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April and May turned out to be bad months for smugglers

The last months turned out to be bad months for cigarette smugglers targeting the European black market. In April and May, the European Anti-Fraud Office (OLAF) contributed to seizures of a total of 178 million cigarettes. To the benefit of the European tax payer, these anti-smuggling operations helped to avoid substantial revenue losses of approximately EUR 35 million.

In April, OLAF provided information to its partner services concerning container movements between Singapore and the Cypriot port of Limassol. This led the department of Customs of Cyprus to detect more than 10 million cigarettes with a cover load of artificial turf. Furthermore, OLAF pointed out suspicious containers shipped from the United Arab Emirates. As a result of this information, the Italian Guardia di Finanza was able to seize 52 million cigarettes in Gioia Tauro.

In April as well, the Hellenic Coastguard asked OLAF for support in an investigation, and the office was able to provide information to strengthen a case. This enquiry led to the seizure of 107 million cigarettes. The agency thanked OLAF for its valuable help.

In May, the Lithuanian Customs Criminal Service requested OLAF's assistance regarding a suspicious load of 9 million cigarettes transported by road. Information gathered from Ukrainian customs services by OLAF via its liaison officer in Kiev ultimately led to the seizure of these cigarettes.

All 178 million cigarettes seized in April and May with the help of OLAF were so-called cheap white cigarettes for which there is normally no legal market within the EU. Thanks to their cooperation, national services and OLAF prevented the loss in revenue to the EU and national budgets of approximately EUR 35 million in unpaid duties and taxes.

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 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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