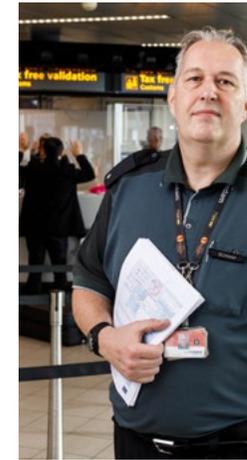




Customs Administration of the
Netherlands
Tax and Customs Administration



Dutch Customs

in 2019



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Foreword

In many aspects, 2019 was a special year for Dutch Customs, not in the least because we were being shadowed by camera teams from a production company for months. They took a look behind the scenes, and over the shoulders of dozens of our staff members. The result of their work was broadcast last winter, in the real-life series *Customs in Action* on RTL5. This series showed the extensive social task of our agency with integrity.

Dutch Customs in 2019 aims to do the same thing: offering an insight into our varied duties within society, by presenting a bit more than just our key figures. The collective personal stories in this publication give a good impression of what we do, on the instructions of eight different ministries. They are told by a large number of enthusiastic customs officers, who commit themselves to the fiscal integrity, safety and economic competitive strength of the Netherlands and Europe every day. Professionals through and through, and our service employs a lot of them.

This publication shows that Customs faces a tough challenge. On the one hand, growing international trade means we have to inspect more and more and on the other, we try to intervene in logistics as little as possible. That is why we aim for a balance between enforcement and facilitating trade: maximum supervision and a minimum of nuisance and delays for the business community. We hope to achieve this balance by working increasingly smarter and by bundling our forces with numerous public and private partners.

Naturally, today's priorities of customs supervision will also be discussed on the next pages. Examples include tackling the import of low-value textiles and the fight against drugs. Also included is the continued structuring of our enforcement in the field of e-commerce, a steadily growing branch of industry with numerous fiscal and security risks. These are the key elements that will continue to demand our attention in the next few years.

The work we do has the risk of interference by criminals, and we are aware of that. Our service makes every effort to minimize such risks, but it is a fact that these

cannot be excluded altogether. Occasionally, Customs is faced with a breach of integrity, which damages the confidence in our organization and its staff. It is for that reason that we continue to protect ourselves against undesired interference. On the one hand, we are working on ethical professionalism, and on the other hand we act on any breaches of integrity. The meaning of ethical professionalism includes customs officers discussing the do's and don'ts together and being able to take responsibility for their actions. In addition, we take all sorts of other measures, for example in the field of screening and authorisations for automated systems.

In 2019, Brexit again was an important theme for Customs. We prepared ourselves for the imminent British departure from the European Union as well as we could. It means a lot of extra work for our agency, now and in the future. For instance, we have spent a lot of time and energy on the recruitment, selection and training of hundreds of additional customs officers within this framework. The efforts in this field – and the results achieved – are considered a litmus test. In time, Customs will have to recruit and train even more new officers, given the anticipated natural exit of personnel. It goes without saying that in this process too we will do our utmost to safeguard the integrity of our organisation. Our Brexit-related activities are highlighted in a separate chapter, at the end of this annual overview.

I hope you enjoy the read!

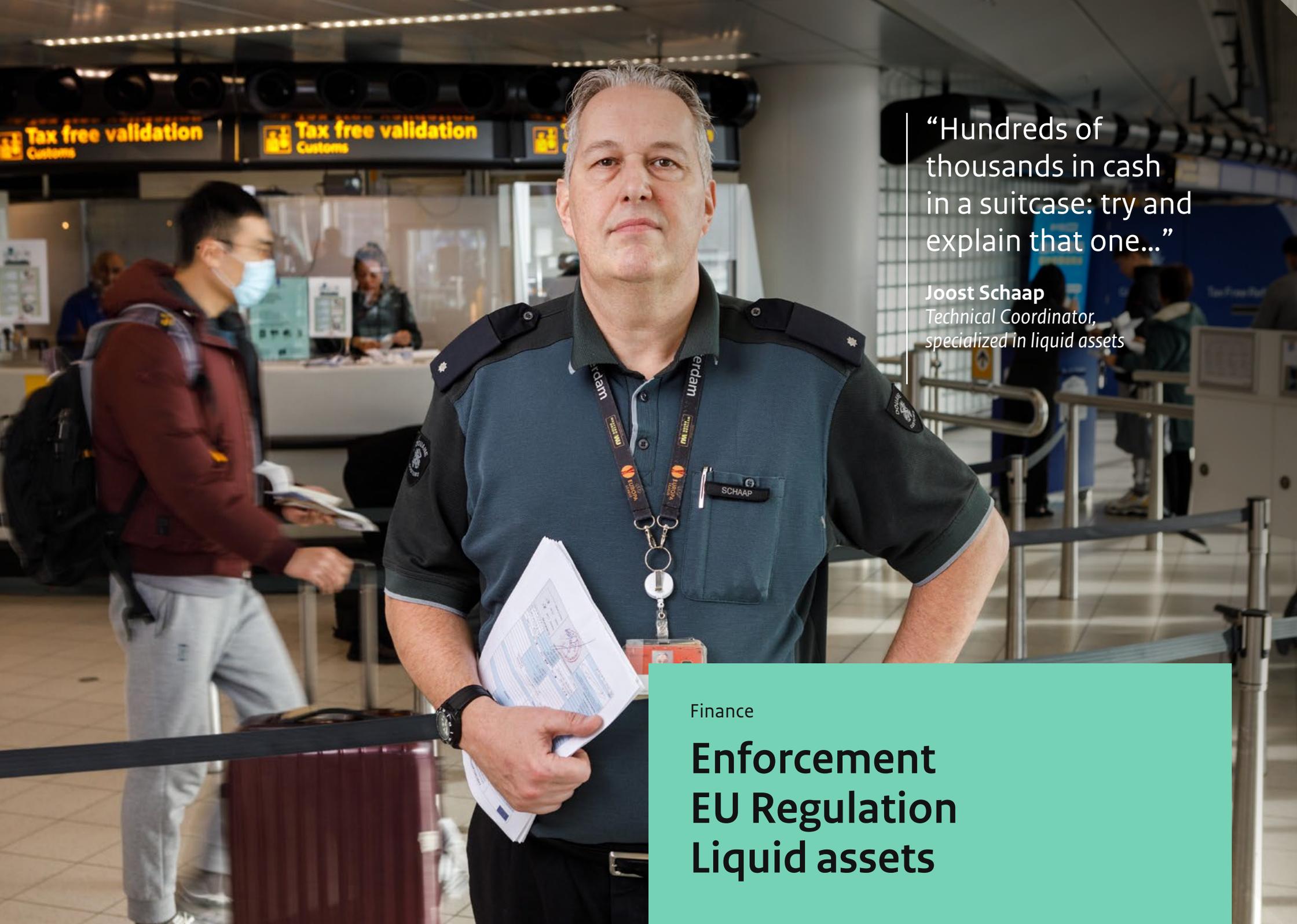
On behalf of the Customs Management Team,

Nanette van Schelven

Director-General of the Customs Administration of the Netherlands

Publication postponed

Due to the coronavirus crisis the publication of this annual overview was delayed by several weeks.



