

# Internal Audit Department

Ashley Ritter Building  
Wickham's Cay 1  
Road Town, Tortola, BVI

## MEMORANDUM

**REF.:** IAU/INV1/16  
**TO:** Financial Secretary  
**FROM:** Director of Internal Audit  
**DATE:** December 1, 2015  
**Re:** Suspicion of Fraud – Her Majesty's Customs

On November 16, 2015 the Internal Audit Department received information from your Ministry surrounding allegations of missing revenue at Her Majesty's Customs. It was reported by the Commissioner of Customs that a preliminary investigation was conducted that revealed that a customer had presented receipts substantiating payments for import duties at the Port Purcell location but no corresponding revenue was deposited.

The audit team met with management from the Treasury Department to ascertain the accuracy of the Commissioner's findings. However, no deposits reflecting any of the payments made were found. We have since determined that there is a high probability that fraud did occur.

As a result, a report along with evidence collected thus far is attached and is being submitted with the recommendation to have the matter investigated further by the competent authorities, as it is outside of this Department's remit to conduct fraud investigations.

If you have any questions or concerns, please feel free to contact me at extension [REDACTED]

Regards,

[REDACTED] Ministry of Finance  
Internal Audit  
Dorea Corea (Mrs.) 2015  
Director of Internal Audit  
BRITISH VIRGIN ISLANDS

/rg

# INTERNAL AUDIT DEPARTMENT



HER MAJESTY'S CUSTOMS: MISSING REVENUE

NOVEMBER 2015

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## **1.0 INTERNAL AUDIT DEPARTMENT LEGISLATIVE MANDATE**

### **Internal Audit Act, 2011 - Section 16: Suspicion of irregularity or fraud**

- 1.1 If the head of a Public Authority suspects that an irregularity or fraud may have occurred in respect of any Government asset, or property of a Public Authority, he or she shall immediately refer the matter to the Department and shall also submit to the Department all information relating to the suspected irregularity or suspected fraud which he or she may possess.
- 1.2 If during the course of an internal audit the Director or an auditor suspects that an irregularity or fraud concerning a Government asset or property of a Public Authority may have occurred or is occurring, the Director shall immediately inform the Permanent Secretary responsible for the Public Authority, the Auditor General and the Committee about his or her findings.
- 1.3 Where the Director or an auditor reports to the Committee that an irregularity or fraud concerning a Government asset or property of a Public Authority may have occurred, the Committee may inform the Minister of these findings if the Committee considers that the matter should be brought to the attention of the Minister.
- 1.4 In any case where the suspected irregularity or suspected fraud concerning a Government asset or property of a Public Authority appears to be an offence against any law, the Committee shall submit all information that has been submitted to it by the Director to the Commissioner of Police for investigation.

## **2.0 BACKGROUND**

### **Revenue Collection**

- 2.1 Public Finance Management Regulations, 2007 Part 7 and 8 sets out the guidelines that govern the collection of revenue by Accounting Officers and Receivers of revenue.
- 2.2 Revenue collecting agencies within Government utilizes an electronic receipting system through the JDEdwards Accounting Software (JDE) in the collection of revenue. To cater for instances when JDE is down, manual receipt books are provided by the Treasury Department to these agencies. However, officers are required to enter into the system the information detailed on those manual receipts, when it does become functional. If manual receipts are not entered into the system then the cash book clearance process is used.
- 2.3 The distribution of receipt books is logged in the Treasury Department's Receipt Distribution log book detailing to which Department/Ministry a batch of receipt books have been issued. Additionally, an electronic log is also kept in Microsoft Excel to monitor this distribution.



## Circumstances surrounding missing revenue

- 2.4 A report prepared by the Commissioner of Customs dated October 28, 2015 was submitted to the Financial Secretary detailing the results of a preliminary investigation conducted by that entity. The report identified that there were a number of inconsistencies and irregularities with records pertaining to fuel imports at the Port Purcell location between January 1, 2015 and June 30, 2015.
- 2.5 Two importers, [REDACTED] and [REDACTED] were mentioned in the report as falling into the category of importers trying to evade paying the correct amount of wharfage.
- 2.6 The importer was subsequently notified about the matter and presented receipts substantiating his payment of the charges levied by the Customs Department.
- 2.7 Her Majesty's Customs' investigation to determine the departments to whom the receipt books used to issue the receipts presented by the importer revealed:

Receipt Numbers	Department Assigned
[REDACTED]	Custom's Headquarters in 2010
[REDACTED]	West End Station in 2012
[REDACTED]	Treasury Cashier in 2015

## IAD Involvement

- 2.8 On November 16<sup>th</sup>, 2015, management of the Internal Audit Department was called to a meeting with the Deputy Financial Secretary where they were informed about a matter surrounding the possibility of missing revenue at Her Majesty's Customs. The Department received the Commissioner of Customs report, mentioned previously, with attachments that were submitted to the Financial Secretary.
- 2.9 Subsequently, an audit team met with management within the Treasury Department to ascertain whether the revenue identified as missing had indeed not been deposited. It has since been determined that there is a high possibility that fraud did occur as no revenue in the amounts or in the receipt holder's name has been deposited, as required, from the Port Purcell location.

