

Smuggling and Corruption in Customs of Georgia

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Annotation

Since the economic welfare of the country depends on customs, detection of concrete problems and finding ways to solve them is important for Georgia and for its partner countries. The great importance of this issue is strengthened by the dangerous interests of criminal syndicates using the Georgian territory as transit corridor for trafficking illicit drugs and other substances. The colossal profit received from these illegal transactions is one of the main sources for financing international terrorism and other types of organized crime which threatens the peaceful development of the world.

This research describes the main problems of the current customs system of Georgia. It is focused not only on existing facts and statistics but gives alternative approaches for the structural, legal and functional establishment of the system.

The research is based on a contemporary analysis of customs legislation, specific recommendations elaborated by experts of the IMF, the World Bank, Tacis, the US Customs Service, the HM Customs and Excise Service and other international organizations. Also findings of surveys and interviews on customs issues as well as knowledge and local /international experience of the researcher in the field of customs have been used.

Nowadays there is a lack of enough terms and conditions for the proper work of customs. These problems are caused by the ongoing political and socio-economic status which characterizes the building process of new states.

One of the main problems is temporarily uncontrolled territories which receives the bulk of a variety of smuggled goods comes from neighboring countries. At the same time a poor material and technical basis of Customs and unskilled personnel provide a fertile environment for smugglers.

The importers which are periodically obliged to have corrupt dealings with the regional customs “East” have been interviewed during the research. In the relevant research the entire cycle and accompanied corrupt acts starting from the crossing of the customs border of Georgia to the end of the customs clearance is described. Also, there is still a lot of bureaucratic and in some cases entirely unjustifiable barriers listed in the research that prevent the customs bodies from operating efficiently and therefore lead to corrupt compromises.

In the research also includes the subject of conducting customs control on the whole territory and the possibility of effective work of the customs check point “Tbilisi Airport”, which is considered a high risk customs check point in respect to narcotic smuggling. The international equipages and their hand luggage, food containers transferred onboard and other supplies are not wholly controlled. The customs control should be strengthened on the whole territory of the airport, including technical premises, warehouses and entry and exit points.

Georgia is considered as a transit country for narcotics. The information from competent bodies gives us a clear picture of the existence of a new and quite large route of the synthetic narcotic “subotec” from Europe to Asia, which goes through Georgia. In my research the problems and the ways of their solution are described in detail; its implementation will strengthen control of narcotics by the customs body.

Also, “controlled delivery” is revised as one of the best methods and instructions and proposals regarding use of this method. Also, experiences of other countries in this respect are described.

It is vital for customs to use different ways of international cooperation with Customs services of foreign countries such as the systematic exchange of customs data and information, exchange findings of inquiries, planning and conducting mutual special operations and agreed working regimes of border-crossing customs checkpoints and etc.

Recently, the reality in some areas has improved; the will of the government to combat smuggling is visible: there is a steady increase in monthly customs revenues collection, customs are being equipped and built; customs officers are supplied with uniforms. The will is extremely important but not enough for changing reality; educated and skilled personnel, sharing of international experience, and international customs cooperation are crucial.

All efforts to develop and improve customs should be a part of short-term and long-term strategies and action plans. The frequent change of customs’ top management (15 chairmen of Customs have been changed during 1992-2005) makes it impossible to develop customs according the agreed strategic plan and negatively affects its image.

Analyzing all the findings, foreign and local expert’s recommendations, existing legislation and international experience creates a set of extraordinary recommendations. It includes such important fields as legislation, human resources, overall management and interagency cooperation, international relations, etc. Thus, there are some primary recommendations such as:

- **developing and adopting new customs legislation (a new customs code according to EU customs legislation);**
- **strengthening supervision over customs brokers’ and carriers’ activity including penalties for violations;**

- **establishing a customs training center;**
- **flexible management of personnel and staff rotation;**
- **implementation of practical accountability of personnel;**
- **developing and practical implementation of a code of conduct;**
- **developing short-term and long-term plans including annual strategy and action plans;**
- **interagency cooperation through developing, signing and implementation of memorandums of understanding;**
- **ensuring transparency of customs activity, particularly customs operations;**
- **re-building and the development of a customs laboratory;**
- **developing of infrastructure (scales, x-ray machines, dead-end sidings, search equipment, etc.)**
- **an intelligence and internal audit unit should be created under the Chairman of Customs;**
- **establishing risk assessment and selectivity principals, drugs profiling, dissemination of high risk information for passengers and cargo;**
- **developing memorandums of understanding with air companies operating in Georgia to be provided with information about passengers in advance;**
- **on board catering and fueling supply control and airport personnel control;**
- **developing advanced methods to combat excise goods smuggling and other types of offences;**
- **establishing a check and balance policy among fiscal law enforcement agencies and supportive organizations.**
- **cooperation with World Customs Organization (WCO), ICPO/INTERPOL, CITES, IRU , IAEA ,OLAF, SECI**

- **payment of the existing debt in membership fees (3 years) to WCO;**
- **exceeding and implementation different international conventions, in particular the KYOTO International Convention;**

Finally, implementation of the proposals elaborated by the researcher should have a positive effect on the reforming process in customs as a result of the complex efforts of Government, civil society and the international community.