“Hundreds of thousands in cash in a suitcase: try and explain that one...”

Joost Schaap
Technical Coordinator,
specialized in liquid assets

Finance

**Enforcement
EU Regulation
Liquid assets**

Enforcement EU Regulation Liquid assets

“European Regulation 1889/2005 was implemented in order to combat money laundering and terrorism financing”, Joost Schaap, a technical coordinator, explains. “Travellers who enter or leave the EU with cash, cheques or shares worth 10,000 Euros or more have to declare this to Customs. It’s a relatively easy process, all they have to do is fill out a declaration form at our counter. There are questions about, for instance, the origins, the destination and the intended way in which the amount in question will be spent. A lot of passengers here at Schiphol Amsterdam Airport comply – in most cases, it concerns sums between 10,000 and 40,000 Euros – and usually, they can continue their travels. We pass on the information on the form to the FIU – the Financial Intelligence Unit – the money laundering expertise centre of the Dutch government. The FIU links this information to data from their own databases and if there’s a match, it flags up a potentially unusual transaction. A police investigations unit, for instance, can then take on the case.”

“Whether or not it concerns money laundering depends on all kinds of factors and circumstances”

“Some people forget to declare or intentionally omit to declare liquid assets. If we find a sum of money of more than ten thousand Euros in their hand or hold luggage, he or she will receive a fine for violating the statutory obligation to declare. That person may also be guilty of money laundering. Whether or not it really concerns a criminal offence depends on all kinds of factors and

circumstances. Of course, the extent of the amount is particularly important. Hundreds of thousands in cash in a suitcase: try and explain that one...”

“When we stop a traveller, he or she will be taken to our office for an interview. First, we tell him or her that he or she does not have to answer our questions and that they can hire a lawyer at their own expense. If the passenger decides to remain silent, we hand him or her over to our colleagues of the Fiscal Intelligence and Investigation Service¹, who will start a criminal investigation. In general, the suspect is taken into custody and the money is temporarily kept in a safe until the court passes judgment in the case.”

“Criminal organisations often use money mules”

“Those who we do catch out often can’t explain the money we find among their possessions – simply because it isn’t theirs. Criminal organisations often use money mules to transport money, just like they use couriers to smuggle drugs, for instance. Logically, the criminal money follows the reverse route of the illegal goods it was earned with. And naturally, such routes are of particular interest to Customs.”

¹ Customs, the Fiscal Intelligence and Investigation Service and the Royal Netherlands Marechaussee have bundled forces at Schiphol under the Liquid Assets Taskforce.

Substantial haul in the basement

In early December 2019, customs officer Nico van Roon and a colleague stumbled across approximately 1.4 million Euros during a check in Schiphol's underground luggage hall. It was, by far, the biggest liquid assets haul at the national airport to date.

“The luggage basement is our domain; we carry out inspections for various customs risks. It mainly concerns drugs but we're also on the lookout for the smuggling of money. We look at certain reference points on items of luggage – especially: where does it originate from and where is it going? – and pick out a couple from the belt. We open them and completely empty them.

When you conduct a liquid assets check, you have to be prepared for anything, because bundles of banknotes can be hidden anywhere, in shampoo bottles, between the pages of a book, in a carton of cigarettes but also in the telescoping handle, the grips or double walls of the suitcase itself. Smugglers are highly inventive people...”

“We counted almost 1.4 million Euros – 24 kilos in paper money”

“During my time with Customs, I've discovered large amounts of cash before – up to a couple of hundreds of thousands – but our discovery in December topped them all. It was a foil-wrapped suitcase on wheels that drew our attention and we soon discovered our suspicions were right. Inside, we found plastic bags full of 50 Euro notes. We soon realised it had to be more than 10,000 Euros, so I immediately contacted the liquid assets team. In the meantime, my colleague checked the airline's system and found out this passenger had checked in more hold luggage. We found more money in that bag. When we finally finished counting, the total came to almost 1.4 million Euros – 24 kilos in paper

money. We confiscated it immediately, the traveller at the gate was taken in for questioning and subsequently apprehended.”

“Passenger traffic may conceal a lot of undeclared and criminal funds”

“A case such as this one shows that passenger traffic may conceal a lot of undeclared and criminal funds. That's why it's good to know that liquid assets was recently appointed as one of the centrepieces of customs control.”



“This money find topped them all”

Nico van Roon
Physical Supervision Officer



“Nuclear detection is like looking for a needle in a haystack”

René de Goede
Radiation Expert

Infrastructure and Water Management

Monitoring compliance with the Dutch Nuclear Energy Act

Monitoring compliance with the Dutch Nuclear Energy Act

“Radioactivity means that material spontaneously emits ionising radiation”, radiation expert René de Goede tells us. “You can’t feel it, you can’t see it and you can’t smell it but if you get too much of it, you can fall seriously ill and die. The Dutch Nuclear Energy Act serves to protect society against the harmful effects of radiation. In our country, responsibility for the so-called radiation hygiene policy lies with the Authority for Nuclear Safety and Radiation Protection – ANVS. It’s one of the cooperation partners of Customs: on their instruction, we check incoming and outgoing sea and air cargo for banned radioactive substances. To that end, rings of nuclear detection gates were installed at strategic points in the port of Rotterdam and at Schiphol. We also have mobile vehicles at both main ports to detect sources of radiation in logistical streams. All customs officers who work in this process – plus the colleagues who use detection equipment to examine modes of transport and cargoes for clandestine goods – are trained radiation protection supervisory officers. Our department also has two officers who are trained radiation experts, of whom I’m one.”