## 3.0 DETAILS OF IAD WORK

- 3.1 Due to the sensitive nature of this matter and to avoid jeopardizing any evidence, our audit findings were limited to an interview with management at the Treasury Department, review of their revenue reports for January to June 2015 and receipt distribution log books, to determine if the revenue that was paid as indicated on the customer's receipts was deposited into the Government's account.

3.2 Our review of the Revenue Deposit Reports provided for January 2015 to June 2015, indicated that no revenue in the amounts detailed on the customer's receipts have been deposited. *See receipt information and amounts detailed in the table below.*

**Revenue Details**

Receipt Date	Manual Receipt Number	Receipt Name	Amount	Comments
9-Jan-15			\$ 22,945.89	No record found that corresponds to this transaction on the specific dates or subsequent dates
31-Jan-15			\$ 30,263.64	No record found that corresponds to this transaction on the specific dates or subsequent dates
5-Feb-15			\$ 4,514.14	No record found that corresponds to this transaction on the specific dates or subsequent dates
21-Feb-15			\$ 20,246.27	No record found that corresponds to this transaction on the specific dates or subsequent dates
21-Feb-15			\$ 9,096.77	No record found that corresponds to this transaction on the specific dates or subsequent dates
17-Mar-15			\$ 24,348.15	No record found that corresponds to this transaction on the specific dates or subsequent dates
2-Apr-15			\$ 15,198.44	No record found that corresponds to this transaction on the specific dates or subsequent dates
14-Apr-15			\$ 5,599.07	No record found that corresponds to this transaction on the specific dates or subsequent dates
16-Apr-15			\$ 24,854.43	No record found that corresponds to this transaction on the specific dates or subsequent dates
27-Apr-15			\$ 21,533.94	No record found that corresponds to this transaction on the specific dates or subsequent dates
17-May-15			\$ 51,907.98	No record found that corresponds to this transaction on the specific dates or subsequent dates
3-Jun-15			\$ 3,931.43	No record found that corresponds to this transaction on the specific dates or subsequent dates
18-Jun-15			\$ 30,445.18	No record found that corresponds to this transaction on the specific dates or subsequent dates
		<b>Total</b>	<b>\$264,885.33</b>	

- 3.3 In verifying the distribution of receipt books from the Treasury Department, the following was found. *See Appendix II for copies of the entries made for the distribution of these books.*

Receipt Numbers	Department Assigned based on Treasury Records
	Custom's Headquarters
	Custom's West End in 2014
	Revenue Collector in 2015

- 3.4 Verification of receipt books also revealed that the serial numbers presented on each receipt relate to manual receipt books that were distributed by the Treasury Department to be used in the revenue collection process. Additionally, the 'PAID – Customs Department' stamp and the T-12 numbers detailed on each receipt to which the payment corresponds lends to the credibility of the receipts.
- 3.5 As stated previously, an electronic version of the distribution of receipt books was also presented by the Treasury Department and showed receipt books issued from the year 2011-2015; however, this log did not contain any signatures as to who received the books. Additionally, due to the fact that the information detailed in this document could be easily manipulated, as cells are not protected or locked once an entry is made, much reliance was not placed on this information.
- 3.6 Receipts did not detail the method of payment used by the customer; however, based on discussions with the Ministry of Finance, it was reported that the method of payment used was cash.

#### 4.0 CONCLUSION

- 4.1 There are other issues surrounding this matter that begs the question of whether other criminal activities are also being perpetrated. Best practices would dictate that businesses conducting transactions of such magnitude would opt to make payment by using some banking instrument such as a money order or a banker's check or for an established company, a company check. However, the importer chose to regularly pay for his import charges in a manner contrary to this practice. Therefore, this method of payment raises some red flags.
- 4.2 Based on our preliminary investigations, this office has concluded that there exists a high probability that fraud has been perpetrated at Her Majesty's Customs and this fraud has possibly resulted in the Government of the Virgin Islands suffering a financial loss of *approximately two hundred and sixty-four thousand eight hundred and eighty-five dollars and thirty-three cents (\$264,885.33)*. As stated in the Commissioner of Customs Report, on the advice of the Attorney General, we recommend that the matter be submitted to the competent and appropriate authority for further investigation.

