

## **20<sup>th</sup> Task Group Cigarettes Conference: International Efforts to Fight Cigarette Smuggling**

The annual Task Group Cigarettes Conference took place in Bratislava on 12-15 October. It was organised by the European Anti-Fraud Office (OLAF) in close cooperation with the Slovak Tax and Customs Directorate. The event brought together experts from more than 50 law enforcement agencies such as police and customs from all 28 EU Member States as well as specialised agencies such as the World Customs Organisation (WCO), Europol, Interpol and the EU Border Assistance Mission (EUBAM). Two agencies, the Internal Security Agency of Poland and the Hellenic Coast Guard, attended the conference for the first time.

The Conference provided an excellent opportunity for practitioners to share their views about the fight against illegal cigarette smuggling. In an address to the participants, the Vice-President of the Financial Administration of Slovakia, Ms Dana Meager, spoke of the need for international cooperation to counter the smuggling of cigarettes which has a significant impact on the budgets of the EU and its Member States. She underlined the key role of the Conference in encouraging participants to face current challenges with a high degree of professionalism and in fostering cooperation. Ms Meager also acknowledged OLAF's major contribution to Slovakia's efforts to successfully prevent and eliminate this criminal activity.

Several law enforcement authorities presented operations they had conducted in recent months, with a particular focus on sophisticated or new ways of smuggling. Discussions focused on possible coordinated solutions for tackling this criminal activity. The experts agreed that increased pressure is posed from the smuggling of so-called "cheap white" cigarettes which are most often imported from third countries and for which there is normally no legal market within the EU.

One of the most debated topics was the recent increase of cigarette seizures in the Eastern Mediterranean Sea. The participants also discussed the significant increase in traffic and seizures of water pipe tobacco. Developing cooperation between experts from Member States and third countries and OLAF's role in preventing this type of fraud are major elements in a strategy to better fight cigarette smuggling.

The conference was funded from the Hercule III financial programme which is specifically dedicated to fighting fraud, corruption and any other illegal activities affecting the financial interests of the EU.

## **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.

OLAF has an explicit mandate to fight cigarette smuggling as part of the EU efforts to curb this phenomenon. It provides analysis, technical support and information obtained from Member States and third countries with the help of law enforcement agencies and other sources.

Since the beginning of 2015, OLAF has helped seize more than 500 million cigarettes, preventing the loss of EUR 100 million in unpaid duties and taxes from the EU budget and its Members States.

## **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.

## **For further details:**

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