“The alarms go off a couple of hundred times every day”

“Every year, millions of containers come through the gates and on average, the alarms go off a couple of hundred times every day. In maybe 99.99% of the cases, the alarms can be explained, they’re harmless and no further action is needed. The reason is that there are a lot of goods that by nature give off low, acceptable doses of radiation, such as porcelain and cat litter. We call them NORMs, naturally occurring radioactive materials. They also set off the alarm of the sensitive detection equipment used by Customs. If the measured radiation level exceeds a

certain limit, these kinds of materials may be subject to a duty to declare or obtain a permit. If we come across such goods, we will halt them and immediately contact our colleagues of the ANVS. They tend to come over to us to carry out their own measurements and take samples and at times, they then consult with the National Institute for Public Health and Environmental Protection – RIVM.”

“Nuclear materials pose a big risk, which is why they are stopped at the border. Examples include substances to make nuclear weapons but also non-natural – illegal – radioactive sources. The latter are found in cargoes of scrap metal on a fairly regular basis. If radiation levels are extremely high, there’s an imminent danger to people. In such cases, Customs will take measures in consultation with the ANVS, such as demarcating a safe zone by means of hazard tape.”

“Ultimately, it’s up to the inspectors of the ANVS to decide what happens to a batch that has been stopped. They have three options. The first is to return the cargo to the country of origin – as radioactive transport, including all the necessary paperwork. A second option is for the owner of the goods to choose a different application for his product that is allowed and to apply for a permit with the ANVS. The final option is to have the goods taken away to COVRA, the Dutch nuclear waste processing and storage company. That is, relatively, the most expensive solution. If at all possible, the ANVS will recover the costs from the company in question.”

Radiating scrap metal causes a stir

Reports of dangerously high levels of radiation are rare at Dutch main ports. In the spring of 2019, however, a terminal at the Maasvlakte faced just that. An incoming container full of scrap metal – containing an unknown highly radioactive source – caused a commotion. Radiation expert Myke van der Pligt tells us what happened.

“In the 17 years that Customs has been engaged in nuclear detection, we haven’t come across many high-risk cargoes. However, this shipment of scrap metal from West Africa immediately put us on heightened alert. The measured radiation level was almost 0.5 Sievert/h, which means you’re at risk of falling seriously ill when standing in its proximity for a couple of minutes. In such situations, time and distance are crucial. Everyone had to move away from the container as soon as possible.”

“There was no unsafe situation at the terminal”

“When the alarm went off and radiation levels turned out to be so extreme, we immediately contacted our colleagues at the Authority for Nuclear Safety and Radiation Protection – ANVS. After discussing the matter with them, our coordinator followed an in-situ emergency procedure that applies to situations such as these. Together, they made sure there was no unsafe situation at the terminal from the moment of detection. On the orders of the ANVS, the container in question was moved to a separate location for hazardous substances, which was completely screened off for safety reasons.”

“A few days later, under the supervision of the ANVS, the container was taken to a scrap metal company in the Botlek area for further investigation. The source of radiation was safely removed from the scrap metal by means of a claw. It turned out to be a medical equipment component, probably from a radiology department of one hospital or other. Unfortunately, people in developing countries don’t always recognise the danger of these objects and they just regard it as trade... The machine component was probably transported to COVRA – the Dutch nuclear waste processing and storage company – in a special drum and kept there for long-term storage. We have eliminated at least one potential risk to man and the environment.”



“This container immediately put us on heightened alert”

Myke van der Pligt
Radiation Expert

A photograph of John Hoppers, an auditing officer, standing in a marina. He is wearing a grey suit jacket over a blue and white striped shirt. In the background, several white motorboats are docked, and a large brick building is visible. The sky is overcast.

“Sanctions on luxury goods
can really hurt political elites”

John Hoppers

*Auditing Officer, specialized in strategic goods
and sanctions*

Foreign Affairs

Enforcement of sanctions legislation and Strategic Goods Decree

Enforcement of sanctions legislation and Strategic Goods Decree

“The international community can impose strict trade restrictions on all kinds of entities, such as persons, businesses, regimes and countries”, John Hoppers, auditing officer, begins. “Nine times out of ten, it’s the United Nations who adopt a resolution in that respect. The European Union can then follow such a resolution and translate it into a regulation, which in the Netherlands is then ratified pursuant to the Dutch Sanctions Act 1977. The Ministry of Foreign Affairs is responsible for the policy of such regulations; Customs is responsible for the enforcement side.”

“By means of trade barriers, the UN tries to induce certain rulers to change course”

“In many cases, sanctions aim to hit the rulers of a certain country or area because, to put it euphemistically, they show behaviour that is not experienced as particularly pleasant by the rest of the world. They violate human rights, for instance, they destabilise the political and military situation in their region or they have nuclear aspirations. By means of trade barriers, the UN tries to induce these kinds of leaders and their entourage to change course.”

“Sanctions are mainly aimed at trying to stop the distribution of so-called strategic goods. This refers to military goods but also to dual-use goods, which can be put to civil but also to military use. In other words, all kinds of objects which a regime could use to suppress its own people or to threaten and attack neighbouring

countries. Both categories of goods are described in detail on lists that are often appended to sanctions ordinances. If a particular good is on such a list, it cannot be exported to the destination in question. Customs conducts very strict checks; for instance, we have risk profiles on our systems. If a customs officer encounters goods intended for a sanctions country – or a declaration thereof – all alarm bells go off. This colleague will then notify a specialist in his region, who in his turn will notify our Central Import and Export Office. When it suspects the cargo is suspicious, the office will stop the shipment and it will send someone from the national POSS² team to the market party that declared or wants to export the goods, as soon as possible. I conduct such business visits on a regular basis. I discuss my findings with our account manager and then we have various options. In the case of a serious violation, we can seize a cargo in consultation with the public prosecutor and start a criminal investigation.”

“What a lot of people don’t know is that all kinds of luxury goods also often fall under sanctions legislation. They too are on a list, which can differ considerably, depending on the sanctions country. The aim is to take away certain goods from the top layer within such a society. Examples include stimulants such as expensive wines and other exclusive drinks.”

2 POSS: Precursors, Strategic goods and Sanctions legislation

Expensive drinks for Damascus

In 2019, auditing officer Roy Mulder held a number of heated talks with the management board of a major drinks distributor. The company wanted to ship hundreds of litres of exclusive whiskey to Syria, which is banned under EU Regulation 2012/36.