## APPENDICES

### List of Items Being Submitted

1. **APPENDIX I** – Customs Report dated October 28, 2015 to the Financial Secretary
2. **APPENDIX II** – Copies of Treasury Receipt Distribution Log Books
3. **APPENDIX II** – Revenue Deposit Reports from the Treasury Department and Transaction by Tender Type Reports for Revenue Collecting Location Port Purcell January 1, 2015 to June 30, 2015.

**APPENDIX I**

Customs Report dated October 28, 2015 to the Financial Secretary



Memorandum

To: Financial Secretary

From: Commissioner of Customs

Date: October 28, 2015

Re: **Possible Revenue Loss** [REDACTED]

As you will appreciate the sensitive nature of this case and to avoid jeopardizing the integrity, it is crucial that this matter is handled in the strictest of confidence.

For the past years, there have been some assumptions and allegations that the Government of the Virgin Islands is losing revenue through fuel imports. As a result, Management of Customs created a special team to Audit fuel imports at Port Purcell Customs Station to establish:

- The short coming of Custom's controls and its impacts on revenue,
- Recover possible revenue evasion and loss,
- Review the fuel imports processes and procedures to identify weak controls, and
- Develop specific guidelines to ensure compliance with all fuel importers.

On July 23, 2015, record of fuel imports at Port Purcell dated January 1, 2015 to June 30, 2015, were requested and reviewed. Many anomalies and inconsistencies were discovered.

Inconsistencies were as follows:

1. No collection of Fossil Fuel Surcharge
2. Duty was short collected
3. No receipt or payments found for duty
4. Manifested fuel was not cleared
5. Some fuel was not manifested
6. And there were double HMC12 numbers

In addition, it was revealed that Port Authority received a different copy of declarations that showed a lower wharfage charge, again, loss of revenue to another Government Agency. Due to this pattern, which appears to reveal that certain importers were trying to evade the correct amount of wharfage, the audit focus shifted. The two importers in question are [REDACTED]

Total revenue not accounted for to date, via searches on the JD Edwards Cashiering System, resulted to approximately **0.25 million dollars (US \$250,000.00)**. In addition, approximately **eleven thousand dollars (US \$11,000.00)** wharfage was not collected as a result of the manipulation of customs declarations presented to Port Authority for Payment.

Since these revelations, correspondence requesting official documents was forwarded to [REDACTED] known owner/Director [REDACTED] (Illustration 1). There were three follow up meetings with [REDACTED] discussing the proof of payments presented for Import duty unaccounted for, and the entries in relation to wharfage outstanding.





There are a number of receipts in question and requests have been made to the Treasury Department for book sequence numbers as follows:

1. [REDACTED] assigned to Custom's Headquarter in 2010)
2. [REDACTED] (assigned to West End Station 2014)
3. [REDACTED] (assigned to Treasury Cashier 2015)

It was revealed that none of the books in question was assigned to the Customs Port Purcell Station, which is out of the norm. All revenue collections at this Port is collected via the JD Edwards Cashiering system or by a manual receipt book assigned to the station and or the Cashiers scheduled to work. If a manual receipt is issued to a customer, the revenue is to be transferred and accounted for in the JD Edwards cashiering system as soon as practicable.

The Customs Internal Audit team reviewed the Head Quarters Customs Receipt Book Register, dated 2002 to 2013, which was formerly used when the department was responsible for issuance of manual receipt books to the various Customs Stations and Units. It showed that book sequence number [REDACTED] was issued to retired Customs Senior Officer, [REDACTED] on March of 2010 and to date our records does not reflect it being surrendered (*Illustration 2*).

Six Receipts out of this book, numbers [REDACTED] and [REDACTED] (*Illustration 3*), presented by [REDACTED] is totaling in excess of **one hundred thousand dollars (US \$100,000)**.

[REDACTED] (*Illustration 4*).

Out of book sequence [REDACTED] there were six receipts (# [REDACTED] presented by [REDACTED] totaling in excess of **one hundred and fifty thousand dollars (US \$150,000.00)** (*Illustration 5*). In addition, one receipt out of book sequence [REDACTED] is totaling in excess of **five thousand dollars (US \$5,000)** (*Illustration 6*).

