

# ORGANIZATION OF AMERICAN STATES



INTER-AMERICAN DRUG ABUSE CONTROL COMMISSION

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**ALTERNATIVES TO INCREASE PRIVATE INDUSTRY STAKEHOLDER  
PARTICIPATION IN THE FUNDING OF AND INVOLVEMENT IN  
COUNTERDRUG PORT SECURITY**

# **ALTERNATIVES TO INCREASE PRIVATE INDUSTRY STAKEHOLDER PARTICIPATION IN THE FUNDING OF AND INVOLVEMENT IN COUNTERDRUG PORT SECURITY**

## **Justification**

Within the current framework of the world economy, private companies and the associations that represent them are essential participants when dealing with matters related to port security and fight against drug trafficking. In this context, some sectors such as transportation, cargo storing and consolidation, maritime agencies, ship builders and insurance companies, are especially important. These sectors have clear interests in the fight against crimes such as drug trafficking, cargo theft, documentation fraud, money laundering and related crimes that hinder their commercial activities. Therefore, these sectors are potential partners for the governmental agencies in their efforts against illicit activities. Economic, social and environmental benefits may result for both sides from such a partnership.

## **Possible lines of action**

To allow this partnership to flourish, it is necessary to previously establish a framework. A list of the possible actions identified follows:

### **1. Institutionalization**

To establish and/or enhance national legislation so as to define obligations and responsibilities of the competent governmental agencies and private companies. To create task forces that facilitate and promote inter-institutional cooperation.

### **2. Raising private sector awareness**

To have competent governmental agencies build a strategy to raise awareness among the private sector as to the need to assist law enforcement agencies in identifying and reporting drug trafficking activities and related crimes. This effort should highlight the possible benefits that would result from this cooperation with governmental agencies.

### **3. Motivating the private sector**

To encourage the private sector to assist in the fight against drug trafficking and related crimes by identifying benefits for those companies (compatible with national legislations) - such as cost reduction, fiscal benefits and financing facilitation, increase in security, reduction of risk factors, improved public image and social responsibility – and benefits for the community as a whole.

To create a voluntary program of “responsible behavior” with pre-established rules, through which participating companies that comply with the legal norms, especially those related to the fight against drug trafficking, obtain a specific renewable accreditation.

a) Reduction of Operational Costs – Companies will benefit from comprehensive operational planning. With the knowledge of the procedures adopted by the control agencies and of market features, they may be able to act in a faster and safer way, maximizing the available resources.

b) Fiscal Benefits – Governments may establish programs with financial incentives for companies that join on a voluntary basis. Such initiative may allow tax reduction and free financial resources that may then be invested in control and port security, with immediate potential results in terms of fighting drug trafficking and diversion of chemical precursors.

c) Loan/Financing Facilitation – The private investments that are necessary to enhance security may be stimulated in various ways, such as loan facilitation, larger terms of payment and provisions for special interest rates.

d) Reduction of Risk Factors – Risks that are inherent to economic activities may be reduced in view of the joint participation of public and private sectors in the formulation of bills and development policies, making their activities safer.

e) Image Improvement – Vis-à-vis society and the market, complying companies will have an enhanced image in comparison to others, as a result of their participation in special security programs. Such programs may contribute to economic growth, with possible positive consequences for the environment and security.

f) Social responsibility – Company compliance to a series of norms (security, environmental and others) will be recognized by the public, thus contributing to an increased positive perception of the company as well as that of the products and brands that it produces.

g) Reduction of unfair competition – Based on business ethics, a greater integration between public and private activities will permit information sharing that may help governmental control agencies to fight crime and keep fraudulent companies out of the marketplace. Unfair competition, a great obstacle to entrepreneurial activities, will be gradually reduced until such time as companies recognize the need to participate in the project for their own survival.

Therefore, by becoming an active participant in the project, companies may realize benefits in the short and medium terms, such as increased compliance to legislation, resource optimization, increased productivity and profitability, greater operational security, enhanced workplace safety, reduced environmental

damage, greater staff integration and motivation, enhanced customer satisfaction, better organizational management and administrative control.

#### **4. Training for public and private sectors**

To elaborate strategies for training in the following areas: (a) training personnel in order to identify hidden/disguised drugs, arms and chemical precursors, as well as related crimes; (b) training public sector personnel on standardizing operations to combat drug trafficking and connected crimes.

#### **5. Infrastructure**

To include in the national customs legislation a requirement that ports, airports and border ports of entry comply with international standards of control that allow the identification of suspicious cargo, luggage, vehicles and persons.

To instruct the competent agencies of the public sector to orient the private companies to purchase adequate equipment, with up-to-date technology (such as scanners, kits for chemical tests, electronic scales) that are useful for the identification of suspicious cargo. In accordance with national legislation, explore the possibility of having customs allow/facilitate the importation of such equipment.

#### **6. Private investments**

To stimulate the coordination between private and public sectors with a view to identifying ways to optimize voluntary private investments in security. Efforts may be directed to areas such as:

(a) insurance; (b) logistic chain of distribution and transportation; (c) storage; (d) port handlers/operators; (e) maritime agencies; (f) customs agents.

#### **7. Integration of systems for cargo monitoring**

(a) Development and integration of the various cargo storage and handling systems with a view to tracking an individual cargo and identifying those who are responsible for it at each step of the way;

(b) To establish an integrated data system/bank for the law enforcement agencies and, whenever possible, with access by the private companies, in order to combat fraud in the bills of landing and similar documents, as well as to provide inputs for police and customs intelligence;

(c) To develop cargo tracking systems (such as OCR – Optical Character Recognizer), with a view to cover primary zone of customs control and roads;

(d) To develop a system that makes ship builders, cargo handlers and transporters register all the movement of containers in customs zones and all the routes used (land and water routes, domestic as well as international).

#### **8. Improvement of the Foreign Trade Systems**

Implementation of new procedures, when possible, into the National Foreign Trade Systems (involving all imports and exports of products) that permit one to follow the cargo all throughout its route), access by private sector entities

(transporters, cargo storers and consolidators, customs agents, importers and exporters) to information regarding the operations of their specific interest (i.e. access only to the information regarding the operations in which it is directly involved). The goal of such a measure would be to provide greater transparency and speed to customs procedures.

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