



Testimony

Before the Finance Committee

U.S. Senate

Not to be Released
Before
10:00 a.m. EDT
Tuesday
May 25, 1999

DRUG CONTROL

Customs Can Do More
To Prevent Drug-Related
Employee Corruption

Statement for the Record by
Richard M. Stana
Associate Director, Administration of Justice Issues
General Government Division



Drug Control: Customs Can Do More To Prevent Drug-Related Employee Corruption

Mr. Chairman and Members of the Committee:

I am pleased to submit this statement to assist in your oversight of the U.S. Customs Service. You asked us to discuss work we have done on the U.S. Customs Service's efforts to combat drug-related corruption. Corruption of Customs employees along the Southwest Border by persons involved in the illegal drug trade is a serious and continuing threat. The enormous sums of money being generated by drug trafficking have increased the threat of bribery. It is a challenge that Customs and other law enforcement agencies must overcome at the border.

My statement today is based on a report¹ we issued on March 30, 1999, and follow-up testimony² we delivered on April 21, 1999, before the Senate Caucus on International Narcotics Control. It focuses on (1) the extent to which Customs has complied with policies and procedures for ensuring employee integrity; (2) an identification of the types of illegal drug-related activities of which Customs employees on the Southwest Border have been convicted;³ (3) an identification of the Department of the Treasury's organizational structures, policies, and procedures for handling allegations of drug-related employee misconduct and whether the policies and procedures were followed; and (4) the extent to which lessons learned from corruption cases closed in fiscal years 1992 through 1997 have led to changes in policies and procedures for preventing the drug-related corruption of Customs employees.

We make the following points in this statement:

- Customs' compliance with its integrity procedures varied.
- Customs' compliance with its investigative procedures was uncertain.
- Customs missed opportunities to learn lessons from closed corruption cases.

In our report, we made recommendations to address these points.⁴

¹ Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption (GAO/GGD-99-31).

² Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption (GAO/T-GGD-99-86).

³ If employees entered guilty pleas, we considered them to have been convicted of the crime.

⁴ GAO/GGD-99-31.

Background

Stretching 1,962 miles from Brownsville, TX, to Imperial Beach, CA, the Southwest Border has been a long-standing transit area for illegal drugs entering the United States. According to the Department of State, the Southwest Border is the principal transit route for cocaine, marijuana, and methamphetamine entering the United States. Customs is one of the principal agencies responsible for stopping and seizing illegal drug shipments across the Southwest Border. At the ports of entry, about 2,000 Customs inspectors are to check incoming traffic to identify both persons and contraband, including illegal drugs, that are not allowed to enter the country.

The threat of corruption of Customs employees is not a new phenomenon, and the 1990s have seen congressional emphasis on ensuring employee integrity and preventing corruption. A corrupt Customs employee at a port of entry can facilitate the safe passage of illegal drug shipments. The integrity policies and procedures adopted by Customs are designed to help ensure that its employees, especially those in positions that could affect the smuggling of illegal drugs into the United States, are of acceptable integrity and, failing that, to detect any corruption as quickly as possible.

Summary of Findings

Customs has policies and procedures designed to help ensure the integrity of its employees. However, Customs' compliance with these policies and procedures has varied. The policies and procedures consist mainly of mandatory background investigations for new staff and 5-year reinvestigations of employees, as well as basic integrity training. While Customs generally completed required background investigations for new hires by the end of their first year on the job, reinvestigations were typically overdue, in some instances by as many as 3 years. Customs provided integrity training to new employees during basic training, but advanced integrity training was not required.

Customs had not formally evaluated its integrity procedures to determine their effectiveness. One way to evaluate the effectiveness of integrity procedures would be to use drug-related investigative case information. For example, among employees assigned to the Southwest Border, nine were convicted of drug-related crimes during fiscal years 1992 through 1997. These nine employees engaged in one or more illegal drug-related activities, including

- waving drug-laden vehicles through ports of entry,
- coordinating the movement of drugs across the Southwest Border,
- selling drugs, and
- disclosing drug intelligence information.

The nine convicted employees received background investigations or reinvestigations that determined they were suitable for employment and had the required integrity. However, based on our review of the case files, the financial information that these employees provided during their background investigations and reinvestigations was not fully used by Customs. According to a Customs official, reported liabilities are to be compared with debts listed on a credit report to determine if all debts were reported. This use of the financial information would not have helped to identify employees who were living well beyond their means or whose debts were excessive.

The Treasury has established procedures for handling allegations of employee misconduct. Within the Treasury, Customs' Office of Internal Affairs is generally responsible for investigating both criminal and noncriminal allegations against Customs employees. We could not readily determine if the Office of Internal Affairs complied with the investigative procedures because Customs' automated case management system and its investigative case files did not provide the necessary information to assess compliance with these procedures.

Customs has missed opportunities to (1) learn lessons from drug-related corruption cases and (2) change its policies and procedures for preventing drug-related employee corruption. Our review of the closed cases of the nine convicted employees revealed internal control weaknesses that were not formally reported by the Office of Internal Affairs, even though Customs procedures require them to formally report internal control weaknesses identified during investigations. These weaknesses included instances where (1) drug smugglers chose the inspection lane at a port of entry, (2) Customs employees did not recuse themselves from inspecting individuals with whom they had close personal relationships, and (3) law enforcement personnel were allowed to cross the Southwest Border without inspection. At the time of our review, we found that Customs had not corrected these internal control weaknesses, and we therefore made recommendations in our report to address them.⁵

Recommendations

Because of the enormous sums of money being generated by drug trafficking and the corruption of some Customs employees, Customs is vulnerable to the threat of corruption. Therefore, we recommended that the Secretary of the Treasury

⁵ GAO/GGD-99-31.

- direct the Commissioner of Customs to evaluate the effectiveness of integrity assurance efforts, including training, background investigations, and reinvestigations;
- require the Commissioner of Customs to comply with policies that require employment reinvestigations to be completed when they are due;
- require that Customs fully review financial disclosure statements, which employees are required to provide as part of the background investigation or reinvestigation process, to identify possible financial irregularities, such as employees who appear to be living beyond their means;
- require the Commissioner of Customs to document that policies and procedures were reviewed to identify internal control weaknesses in cases where a Customs employee was determined to have engaged in drug-related criminal activities; and
- direct the Commissioner of Customs to strengthen internal controls at Southwest Border ports of entry by establishing (1) one or more methods to deprive drivers of their choice of inspection lanes; (2) a recusal policy concerning the performance of inspections by Customs inspectors where their objectivity may be in question; and (3) a policy for inspection of law enforcement officers and their vehicles.

The Department of the Treasury provided comments from Customs that generally concurred with our recommendations and indicated that it is taking steps to implement them.

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Order by mail:

**U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013**

or visit:

**Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC**

Orders may also be placed by calling (202) 512-6000 or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touch-tone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested
