

A PLACE OF THE RILO NETWORK IN A CUSTOMS PREVENTION INSTITUTIONAL MECHANISM

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Abstract

The Customs administrations around the world are the first defenders on the borders. Customs administrations around the world are responsible for detection and prevention of dangerous, restricted and prohibited goods. Thus the issues of crime prevention are now directly related to the competence of Customs administrations. In the paper the author would like to draw attention to already existing mechanism which might be used in a more efficient way. The Regional Intelligence Liaison Office (further – RILO) Network and the Customs Enforcement Network (further – CEN) database have a great potential for being used as the institutional prevention mechanism since both tools facilitate the exchange of information among Customs administrations globally.

In general, the topic of the Global RILO Network is underestimated and little known, even among the Customs officers, especially those, who are not dealing with international cooperation. The author wants to draw attention of the Customs community worldwide, but also representatives of other law enforcement agencies to the potential of existing instruments and tools provided by the World Customs Organization (further – WCO). It is important to acknowledge the number of obtainable tools, in order to save the resources, both financial and human, which might be spent on creating completely new mechanisms.

In order to achieve the main goal, the author has analyzed the basic tools and instruments of the WCO in two areas of Customs duties, namely: trade facilitation and Customs enforcement. Additionally, the role of the WCO as a unique institutional body in Customs matters has been emphasized. The author wanted to give comprehensive background information on a RILO Network and highlighted its place in a modern Customs administration using Information and Communication Technologies (ICT).

The scientific methods used in the paper were as follows: characterization for experience and observation, source criticism, deduction.

The final conclusion led to the fact, that in order to get the highest level of efficiency, both the technical and networking aspects of exchange of information must be in place. The proper managing of the exchange of information may cause a better allocation of human resources and technology, improve the data quality, influence on more precise risk assessment then lead to the better detection of illegal trade and finally may contribute to the growth in government revenue. Thus the information exchange, the RILO Network, is a trigger mechanism which plays a vital role in crime prevention.

Key words: crime prevention, RILO Network, CEN database, exchange of information, WCO's enforcement tools, ICT

Introduction

The Customs administrations have been forced to change their priorities - from the fiscal control only, to facilitation of the trade, and the security issues nowadays. Along with

those stages, there was a need of creating new tools and instruments which would be appropriate to fill these priorities.

The author wanted to emphasize the role of a Global RILO Network in a Customs crime prevention area. He also wants the Customs community worldwide to realize that the mechanism is already in place and the issue is how to use it in a most efficient way.

The author would like to draw the attention of the CEN users and Customs officers dealing with risk management that RILO Network might be used, along with the conventions, risk management systems, the network of liaison officers, as a well-organized solution in crime prevention.

However, at the moment the tool is not fully utilized in my opinion. Additionally, some aspects of using the CEN database need to be improved, especially the quality and the promptness of the data reported into the CEN. The issue of the data quantity and completeness is still a challenge. The exchange of information through the RILO Network may be improved as well. The author does believe that relatively small improvements may have a big impact on the whole perception of the RILO Network. Definitely, when talking about the member-driven organization the commitment of all parties involved is a key issue. Only from the members of the RILO Network and the CEN users depend how the potential will be used, in which direction the entire concept will be developed. The author hopes this paper will be the first step to start the improvements to our benefit.

1. Historical background of the redefinition of the role of the Customs administration

Customs sanctions should be always embedded in the context of the international trade. Talking about the international trade it is impossible not to mention about the state borders and national interests. The definition of the Customs duties is closely related to the export, import and transit of goods through the borders. This fact gives the countries the possibility to impose tariffs and trade barriers on a particular country. It may lead to the Customs war, which even in the interwar period was conducted between Poland and Germany. In the article the customs sanctions will be understood as crime prevention. However, in order to avoid the smuggling of goods and to reduce the number of committed crimes, there were applied different approaches over the years.

1.1. The trigger mechanism

It can be said that when the fiscal role of Customs administration was put in the first place as the main priority, there were no moral or philosophical aspects of Customs duties. The main area of interest was to collect money in order to ensure the continuity of the state budget. But the situation has been changed in line with changing economy.

The main purpose of creating trade facilitation procedures was to eliminate the physical, technical and fiscal barriers hindering the freedom of movement of goods.

The liberal approach to the Customs procedures lasted until “9/11” attacks. Since that time the USA has become a pioneering country which started to introduce security procedures into the trade flows. The U.S. Customs and Border Protection has established so called C-TPAT: Customs-Trade Partnership Against Terrorism in November 2001.¹ The key element of the newly created initiative was to “develop and adopt measures that add security but do not have a chilling effect on trade”.² Till the achievement of such a goal seemed to be impossible. The fundamental principle which allows to achieve this goal is to secure the international supply chain by identifying and fulfilling the gaps and weak links.

