directorate, for a period of 15 months. After that period, a Panel shall evaluate the official’s compliance with the Management Agreement, and shall decide whether the position will be renewed or not. The activity plans contemplated in the agreements contribute to the achievement of the institutional objectives of the Directorate (De Lima, Pereyra, Piera & Casco 2014).

Each Management Agreement has four kinds of indicators: fulfillment of the duties established in the Directorate’s Balanced Scorecard; fulfillment of the duties included in the

Unit's Balanced Scorecard; level of compliance with the punctuality and presence control duties, and fulfillment of the Unit's annual work plan.

The Continuous Improvement Committee was created through the General Resolution No 34/2015, issued on June 8, 2015. The continuous improvement processes need a methodological revision environment and an evaluation of the impact they will have in the Organization, in order to be implemented appropriately. The Committee ensures that all the project and improvement proposals are submitted to the National Directorate, taking the following features into account: 1) effectiveness – fulfillment of objectives; 2) efficiency – optimization of the use of resources; 3) risk – minimization of associated risks; 4) format – fulfillment of the standardized documentation criteria; 5) identification of strengths and weaknesses associated to the preceding four points.

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

The DNA is aimed at training and enhancing the professionalism of its officials, as well as at fostering their ability to discern whether somebody's conduct is unethical (Report of the First Meeting of High Authorities for Corruption Control in MERCOSUR 2012).

*The Internal Audit Consultancy Department* has an active and preventive approach, based on risks and their possible impact, in order to be able to identify the efficacy of controls. It is a unit that has powers and authority to carry out audits in all the functional areas of the Organization. It is aimed at ensuring a good internal control system and preventing risks, adding value and improving the operations.

The area *Customs Response and Intelligence Group (GRIA)* has autonomy for investigating and identifying corruption acts. Within the last 5 years, 26 criminal prosecutions of customs officials have been carried out by GRIA .

• **CODE OF CONDUCT:** “... *which sets out in very practical and unambiguous terms the behavior expected of all Customs personnel.* “

The DNA has submitted to the Executive Branch its own *Code of Ethics*, so that it has the status of a Decree (1991).

Likewise, there are regulations about ethics performance of public duties in our country, Art. 59 from The Uruguayan Constitution, the Penal Code, Law № 17.060 (“anti-corruption law”), the Statute for Public Servants (Law 19.121) and its regulatory decrees, that regulate, among other aspects, the disciplinary regime for the civil servants. Decree № 30/2003 compiles the duties, prohibitions and incompatibilities of the civil servants and establishes the principles of pre-eminence of the public function and in Art. 14 from Decree № 204/013 the duties of customs officials are listed.

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

*Corporate Governance* is the set of processes, habits, policies, laws and institutions that affect the way a company or organization (corporation) is directed, managed or controlled. It also includes the relationship between the different agents involved in it (the Directorate, external controllers, creditors, investors, customers, suppliers, employees, the foreign trade community and the whole society) (Estra'zulas 2006).

Innumerable measures have been implemented to accompany Corporate Governance. For example, one of them is salary improvement (Muñoz 2004). Aligned with this measure, the employment relationship of the officials who have applied and obtained their permanent status has been improved, encouraging their professional careers to develop.

In our website, the training courses that are available for the officials are published. Our Training and Knowledge Management Department has delivered 320 courses from January 2011 until September 2015, with a total number of 4.202 enrolments.

At the 18th Regional Conference of Customs Directors General for the Americas and the Caribbean Region (RCCDG), held in Puerto Natales, Chile, on April 13 and 14, 2015, Uruguay was appointed to host the Regional Office for Capacity Building (ROCB) for the Region. On April 4, 2016 a framework agreement was signed by the Professional Training Institute of Foreign Trade and Customs (CEA) from the Uruguayan Association of Customs Brokers, and the Regional Office for Capacity Building (ROCB).

We follow the footsteps of the Integrity Development Guide from the World Customs Organization, which has been disseminated through seminars, workshops and courses.

Repairs to the Customs buildings are being made within the whole country, in order to provide the officials with the appropriate infrastructure to work comfortably. Since 2010, approximately 29 buildings and warehouses refurbishments have taken place, a new Integrated Control Area has been built and alarms have been installed. A building maintenance plan has been developed, which will take place in the period 2016-2020. This plan includes 6 public works projects to be carried out in Montevideo and in the provinces in order to preserve the heritage of the Directorate (Uruguay National Customs Directorate 2015 Yearbook).