Currently, we are still waiting for other information on book sequence numbers, [REDACTED]. After collating the findings to date with the Audit Team, legal advice was sort from the Hon. Attorney General Baba Aziz as it pertains to possible criminal aspects of this matter.

Per our discussion on October 28, 2015, it is agreed that this matter should be investigated in collaboration with the Police Financial Investigative Unit.

If you have further advice for on this matter, please do not hesitate to contact me.

Thank you for your urgent attention to this matter.



cc: Attorney General

attachments

Illustration 1

Correspondence requesting Proof of payments for entries in question sent to [REDACTED]  
known owner/Director of [REDACTED]



September 30, 2015

Attention: [REDACTED] Owner/Director of

[REDACTED]  
British Virgin Islands

Due to a recent audit conducted on goods imported into the territory, I hereby request your company to furnish the Customs Department proof of payments for imports in question (*list of entries are attached for ease of reference*).

Section 102 of the Customs Management and Duties Act No. 6 of 2010, states;

(1) An officer may, at any time within seven years of the importation or exportation of any goods, require a person

- (a) concerned in that importation or exportation, or
- (b) concerned in the carriage, unloading, landing or loading of the goods,

to furnish to him or her in the form and manner he or she may require, any information relating to the goods, and to produce and permit the officer to inspect, take extracts from, make copies of or remove for a reasonable period, any invoice, bill of lading or other book or document relating to the goods.

(2) The officer may seize and detain any invoice, bill of lading or other book or document which, in the officer's opinion, afford evidence of the commission of an offence under this Act or a customs enactment.

(3) The Commissioner may require evidence to be produced to his or her satisfaction in support of any information provided under subsection (1), a customs enactment or Parts III, IV and V in respect of any goods imported or exported, or in respect of which any repayment of duty is claimed.

(4) A person who fails to comply with a requirement imposed on him or her under subsection (1) or (2) commits an offence and is liable on summary conviction to a fine not exceeding ten thousand dollars.

It is expected that the information requested is presented to Customs Management at Headquarters by 12:00 p.m. Wednesday October 07, 2015.

If there are any concerns, please feel free to contact me.









**Illustration 2**

A copy of the page from the Head Quarters Customs Receipt Book Register dated 2002 to 2013, showing the issuance of book sequence number [REDACTED] to [REDACTED] Officer [REDACTED] on March of 2010. In addition, a copy of the officer's signature form is attached for verification of signature.