¹ <https://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism>

² Ibidem

Another direct consequence of the WTC attacks in 2001 was to establish Container Security Initiative (CSI) by the U.S. Customs and Border Protection in 2002.³ The basis for this initiative was to establish cooperation with shipping ports that have the highest volume of containers flowing into the USA territory. From the very beginning the CSI affected the international trade, because the indicated ports operate in the Americas and Caribbean, in Europe, in Asia and the East and also in Africa continent.⁴

As a follow-up action in 2005 the World Customs Organization Secretariat proposed and endorsed the SAFE Framework of Standards to Secure and Facilitate Global Trade.⁵ It was a universal approach to the USA's initiative.

All above mentioned initiatives might be considered as the answers on the terrorist attacks which took place mostly in the USA and in Europe over the recent years. The WTC attack, the Moscow theater hostage crisis of the Dubrovka Theater, the Madrid train bombing, attacks on the London underground, the Nevsky Express bombing, Moscow metro bombing, Charlie Hebdo shooting, Paris terror attacks and finally Brussels Airport explosions and metro bomb blast, etc. These events have inflicted the Customs community to conduct appropriate actions against the terrorism threat.

It might say that all those events triggered the WCO to develop the Security Programme and to start working on the Global Counter-Terrorism Strategy.⁶ Such an approach might be considered as not only political but also moral responsibility of Customs administrations worldwide for the society.

1.2. The place of the RILO Network in a modern Customs administration

In the XXI century in a time of such rapidly changing economy the international trade has become a key factor for the development. The growth itself remains a foundation of living standards in both developed and developing countries. It creates a more stable and secure world. International trade is ruled by the global and regional preferential trade agreements and national governments. The new solutions were driven by a combination of factors which include the so-called Information and Communication Technology (ICT), the development of methods of transport and trade liberalization.⁷

These conditions meant that the role of Customs administrations in the modern world had to be verified and subjected to redefinition. In general the globalization and modernization of the Customs administration gave new opportunities but also created some challenges for the decision makers in the Customs administration (figure 1).⁸

However, despite all above mentioned aspects the traditional role of Customs, what is the role of ensuring fiscal budget revenues to individual states, remained unchanged.

Moreover, nowadays exists a significant requirement to engage the Customs administration in the increasing number of information exchange and associated international agreements. The main idea is to set the basis for long-term global Customs network which supports the international trade. The idea behind this approach is to undergo an evolution, not a revolution. In order to achieve this goal the concept of the Globally Networked Customs has been endorsed.

³ CSI Brochure, May 2011, p. 2, https://www.cbp.gov/sites/default/files/documents/csi_brochure_2011_3.pdf

⁴ Ibidem, p. 4

⁵ The issue of the SAFE Framework will be discussed later in this article.

⁶ Based on the internal WCO materials presented at the WCO Security Summit, 9 June 2016, Brussels, Belgium

⁷ Customs in the 21st Century. Enhancing Growth and Development through Trade Facilitation and Border Security, WCO, Brussels, 2008: [http://www.wcoomd.org/en/topics/key-issues/~media/3EE76BC165B9409CBE6E31F9923CABB8.ashx](http://www.wcoomd.org/en/topics/key-issues/~/media/3EE76BC165B9409CBE6E31F9923CABB8.ashx), p. 2

⁸ The idea of ICT is described in details in the "Customs Modernization Handbook". Mainly, the paragraph related to the role of ICT in the overall modernization program of the Customs administration.

Challenges	Opportunities
<ul style="list-style-type: none"> ✓ Globalization of both business and trade, ✓ Poverty reduction, ✓ New comprehensive management principles, ✓ International terrorism, ✓ Environmental Protection, ✓ Increase of transnational threats. 	<ul style="list-style-type: none"> ✓ Globally Networked Customs (GNC), ✓ Better coordinated border management, ✓ The creation of a strategic framework for the global benefits ✓ Development of the supply chain and supply chain management in the customs, ✓ The use of the new technologies ✓ Strengthening of the Customs partnership, not only with representatives of the trade, but also with other government agencies and law enforcement agencies.

Figure 1. Challenges and opportunities for the modern Customs administration⁹

At the moment three main types of relations may be distinguished, namely between Customs authorities (C2C), between Customs authorities and Business (C2B), and between Customs authorities and other government bodies (C2G).¹⁰ Thus, it forces the three different approaches to the information exchange and every approach needs a special set of tools which enables such an exchange. It is worth mentioning that although each type of relation requires an exclusive set of tools they need also to complement each other (figure 2).

