

Brigadier General M o h a m m a d Baqer Qalibaf is of the opinion that the key to solving the growing smuggling of fuel out of the country rests with logical prices for energy carriers.

"Why should the government pay three billion dollars each year for gasoline subsidies alone," he was quoted by the Persian daily Sharq as saying.

The conservative police chief was appointed secretary of the Headquarters for Fighting Smuggling of Goods and Hard Currency only recently. He is also President Mohammad Khatami's special representative in the anti-smuggling drive.

His appointment to these sensitive posts raised eyebrows as Khatami is the harbinger of reforms and Qalibaf comes without a doubt from the conservative camp.

Observers believe that Khatami allotted the mammoth task to Qalibaf primarily to foil possible efforts from certain political groups to throw a monkey wrench into his works.

In the past months, the top cop has proved to be quite efficient at the job.

Qalibaf enjoys backing from different political groups and ministries directly involved in the matter.

Commerce Minister M o h a m m a d Shariatmadari had earlier said his ministry fully supports the president's special representative, stressing that the Commerce Ministry is ready to identify the major domestic consumer markets for illegal imports.

"We are of the opinion that it is also possible to fight smuggling of goods by reducing demand for contraband," he said, adding that the economic mechanism for fighting

smuggling is through facilitating imports, which however would destroy the domestic production sector at the end of the day.

He called on the police chief to take more serious action against smugglers.

And Qalibaf has so far managed to keep his critics silent. He has cracked down on some tea and cigarette smuggling gangs and voiced his strong opposition to fuel subsidies, which he blames for

Over \$5.5 billion worth of smuggled goods enter the country via official entry points!

Top Cop Tightens Noose Over Smugglers



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gasoline smuggling.

Different Pattern

Unlike in other countries, where human, arms and drug trafficking is the main concern, Iran's seriously ill economy has seen a rise in smuggling of major consumer goods, most notably

sugar, tea and gasoline.

The State Expediency Council announced recently that smuggled goods must be identified and confiscated even if they are already on the consumer market.

But how can the Iranian consumer distinguish between a smuggled and a legally imported commodity?

The government has found the solution by importing major consumer goods itself and

cannot be stopped completely, but could be reduced to comply with international standards.

Smuggling, by definition, means secretly importing prohibited goods or goods on which duty is levied. However, by international standards, illegal imports worth 5-7 percent of the entire official imports are considered as normal.

That is, for the 52 billion cigarettes imported officially or produced domestically per annum, it is natural to have 2.5-3 billion smuggled.

Illegal Piers

Smugglers continue to bring in huge amounts of

required permits," he said, declining to name the operators of unauthorized piers.

The police chief says over \$5.5 billion of the total \$11 billion worth of smuggled goods enter the country via official entry points.

"In Shahid Rajaei Port, some 850-950 containers are unloaded per day," he said, adding that most of these containers come from countries where customs controls are poor.

He said European governments should exercise greater control on transit of goods, while cargos arriving from Southeast Asian countries mostly

is so profitable that smugglers continue their illegal business despite the heavy penalties.

A senior lawmaker said recently that various military organizations have always had the means of importing goods into the country via illegal channels.

Iraj Nadimi, rapporteur of the Majlis Economic Commission, told ILNA that there are some piers and military bases in the country that could be used for smuggling of goods.

"The government's agents are either incapable of preventing illegal imports (via military channels) or are afraid of



Smugglers continue to bring in huge amounts of tea and cigarettes despite the government's anti-smuggling efforts.

being melted down within their organizations, if they follow up such cases," he said, declining to specify which military body was mainly involved in the high-profile smuggling of completely knock down (CKD) cars into the country.

"As I said, there are piers that could be used by the military forces, including the law enforcement forces and the Defense Ministry for

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smuggling of goods. But which of them were involved in the latest smuggling case is a question you'd better put to (the offenders) themselves."

The official said the customs offices cannot inspect military consignments--what he said

could give rise to illegal business.

For Only \$100m

Qalibaf says he would be able to bring smuggling under stricter control, if his headquarters is provided the \$100 million it needs for purchase of 10 x-ray systems and have them installed at major entry points.

"This way, we could identify the culprits and black list their names. That will prevent them

experts say, also play a major role in the rise in smuggling of goods to and from the country.

Many people in border areas earn their livelihood in this way. The same problem is to blame for the rise in illegal trade in gasoline, bread, flour and medicine as well as of footwear and garments.

Parliamentarians have proposed a plan to improve living standards of five million people in border areas.

Qalibaf is of the opinion that oil products, especially gasoline, account for the major portion of goods smuggled out of Iran. Fuel is extremely cheap in Iran.