DATE RECEIVED RECEIPT NUMBERS STATIONS SYMBIONESE DATE ISSUED DATE PAID

Lot Purcell  
 5/1/10 29.8  
 5/1/10 25/6/

5/1/10  
 5/1/10  
 5/1/10  
 10.6.8

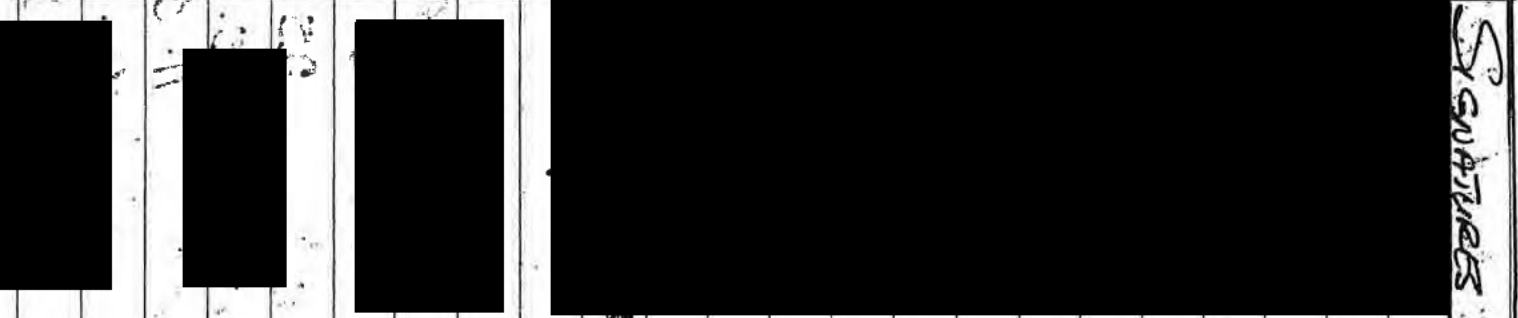
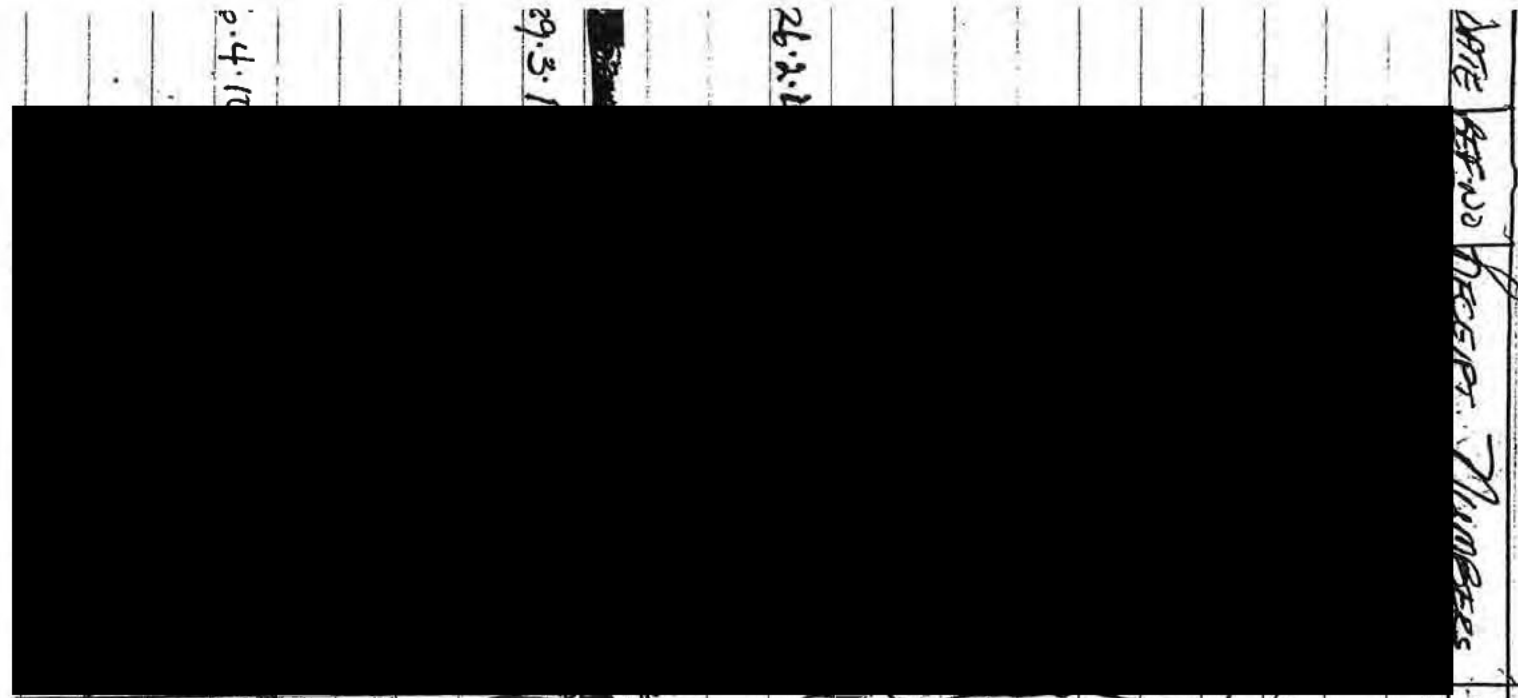
8.2.10 23.6.  
 23.6.  
 23.6-

26.2.10 13.11.2  
 13.11.2

PORT PURCELL 29.03.10  
 25.6.  
 25.6.  
 25.6.

6.4.2010 12.10  
 12.10.  
 12.10.

1 A T 16/4/201



26.2.10  
 29.3.10  
 6.4.2010  
 16/4/201

6.2.10

V. GORAN

26.2.10

13.11.2010

HO BT

1.3.10

PORT PURCELL

29.03.10

25.6.2010

HO BT

4.10

3. ISLANDS

6.4.2010

12.10.2010

HO BT

5.10

AT

6/4/2010

12.10.2010

HO BT

5.10

See Van  
Duke

23.6.10

HO BT

5.10

HT

23.6.10

HO BT

5.10

HT

3.5.2010

28.5.2010

HO BT



**Customs Department**  
*Richard Stoutt Building*  
*Road Town, Tortola, British Virgin Islands*  
**Tel.:1-284-494-3475 Fax: 1-284-494-6906 BVICustoms@gov.vg**

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### Customs Staff Signature Form

Name Last  First  Mid. Initial

Position

Station assigned to

Date appointed to the service

Badge Number (where applicable)

**Note: Please sign within lines**

	<input type="text"/>	
--	----------------------	--

Officer's Signature

<input type="text"/>
----------------------

Witnessed by  
Senior Official

Illustration 3

Copy of the receipts out of book sequence # [REDACTED] presented by [REDACTED]  
totaling in excess of **one hundred thousand dollars (US \$100,000)**.