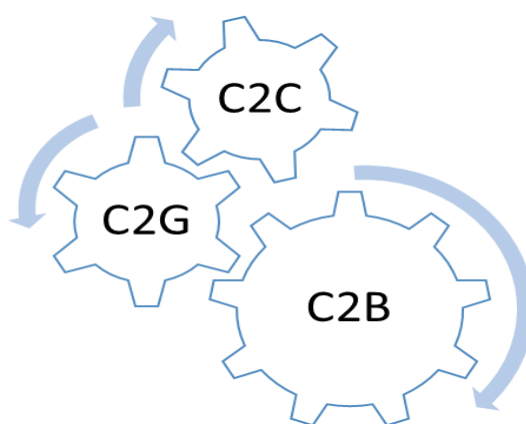


Figure 2. Three complementary types of information exchange based on the 3 types of relationships¹¹

Discussing the problem of RILO network in a context of the customs prevention institutional mechanism, it should be borne in mind that the RILO network is the only body having the capacity to carry out the Customs-to-Customs cooperation in the framework of the Globally Networked Customs. The GNC has been created in order to use the already existing tools and applications available within the WCO Secretariat. In addition, it is assumed that the concept should reflect the holistic approach of the WCO to create standards and guidelines. It has led to the creation of the concept model of GNC based on existing standards of information exchange between Member countries of the WCO. The main

⁹ Own study based on the document: Customs in the 21st Century. Enhancing Growth and Development through Trade Facilitation and Border Security, WCO, Brussels, 2008

¹⁰ Final Report of the work of the WCO ad hoc Working Group on Globally Networked Customs, WCO, Brussels, 2011, p. 4-6

¹¹ Own study based on the document: Final Report of the work of the WCO ad hoc Working Group on Globally Networked Customs, WCO, Brussels, 2011

principle for the creation of the concept was to continuously develop and improve the previously existed and implemented tools.

In summary, the concept of the GNC has a great potential, especially in a long-term perspective. There is no doubt that the full implementation requires better solutions in the area of information exchange among the Member States of the WCO.

2. The role of the World Customs Organization in a crime prevention mechanism

2.1. Institutional and organizational solutions

The World Customs Organization (WCO) has been established in 1952 as the Customs Co-operation Council (CCC)¹² as an independent intergovernmental body. Nowadays, under the umbrella of the WCO it is 180 Customs administrations worldwide. They all represent 98% of a volume of a global trade. The role of the WCO in a Customs crime prevention is very unique, since it is the only international organization with competence in Customs matters.

In line with the overall concept of establishing the WCO is a vision statement which reads as follows: “Borders divide. Customs connects, dynamically leading modernization and connectivity in a rapidly changing world”.¹³ The role of the WCO has been described by the mission statement, i.e. “The WCO provides leadership, guidance and support to Customs administrations to secure and facilitate legitimate trade, realize revenues, protect society and build capacity”. It can be said that the vision of the WCO describes the organization image while the mission defines the main aspects of the Customs duties and role. Even in this one-sentence description, the constituents of crime prevention are clearly listed. It can prevent a Customs crime by the trade facilitation, by the revenue collection, but also the real leadership must be in place to support the activities.

Considering the WCO as a part of the institutional mechanism of crime prevention it is worth noticing what are the values of the organization. Among the values of the WCO are: being a knowledge-based and action-oriented organization, believe in transparent, honest, and auditable governance procedures, being responsive to the Members, stakeholders in trade, and society, capitalize on technology and innovation, believe in inclusiveness, diversity and equitable treatment and opportunities for all.¹⁴ The above mentioned standards clearly indicate that the purpose of the organization is not making money but the issue is more serious, valuable and important from the society point of view.

In order to cover the values in real activities the WCO Strategic Plan approved by the Council is established and is implemented by the WCO’s Committees and the Secretariat. The Secretariat supports the various working bodies in developing the international Customs instruments and tools.

The WCO consists of the three main directorates, namely Compliance and Facilitation Directorate which is responsible for compliance, enforcement, procedures, and trade facilitation matters, Tariff and Trade Affairs Directorate which is responsible for classification (nomenclature), valuation, and rules of origin matters and finally Capacity Building Directorate which is responsible for coordinating and delivering capacity building, technical assistance, and training to WCO Members for purposes of organizational development, reform, and modernization (figure 3).

