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Illegal tobacco trade halted after international operation

Authorities from seven countries, with the active support of Eurojust, Europol and the European anti-fraud office (OLAF), have dismantled an international organised crime group (OCG) which was involved in the large-scale illegal trade of tobacco. During an action day, coordinated at Eurojust, 18 persons from different nationalities have been arrested, who are suspected of money laundering and the illegal trade and storage of around 670,000 kilos of tobacco. Three suspects from Italy will be heard. The illegal trade has led to a loss of customs and excise duties for the Dutch fiscal authorities of approximately 70 million euros. A total of 29 searches have taken place in Italy, Poland, Belgium, the United Kingdom and the Netherlands, mainly in the south-eastern province of Limburg. Authorities from Romania and Cyprus have contributed actively to the operation.

The criminal organisation allegedly bought tobacco in Italy, which was then processed and sold to traders for the use in illegal cigarette factories. The criminals played a role as well in the brokerage of illegally produced cigarettes and bought, sold and repaired machinery for cigarette production. As a result of international cooperation, since last year already illegal cigarette factories have been dismantled in Poland, the Czech Republic and the Netherlands, whose operators had close links to the criminals who have now been arrested.

Eurojust held a coordination meeting and set up a coordination centre during the action day and provided assistance with the issuing of European Investigation Orders (EIOs) and European Arrest Warrants (EAWs).

The operation was based on an analysis of a special operational taskforce set up in February 2018 between Europol, the UK's HM Revenue & Customs (HMRC) and Dutch fiscal police (FIOD) and on an investigation conducted by OLAF in other EU Member States where the same criminal organisation was involved. The operation was one of the first cases which forms a vital part of the ongoing intelligence picture. Regular meetings at Europol between the taskforce members helped identify numerous High Value Targets against which actions were taken in the framework of this operation.

Over 250 officers of police, fiscal police and customs have been deployed during the action day in the Netherlands, Italy, the United Kingdom, Poland and Belgium.

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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