

These days, the trains departing for Russia from the central station of Bishkek in the Kyrgyz Republic are always full: Local businessmen transport goods to Russian cities — everything from locally made clothing to Chinese domestic appliances — as Russian speakers relocate to Russia with oversized bags stuffed with bits and pieces of their households.

The train carriages, designed in the cramped and stuffy old Soviet style, are far from comfortable. To cut their relocation expenses, passengers take berths in common carriages. “It takes four days to get from Bishkek to Moscow, and the journey feels like torture, but it’s cheaper and safer than individual compartments for four people — it’s more difficult to harass people in front of others,” says Lydmila, who regularly travels back and forth between the Kyrgyz Republic and Russia. Several months ago, she enrolled her daughter in a Russian university and regularly visits her.

Bribery at the Border

Being an experienced traveler, Lydmila quickly arranges a seat for herself and retrieves a small digital camera from her pocket. “My little savior,” she calls it. “When they start their raids they are cautious around people who have the means to document the abuse.”

Lydmila explains that during her last trip the officers behaved rudely as they inspected the passengers and rummaged through their luggage. After finding that Lydmila and her daughter were carrying nothing illegal, the officials became frustrated and began to bully them. The officials asked for papers that, by definition, could not be obtained before arriving in Russia. “It was obvious they wanted a bribe. They threatened to unload our luggage and force us out of the train in the middle of nowhere. I asked them ‘How much?’ and they told me to pay 5,000 Russian rubles (US\$200). It was literally all I had on me at that point. I replied I couldn’t afford this and they lowered the tariff from 5,000 to 2,000 rubles (US\$200 to US\$80).”

When the officials started bargaining, Lydmila figured she needed to be blunt and resist the pressure. She took out her digital camera and warned she’d be taking pictures of their actions. They backed down immediately and dropped their demand to 200 rubles (US\$10).

The Second Salary

Lydmila's case is only one of many. A young couple told me that the last time they took this train the officials charged them 5,000 rubles (US\$200) for carrying a personal DVD of their wedding, which they planned to share with their relatives in Russia. Customs officials accused them of transporting bootlegged recordings.

Even though they were doing nothing illegal, Aybek and Nurgul now know that 5,000 rubles (US\$200) may be enough to pacify customs officials when smuggling illegal goods. My conversations with other passengers on the train revealed those "customs squads," as they are known among the travelers, do not charge fixed tariffs. In fact, they are more than happy to relieve passengers' pockets of any "extra" money they can get their hands on, which they later share with higher ranking officers. This never-ending stream of profit ensures what is commonly called a "second salary" for Kyrgyz customs officials.

An Insider's Look

A neighbor of mine, "Nurbek," (not his real name) used to be a customs officer. He retired recently and has been grieving about it immensely ever since. In the old days, he would return home every morning from his night shift toting crates of wine, TV sets and vacuum cleaners. Once he even brought home two bicycles.

It took me some time to figure out that virtually all merchandise carried through the border wound up, in smaller quantities, at the station where Nurbek once worked, or it would be informally taxed. He asked me to use a pseudonym in this story, despite his retirement. He is cautious about disclosing "professional secrets" for fear of being harassed by his former colleagues. Nurbek didn't hesitate to describe his activities "because everybody does it," he said. I asked him for an account of these "professional secrets."

According to Nurbek, this informal method for making extra money follows a very straightforward scheme — customs officers charge for all goods that pass through customs and share the proceeds with the head of their station. That official, in turn, passes along a share to his superiors.

The most profitable goods are automobiles imported from abroad. Customs clearance for a Lexus, for example, requires a payment of 76,800 rubles (US\$3,000), which is split between duty officers and senior customs staff.

It is noteworthy that in 2007, Chinese customs reported goods worth US\$200 million were exported from China to

the Kyrgyz Republic, but Kyrgyz customs only reported half as many imports — their totals only came to US\$100 million. It's no wonder that Kyrgyz customs staff are considered the second most corrupt government agency in the country (first place has long been held by law enforcement agencies.)

The Kyrgyz government claims it is struggling to put an end to these unlawful practices. So far they have only issued the Decree on Measures to Implement an Action Plan on the Fight against Corruption. In regards to Kyrgyz customs, the government suggested an investigation to establish the driving forces that create this fertile ground for corruption. "As if nobody knows," shrugged Nurbek, whose professional experience with the Kyrgyz customs system was relatively blissful, rarely disturbed by inspections or investigations.

Audits, Kyrgyz Style

Financial audits could be considered one vital measure for spotting misdeeds. Don't jump to conclusions, though. Everything has an "unofficial" price, so audits in the Kyrgyz Republic appear to be just another commodity, easily measured in various currencies — U.S. dollars are the most popular by far. Accountants and financial managers of one large government agency admitted that the only method they know of clearing their financial reports is to bribe the auditors.

According to Lydia, an official in charge of finances, auditors charge ten percent of a budget that has either been underutilized or mishandled, just to clear all the reports. "It has become a customary procedure. Every time they turn up to carry out an audit, we expect to hear a verdict at the stage of their intermediate reports," she admits. "Certain financial machinations are a part of everyday life at any government agency or private enterprise. It's not feasible to hide everything, and that's where auditors come in to 'cream off' a little bit."

"Cream off" is certainly the right term. However, in these cases, inspectors are not necessarily expected to share the profit vertically with their higher ups — it's more of a "hide-and-rejoice" business than a criminal cartel.

After writing up intermediate reports that highlight all the misdeeds — reports that are not submitted to anyone outside the agency in question — auditors will suggest to the officials that they settle the matter peacefully. After certain negotiations, both parties come to an agreement and final reports are drafted. It can be expected that the

final report will draw a totally different picture than the one shown in the intermediate report.

Recent Audits and Some Surprising Results

Even with this corrupt procedure in place, the official financial audits for 2007 showed impressive results in the battle against corruption. According to the Kyrgyz Accounting Chamber (*Schetnaya Palata*), 243 individual cases were brought to court, 23 officials were dismissed and 52 ended up behind bars. “I guess they didn’t want to ‘cooperate’ with auditors,” suggests Svetlana, another official. “Touch wood — we never got caught. Maybe because we know the rules of this game.”

Interestingly, the Kyrgyz Ministry of Finance was declared the worst violator of financial discipline in 2007. Fifty-two of its departments were reported corrupt and nontransparent by financial audits. After these figures were made public, Minister of Finance Akyzbek Japarov was transferred to the position of the Minister of Trade and Economic Development.

In the meantime, the Kyrgyz government, in one of its countless decrees, called for the organization of public workshops to help citizens recognize corruption in the health care system, social services and state agencies. But that’s where it ends. These decrees don’t offer strategies beyond recognizing corruption. What steps can people take to eliminate it?

What is known is that it will require US\$100,000 to fight corruption from 2007 to 2010, according to the Development Strategy of Kyrgyz Republic. Considering that 2007 government inspections found more than US\$566,000 of the budget was misspent, fighting corruption for the Kyrgyz Republic is an affordable business. The question is: why do they keep getting it wrong? In 2008, for the first time in nine years, Freedom House reported corruption in the Kyrgyz Republic worsened.