“When Customs intercepted tens of thousands of litres of vodka for North Korean leader Kim Jong-un in the port of Rotterdam in 2019, it was global news. It is generally assumed that dictatorial leaders use luxury goods to secure the loyalty of their followers. That’s why a lot of those goods are subject to trade restrictions within the framework of sanctions legislation.”

“Business owners who violate sanctions can suffer considerable image damage”

“Months later, I was involved in a similar case. When a colleague was checking a container full of alcoholic drinks bound for Syria, he discovered a batch of more than 1,300 bottles of highly exclusive whiskey, with a price of more than 250 Euros per bottle. The Central Import and Export Office had halted the shipment and instructed me to pay a visit to this company as soon as possible. It turned out to be an international distributor of drinks and it even acted as a broker. A market party of that calibre should have known this shipment couldn’t be exported to Syria. When I met up with management for a consultation, they admitted they were aware of their guilt. To prevent this from happening again, they adjusted all kinds of internal procedures, such as building in red flags at the order desk. Customs monitors if the company sticks to the rules now. The investigation in this case is

still ongoing for that matter; in the meantime, the company is looking after the whiskey.”

“In these kinds of cases, companies are often more than willing to cooperate because they are afraid of the consequences. They can face considerable punishments, from high fines to years of imprisonment. And there’s another serious risk: if businesses violate sanctions and such a case is made public, they can suffer considerable image damage.”



“The company should have known it couldn’t export this shipment to Syria”

Roy Mulder
Auditing Officer

A woman with blonde hair and glasses, wearing a tan, textured coat, stands smiling in front of a port area. In the background, there are large metal cranes, a fence, and a cloudy sky. A sign in the distance reads "LOODS PT".

“We want to tackle drugs as close to the source as possible”

Kim Kuipers

Enforcement Director, specialized in drugs

Justice and Security

Enforcement of the Dutch Opium Act

Enforcement of the Dutch Opium Act

“When it comes to the fight against drugs, the focus has always been mainly on cocaine coming in from Latin America and, since a couple of years, also explicitly on outgoing synthetic drugs”, enforcement director Kim Kuipers explains. “It’s our duty to prevent these drugs from crossing the European border and to make sure that we don’t burden other countries with the junk produced in our country. The priorities of our enforcement are determined in close consultation with our policy partners of the Ministry of Justice and Security. Several times a year, I talk to them about what we encounter during our checks and any trends we may spot; they mainly outline the political spectrum in which they act. At the moment, the spotlights are predominantly aimed at the undermining agenda of Minister Grapperhaus: government-wide measures against organised crime and tackling criminal sources of income in particular. It’s nice to be able to contribute our specific knowledge and experience to this. Together with partners such as the Public Prosecution Service and the police, we’re able to operate increasingly effectively.”

“Investing in contacts around the world pays off: our intelligence position is getting stronger and stronger”

“In 2019, we noticed a considerable percentage-wise increase in the number of coke hauls and the number of intercepted kilos, especially in the port of Rotterdam. One reason for this is our intelligence position, which is getting stronger and stronger. During the past few years, we’ve strengthened our ties with our sister organisations, among others. For instance, Belgian and Brazilian

customs, and in the latter case, our own attaché in Brasilia plays a prominent role. We exchange a lot of useful information and it yields results. In other words, investing in contacts around the world pays off.”

“We want to stop mail and courier parcels containing pills and powders here at the front”

“Our colleagues in South America have said they want to be our first line of defence. It means they will do everything they can to dismantle smuggling networks at an early stage – so on their own territory, as close to the production and distribution basis as possible. This way, we think the chances of cocaine reaching our ports are the smallest.”

“Vice versa, Dutch customs tries to play a similar role when it comes to synthetic drugs. We don’t want export shipments with pills and powders that were manufactured here to reach their country of destination, but stop them here, at the front. The tricky thing is that dealers tend to send their gear by mail; we’re talking many thousands of envelopes and parcels. Getting a better grip on that flow is a challenge but fortunately, we’re getting better at it. During the past year, we’ve increased the number of targeted checks at postal and courier services, perhaps, tenfold. However, we shouldn’t just be checking more, we should also be smarter in how we check. That’s why we want to start using innovative scanning and detection technologies. We think that self-thinking software and algorithms will help us to recognise banned substances in mail and parcels better and quicker.”

Crystal meth and ketamine among the drumsticks

In 2019, Johan Pakes, a technical coach of a Physical Supervision team, found a large batch of synthetic drugs on a pallet of frozen drumsticks. A haul that started with a tip-off from the transport company that should have transported the cargo to the United Kingdom.

“Customs mainly fulfils its duties at the external border; inland, we only have a duty by virtue of Dutch excise legislation. Still, there are plenty of inland locations, such as industrial estates, where goods are transshipped and where things happen that are relevant to us to know. It’s just that our agency can’t be everywhere at the same time. That’s why since a number of years, we’ve been investing in contacts with transport companies at places of departure and destination that are relatively unknown to us. We hold initial meetings with these companies: are they reliable, are they willing to stick to the rules, can they mean something for us?”

“Bonafide businesses don’t want to be associated with illegal goods”

“If our impression of the company is positive, we can ask management to assume an eyes-and-ears function on behalf of Customs. In other words, if they want to let us know if they are presented a cargo that seems not to be entirely kosher. If so, we give them a list of indicators that may indicate certain customs risks. A lot of market parties opt to collaborate with us because they too recognise the benefits.

They don’t want to be associated with illegal goods and they don’t want their staff to get into trouble because of illegal goods.”

“All in all, the tip-off from this company was extremely valuable”

“From experience, I know that tip-offs from logistical service providers can cause quite a stir. In a roundabout way, I was told about a batch of frozen drumsticks headed for England and the transport company in question was suspicious for all sorts of reasons. When I went out there to check things out with an inspection duo – accompanied by a dog handler and a sniffer dog and a scanning operator with a scanning device – their suspicions proved to be justified: we discovered 300 kilos of crystal meth and 18 kilos of ketamine among the meat. Soon, more and more customs colleagues turned up to assist us, officers from the Fiscal Intelligence and Investigation Service for the judicial investigation and police officers for our safety. And with good reason, when you realise that these drugs had an enormous street value. All in all, it definitely was a valuable tip-off.”



