



EUROPEAN ANTI-FRAUD OFFICE

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Smugglers' New Year's plans blow up in smoke: OLAF helps seize over 75 million cigarettes at the turn of the year

A long journey came to its end in the first month of 2016: European cigarettes which had legally set sail to Asia ended up finding their way back into Europe - this time, illegally. During an operation which lasted several months, the European Anti-Fraud Office (OLAF) worked closely with Greek and Cypriot authorities to track the shipment and seize more than 33 million cigarettes in Greece. This was the largest of five operations in which a total of more than 75 million cigarettes were seized in Greece, Russia, Germany and Spain between December 2015 and January 2016.

OLAF's promising start to the New Year builds on the remarkable results the office achieved in 2015, when over 600 million cigarettes were seized.

"Once again, the numbers show the excellent work and perseverance of our investigators, as well as the undeniable importance of European cooperation in this field," OLAF Director-General Giovanni Kessler said. OLAF brings real added value by providing its operational partners with key information on the movement of such goods and these efforts are showing clear results," he added.

All the cigarettes seized in these operations were so-called "cheap-whites". They were mostly Richman, Royal, RGD and Jim, although new brands have also surfaced, such as the Vietnamese brand Aroma.

Cheap whites: a long way from home

Smuggled cigarettes cross borders, sometimes continents, and often pass through different ports before finding their way onto the European market. This was the case for more than 8 million Vietnamese Aroma cigarettes that came from Asia to the Port of Barcelona.

The Aegean Sea was the target of two of OLAF's biggest operations this season. Thanks to the close cooperation with the Greek General Secretariat against corruption (AFCOS Greece), Greek and Cypriot customs, 33 million cigarettes, were seized at the end of January. An additional seizure of almost 21 million cigarettes had already taken place at the Port of Piraeus, bringing the total number of seized cigarettes in Greece in the course of these 2 recent investigations to over 55 million.

Roughly 10 million cigarettes were also seized at the port of Hamburg last month and another 3 million were confiscated during an operation in Russia, after a trip via Rotterdam and Riga. In all these cases, the cigarettes had not been declared as such and, as all too often, were concealed amongst other imported products, such as blankets, sunglasses and ceramics.

Although most of this month's seizures took place in harbours smugglers take diverse routes to perpetrate their illegal activities. Just last week, other OLAF intelligence led to the seizure of over 150,000 cheap whites at Madrid airport and London airport. Travelling from the Ukraine, the smugglers were intercepted upon arrival. Once again, OLAF made sure that there are no free rides when it comes to cigarette smuggling.

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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