

## **A hot summer in the fight against cigarette smuggling: 115 million cigarettes seized with OLAF's help throughout Europe**

**It has been a hot summer in the fight against cigarette smuggling: customs administrations in several EU Member States have seized 115 million cigarettes with the support of the European Anti-Fraud Office (OLAF) over the past weeks. Information and analyses provided by OLAF helped Member States target organised crime groups involved in cigarette smuggling. Since the beginning of this year, OLAF helped seize more than 500 million cigarettes, preventing the loss of EUR 100 million to the budgets of the EU and its Member States.**

The Director-General of OLAF, Mr Giovanni Kessler said: *"Cigarette smuggling is the business of organised crime groups, active in many countries around the world, and it is very difficult for single national authorities to cope with this phenomenon. OLAF brings a real added value by providing our operational partners with key information on the movement of such goods destined for markets in the EU. Together with our partner services, we are stepping up our fight against cigarette smuggling and these efforts are showing clear results. I congratulate all customs services involved in the operations on the successes."*

In July, customs authorities in the Belgian port of Antwerp seized nearly 10 million "Pacific" cigarettes in a container shipped from Vietnam. The load was declared as "cookware". In a second seizure in Antwerp later in July, authorities intercepted nine million "Richman" cigarettes coming from Malaysia in a shipment allegedly containing "doors and frames". "Pacific" and "Richman", like all the cigarettes seized and reported here, are so-called "cheap whites" for which there is normally no legal market within the EU.

In Malta, four suspects were indicted in an investigation started by customs authorities in July concerning 10 million cigarettes of the "Business Royal" brand which went missing.

A few weeks later, information provided by OLAF allowed Belgian and Dutch customs services to track down two major shiploads of smuggled cigarettes. After a first seizure of 42 million "Jinling" and "Email" cigarettes in August, the authorities seized a further 54 million cigarettes of the same brands in September.

These new seizures contribute to a record number of so far more than 500 million cigarettes seized with the help of OLAF in 2015. This figure compares to e.g. 300 million cigarettes in 2014. So far, the 2015 seizures prevented losses in revenue to the EU and its Member States of approximately EUR 100 million in unpaid duties and taxes.

### **Background**

Cigarette smuggling causes huge yearly losses to Member States and the EU in evaded customs duties and taxes. Smuggled tobacco respects no rules and poses great risks to both consumers and businesses. It undermines anti-smoking and public health campaigns and

violates the strict rules that the EU and Member States have on manufacturing, distribution and sale. OLAF investigates cases of customs fraud as they are financially damaging to the EU taxpayer.

OLAF has an explicit mandate to fight cigarette smuggling as part of the EU efforts to curb this phenomenon. It provides analysis, technical support and information obtained from Member States and third countries with the help of law enforcement agencies and other sources.

**OLAF mission, mandate and competences:**

OLAF's mission is to detect, investigate and stop fraud with EU funds.

OLAF fulfils its mission by:

- carrying out independent investigations into fraud and corruption involving EU funds, so as to ensure that all EU taxpayers' money reaches projects that can create jobs and growth in Europe;
- contributing to strengthening citizens' trust in the EU Institutions by investigating serious misconduct by EU staff and members of the EU Institutions;
  - developing a sound EU anti-fraud policy.

In its independent investigative function, OLAF can investigate matters relating to fraud, corruption and other offences affecting the EU financial interests concerning:

- all EU expenditure: the main spending categories are Structural Funds, agricultural policy and rural development funds, direct expenditure and external aid;
  - some areas of EU revenue, mainly customs duties;
  - suspicions of serious misconduct by EU staff and members of the EU institutions.

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