

Fake rum network dismantled thanks to OLAF

International operations broke up a criminal scheme that had infiltrated the European market with counterfeit rum from Central America. The European Anti-Fraud Office (OLAF) acted as the main coordination point between national authorities in Spain, the Netherlands, Honduras and Guatemala.

Although the main destination of the fake rum was the Spanish market, the sophisticated scheme and production process – which involved not only the liquor but also bottles and labels – covered several countries and continents. Once bottled and labelled, the rum was shipped to the EU from Honduras and Guatemala, as established by OLAF during its excellent cooperation with the national authorities of both countries. The first point of entry into the EU was mainly via the Netherlands, with the goods then transported to Spain. The fake labels misused several different brand names.

Investigations and operations spanned several years, and OLAF joined forces with the Spanish Guardia Civil, [which was also looking into the traffic](#) from a national perspective. As the investigation progressed, OLAF reached out to the different national authorities of the countries affected to exchange operational intelligence, leading to several seizures and to the dismantling of an illegal bottling plant.

In total, information provided by OLAF resulted in the seizure of roughly 340,000 bottles with an estimated value of €4.5 million. Hundreds of suspicious containers were detected, partly thanks to risk profiles – customs alerts – set up by the authorities of Guatemala in cooperation with OLAF. Similar risk profiles were also monitored by the Netherlands and, with the support of US Customs, Honduras. Following a tip off by OLAF, the Honduran authorities seized two containers of fake rum and dismantled the illicit production site from which the bottles came, effectively putting a stop to the scheme at the source.

Ville Itälä, Director-General of OLAF, commented: *“This series of interventions was a major blow to a network that smuggled fake rum into Europe, and hopefully we have put a stop to it. Successful cooperation is behind this achievement, as is often the case. I would like to thank and congratulate all the national authorities involved on their results. I am glad that OLAF, with its international experience, could act as a pivot in a case with such cross-border dimensions – and this despite the coronavirus pandemic that turned the usual on-the-spot checks and meetings into online exchanges. Together, we have made a contribution to protecting the health of EU citizens and to supporting the interests of legitimate EU companies.”*

Note to editors: OLAF had already reported (in February 2020) on one of the seizures of the operation: [No fake rum in Spain for Christmas: nearly 150,000 bottles seized with OLAF's help](#).

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.

For further details:

Jana CAPPELLO
Spokesperson
European Anti-Fraud Office (OLAF)
Phone: +32 2 29 85549
E-mail: olaf-media@ec.europa.eu
http://ec.europa.eu/anti_fraud



Chris JONES
Deputy Spokesperson
European Anti-Fraud Office (OLAF)
+32 2 29 91606
olaf-media@ec.europa.eu
http://ec.europa.eu/anti_fraud