“A lot of companies opt to collaborate with Customs because they too see the benefits”

Johan Pakes
Physical Supervision Officer



“Threatened flora and fauna benefit from this trade treaty”

Rianne Adriaans

Technical Coordinator, specialized in CITES

Agriculture, Nature and Food Quality

Monitoring compliance with CITES treaty

Monitoring compliance with CITES treaty

“In the mid-1970s, a number of countries agreed that they were going to regulate the international trade in threatened animal and plant species from now on”, technical coordinator Rianne Adriaans explains. “These days, there’s hardly a country that hasn’t signed this CITES³ agreement. The associated list includes all kinds of animals and plants that cannot be transported and sold freely in order to protect them from extinction. If Customs finds these when checking a container, suitcase or courier shipment – alive, dead or processed into, for instance, clothing or cosmetics – we check if the required permits are in place and OK.”

“We regularly come across exotic birds, reptiles and fish”

“When it comes to potentially banned flora and fauna, you name it, we’ve seen it. In the majority of cases, it concerns plants and vegetable products. The latter category includes the roots of American ginseng, for instance, or furniture made from ‘wrong wood’ such as Dalbergia. Animal materials are found as raw materials in goods as well, especially in traditional medicines and certain foodstuffs. We also come across shipments with live animals on a regular basis – exotic birds, reptiles, fish.... If the addressee is established in Europe, it usually concerns objects for the collectors’ market. If they are headed for a destination outside the EU – such as the Far East – they are often intended for consumption. Examples include some species of turtles, many of which still end up as soup, unfortunately.”

³ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora

“During our inspections, we also look at how animals are packed and transported. This is subject to strict rules set by the IATA. If these rules are not complied with, it may constitute animal torture and in such cases, we contact a vet from the Netherlands Food and Consumer Product Safety Authority – NVWA – to assess the situation.”

“The NVWA and the Netherlands Enterprise Agency are our principal partners in this area. Every year, we organise anti-wildlife trafficking campaigns with them. In 2019, we had the Thunderball inspection campaign, during which for example more than three kilos of elephant ears and about 120 pairs of python leather shoes were confiscated.”

“We all know that things are not going well when it comes to nature conservation and biodiversity. Still, there are some rays of hope. The fact that the Netherlands Enterprise Agency recently opened a drop-off centre for objects made from protected animals and plants – and a lot has already been dropped off – is encouraging for the future. Apparently, people now start to realise that there are all sorts of objects from faraway places that just don’t belong here. Our own Customs Travel App also helps to make people aware in that respect.”

“It doesn’t happen very often, but sometimes, wildlife populations start to flourish again thanks to the aforementioned trade restrictions. We have even seen a plant or animal species being taken off the CITES list after a period of time. For those who work in this field, they are rare but welcome boosts. It proves this treaty has an effect.”

Shark fins surface among the cargo

In 2019, customs officer Annelies Homburg and a colleague found hundreds of kilos of fins from protected shark species in a cargo warehouse at Schiphol. The banned fish parts – originating from the Caribbean and destined for the Far East – didn't end up in a bowl of soup but in an incinerator.

“In the past, I used to check goods at the airport myself; these days, I manage physical supervision officers at our cargo division at the airport. However, in early March, we were slightly overstaffed, so a colleague and I decided to go out into the field again. Soon, we received a notification from the Pre-Arrival team about a shipment from Cuba which was on its way to China. On the Central America-Asia route, there is an increased risk of drugs being hidden in the cargo, so we were asked to go and have a look.”

“We found body parts of two protected species”

“When we entered the warehouse where the boxes in question were being kept, we immediately smelled a penetrating fishy odour. The accompanying paperwork said that the contents were sea cucumbers. We did, indeed, find those but we mostly found dried shark fins. We immediately smelled a rat and quickly called in a Flora & Fauna expert. He concluded that the required CITES permit was missing and stopped the batch. The subsequent investigation showed that it concerned body parts of two protected species, the silky shark and the great hammerhead. The

fins – more than 200 kilos in total – were confiscated by the Netherlands Enterprise Agency and taken to a destruction company. A lot of media reported the haul.”

“These animals died a slow and painful death”

“As an animal lover, I'm proud to have been involved in this case, even though it was more or less by accident. The fins had been skinned from live wild sharks, who died a slow and painful death. I hope Customs' efforts contribute to stopping such horrible practices.”



“I’m proud to
have been involved
in this case”

Annelies Homburg
Physical Supervision Officer



“Failing to report a suspicious delivery is breaking the law”

Laura Verborg
Account Manager POSS team,
specialized in precursors

Health, Welfare and Sport

Enforcement of the Abuse of Chemical Substances Act

Enforcement of the Abuse of Chemical Substances Act

“As the word implies, a precursor is something that comes before something else,” explains Laura Verborg, account manager at the national POSS team⁴. “The term refers to chemicals that can be used as raw materials in the production of chemical weapons or illicit drugs. But these substances are usually manufactured and supplied for legal purposes. That’s why it is so important to monitor the bona fide trade in them: the legislator’s aim is to prevent them from being abused. That’s what the fourteen special investigating officers in our cluster are working on. In cases involving drug precursors, we work in the service of the Ministry of Public Health, Welfare and Sport. One of the most important obligations is set out in Article 2 of the Abuse of Chemical Substances Act: entrepreneurs who notice anything unusual in the chemicals trade must report this to the competent authority. In practice, this is a reporting point for unusual transactions, managed by the FIOD – the Fiscal Intelligence and Investigation Service. Economic operators, for example, are obliged to file a report if customers pay in cash, do not ask for an invoice or do not have the goods in question delivered but collect them in person. A company that fails to report this is breaking the law. That’s one of the aspects we look into.”

“The law recognises four categories of chemicals. The first two present the highest risk, which is why trading in them is subject to strict rules. These are substances that can be used as a raw material for synthetic drugs, either directly or after minimal processing. For example BMK and PMK – used for amphetamine and XTC respectively – which fall under category 1. Companies with Category 1 or 2 substances under their control must hold an activities permit or registration certificate. When a company applies for such a permit or certificate, our team first conducts an integrity investigation. With our approval, the Central Import and Export Office issues the required document. The goods in question may then only be delivered to parties who are also registered. However, the chemicals we

most frequently encounter in our work fall into category 3. These include acetone, sulphuric acid and hydrochloric acid – produced and imported in bulk and used in huge quantities for common applications, but also widely misused as an auxiliary agent in drug manufacturing. Controlling these substances is made more difficult by the fact that trading them – other than for exports – is not regulated. Otherwise the chemical industry would not be able to exist.”

