Working Paper No. 6

National Intelligence Systems

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I.   BACKGROUND

1.   In its first meeting in Urumqi on 20-21 August 2003, the Customs Cooperation Committee endorsed a common action plan and arrangements to implement this common action plan. Amongst the points of discussion was the Development of a Regional Intelligence System. This point of discussion was the result of recognizing that illegal cross-border transactions such as drug trafficking and gun smuggling are recognized as a major regional issue and that a regional intelligence system aimed at sharing of trade and intelligence information among the customs and law enforcement agencies across borders could help effectively combat illicit trade.

2.   The Issue Paper prepared for the meeting of the Customs Cooperation Committee identified various areas that a program to develop a regional intelligence system could include. Amongst these were:

- an assessment of national intelligence systems as building blocs for a proposed;
- regional intelligence system; with individual countries' efforts to analyze the   nature and extent of illicit trade as essential to the establishment of a regional intelligence system;
- an assessment of the existing regional intelligence systems (including those under the administration of the WCO), including capacities, effectiveness, equipment, intelligence sources, and adaptability;
- sharing, and establishment a regional intelligence system;
- evaluation of the potential to develop specialist units that can cooperate on a
- regional basis;
- examination of the data security concerns inhibiting data exchange;
- training of customs officers in tracking and tracing; and
- identifying possibilities for coordination with express delivery carriers.

3.   As a result of this meeting, a seven point action plan was adopted, with one point being, "development of a regional intelligence system." However, the Customs Cooperation Committee also offered the opinion that the establishment of a regional intelligence system should be the subject of further discussion. The reason for the requirement of further discussion being that consideration had to be given to the existing regional intelligence systems already in place in order to avoid a duplication of effort.

4.   This issue was discussed in a subsequent Working Group Meeting held in Almaty on 21-25 April 2003. The program for this meeting included the topic, "development of a regional intelligence system."

5.   At this meeting, the Working Group endorsed the conduct by ADB of a needs assessment study which consists of the following components: (i) analysis of the nature and extent of illicit trade, including types of goods, production and trade volumes, sources and destinations, channels, modes of transport and methods; (ii) stock taking of existing regional programs for intelligence gathering and sharing; (iii) evaluation of the performance of existing regional intelligence system, including capacities, effectiveness, equipment, intelligence sources, and adaptability; (iv) proposal for strengthening existing regional intelligence system including funding, schedule, and human resource requirements, (v) training of customs officers in tracking and tracing, and (vi) identifying possibilities for coordination with express delivery carriers.

6.   Delegates also expressed concerns about potential duplication of the RILO network of WCO and the possibility that a separate regional intelligence network may affect national access to the RILO network. Delegates recommended that the study focus on how to enhance their participation in the RILO network and how they can make the RILO network more effectively address regional intelligence needs.

7.   In a Regional Workshop on Risk Management and Post-entry Audit held in Urumqi from 9-12 September 2003, the participants also discussed the intelligence systems, with the emphasis being on national intelligence systems rather than a regional intelligence system.

II.   GENERAL PRINCIPLES OF INTELLIGENCE COLLECTION AND ANALYSIS IN CUSTOMS CONTROLS

8.   The three general types of intelligence include strategic, tactical and operational intelligence. Strategic intelligence relates to long-term threats and can provide customs with an overview of threats to customs controls, methods used to circumvent controls. It can help senior management in determining how to allocate resources.   Tactical intelligence relates to specific methods used to circumvent customs controls, types of contraband and trafficking routes. Operational intelligence is of short-term   use in identifying specific, immediate threats, such as a high risk shipment.

9.   Intelligence collection and analysis serves an essential role in risk management, as it is the primary source of the information needed to identify risks, develop profiles and identify risk indicators.

10.   The specific role of an intelligence unit can be described as that of servicing all customs work areas by providing timely information on the background, intentions, capabilities, limitations of persons or organizations intent on violating customs laws or regulations.   Each customs administration should develop its own intelligence system based upon it particular needs and risks.

11.   The basic role of an intelligence system is that of providing a means to collect, store and analyze information on past attempts and methods to circumvent customs controls, individuals or companies that are suspect for the purpose of developing profiles of individuals or companies intent on circumventing customs controls and the methods that the may use.   Also, to identify risk indicators associated with those methods.

12.   Common services performed by customs include preparing threat assessments and reports, analyzing seizures and preparing   trend   reports, publishing alerts, liaison with other agency intelligence units. Threat assessments can be specific to particular products, modes of transport or ports of entry.   In preparing trend reports, the intelligence unit will seek to identify common characteristics associated with attempts to circumvent customs controls.

13.   The primary source of information for a customs intelligence unit is a report of seizure or other enforcement action. The seizure report should contain standard fields of information through which profiles and risk indicators can be developed and identified.

III.   INFRASTRUCTURE REQUIRED IN ORDER TO IMPLEMENT A EFFECTIVE SYSTEM OF INTELLIGENCE COLLECTION AND ANALYSIS

14.   An effective system of intelligence collection and analysis will have the support of an IT system in order to exchange, store and analyze information. The officers assigned to an intelligence unit must have the appropriate training that will allow them to perform intelligence tasks. Also, the intelligence unit must have the necessary information in order to conduct analysis. This often requires the support of high-level management within the customs administration in ensuring that seizure reports and other information are completed and conveyed to the intelligence unit.

15.   In order to ensure that participating administrations have the necessary assets to institute an effective system of intelligence collection and analysis, the ADB consultant will conduct a capacity study of each customs administration. The purpose of this study will be to identify training, equipment and technical assistance requirement that will best serve each administration to achieve maximum effectiveness in its intelligence program.