"We will check fuel smuggling in cooperation with the Oil Ministry," he said, stressing that there are four million cars in the country, out of which 500,000 are taxis.

He said if each private vehicle carries four persons, then only 15 million people enjoy fuel subsidies that the government has allocated for the entire population of the country.

News of authorized developers taking huge amounts of money from the people and promising them in vain brand new housing units make headlines in Iran ever so often.

Most of them use the same techniques: they sell one single apartment to several people simultaneously.

There are several hundreds of non-profit loan funds across Iran with a shadowy financial performance. In most cases, their managers go on the run as soon as they collect huge sums of money from the unlucky investors.

Or, cooperative firms whose managers vanish overnight, of course with all the deposits.

These are only a few instances of very many cases of fraud and wrongdoing taking place in our surroundings.

But what has the judiciary done to stop this swirling wave of misconduct in our Islamic society?

Meanwhile, the suffocating memories of fugitive managers of "credible" financial institutions are forgotten in the midst of roller-coaster judicial bureaucracies.

According to the Persian daily Khorasan, some people who had not got their money back after several years of tireless efforts resorted to rioting in the central city of Isfahan last year ringing the alarm bell for provincial officials.

In 2001, a large cooperative firm, which had more than 50 branches in Tehran, Karaj and many other cities across Iran, took billions of rials from the public before its owners disappeared. Some 700,000 investors had obviously lost their

money through sophisticated, massive cheating by a team of professional fraudsters.

After two and a half years of seri-

One common thing plaintiffs share is that their complaints usually get nowhere in the end

ous efforts by the victims, who were following up the issue through legal channels, the judiciary announced that it would not be able to help if the plaintiffs fail to pay half a billion rials for costs incurred during expert studies.

Such unfair legal approaches have disappointed many plaintiffs. Some of them prefer to hire private detectives, who themselves are underpaid crime officers working in the morning shift for the police and in the afternoon for private clients.

One common thing all the plaintiffs share is that their complaints usually get nowhere in the end.

The fundamental question is why is it that the judiciary always takes a hard line against press charges while it usually fails to bring economic fraudsters to justice.

Where are the 'sharp' press court prosecutors when the judiciary inspects financial corruption cases?

Laxity

Obviously, the judiciary's laxity in dealing with financial corruption

can be analyzed from legal viewpoints.

Mohammad Seifzadeh, a jurist and law professor with University of Tehran, is of the opinion that the prevailing double standards in dealing with judicial cases are deeply rooted in low-profile educational and ethical backgrounds of some of the judges.

"In the past, before a law graduate became a judge, he had to pass through a lengthy procedure, and his personal character and knowledge also had to be verified by a special committee," he said, adding that judges used to attend a two-year practical and scientific training course before being authorized to preside over a court.

The jurist said the course was eliminated after the 1979 Islamic Revolution.

"Today, if you go to the Prosecutor's Office in Charge of Investigating Judges' Offenses, you can see piles of dossiers over there," he said, adding that some of the judges ignore the basics of the judicial code.

Mohammad Sharif, another jurist who teaches at University of Allameh Tabatabaee, Tehran, says

Safe Haven for Fraudsters

it is not known why judicial cases normally end up with a very unjustifiable verdict.

He is of the opinion that people who are capable of influencing the due procedures of law must not, in the first place, be given authority to set up financial institutions.

The jurist said there are certain legal shortcomings, which could prepare the ground for financial wrongdoing.

"First of all, we must look into why the judiciary has to investigate issues which are primarily related to the banking system or other organizations," he said, adding that the existing uncertainties in the government's banking privatization policies could give rise to such problems.

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Follow Up
Ali Zadsar, a member of parliament's Judicial Commission, believes that legal vacuum helps veteran lawyers have their clients acquitted, "tying the judges up in knots".

He says the Seventh Parliament is following up the issue.

"We are trying to fill this gap".

But why have the previous parliaments failed to address this very

complaints.

Prosecutor's Absence

Seifzadeh believes that the politicization of the judiciary as well as its "crises of management" have given way to what many term as

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"judicial insecurity".

"As long as the people's rights are not looked at with unbiased spectacles and the law does not deal with them equally, the judicial system will remain inefficient", he said.

Sharif is also of the opinion that prosecutors defend the ruling system in press courts but not the plaintiffs in economic corruption cases chiefly because press activities could pave the way for greater freedom of expression.

But Zadsar says the question why prosecutors are absent in economic corruption courts must be put to judicial authorities.

"This is a question for which all of us want an answer," he said, adding that the people face severe constraints in judicial centers.

He said the banking system and the judiciary are to blame for the multibillion rial embezzlements in the country, stressing that the judiciary's failure to restore the people's rights would lead to the collapse of the 'wall of trust' between the people and the ruling system.