For the purpose of the article the main emphasis will be put on the activities of the Compliance and Facilitation Directorate which covers the diversity of the crime prevention

¹² The Convention establishing the CCC has been signed in Brussels on 15 December 1950 and entered into force on 4 November 1952.

¹³ http://www.wcoomd.org/en/about-us/what-is-the-wco/vision_statement.aspx

¹⁴ <http://www.wcoomd.org/en/about-us/what-is-the-wco/values.aspx>

mechanisms such as CEN related matters, the RILO Network concept, but also the SAFE Framework including the AEO concept.

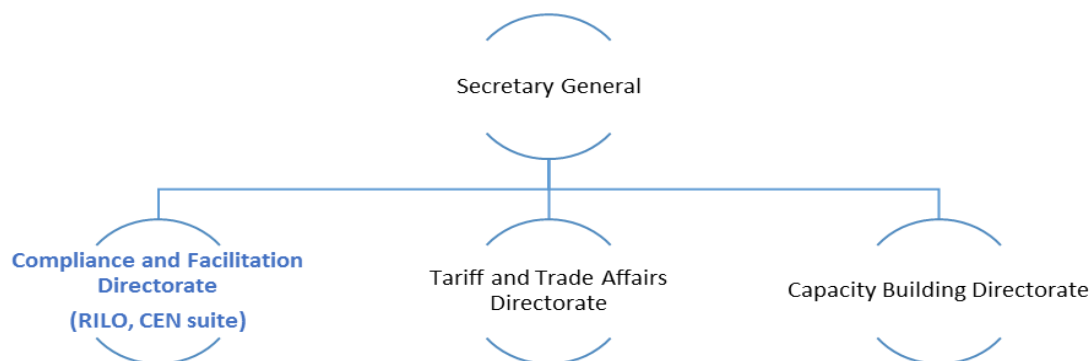


Figure 3. The WCO's Directorates as an organizational solution¹⁵

In general the Compliance and Facilitation Directorate consists of two sub-directorates, namely Procedures and Facilitation Sub-Directorate and Compliance and Enforcement Sub-Directorate. The Procedures and Facilitation Sub-Directorate primarily deals with securing and facilitating legitimate global supply chain through the simplification and harmonization of Customs procedures. While the Enforcement and Compliance Sub-Directorate assists Members in implementing effective and efficient controls, ensures fair and accurate revenue collection, and protects society by intercepting and suppressing illicit and criminal activities.¹⁶

2.2. Instruments in the area of trade facilitation

The issues related to the trade facilitation activities belong to the responsibility of the Procedures and Facilitation Sub-Directorate which develops and shares methods to make Customs controls and procedures more efficient. The main task of this Sub-Directorate is to develop, maintain and promote the Revised Kyoto Convention (International Convention on the Simplification and Harmonization of Customs procedures). Moreover, the important area of interest focuses on the maintenance of the supply chain security by developing of the WCO SAFE Framework of Standards to Secure and Facilitate Global Trade.

Furthermore the above mentioned Sub-Directorate is responsible for dealing with other tools and instruments which are designed to facilitate and secure the global trade, including the creation of various conventions by itself but also on behalf of another international organization. The most important conventions are: ATA Convention, Istanbul Convention, Customs Convention on Containers 1972, Conventions and Programmes Concerning Export Controls. Additionally, the other type of instrument which is created by the WCO Secretariat is recommendation which contributes to effective facilitation of a global trade.

It is worth mentioning that besides the conventions and recommendations the variety of different tools in a form of the guidelines and best practices solutions have been developed. They may help the Customs administrations in fulfilling its duties, i.e. Application of Information and Communication Technology-ICT Guidelines, WCO Data Model, Unique Consignment Reference, Immediate Release Guidelines, Advance Passenger Information Guidelines, Time Release Study, Glossary of International Customs Terms.

¹⁵ Own study based on: <http://www.wcoomd.org/en/about-us/wco-secretariat/the-directorates.aspx>

¹⁶ <http://www.wcoomd.org/en/about-us/wco-secretariat/the-directorates.aspx>

As far as the Customs sanction regime will be understood as crime prevention, the WCO's SAFE Framework of Standards fits into the overall concept. The WCO as "an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administrations"¹⁷ adopted a document which might be considered as a minimal threshold that should be maintained by the relevant Customs administration in order to keep the balance between facilitation and security of the global supply chain.

