

OLAF and HMRC join forces to combat tobacco smuggling

International cigarette smugglers suffered two major blows in March 2015 following operations coordinated by the European Anti-Fraud Office (OLAF) and the UK customs (HMRC) in which law enforcement services in Croatia and Greece seized over 43 million smuggled cigarettes.

In the first case, Croatian customs seized a container containing 9 million cigarettes in the Port of Rijeka on 12 March 2015 on the basis of information provided by European Anti-Fraud Office (OLAF) and UK customs (Her Majesty's Revenue and Customs (HMRC)). The container in question was consigned from India and declared to customs as office furniture and accessories. After a tip-off from OLAF and HMRC, Croatian customs examined the container which was found to contain the "MJ" brand of cigarettes. The cigarettes have been seized and investigations are continuing in Croatia.

In the second case, Greek customs seized 3 containers containing 34.2 million cigarettes in the Port of Piraeus in Greece on 13 March 2015. The seizure was made possible thanks to suspicions of Greek customs, which were also confirmed by OLAF and HMRC to the Greek authorities. The containers in question were consigned from China and declared as home furnishings but on examination they were found to contain 13 million of the "RAQUEL SLIMS" cigarette brand, 10.6 million of the "777" cigarette brand and 10.6 million of the "GOLD MOUNT" cigarette brand respectively. The cigarettes have been seized and investigations are continuing in Greece.

Many of these smuggled cigarettes are destined for the UK black market as the UK has one of the highest tax rates on cigarettes in the EU. Attempts are often made to smuggle such cigarettes in Mediterranean ports such as Rijeka and Piraeus. Consequently HMRC actively works with its international partners - such as OLAF - to try to reduce these illegal flows.

Unpaid duties and taxes on these 43 million smuggled cigarettes amount to more than EUR 8 million. These anti-smuggling operations have benefited the European taxpayer by avoiding substantial revenue losses.

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 and legitimate industry. OLAF has an explicit mandate to fight cigarette smuggling as part of the EU efforts to curb this phenomenon.

OLAF

The mission of the European Anti-Fraud Office (OLAF) is threefold: it protects the financial interests of the European Union by investigating fraud, corruption and any other illegal activities; it detects and investigates serious matters relating to the discharge of professional duties by members and staff of the EU institutions and bodies that could result in disciplinary or criminal proceedings; and it supports the EU institutions, in particular the European Commission, in the development and implementation of anti-fraud legislation and policies.

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