“We oversee a pyramid of companies in the chemicals industry. The peak consists of producers and importers, and the broad base of many thousands of small traders. Such as the corner shopkeeper, who sells a few bottles of garden maintenance products that come under the law. We administer a database of all these companies, in which we differentiate between active and passive clients. In view of the volumes and nature of the substances they manufacture and trade, we focus on the approximately 2,000 active clients. These parties receive a routine inspection visit from us about once every five years. This frequency may be increased if a company has previously been in violation, or if it carries products that pose an enhanced risk. Apart from regular supervision, we can initiate investigations in response to signals given by third parties, such as our colleagues at the FIOD reporting centre. If for any reason they are unable to respond to certain signals themselves, they can ask us to take them up. We always have the option to switch from supervision to investigation. There may also be another reason for this. When a drug lab is uncovered and drums of chemicals bearing the labels of a certain trader are found, for example. In that case we try to trace back the chain of deliveries to establish the origin.”

“When our people establish a violation, they report it to me. I then contact the Public Prosecution Service directly, and consult with the public prosecutor about the consequences for the company. If it is the company’s first offence, it usually gets off with a warning. If there is any repetition, the Public Prosecution Service conducts a criminal investigation and our people will immediately draw up an official report. Such a process usually ends with the company being handed a hefty fine.”

⁴ POSS: Precursors, Strategic goods and Sanctions legislation

One unusual transaction after another

Wim van den Berg, member of the POSS team specialising in precursors, tracked down a series of suspicious supplies of chemical substances in 2019. This led to the Public Prosecution Service bringing several companies to book.

“During a routine inspection at a wholesaler’s premises, it came to light that he had sold a category 2 substance to a customer without a permit. It was a chemical substance that is known for being abused: AZA, used in criminal circles to rinse out heroin and cocaine dissolved in other products. In response to this violation, I obtained some large data files from the company, which I went through with a colleague. That’s how we found out that some 4,000 litres of hydrochloric acid had also been supplied to a party that had no obvious use for it. This was an oil trader, which normally purchased large quantities of AdBlue, a liquid added to diesel. The fact that this customer suddenly ordered a completely different product was unusual and should have been reported. So that was violation number two. Charges were brought against the wholesaler: the public prosecutor concluded the case with an out-of-court settlement.”

“The customer had paid for the chemicals in cash and collected them himself, which is a red flag”

“Closer examination of the oil trader’s records showed that it had also purchased on a one-off basis barrels of acetone from another wholesaler. That wholesaler, in turn, should have reported this transaction, but, by his own admission, had forgotten about it. Charges were therefore also brought against this company. The oil trader was found to have resold the acetone and the hydrochloric acid – both of which are often misused for the production of synthetic drugs – to one specific customer. That customer had paid for the chemicals in cash and collected them himself – all factors indicating yet another suspicious transaction. The oil trader had not reported this either, and was therefore severely penalised by the PPS. This all goes to show that one finding can have many repercussions. In the end, we ourselves didn’t take any action against the end user of the acetone and the hydrochloric acid. It turned out that the police had already started an investigation against the company, and the last thing we wanted to do was get in the way...”



“A single finding can set
a lot of wheels in motion”

Wim van den Berg
Supervision Officer POSS team



“The shadow side of counterfeiting should be highlighted more”

Baukje Rigter
Member of the Intellectual Property Rights national team

Economic Affairs and Climate

Combating trademark counterfeiting

Combating trademark counterfeiting

“From our office in Groningen, our team manages the combat against violations of trademark rights for all of Customs”, IPR expert Baukje Rigter explains.

“As an expertise centre, our colleagues can contact us 24/7. IPR experts in the field in particular contact us for support and advice when they’ve discovered counterfeits. We also maintain a lot of contact outside our own unit, such as dozens of international trademark holders and their authorised representatives, which includes law firms, for instance. They can ask us to act against violations of their rights. We will then issue an order which will be effective within the Union. Customs agencies throughout the EU will then halt batches of counterfeit products from such a manufacturer when they discover them.”

“This clandestine trade involves many billions around the world”

“We fulfil this task in order to protect the bona fide European business community. The economic loss that results from trademark counterfeiting is huge. In 2019, for example, our unit wrote out 1,100 official reports about this issue, with a total value of 62 million Euros. This clandestine trade involves many billions around the world. That’s why criminal networks shift their activities to counterfeiting more and more: profits are high, while the chances of being caught, the sanctions and the safety risks are relatively low.”

“Market players can also suffer serious image damage due to counterfeiting. Infringing goods that are sold as the genuine product often do not meet the strict quality and safety requirements of the official manufacturer. And as such, they harm his good reputation. We’ve seen so-called designer shirts that cause burns

on your skin, telephone chargers that explode spontaneously, brake disks that give out far too soon, etc.”

“For our unit, it’s vital we are able to tell authentic from counterfeit. The industry is helping us to improve our knowledge in this field. For example, more and more business owners provide us with product specifications which we store in a secure database. And REACT, an interest group, organises courses for Customs and other enforcement agencies, so we know what characteristics and deviations to look out for.”

“It’s no secret that those millions of parcels contain a lot of counterfeits”

“E-commerce has become massive in a short period of time and it’s no secret that those millions of parcels that enter the EU contain a lot of counterfeits. That’s why Customs keeps postal and courier businesses under strict supervision, keeping a close eye on origins and routing of shipments, among other things. We confiscate a lot but we can’t check everything ...”

“Consumers often opt for the cheap option and generally have no idea about the health and safety risks involved in buying from overseas webshops. Neither do they know about the murky world behind trademark counterfeiting. They think ‘everyone orders all sorts online, so it must be OK’. It’s about time people start to become more aware of the negative impact of counterfeits.”

Tricky trainers

In 2019, IPR expert Rob Dedel was involved in the interception of almost 3,000 pairs of fake Nikes. The sender of these trainers tried to fool the authorities in the most cunning manner.

“The port of Rotterdam receives a lot of so-called low-value textile and shoes, mainly from Asia. It concerns clothes and shoes that have not been declared at the correct rate, which means not enough customs duties are paid. We had an inkling the same was true for this particular batch, which is why it had been selected for a physical check. The colleague who made the check soon discovered something bizarre about these trainers: they bore some kind of stickers on the side, with a made-up name in strange letters. When he removed one of those labels, a Nike logo appeared. This meant they could be fakes and that’s why I was called in.”

“I took digital photos of all product details”

“As is standard in these cases, I drew up an official report of findings and took a lot of digital photos of the packaging, the inside of the box, the brand name, the swoosh, the sole and all labels... I e-mailed all of this information to my colleagues of the IPR team in Groningen, who in their turn forwarded it to the trademark holder. They concluded that they were, indeed, infringing goods.”

