

Customs agents crack down on corruption

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Corruption at the port is thought to cost the treasury more than \$1 billion in revenues each year. (The Daily Star/Mahmoud Kheir)

BEIRUT: The Lebanese Customs Department raided several shipping clearance offices at Beirut Port Tuesday that may have been involved in corruption, as part of a major move to overhaul the vital department.

The sudden action came just a few days after a local TV station reported on what it called rampant corruption cases at the Port's Customs Department, saying it has deprived the treasury of hundreds of millions of U.S. dollars in revenues each year.

"We will impose the maximum fines stipulated by law, arrest any violating clearance agents and strike their names from the list of customs clearance agents," a statement by the Customs Department said.

The statement added that following the report by Al-Jadeed television Sunday, the Customs Department raided several shipping clearance offices and is in the process of examining their records.

"We are conducting the necessary investigations to expose possible infringements and we [have already started to implement] a series of strict measures to avert situations where some [traders] take advantage of facilities provided by the department for honest traders," it added.

The report by Al-Jadeed exposed a customs clearance company's involvement in manipulating cargo records on behalf of their customers.

In one case, the TV report showed an employee offering an undercover reporter to reduce the customs fees by \$11,000 in exchange for a bribe.

Experts say that the corruption cases could have been contained if scanners that

examine all imported goods were functioning.

Elie Zakhour, head of the International Chamber of Navigation-Beirut, told The Daily Star that the main cargo container scanners have been out of use for many years.

“The maintenance on the piece of equipment, vital for curbing smuggling and corruption, does not exceed \$500,000 a year, but they have been left unrepaired,” he said.

With the absence of the scanners, corrupt traders have been able to provide false information about imported goods to reduce the customs dues.

Zakhour also said forged cargo invoices are used by corrupt traders to evade customs duties.

Zakhour also highlighted that top appointments at the Customs Department are needed to shore up its work.

“There are three vacant positions, including the head of the Higher Council for Customs, the Director-General of the Customs Department, and the Head of Customs at Beirut,” Zakhour said, blaming sectarianism, favoritism and political bickering for the delay in the appointments.

Asked how much the widespread corruption at the Beirut Port is costing the treasury, Zakhour estimated that the total income of Customs and Value Added Tax could increase by up to 50 percent if the country manages to eliminate all the infringements.

Business leaders, merchants and economists called on the government to crack down on widespread corruption at the port.

The Lebanese Customs Office denied in August that “untaxed private quays” existed at the Port of Beirut. The statement followed a local newspaper report quoting MP Walid Jumblatt as saying that customs evasion at ports has been costing the treasury some \$2 billion a year.

But Alain Bifani, the Director-General of the Finance Ministry has denied that he told ministers close to Jumblatt that losses at Beirut Port’s Customs Department are close to \$2 billion a year, stressing that he never made any mention of this subject to the Cabinet.

Lebanese customs revenues rose 2.4 percent in the first half of 2012 to reach \$725

million.