ACCOUNTANT GENERAL  
GOVERNMENT OF THE B.V.I.  
P.O. BOX 703  
TORTOLA B.V.I.

Rec'd From

[REDACTED]

Amount *Twenty two thousand nine*

*hundred & 89*

89  
100

For

[REDACTED]

PORT PURCELL, TORTOLA  
BRITISH VIRGIN ISLANDS

*IO \$16,967.45 tax \$5,978.79*

Rec'd By

[REDACTED]

Dated

\$ 22,945

89

*JAN 0 9 1989*

GOVERNMENT OF THE B.V.I.  
P.O. BOX 703  
TORTOLA B.V.I.

Rec'd From	[Redacted]	Dated	[Redacted]
Amount	Twenty thousand four hundred and forty dollars	\$	20,246.27

For [Redacted]

Customs Department  
FEB 21 1986  
PORT PURCELL, TORTOLA  
BRITISH VIRGIN ISLANDS

IO \$15,108.51  
Tax \$5,137.76

Rec'd By [Redacted]



ACCOUNTANT GENERAL  
GOVERNMENT OF THE B.V.I.

RECEIVED  
19 [redacted] 705  
ST. JOHN'S  
B.V.I.

Paid from

[redacted]

Dated

2/18/54

43

Amount Twenty thousand

eight hundred P.F. No. 2015

43  
100

For IO \$18,575.40 PORT PURCELL VIRGIN ISLANDS  
Gas tax \$6278.56

Rec'd By

[redacted]

GENERAL  
OFFICE OF THE B.V.I.  
P.O. BOX 703  
TORTOLA B.V.I.

Date

Rec'd From

Amount

hundred and

For IO \$ 1147.53

Rec'd By

[Redacted]

\$ 15198 44

APR 22 2015  
Clerk of the Court  
Department

PT PURCHASED TORTOLA  
MIRGIN ISLANDS \$ 797.11

14/100



ACCOUNTANT GENERAL  
GOVERNMENT OF THE B.V.I.  
P.O. BOX 793  
TORTOLA B.V.I.

Date

\$ 21533.94

Rec'd From

Twenty one thousand

five hundred thirty three dollars

94  
100

For IO \$ 21533.94

APR 17 2013  
TORTOLA  
BRITISH VIRGIN ISLANDS

Rec'd By

Rec'd From	[Redacted]	Date	[Redacted]
Amount	3931		43
	Three thousand		43
	hundred		100

hundred and **43** dollars  
 For Gas Tax **43**  
 Custom Duty  
 FEBRUARY 2015  
 PURCELL, TORTOLA ISLANDS  
 [Redacted]

Rec'd By

Illustration 4

A copy of the [REDACTED] which involved [REDACTED]  
[REDACTED] Officer [REDACTED] which receipt # [REDACTED] out of book sequence number  
[REDACTED] was used.

**Report on Interview conducted**

**With**

**Officer**

**Conducted by**

**Assistant Comptroller (Enforcement) Clinton Romney**

**And**

**Assistant Comptroller (Operations) Harry Fahie**

**Date: Monday 14<sup>th</sup> February, 2011**

**Time: (9:30 a.m. – 12:04 p.m.)**

**Place: Headquarters**

**CONFIDENTIAL**



On Monday 14<sup>th</sup> February, 2011 at 9:30 a.m. Assistant Comptroller (Operations) Harry Fahie and I, Assistant Comptroller (Enforcement) Clinton Romney carried out an interview with [REDACTED] Officer [REDACTED] to ascertain his level of knowledge prior to the apprehension and detention of thirteen [REDACTED] nationals in a jointed operation between the Customs and Immigration Departments on Friday 11<sup>th</sup> February, 2011.

[REDACTED] Officer [REDACTED] had submitted a report to the Comptroller about the matter and both Assistant Comptroller Fahie and I perused it before we started the interview. [REDACTED] Officer [REDACTED] stated that he made contact with Immigration Officer [REDACTED] on Monday 7<sup>th</sup> February for the purpose of giving late clearance for a vessel when he was in-turned asked to give clearance to another vessel by [REDACTED] that would be arriving at [REDACTED] on Thursday 10<sup>th</sup> February. [REDACTED] Officer [REDACTED] said he agreed to give Customs Service on that day. He said it was not out of the ordinary for a request like this to be made by [REDACTED] or other Immigration Officers. He also said he requested no information from [REDACTED] about the vessel, its purpose for coming directly to [REDACTED] or who or what would be coming on the vessel.

