Australian Customs Notice 2002 29

**Customs fraud control policy**

Fraud is the most expensive category of crime in Australia.

The Commonwealth Government is committed to protecting public revenue, expenditure, property, rights and privileges from fraudulent exploitation. It's Fraud Control Policy is designed to ensure that fraud against the Commonwealth is minimised and that, where it does occur, it is rapidly detected, and dealt with appropriately.

The Government determined that primary responsibility for fraud control rests with each Commonwealth agency. The Australian Customs Service has recently issued a statement on its fraud control policy to all employees, and elements are reproduced in this Customs Notice for the information of industry representatives, the public, customs brokers, importers and exporters.

# Definition of fraud

Fraud is not restricted to monetary or material benefits. In the Customs Fraud Control Policy fraud is defined, very broadly, as:

"Inducing a course of action by deceit or other dishonest conduct, involving acts or omissions or the making of false statements, orally or in writing, with the object of obtaining money or other benefit from, or of evading a liability to, the Commonwealth."

The definition of fraud was made even broader in the updated Commonwealth Fraud Control Guidelines approved by Cabinet in May 2002. Fraud is now defined as:

"Dishonestly obtaining a benefit by deception or other means."

The benefit involved can be either tangible or intangible. Examples of fraud include: evasion of payments (eg, Customs duty);

obtaining benefits by deceit (eg, false claims for import credit scheme, tariff concession orders and tourist refund scheme, and unlawful movement of goods through airports/ports);

abuse of Customs facilities (eg, unlawful use of laptop computers, vehicles, telephones, credit or fuel cards); making, using or possessing forged or falsified documents;

bribery, corruption or abuse of office (eg, unlawful disclosure of information or hacking into, or interfering with a Customs computer system);

theft of Customs' property;

causing a loss, or avoiding or creating a liability by deception (eg, charging Customs for non-delivery or incomplete delivery of services); and

providing false or misleading information, or failing to provide information where there is an obligation to do so.

# The policy

Customs will ensure that systematic and comprehensive fraud prevention and control arrangements are in place to minimise exposure to fraud in line with the requirements of the Fraud Control Policy of the Commonwealth.

# Policy principles

Policy principles include:

adoption of a risk-management approach to fraud; prevention, detection and prompt investigation of fraud;

prosecution of offenders (in line with the Prosecution Policy of theCommonwealth), or the application of disciplinary, civil or administrative penalties, where appropriate;

recovery of proceeds;

a high standard of ethical behaviour and fraud awareness;

specialised training of staff involved in fraud prevention, detection and investigation; and internal and external monitoring and program evaluation.

# Policy roles and responsibilities

The Chief Executive Officer is accountable to the Minister for fraud control within Customs.

All Customs employees, including contractors, have a responsibility to identify and act on fraud risks and report incidents of suspected fraud encountered during official work activities.

An employee who becomes aware, or has grounds to suspect, that fraud has been carried out by another employee of Customs must report the matter as soon as possible to his/her supervisor or a Regional Director, and the Manager, Internal Affairs Unit, as appropriate.

An employee who becomes aware, or has grounds to suspect, that fraud has been carried out by an external party in regard to Customs-administered legislation must report the matter immediately to her/his supervisor and to the relevant Regional Manager, Investigations.

Customs employees involved in selecting and managing external service providers must have a sound understanding of the Commonwealth Fraud Control Policy.

Peter Naylor National Manager Investigations

For Chief Executive Officer June 2002