In 2013 the Incentive System for Best Performance was developed, as a way of rewarding each official fairly. In order to achieve this, three factors are considered: Responsibility, Participation in customs violations discovery and Performance. In the “Performance” factor the accomplishment of individual, group and corporate goals, punctuality, presence and individual performance, are measured (Uruguay National Customs Directorate 2013 Yearbook).

• **MORALE AND ORGANIZATIONAL CULTURE:** *“Corruption is more likely to occur in organizations where morale or “esprit de corps” is low and where Customs personnel do not have pride in the reputation of their administration”.*

In order to have a better relationship with the society, we have developed information campaigns that explain the activities customs officials carry out, the allocation of revenue, the reason why we combat smuggling, and how our community and the national economy are being protected. The project “*Knowing the Customs Directorate*” is currently taking place. It consists of informative workshops aimed at primary school students from all the country, given by customs officials. With these activities and with others that are also taking place, higher participation from the officials is sought. These activities also encourage the sense of belonging, the commitment and the sense of pride among customs officials (Casco 2014). Since 2013, *Corporate Social Responsibility* activities are being carried out, with active involvement of customs officials.

Aligned with this cultural change, the first edition of the contest “IdeAndo” took place. Over 50 Customs officials participated, who presented 26 innovative projects for improvement in different areas. This contest aimed at promoting an innovation culture and a proactive attitude among the officials.

• **RELATIONSHIP WITH THE PRIVATE SECTOR:** *“Customs administrations should foster an open, transparent and productive relationship with the private sector”.*

In order to have a successful anti-corruption strategy it is crucial to include different actors, not only the public servants. Because of this, we have signed 11 Integrity Agreements with the private sector, in compliance with the suggestions from Art. 10 of the Revised Arusha Declaration, which suggests the signature of *Memoranda of Understanding* and the development of Codes of Conduct or Integrity that includes appropriate penalties (Pereira 2014). By doing this, the private sector joined the activities, becoming a key actor and a major partner.

The Memorandums of Understanding have been signed with:

- Uruguayan Association of Customs Brokers (ADAU)



- Uruguayan Association of Freight Forwarders (AUDACA)
- Uruguayan Association of Courier Service Providers (AUDESE)
- Uruguay Chamber of International Road Transport (CATIDU)
- Uruguay National Chamber of Commerce and Service (CNCS)
- Chamber of Free Shops Owners
- Uruguayan Chamber of Logistics (CALOG)
- Chamber of Uruguayan Free Zones (CZFUY)
- Navigation Centre (CENNAVE)
- Rice Mills Union
- Uruguayan Exporters Union (UEU)

They aim at establishing common action lines regarding ethics and transparency, between the signing parties, thus increasing the level of trust.

There is a specific action plan to be carried out with each of the signing parties during 2016. Some of the specific actions consist of creating the codes of ethics of each of the operators, and receiving training, among other actions.

In our website ([www.aduanas.gub.uy](http://www.aduanas.gub.uy)) there is a link with the free telephone number 0800 1855, in which users can file their reports.

We already have twenty-three Authorized Economic Operators in Uruguay. So far, 49 Uruguayan companies have demonstrated their intention of participating in this program. This program provides feedback for the relations between the private and the public sector, contributing to trade facilitation and tax fraud reduction, through increasingly efficient control mechanisms. It promotes security in the supply chain and security for the shipments, through certified controls in each stage of the supply chain, elements that provide the certainty that the shipment will arrive to its final destination unaltered.

The DNA has recently signed an agreement for the collaborative work towards AEO Programs recognition with the USA and Brazil. These agreements will help to deepen the commercial partnership with these countries, bringing benefits for the AEOs in our country. There are also similar Work plans signed with the Customs Administrations of Bolivia and South Korea.

We concluded an Agreement with Brazilian Customs on July 17, 2014 and another one with Argentinian Customs on November 4, 2014, for the Bilateral Implementation of the Intra-Mercosur Pilot Program on Customs Security in the Goods Supply Chain. These programs ensure a high level of customs security within the goods supply chain, since the goods are exported from the territory of a member state until they are imported in another member state (Report of the First Meeting of High Authorities for Corruption Control in MERCOSUR 2012).

