

OLAF unveils major smuggling scheme for counterfeit vodka and whisky

Investigators from the European Anti-Fraud Office (OLAF) successfully dismantled a smuggling scheme involving premium vodka and whisky and spanning several continents. Information provided by OLAF resulted in the seizure of almost 400 thousand bottles with an estimated value of €14 million.

The sophisticated scheme, which involved transshipping the counterfeit spirits via the Caucasus to several ports within the European Union, was disrupted thanks to the concerted effort of OLAF and the authorities of several EU Member States and third countries. Counterfeiters often use transshipment points to conceal the true origin of the illicit goods.

OLAF opened an investigation into a large-scale smuggling network trafficking counterfeit vodka and whisky, masquerading as premium brands. Although the main destination of the fake spirits was the EU market, the sophisticated scheme and production process covered several countries outside the European Union.

OLAF acted as the main coordination point for exchange of information among various EU and non-EU authorities. OLAF investigators collected, analysed and disseminated critical operational intelligence related to the smuggling network, provided specialised knowledge and technical assistance, which eventually led to dozens of suspicious containers being detected and to the seizures of 377,963 bottles (282,078 litres) with an estimated value of € 14 million.

The counterfeit spirits were cleverly packaged and labelled to mimic premium brands, making it difficult for unsuspecting consumers and retailers to distinguish them from legitimate products. Illicit alcohol not only poses financial threat to legitimate businesses but also a serious health risk to consumers as the production process of these goods does not adhere to safety standards.

Ville Itälä, OLAF Director-General, said: *"This operation underscores our unwavering commitment to safeguarding consumers and preserving the integrity of the European market. Counterfeit alcohol is not only an economic crime but also a serious public health risk. These illicit products often contain harmful substances that can cause severe health issues or even be fatal. We successfully disrupted a sophisticated criminal network and prevented these dangerous products from reaching the public. This achievement is a testament to the skill and determination of our investigators and highlights the vital importance of cross-border cooperation."*

The centralisation of communication provided by OLAF proved crucial as smuggling often spans multiple countries and involves intricate networks that national authorities might struggle to identify and dismantle on their own.

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.

Once OLAF has completed its investigation, it is for the competent EU and national authorities to examine and decide on the follow-up of OLAF's recommendations. All persons concerned are presumed to be innocent until proven guilty in a competent national or EU court of law.

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