Although the concept has been introduced in 2005 it is the alive document and first amendments have been added in 2007 in a form of Authorized Economic Operator¹⁸ concept and in 2015 by adding the third pillar dedicated to the cooperation between Customs and other Government and Inter-Government agencies.¹⁹

The SAFE Framework is a strategy which consists of three pillars and contains a set of standards to each pillar in order to facilitate a proper implementation of a strategy. The pillars are the following: Customs-to-Customs network arrangements, Customs-to-Business partnerships and Customs-to-other Government Agencies co-operation.²⁰

The SAFE Framework comprises of four core elements. First component harmonizes the advance electronic cargo information requirements on inbound, outbound and transit shipments. Second element says that each country that joins the SAFE Framework commits to employ a consistent risk management approach to address security threats. Third module requires that at the reasonable request of the receiving nation, based upon a comparable risk targeting methodology, the sending nation's Customs administration will perform an outbound inspection of high-risk cargo and/or transport conveyances, preferably using non-intrusive detection equipment such as large-scale X-ray machines and radiation detectors. Finally, the last element says that the SAFE Framework suggests benefits that Customs will provide to businesses that meet minimal supply chain security standards and best practices.²¹

Talking about the SAFE Framework in the context of the Customs prevention mechanism it must be said that the strategy is supposed to protect the global trade against the threat of international terrorism and all other sorts of transnational crime. Moreover the aim is to facilitate the movement of legitimate trade and improve and modernize Customs operations, in order to increase revenue collection. In general the tool helps to protect both the society and the economy of the nations. Thanks to the SAFE Framework of Standards the arrangements between Customs and other government agencies are recommended, and they also ensure a proper level of a control at the borders.²²

The smooth movement of goods in the international supply chain is based on the Customs to Customs network arrangements. Talking about this pillar in a context of the exchange of information it is worth noticing that timely and accurate information, but also the correct executed risk management system increases the ability of Customs officers to detect high-risk consignments and make more efficient allocation of Customs resources. The concept gives the opportunity to carry out controls on the earlier stage of the movement of goods and to eliminate duplication and multiple reporting requirements.²³

¹⁷ WCO in brief, <http://www.wcoomd.org/en/about-us/what-is-the-wco.aspx>

¹⁸ Nowadays the AEO concept stands in line with Trade Facilitation Agreement. The WTO TFA contains some provisions related to the Authorized Operator under article 7 of the Agreement of the Trade Facilitation. <http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/~media/WCO/Public/Global/PDF/Topics/Facilitation/Activities%20and%20Programmes/TF%20Negotiations/WTO%20Docs/TNTF/2014/931%20EN.ashx>

¹⁹ SAFE Framework of Standards, June 2015, <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/~media/2B9F7D493314432BA42BC8498D3B73CB.ashx>

²⁰ SAFE Framework of Standards, June 2015, <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/~media/2B9F7D493314432BA42BC8498D3B73CB.ashx>, p. 7

²¹ Ibidem, p. 7

²² Ibidem, p. 7

²³ Ibidem, p. 9-10

From the private sector point of view the SAFE Framework helps promote the international trade by enabling both, buyers and sellers, a smooth movement of goods with the reduced examination rates across borders.²⁴

In general the SAFE Framework is a strategy, which thanks to the set of international standards, helps prevent a Customs crime by facilitating and securing the global supply chain on each stage.

Talking about the SAFE Framework and the benefits for business entities one cannot leave unnoticed the concept of Authorized Economic Operator (AEO). The AEOs participate in simplified and rapid release procedures on the provision of minimum information. Certainly, such an operator needs to be positive verified in advance and should have a suitable record of compliance with Customs requirements. As a basic requirement is a proper management of the commercial records and a very clear administration of financial aspects of running the business.

The benefits of being part of a programme can be broken down by the four categories: measures to expedite cargo release, reduce transit time and lower storage costs, access to information of value to AEO participants, special measures relating to periods of trade disruption or elevated threat level and finally first consideration for participation in any new cargo processing programmes.²⁵

In general, the approach saying about the collaboration between two different law enforcement agencies in order to maintain the security of the society and active support of the traders shows a commitment and a high moral responsibility of the particular agencies.²⁶ They finally do not care only about their particular interests, but they feel the full responsibility for the public.

2.3. Instruments in the area of the Customs enforcement

The Customs enforcement related matters belong to the area of responsibility of the Compliance and Enforcement Sub-Directorate which mainly develops and shares methods to detect smuggling of goods. Moreover, the discussed Sub-Directorate organizes law enforcement activities against entities which smuggle illegal goods, such as narcotics, endangered species, counterfeit goods, WMD, and which engage in tax (Customs duties) evasion.