#### • ANTI-CORRUPTION PLAN

The organizational chart of the Uruguay National Customs Directorate has five areas (Decree 204/013, issued on July 17, 2013):

- 1) Risk Management and Control;
- 2) Foreign Trade Management;
- 3) Customs Operation Management;
- 4) General Administration;
- 5) Information Technology (IT).

The Managers of each of these areas and the Director General are committed to this anti-corruption plan that has been implemented at the Organization since 2016.

The plan has three pillars: Prevention, Training and Sanction.

The Prevention pillar is aimed at avoiding conflict of interests. Public interest is protected by the State, which is connected with the common needs of the members of society, while private interest is connected with the official's private benefit. It is expected that private interest does not prevail over public interest.

An internal survey is being carried out at each of the mentioned areas, in order to detect vulnerabilities to corruption, such as location, activities, processes, formalities, positions or officials.

At a subsequent stage, specific preventive actions will be proposed for each of the vulnerabilities detected.

The Training pillar, refers to the workshops on ethics and transparency that have been carried out. The Uruguay National Customs Directorate organizational chart also includes the 17 Customs branches located throughout the country and 5 Regional Surveillance Branches. On May 27, 2016 a meeting was held in which all the top officials from these branches participated. In that meeting, the plan was disseminated and they exchanged opinions on new actions to be carried out. These opportunities for exchange are part of the Training pillar, and it is our intention to continue these activities. There is an activity schedule that is coordinated with the Knowledge Management and Training Department, in which the training activities for all the Customs offices throughout the country are included.

In these workshops, the following topics will be covered: ethics, moral, public ethics, Customs ethics, regulations for these matters, duties and obligations of the customs officials, incompatibility, consequences of non-ethical behavior from Customs officials, offences, sanctions for the offences, among other topics. These courses are aimed at fostering the knowledge of ethical principles among Customs officials, and promoting proper behavior when exercising public duty. Another objective is to create spaces for debate at national level, and to highlight the importance of the combat against corruption in all sectors, in order to achieve higher levels of welfare of society.

The Commission for Transparency and Public Ethics (JUTEP) was contacted, and they are supporting this project and working in coordination with the Uruguay National Customs Directorate, in order to assist us to provide the best possible training. They have also provided a wide range of information material that the Commission owns.

It is necessary to insist on the dissemination of the code of conducts on public transparency and responsibility of public servants, as a prevention method. It is also important to disseminate information about crimes against Public Administration and citizen oversight mechanisms.

The Sanction pillar, is based on the fact that non-ethical behavior will continue to be sanctioned. The Statute for Public Servants, Law No 19.121, issued on August 20, 2013, regulates Disciplinary Responsibility. Furthermore, the Penal Code regulates crimes against Public Administration. We have an appropriate regulatory framework, and the corruption acts and offences are specified, at national and international level.

#### **• THE URUGUAY NATIONAL CUSTOMS DIRECTORATE'S PUBLIC IMAGE**

A public opinion survey was carried out in 2015 by "Grupo RADAR" (a prestigious Market and Opinion Research Uruguayan company). Based on this information, the Public Opinion Research Report 'The Uruguay National Customs Directorate's Public Image', was developed. Several questions from the survey referred to Ethics in the Customs Administration.

From this report, it can be deduced that when people ranked current problems, the most important was drug trafficking, the second was corruption and the third problem was smuggling. The results confirmed the fact that these issues are a major concern among citizens.

If we compare the results of 2013 and 2015, it is possible to say that the number of people that think that there is corruption among Customs officials has decreased, which is very satisfactory for us, and shows that we are on the right path and the public has noticed it.

Regarding the operators' opinion, in the regular meetings that take place at institutional level, the Uruguay National Customs Directorate has been praised by the foreign trade operators who acknowledge the progress we continue to make.

### **Summary and concluding remarks**

It is crucial to work on ethics and transparency at the Customs Administration around the world. We have to combat corruption for the sake of the Customs Administrations and society.

In order to be successful in combating corruption, we have to act in a planned and coordinated manner with the top officials from the Organization. They have to support and participate, from their leading role, by implementing different innovative measures to combat corruption in all its dimensions.

On the basis of the above, it can be concluded that the Uruguay National Customs Administration has embarked on this road, and is committed to continue on it.

In conclusion, we have to continue working in order make all the individuals that are part of this Organization, aware of their responsibilities regarding ethics, which will be highly beneficial for the whole Organization.

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