

## **OLAF aids Ukrainian customs in seizure of more than 34m contraband cigarettes**

**The European Anti-Fraud Office (OLAF) has played an important role in a recent operation by the State Fiscal Service of Ukraine aimed at stopping the smuggling of cigarettes into the European Union. The operation led to the seizure of a shipment of more than 1.7 million packets of cigarettes destined for the Transnistria region of Moldova, from where it was expected to be smuggled into the EU. The estimated loss to public revenues of these cigarettes reaching the EU market would have been around €7 million.**

Ukrainian customs authorities identified a shipment of three containers carrying more than 34 million cigarettes of the Business Club brand leaving the United Arab Emirates and destined for the Ukrainian port of Chornomors'kiy Rybnyi with Transnistria as the declared final destination. The Ukrainians informed OLAF of the shipment, which they suspected was ultimately destined for the EU market. The smuggling is thought to be run by a criminal organisation based in the Transnistrian capital, Tiraspol, according to available information.

Previous seizures of the Business Club brand of cigarettes had already taken place on EU territory, and OLAF's analysis of the information provided by Ukraine confirmed the likelihood of this shipment also being smuggled into the EU. As a result, OLAF asked the Ukrainian customs authorities to take any action necessary to ensure that the cigarettes did not illegally enter the EU.

In mid-May Ukrainian customs carried out two separate searches at the Black Sea fishing port, resulting in the seizure of 1,727,500 packs of Business Club cigarettes (totalling 34,550,000 cigarettes). The packets had no excise labels from Ukraine, Moldova or any other country, nor were they marked 'For Duty Free Only'. The text and pictures of the health warning required to be carried on all cigarette packets destined for legal sale were also missing. The estimated cost to public coffers if these cigarettes had reached the EU is around €7 million.

Each year, significant quantities of cigarettes are moved into the Transnistria region, to which the Moldovan authorities have no access and therefore no possibility to check the final destination.

As investigations in Ukraine are ongoing, OLAF is not in a position to comment further about the operation.

**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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