[REDACTED] Officer [REDACTED] stated there was no further communication between Officer [REDACTED] and him until Thursday 10<sup>th</sup> February at about 10:30 a.m. when he received a call from [REDACTED] notifying him that the vessel had arrived at [REDACTED]. [REDACTED] said he proceeded to [REDACTED] alone but was diverted by Officer [REDACTED] to meet him at Maria's by the Sea but ultimately they meet in the parking lot of Road Town Customs. [REDACTED] said he did not ask about the vessel at [REDACTED], only asked [REDACTED] if he didn't need the Customs paperwork to fill out which he said, [REDACTED] said he had everything.

Officer [REDACTED] said upon arrival at the parking lot he called [REDACTED] but [REDACTED] was already outside and got into the vehicle he was driving [REDACTED]. He indicated that [REDACTED] was complaining about Customs Officer [REDACTED] stationed at [REDACTED] harassing him when he entered the vehicle. Based on that, [REDACTED] said he decided not to go into the Customs office but would provide the Customs Service right there.

Officer [REDACTED] said Officer [REDACTED] handed him a Marine Control Document already filled out and he [REDACTED] proceeded to fill in the requisite information in the area reserved for Customs purposes. [REDACTED] said at this point he did not pay close attention to what was written on the document and proceeded to write a receipt for the vessel. Just before writing in the captain's name (said this was the last thing needed to complete the receipt) he realized that a [REDACTED] national was on the vessel. However, he completed and stamped the receipt (R# [REDACTED] attached for reference) and handed it along with three copies of the Marine Control Document back to [REDACTED]. He said while writing the receipt Officer [REDACTED] had handed him thirty dollars in cash which was folded, this was payment for the amount on the receipt which Officer [REDACTED] indicated he did not count. [REDACTED] said while he wrote the receipt [REDACTED] spoke about the people coming in for the weekend and two of them were to be married and they were leaving on Sunday by cruise ship.

Officer [REDACTED] said at this point he inspected the Marine Control Document closely and discovered that there were thirteen [REDACTED] nationals listed along with the captain who was a [REDACTED] national. He said he became suspicious and asked [REDACTED] to return all the documents and receipt back to him. Officer [REDACTED]

told us he knew the department had suspected that [REDACTED] nationals were smuggling through the B.V.I. In his own statement he wrote " look I here looking for people from [REDACTED] and I here clearing a boat load".

[REDACTED] said he then asked [REDACTED] how it would look if [REDACTED] and others saw the documents with all the [REDACTED] listed and mentioned that it would look bad on him [REDACTED] and he would have to answer a lot of questions. He indicated to Officer [REDACTED] that it would look bad on him too and at that point [REDACTED] said okay and left the vehicle. We questioned whether [REDACTED] was upset or questioned him why he had wanted back the paperwork but [REDACTED] said [REDACTED] did not ask. [REDACTED] said it was about 12:00 noon when [REDACTED] got out of the vehicle. He further stated that he proceeded to go to lunch and after lunch he tore up the paper work (Marine Control Document).

We asked him why he did not report the matter to higher management. He said he worried about what to do (report or not report) and related an incident in the pass where he reported a matter involving drugs and it leaked to the public that he made the report. This we understood to be his reason for not reporting the matter and destroying the documents.

Lastly, we asked [REDACTED] Officer [REDACTED] if he remembered the vessel name and he said he believed it to be [REDACTED]. Additionally we enquired about the type of vessel it was and he reported that based on information he received from [REDACTED] it was a power boat and the captain, [REDACTED] was the person name written on the receipt.

[REDACTED] Officer [REDACTED] did say that he visit [REDACTED] some time after 1:00 p.m. to locate the vessel. He said he was on dock B and was met there by a [REDACTED] he knows as the [REDACTED] for [REDACTED]. [REDACTED] said he asked about "the boat" and the [REDACTED] reported that it had already left. [REDACTED] said he asked no more questions and left the Mariner.

Based on the written statement and our interview with [REDACTED] Officer [REDACTED] we find that he was negligent in the execution of his duties in a number of areas:

1. He should not have agreed to the clearance of any vessel outside of a Port of Entry without first receiving a request from the owner, captain or agent for that vessel. Pending that request has the approval of the Comptroller.
2. If the vessel arrived at 10:30 a.m. in the Road Town area, Road Town Customs was open and there was no apparent need for him to give that service.
3. [REDACTED] Officer [REDACTED] knew that the department was monitoring the trafficking of [REDACTED] nationals through our borders. We can find no reason why he did not report the matter to his superior officers for action to be taken at that point.
4. The destruction of the Marine Control Document raised concerns for us.
5. From the report and interview, [REDACTED] Officer [REDACTED] did not question the reason for this vessel entering the territory, who or what was onboard or any other questions Customs would put to persons arriving at our borders.

