



EUROPEAN ANTI-FRAUD OFFICE

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## **OLAF helps Member States seize 140 million cigarettes, detain 32 smugglers**

**When smuggled cigarettes find their way into the black market, they cause losses to the European Union (EU) and to national budgets. The European Anti-Fraud Office (OLAF) and its partners fight hard to stop smuggling at the EU doorstep, while working to dismantle the criminal networks benefitting from the illegal trade. In just three months, the combined efforts of OLAF and Member States led to the seizure of 140 million so-called cheap whites in six countries and the subsequent arrest of 32 people. OLAF played different roles in the operations, often bringing about the big picture and tying the knots between services and pieces of intelligence.**

"These operations made a solid contribution to thwarting the flow of illegal cigarettes inside the European Union by going to the core of problem, the criminal networks," OLAF Director-General Giovanni Kessler said.

Operations spanned several months and took place in a number of European countries. With OLAF's support, Belgian Customs halted a shipment carrying 90 million cheap whites from Egypt in May at the Port of Antwerp. Spain was the stage of three separate operations between May and July. The Spanish Customs had received information about a consignment arriving at the Port of Barcelona for from the United States (US). Although loaded with illegal cigarettes, the smugglers had planned to declare their cargo as *plastic scrap chips*. Upon arrival, the cargo was purposely not controlled and allowed to leave the Port of Barcelona so that the original recipient could be identified, leading to the arrest of three individuals and the seizure of 3.7 million cheap whites. Nine arrests were made in another operation based on OLAF's intelligence, this time involving a shipment arriving at the Port of Valencia in July. Misdeclared as *plastic shoes*, nine million American Legend cigarettes were seized. Later that month, OLAF provided the Spanish Customs with information on a suspicious airfreight cigarette shipment from the United Arab Emirates (UAE), heading for Barcelona El Prat Airport. As a result, 1.8 million Manchester cigarettes were seized.

Persistence proved to be a key factor when OLAF and the Lithuanian customs started surveillance of a suspicious shipment in early May. The information gathered through the Anti-Fraud Transit Information System (ATIS) led the Romanian Border Police, whom the

two bodies were cooperating with, to seize 1.2 million Marble cigarettes and arrest six individuals at the end of June.

Summer also ended early for smugglers in Greece, as OLAF triggered the confiscation of over 14 million President cigarettes by the Greek authorities in Thessaloniki in July. The smugglers had tried to mislead track-and-trace efforts by swapping transport documents with another container allegedly carrying plastic bags. The close collaboration with both EU Member States and with third countries was key to uncovering this modus operandi.

In the framework of the Hercules III programme on technical assistance, OLAF also cooperated with the Dutch Fiscal Information and Investigation Service (FIOD), raiding an illegal production factory and subsequently arresting 14 people. Initial estimates by the Dutch authorities point to roughly 5 million cigarettes seized, preventing the loss of circa EUR 1 million in customs, VAT and excise duties.

In addition to the operations taking place in the EU, OLAF also collaborated with the Ukrainian State Fiscal Service and, thanks to a swift exchange of information, seized more than 12.5 million Regina cigarettes and yet another 2.5 million cheap whites at the EU external border.

#### **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:**

Silvana ENCULESCU  
Acting Spokesperson  
European Anti-Fraud Office (OLAF)  
Phone: +32 2 29 81764  
E-mail: [olaf-media@ec.europa.eu](mailto:olaf-media@ec.europa.eu)

