



EUROPEAN ANTI-FRAUD OFFICE

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## **OLAF supports Spanish authorities in stopping counterfeit shampoo criminal network**

**With the support of the European Anti-Fraud Office (OLAF), Spanish customs and police intercepted in October a counterfeit shampoo criminal network in Spain. With a production capacity of 200,000 bottles per month, this is the second clandestine factory to be raided this year. The products, which infringed intellectual property rights, were destined for the European, African and Asian markets. Seven individuals were arrested.**

"In our close cooperation with our Spanish counterparts, OLAF has provided crucial information that helped trigger this operation. I warmly thank the Spanish authorities for helping stop an international criminal organisation from infringing intellectual property rights through smuggling counterfeit goods" said the Director-General of OLAF, Mr Giovanni Kessler.

In October, on request of the Spanish magistrate coordinating the case, OLAF investigators provided support to the Spanish customs and police during simultaneous raids on several warehouses, factories and private homes in Spain. As a consequence of the raids, a clandestine factory of counterfeit shampoo and its chemical factory were dismantled.

The shampoo factory had a monthly production capacity of 200,000 bottles and was involved in all stages of the production and distribution of the product, from developing the chemical formula to the market sales. It generated huge profits for criminal organisations.

The shampoo imitated a well-known brand and so infringed intellectual property rights. 120,000 bottles of the shampoo were seized. Additionally, seven individuals of different nationalities were arrested for offences of money laundering, counterfeit goods and for being part of a criminal network.

### **Background:**

OLAF's broader investigation concerning the import into the European Union of counterfeit shampoo was already initiated in 2014 and led to the seizure of more than one million bottles of shampoo in several countries. In addition to the raid of this second clandestine factory in Spain, seizures were also carried out in February in Spain as well as in the Netherlands and in Italy in April.

This case demonstrates once again that organised international fraud networks maximise their profits through smuggling counterfeit goods in Europe. This generates huge losses of tax revenues due to the black market in fake products. Such products are potentially harmful to health since they replace genuine, safe and well-tested products by illicit and non-standard ones. These international fraud networks use fiscal evasion and a modus operandi similar to that of networks engaged in the contraband of cigarettes and drugs.

### **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.

### **For further details:**

**Emily FAIRLESS**

**Acting Spokesperson**

**EUROPEAN ANTI-FRAUD OFFICE (OLAF)**

**Phone: +32 2 297 66 61**

**E-mail: [olaf-media@ec.europa.eu](mailto:olaf-media@ec.europa.eu)**

**[http://ec.europa.eu/anti\\_fraud](http://ec.europa.eu/anti_fraud)**