Previously, in the papers there were mentioned the mission of the organization, the vision and main values. However, it is important to mention that among the seven main and general goals of the WCO states: “Protect society, public health and safety, and contribute to combating crime and terrorism = Compliance and Enforcement Package” (Goal no 3).²⁷ It produces a clear, well-structured indication that it is put a lot of emphasis on a crime prevention procedures and recommendations at the WCO Secretariat.

In the area of Customs enforcement the WCO also develops standards and guidelines which are supposed to protect the society and contribute to the fight against crime and terrorism. In order to fulfill the main responsibilities in the enforcement area, there has been established some instruments in a form of the management programmes, such as: Risk and compliance management, Information and intelligence exchange, Revenue Assurance, Drug Enforcement, Health and safety and Intellectual Property Rights, Environmental sustainability, Security and Counter Terrorism.

²⁴ Ibidem, p. 10

²⁵ Ibidem, p. 67

²⁶ According to the mission of the Polish Customs Service, the PCS acting for the sake of the Republic of Poland, the EU and the citizens. And in order to achieve the main goal of a mission, the PCS effectively collects income, actively supports entrepreneurship, effectively combats fraud and protects the market and society.

²⁷ <http://www.wcoomd.org/en/about-us/what-is-the-wco/goals.aspx>

The WCO Security Programme is supposed to enable the Customs administrations to deal with security related issues at the national and international level. The main areas of interest are the following: policy and foresight, guidance and good practices on Customs controls in relation to security, programmes and operations related to the security issues, international cooperation, technology and capacity-building.

Moreover, the Security Programme has been divided into three so-called commodity-based areas, such as explosive precursor chemicals, strategic trade control enforcement and small arms and light weapons. The all above mentioned instruments has been created in order to prevent better the Customs crime.

Furthermore, in the framework of the Customs enforcement actions, the Regional Intelligence Liaison Offices (RILOs) have been established and they are supported by a global database, the Customs Enforcement Network (CEN), but also Customs Enforcement Network Communication (CENcomm), National Customs Enforcement Network (nCEN). All above mentioned databases are to facilitate the exchange and use of intelligence and information.

Talking about the Customs administrations and their duties it is hard not to mention the necessity for the international cooperation. Among the instruments that have been established by the WCO secretariat are: Model Bilateral Agreement (MBA), the Nairobi Convention, the Johannesburg Convention, but also the WCO's Customs Control and Enforcement programme which main purpose is to endorse effective enforcement practices among the Customs administrations and other stakeholders.

3. Efficient enforcement understood as the information management

Starting discussion on the efficient enforcement and so the exchange of customs information the thematic scope of information should be identified at the first place. The most general model based on the Memorandum of Understanding (MoU) on mutual administrative cooperation in customs matters says that the basic information which is going to be exchanged between customs administrations should address:

- New, and more importantly, effective techniques to combat customs offenses;
- New trends and methods of committing customs offenses;
- Goods subjected to the customs offenses, including the ways of their transportation and storage;
- People who are known to have committed a customs offense or suspected of committing a customs crime;
- Any other information that can assist customs administrations in the proper risk assessment.

In addition, the mutual exchange of information should concern the issues that contribute to ensure the correct application of customs legislation, prevention, investigation and combating of customs offenses while maintaining the security of the international supply chain.

Considering the type of information exchanged by the relevant Customs administration, the source of information must be known and recognized. And in general there are three main sources of Customs information, namely: the Customs administration as such, other government agencies, and other sources of information. The Customs administrations gather the information as a part of their daily work and the data comes from the Customs records, but also from the information management system. In addition, the global network of liaison officers is another source of information from the Customs administration point of view. Moreover the informants, intelligence services, investigative services, officers working in the field are the common used in obtaining the Customs intelligence information. In addition, customs officers gain information from external sources,

which include Internet resources, but also the representatives from the private sector and trading companies.²⁸

4. RILO Network as an unique mechanism of efficient enforcement in a context of crime prevention

The RILO is the only and the unique body which has the ability to conduct Customs to Customs partnership, which is part of the Globally Networked Customs. And in the time of globalization the only way to prevent crime is through the cooperation of Customs administrations. Keeping the same or similar standards towards imported and exported goods may guarantee the efficient fight against smuggling and prevent Customs crime. The same border crossing point is an exit for one country and at the same time is an entry point to the other country. It needs a continuous effort of Customs officers regardless the nationality. When one country allows to freely the export of dangerous goods, or dual use chemicals, the other country might be affected by IEDs attacks soon.