“The manufacturer started civil proceedings against the recipient of the trainers, which is customary in such situations. The outcome is often the same: the recipient surrenders the goods, after which they are destroyed under the supervision of an official. The same thing happened in this case, although I have to say that ‘destroyed’ is not quite the right word. Ninety percent of all confiscated fake brand products in the Netherlands are sent to a sheltered employment centre in the city of Goes, where they are disassembled and recycled. Shoes are often ground into reusable raw materials.”



“My colleague was quick to notice something bizarre about the trainers”

Rob Dedel
IPR Expert



“In 2019, cultural heritage was once again in the spotlights”

Ruud Boudewijn
*Enforcement Director,
specialized in cultural heritage*

Education, Culture and Science

Monitoring compliance with cultural heritage legislation

Monitoring compliance with cultural heritage legislation

“One task of Customs is to combat the EU cross-border illegal trade in objects with a high cultural and historical value”, enforcement director Ruud Boudewijn begins. “It concerns objects d’art and antiquities that fall under cultural heritage legislation or under sanctions measures aimed at cultural property from conflict areas. Examples include archaeological artefacts from Syria or Iraq. If we find objects like that, we check the required import or export permits. We do this on the instruction of the Ministry of Education, Culture and Science and in close collaboration with colleagues from the Information and Heritage Inspectorate. For a long time, the emphasis was on monitoring exports, in other words, on preserving the cultural heritage of the Netherlands. These days, we focus more on shipments that enter our country and this trend will continue in the next few years. The reason for this is that soon, the new EU Regulation 2019/880 will come into force, encouraging member states to pay more attention to the import of cultural property from outside the Union.”

“A special committee investigated the protection of cultural heritage in our country”

“Cultural heritage is a theme that hits the headlines big-time every now and then. The same happened in 2019. Politicians in The Hague and the national press were embroiled in a discussion following the New York auction of a charcoal drawing by Rubens, from the state of Princess Juliana. So wasn’t this sketch

state property? Shouldn’t a significant work of art like that have been offered for sale to Dutch museums first? For the House of Representatives, this case was reason enough to order an investigation into the protection of cultural heritage in our country. A special committee, headed by former minister Pechtold, came to the conclusion that there is room for improvement when it comes to, for instance, the management of our national art collection. Another conclusion was that the collaboration between the Ministry of Education, Culture and Science, the Information and Heritage Inspectorate and Customs is very good.”

“Customs has a dedicated customer manager at the TEFAF”

“For example, the Inspectorate and our agency effectively join up at the annual TEFAF trade fair in Maastricht. In a short period of time, billions of Euros worth of art and antiques cross our border, some of which will be traded and taken across the globe. Naturally, this entire process must be managed well and we do that together. Customs has a dedicated customer manager at the TEFAF, for instance. And the obligatory documents stream is set up well: our Central Import and Export Office provides all the necessary transport permits to participating art dealers via an emergency procedure, if necessary.”

“Customs and the Inspectorate operate according to the GP-specialist model. When customs officers find something that looks like protected heritage, they will call in an expert from the Inspectorate. Soon, we will be investing in our ‘first-line care’, by training a number of customs officers to become cultural property experts. Both organisations will benefit from that boost of knowledge. And so will society.”

Maria apparition in the mail sorting centre

In 2019, a gold-edged image of the Mother of God, found during a customs check of mail items, kept Rob Mangelsdorf, a cultural property contact person, busy for quite some time. Was this icon, sent from Russia without an export permit, as old and authentic as it looked? An expert would have to produce the answer.

“Colleagues have been asking me to assess a wide range of objects d’art from all over the world for years now. However, I’d never seen an icon before, really. So I was surprised when someone sent me a series of digital photos of a beautiful Eastern orthodox painting of Maria on wood, and asked me to check it out. He had found it during a check at a mail company, it was packed in an envelope from Russia and according to him, it looked pretty authentic. But the customs value given was only about 18 Euros...”

“Was this really an old and valuable icon?”

“When I studied the images, I had to admit it looked as if the object had been made a couple of centuries ago. The surrounding gold leaf had been worn naturally, for instance, as if it had been worshipped and touched by many believers over a very long period of time. The back of the panel looked pretty worn too. Was this really an old and valuable icon? If it was, there should have been Russian export papers and it should have been given a realistic value. Was this a case of smuggling?”

“I handed over the case to the Information and Heritage Inspectorate, with whom we’ve always had a pleasant working relationship. After some investigation, they told me that, among other things, the wood and the craquelure pointed to a younger age. In the end, an expert who had been consulted concluded that it was a ‘fake example of a Madonna icon after an old original’. So the object was, indeed, not real and had little financial value.”

“Still, this case had an interesting twist in its tail. The recipient of the parcel turned out to be a well-known art dealer, with expensive icons on his website. That’s why the Inspectorate tracked the object for a while. They’ve also spoken to the police, who are extremely alert to art forgery. As far as I know, this particular icon has never been offered on the market as being authentic.”



“Colleagues ask me
to asses a wide range
of objects d’art”

Rob Mangelsdorf
Contact Person Cultural Property





“We have prepared ourselves for Brexit as well as possible”

Hans Klunder
Brexit Programme Director

**Preparations
for Brexit**

Preparations for Brexit

“Brexit has been a major job for Customs and it has demanded a lot from the organisation”, Brexit Programme Director Hans Klunder begins. “We started our impact analyses as early as 2017. The consequences of Brexit appeared to be considerable: significant growth of goods volumes and electronic messaging, a lot more customers for our service, a growing number of travellers who require customs supervision, plus the necessary set-up of new processes at the ferries to and from the United Kingdom. The figures speak for themselves. The number of customs declarations, for instance, will be increasing by about 12,000,000. More than 12,500 extra vessels require additional checks. And the number of customs customers will rise by 40%: thanks to Brexit, 72,000 businesses will be faced with customs formalities for the first time.”

“At the same time, we had to throw up as few logistical obstacles as possible. The message from the government to Customs was crystal clear: safeguard the continuity of customs processes in relation to the flow of goods between Europe and the United Kingdom and do not cause any unnecessary delays in trade.”