6. [REDACTED] informed us that he and [REDACTED] had a good working relationship, and said [REDACTED] had revealed to him, his ambition to open a business clearing vessels. [REDACTED] said he was unsure whether [REDACTED] was calling him in the capacity of [REDACTED]. In any case, his relationship with [REDACTED] apparently affected his better judgment to execute his duties.

Another concern that we considered after this matter came to light is whether the practice of clearing vessels in this manner is common within the department and if so it needs to be addressed forthwith.

.....

Assistant Comptroller of Customs (Enforcement)

.....

Assistant Comptroller of Customs (Operations)

ACCOUNTANT GENERAL  
GOVERNMENT OF THE B.V.I.  
P.O. BOX 703  
TORTOLA B.V.I.

Date

\$

30 00

Rec'd From

Amount

thirty

100

For

MFL#

*Cancelled*

CS#

of 10-00

CS-20-00

Rec'd By

British Virgin Islands

Illustration 5

Copy of the receipts out of book sequence # [REDACTED] presented by [REDACTED]  
totaling in excess of **one hundred and fifty thousand dollars (US \$150,000)**.



10185-17811011

GENERAL  
OF THE B.V.I.  
703  
BORTOLA B.V.I.

Date

\$

Rec'd From

Amount

thirty thousand two 30263 64

hundred and sixty three dollars - 64/100

For

J.P. [redacted] 2009/05/14 \$7344.44

RECEIVED  
BORTOLA B.V.I.

B



ACCOUNTANT GENERAL  
GOVERNMENT OF THE B.V.I.  
P.O. BOX 703  
TORTOLA, B.V.I.

Rec'd From

[Redacted]

Amount

nine thousand and

ninty six dollars

70 = \$

For

[Redacted]

Rec'd By

[Redacted]

Date

[Redacted]

9096 77

100

Customs Department  
FEB 21 2005  
MURCELL, TORTOLA  
CAYMAN ISLANDS

ACCOUNTANT GENERAL  
GOVERNMENT OF THE B.V.I.  
PORT AU PRINCE  
TORTOLA B.V.I.

[Redacted]

Dated

\$

Rec'd From

[Redacted]

Amount Four thousand five hundred

HS14

14

and fifteen dollars

PAID

14

Customs Department

100

For JFD: SWS WY FEB 05 2015

PORT PURCELL, TORTOLA  
BRITISH VIRGIN ISLANDS

[Redacted]

[Redacted]

Rec'd By

ACCOUNTS GENERAL  
OF THE B.V.I.

Date \$ [redacted] 24348 15

Amount *Twenty four thousand three hundred and eight dollars*  
hundred and *eight* dollars

Customs Department

MAR 17 2015

PORT PICTURE, TORTOLA  
BRITISH VIRGIN ISLANDS

For *J/O: \$18*  
*Gas tax \$10101.98*

Rec'd By [redacted]



FEDERAL  
THE B.V.I.

[Redacted]

Date:

\$

[Redacted] 30445 B

thirty thousand four hundred

and fifty five dollars

for ID \$22,890.00  
for GST \$585.90

18 2013

TURCELL, TORTOLA  
SAINT ISLANDS

[Redacted]

Rec'd By



COMPTANT GENERAL  
MINISTRY OF THE B.V.I.

1983

B.V.I.

Rec'd From

Date

\$

51904 98

Amount

98  
100

Fifty one thousand one  
hundred and ~~seventy~~ dollars

For

70:51904  
MAY 19 2 2018  
PORT PURCELL TORTOLA  
BRITISH VIRGIN ISLANDS

Rec'd By

Illustration 6

Copy of the receipts out of book sequence # [redacted] presented by [redacted] totaling in excess of five thousand dollars (US \$5,000).

B# 1495350 - 1495350

RECEIPT  
THE B.V.I.

[Redacted]

Dated

\$ 5599 07

Rec'd From

[Redacted]

Amount Five thousand five

**PAID**  
Customs Department

07  
100

hundred and 07

APR 14 2015

For ID. \$4083.56 PURPOSE FOR TOUR \$1515.51

BRITISH VIRGIN ISLANDS

Rec'd By

[Redacted]

**APPENDIX II**

Copies of Treasury Receipt Distribution Log Books