The whole concept of the RILO Network started by the creation of the office in Asia and the Pacific region in 1987. The initial intention of establishing such an office was to form a Global Intelligence Network. Nowadays the network is being represented by eleven offices covering six WCO regions, namely: Asia Pacific, Caribbean, Central Africa, Commonwealth of Independent States, Eastern and Central Europe, Eastern and Southern Africa, Middle East, North Africa, South America, West Africa, Western Europe. The mission of the RILO is to “ensure that the activities of their Members are in conformity with the rules of the WCO Global Information and Intelligence Strategy, the Recommendation of the Customs Co-operation Council on the operation of the Global Network of RILOs (RILO Recommendation) and the guidelines”. In the same document it was mentioned that the WCO Secretariat is the co-ordination point for the RILO Network.

The main activity of each office is to facilitate the exchange of information among different stakeholders representing not only the Customs Services but also other law enforcement agencies. The concept of the Global RILO Network might be considered on three levels, i.e. global, regional and national. According to the recommendation No. 2, “The exchange of intelligence at national, regional and international level must be improved in order to render enforcement action by Customs services more effective and to secure the optimum use of available resources. Therefore RILOs were established to create a Global Intelligence Network. RILOs perform a variety of analytical tasks. They conduct regional risk assessments to identify new threats, new trends of smuggling, methods of concealment or modus operandi, and to disseminate the results to their members and to the WCO

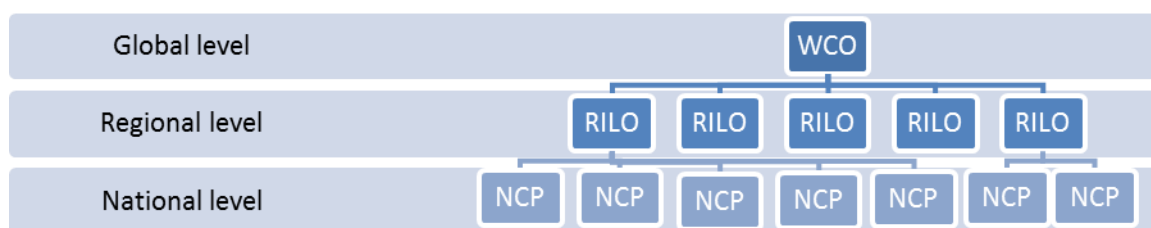


Figure 4. The concept of a Global RILO Network²⁹

²⁸ Global Information and Intelligence Strategy, WCO, Brussels, available only for the Customs officers having access to the Member’s Website of the WCO: http://www.wcoomd.org/~media/WCO/Member/Global/PDF/Topics/Facilitation/Instruments%20and%20Tools/Tools/Risk%20Management%20Compendium/4_1_THE_WCO_GLOBAL_INFORMATION_INTELLIGENCE_STRATEGY.ashx?db=web, p. 7-8.

²⁹ Own study based on: <http://www.wcoomd.org/en/topics/enforcement-and-compliance/activities-and-programmes/intelligence-and-risk-management-programme/riilo.aspx>

Secretariat”.³⁰ On every level exists an unique body with particular responsibilities which are coherent.

On a top level is the WCO Secretariat whose main task is to maintain the Customs Enforcement Network database, but also to keep the CEN database developing. Moreover as a central body the WCO Secretariat is responsible for monitoring the data entering to the CEN on a global level and publishing reports based on collected information. The WCO Secretariat should also provide training and technical support to the RILO Network and to affiliated countries. As a central part of the entire system the Secretariat is in charge of cooperation with other international organizations on a strategic level.³¹

On a regional level of the hierarchy there are eleven RILOs located in different parts of the world. Besides the tasks assigned to the WCO Secretariat, regional offices are responsible for arranging nominations of National Contact Points within the region. The CEN related task is to validate the seizure information reported to the database. Moreover RILOs are supposed to gather, evaluate and distribute information about offences and produce any kinds of reports and analysis.

Finally, on a national level exist so called National Contact Points - persons, cells or units who are responsible for reporting Customs offences into the CEN database. Other obligation of NCP is to analyze the patterns, smuggling trends and methods and to forward it to the RILOs for regional circulation.

In order to enable the members of the WCO a proper fulfilment of responsibilities and to be in line with Chapter 7 of the Revised Kyoto Convention which speaks about application of information technologies with the intention of support Customs operations,³² the WCO Secretariat has established a special set of applications. Along with the CEN database there are other electronic tools like nCEN and CENcomm which make up a CEN Suite.³³ This issue will be discussed later in the article.