“It was important for our new staff members to be deployable as soon as possible”

“To us, it was immediately clear that the only way to absorb the consequences of Brexit was to hire more staff. We have already recruited and trained about 930 additional customs officers. With a view to Brexit, we thought it was important for them to be deployable as soon as possible, which is why we fast-tracked a task-oriented training process. Our departure point isn't theory but the position and fulfilment of duties. After three months of Customs basic training, new

members of staff will join the actual work process, where practical coaches will provide more support and coaching. That too forms part of the task-oriented training.”

“We've completed intensive crisis exercises with our stakeholders”

“As the UK left the European Union on 31 January 2020, we can conclude that Customs prepared itself for Brexit as well as possible. And the same goes for the scenario of a no-deal Brexit, which may happen after the end of the transition period, which runs until 31 December 2020. Apart from our workforce, we prepared the national and European customs systems for Brexit and the investments for additional workplaces, equipment, means of checking and inspection locations at the ferry terminals have all been realised. Furthermore, all our preparations were tested in practice in 2019. For instance, we rehearsed checks at the ferry terminals and we extensively tested the stability of our IT systems. We also held intensive crisis exercises with our stakeholders to find out if we can deal with any emergencies and incidents after Brexit. Examples include access roads to the ferry clogging up.”

“Studies by EY, Capgemini and Deloitte have already demonstrated that Customs' Brexit preparations will withstand the test of criticism. A result which all of our organisational units contributed to and that's worth a compliment.”

Coach pur sang enjoys the company of eager young colleagues

“I’ve been part of the OSODT unit in the Rotterdam port area since 2005 and as a skipper on several Customs boats, I carry out surveillance on the water”, customs officer René de Veld explains. “Apart from being a skipper, I also offer young colleagues practical training. Myself and seven colleagues have taken on the role of mentor. Coaching is in my blood, I guess. I also fulfilled the role of practical coach during the former surveillance training. I enjoy inspiring a group of course participants and preparing them for their work in our largest sea port. Their drive and commitment also empower me.”

“The newcomers receive additional lessons in how to approach people – a vital element of our work”

“Brexit did pose a new challenge for the OSODT mentor group. After all, a lot of new, often young colleagues with fairly limited basic training joined us in a short period of time. In Rotterdam, we felt it would be unwise to send those newcomers out into the field after only four weeks of instructions on how to deal with violence. In our opinion, we had to also teach them how to approach people – a vital element of our work. In our customs region, the task-oriented part of the task-oriented training therefore covers about ten weeks. Our sports lecturers teach our

new colleagues how to use weapons, how to defend themselves, how to use handcuffs and pepper spray and how to stick to the procedure. The OSODT mentor group teaches them how to approach people. All these elements will be tested. New members of staff will be handed out weapons only if the results of the various tests are positive and then they can start their jobs under the supervision of a more experienced colleague.”

“If the experiences of our course participants are anything to go by, the combined approach of instructions on how to deal with violence and how to approach people has been received well in practice. And it hasn’t gone unnoticed because other customs regions now also intend to fully include this in the task-oriented training.”



“Coaching is
in my blood”

René de Veld
Surveillance Officer

Key statistics

| Subject | 2017 | 2018 | 2019 |
|--|--------|--------|--------|
| Mass processes, projects and ICT | | | |
| Number of processed declarations (x 1,000) | | | |
| Import duty and excise duty declarations | 25,165 | 22,525 | 24,185 |
| Supervision and investigation | | | |
| International mutual assistance | | | |
| Requests from Dutch Customs to foreign customs administrations | 625 | 554 | 523 |
| Requests from foreign customs administrations to Dutch Customs | 3,312 | 2,377 | 2,441 |
| Number of inspections performed (x 1,000) | | | |
| Hours for supervision external border (excl. passengers) | 399 | 385 | 410 |
| Scan checks, freight | 83 | 83 | 91 |
| Travellers' baggage | 603 | 391 | 267 |
| Ambulatory physical inspections (domestic and external border) | 22 | 17 | 17 |
| Inspections of import duty and excise duty declarations | 361 | 374 | 420 |
| Administrative checks (tax audits) | 2 | 2.6 | 2.2 |
| Other inspections | 120 | 136 | 141 |

| Subject | 2017 | 2018 | 2019 |
|---|--------|--------|--------|
| Number of corrections (tax/non-tax) and official reports (x 1,000) | | | |
| Corrections, physical inspections, freight | 6.1 | 6.9 | 7.5 |
| Corrections, couriers and postal consignments | 9.5 | 13.6 | 7.8 |
| Corrections, passengers | 10.5 | 15.1 | 17.4 |
| Corrections, ambulatory, domestic/external border | 0.6 | 1.4 | 1.6 |
| Corrections, administrative checks | 0.3 | 0.2 | 0.1 |
| Official reports | 14 | 12.8 | 9.1 |
| Samples from import and export declarations examined by the Customs Laboratory | | | |
| Agricultural policy measures | 831 | 646 | 1,045 |
| Excise duty legislation | 4,625 | 5,096 | 6,208 |
| Allocation to rate class | 10,692 | 13,691 | 13,628 |
| Sundry non-tax legislation | 4,158 | 3,920 | 3,297 |

| Subject | 2017 | 2018 | 2019 |
|--|--------|---------|---------|
| Goods seized (in kilograms unless stated otherwise) | | | |
| Cigarettes (numbers x 1,000) | 62,102 | 159,286 | 112,123 |
| Tobacco | 34,353 | 63,998 | 128,205 |
| Waterpipe tobacco | 1,259 | 42,253 | 15,933 |
| Cocaine | 10,219 | 21,188 | 40,095 |
| XTC | 830 | 472 | 426 |
| Amphetamine | 108 | 1 | 2 |
| Dimethyltryptamine (DMT) | 287 | 40 | 51 |
| Methamphetamine | 9 | 6 | 550 |
| Precursors | 7,196 | 6,529 | 5,744 |
| Heroin | 830 | 296 | 625 |
| Marijuana | 2,852 | 322 | 583 |
| Hashish | 716 | 3,910 | 299 |
| Qat | 6,371 | 3,331 | 2,050 |
| Weapons (in numbers, including imitation weapons) | 4,743 | 24,727 | 125,235 |
| Number of drug busts | | | |
| Cocaine | 1,146 | 1,251 | 1,109 |
| XTC | 164 | 344 | 489 |
| Amphetamine | 4 | 5 | 11 |
| Heroin | 66 | 110 | 25 |
| Marijuana | 90 | 125 | 231 |
| Hashish | 68 | 93 | 101 |
| Qat | 383 | 177 | 108 |

Colophon

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