As it was mentioned in the article both the CEN database and the RILOs have been classified to the section relating to Networks and Technology of the Compliance and Enforcement Package.³⁴

Keeping in mind that both, RILO network and CEN suite, have been established to support juridical basis of the Customs sanction regime, it is worth mentioning that those two elements are inseparable. In order to get the highest level of efficiency, both the technical and networking aspects of exchange of information must be in place.

The RILO Network might be perceived as a close environment of the CEN database.

CEN database became operational in July 2000 and the idea behind this was to create an information system for data exchange and to facilitate the communication with Customs Services, related to the enforcement requirements. The CEN database was founded on a basis of the RILO CIS system towards more modern technology that offers new opportunities to improve and increase the exchange of information with Customs services.

³⁰ World Customs Organization (WCO) (2004, p.1), doc. EC0161E1, Introduction of the Guidelines for the Implementation of the RILO Policy, WCO, Brussels

³¹ World Customs Organization (WCO) (2003), Annex II to Doc. EC0134E2, Recommendation of the Customs Co-Operation Council on the Operation of the Global Network of Regional Intelligence Liaison Offices (RILOs), WCO, Brussels

³² World Customs Organization (WCO) (2006), Revised Kyoto Convention, Chapter 7 Application of Information Technology, standard 7.1, WCO, Brussels

³³ CEN Suite Brochure consists of three independently existing IT tools developed by the WCO Secretariat in order to fight against transnational crime; World Customs Organization (WCO) (2015), CEN Suite Brochure, WCO, Brussels

³⁴ World Customs Organization (WCO) (2015, p. 11), Compliance and Enforcement Package, WCO, Brussels

The CEN database was designed to assist with the creation of strategic and tactical analysis on Customs offences. Moreover the tool was set up in a cost-effective way.³⁵

The new version of the CEN database was presented in 2011 and today, more than 2,197 Customs officers worldwide have access to the CEN database. There are some analytical instruments available within the CEN database and their main goal is to create the analysis on global trends, patterns and risk indicators.

Other tool from the CEN Suite is national version of the CEN database. It allows the users to collect the seizure information on a domestic level. Finally, the CENcomm system was developed to exchange the information among the closed user group of officers during joint Customs operation or project.

All above mentioned functionalities have been created and implemented in order to facilitate the broad Customs communication which is supposed to ensure the security of the society.

However, in order to achieve the main and key goal of operating the CEN database, the proper level of a quality of data must be ensured. When considering the IT tools, it is important to notice that the entered data play the first and vital role, but the entire process works on a basis of the chain reaction. One weak point may influence on the next steps and the outcome may be not satisfactory at the end of a process. That is why it is important to pay attention to all links. It just needs one link to crack for the whole chain to fail. In such a situation the proper and effective use of information obtaining from the database may not be achieved.

Summary and concluding remarks

As it was outlined in the paper, the Customs services worldwide exist in a global village. The landscape imposes the appropriate way to respond to a changing needs of the economy. But talking about the Customs administrations, the international approach must be always taken into consideration. None Customs administration is a lonely island, separated from the rest of the world. That is the reason why the cooperation and effective communication is essential when it comes to crime prevention. And it is facilitated via the RILO Network and the CEN suite.

Only by using the efficient channels of communication and using the tools that allow gathering the reliable information in a most efficient way which might be used to profiling, targeting and risk management, the Customs administrations are in a position to fulfill their mission by utilizing the Customs prevention institutional mechanism which is the RILO Network.

Properly chosen tool for the exchange of customs information and properly built mechanism of exchange contribute to a better allocation of human resources and technology, improve the data quality in the field of customs offenses, and therefore enable a more precise risk assessment, which directly affects the detection of illegal trade and smuggling and consequently, contributes to the growth in government revenue.

The optimization of the use of the tools available within the RILO network may contribute to a great success in prevention of Customs offenses. In order to achieve this goal, among the Customs officers the awareness raising programme regarding the utility of the CEN system should be applied. This may contribute, in a long-term perspective, to a better detection of customs offenses worldwide. The already existing mechanism, which is the RILO Network, is an unique source of information based on the modern technologies, but at the same time is a part of a global approach of the World Customs Organization. The RILO concept is not a separate tool, but exists in line with the guidelines, strategic documents and

³⁵ World Customs Organization (WCO) (2012, p. 2), WCO Customs Enforcement Data Exchange Instruments. Chapter 25. WCO Commercial Fraud Manual For Senior Customs Officials, WCO, Brussels

instruments aim at the crime prevention in the area of Customs enforcement. A proper implementation of the mechanism and a maximization of the usage may reduce Customs offences. It should also be noted that in the global economy effective may be only solutions that use information and communication technologies in the field of secure exchange of Customs information.

Endnotes

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