WIADOMOŚCI CELNE
Nr 9/2009
MINISTERSTWO FINANSÓW – SŁUŻBA CELNA • WARSZAWA 2009 • ISSN 1230 9067



Combating cigarette smuggling by the Polish Customs Service

WIADOMOŚCI CELNE

REDAKCJA
Redaktor naczelny: Witold Lisicki
Sekretarz redakcji: Beata Zuba
Marcin Woźniczko

PROJEKT GRAFICZNY
Aleksandra Laska

Wykonawca: PROFESJA-DRUK
www.profesjadruk.pl

WYDAWCA
Ministerstwo Finansów – Służba Celna
Warszawa, ul.Świętokrzyska 12
www.clo.gov.pl
beata.zuba@mofnet.gov.pl
marcin.wozniczko@mofnet.gov.pl
tel.: (022) 694 46 30
tel./fax: (022) 694 35 02
nakład: 1800 egz.

3 **Combating cigarette smuggling by the Polish Customs Service**

Task Group Cigarettes Conference
organized by the Polish Customs Service
together with the European Anti-Fraud Office (OLAF)
10-14 October, 2009, Cracow

OLAF – European Anti-Fraud Office

Objective

The mission of the European Anti-Fraud Office (OLAF) is to protect the financial interests of the European Union, to fight fraud, corruption and any other irregular activity, including misconduct within the European Institutions. In pursuing this mission in an accountable, transparent and cost-effective manner, OLAF aims to provide a quality service to the citizens of Europe.

Methods

OLAF achieves its mission by conducting, in full independence, internal and external investigations. It also organises close and regular cooperation between the competent authorities of the Member States in order to coordinate their activities. OLAF supplies Member States with the necessary support and technical know-how to help them in their anti-fraud activities. It contributes to the design of the anti-fraud strategy of the European Union and takes the necessary initiatives to strengthen the relevant legislation.

Principles

OLAF activities will be carried out with integrity, impartiality and professionalism, and will, at all times, respect the rights and freedoms of individuals and be fully consistent with the law.



Combating cigarette smuggling
by the Polish Customs Service

Illicit trade and illicit production of tobacco products

Combating illicit trade and illicit production of cigarettes belong to the priority action of the Customs Service. This activity is in accordance with the EU policy, which in recent years has been special focus on combating and preventing from putting on the EU member states' market the cigarettes from illicit sources. Since 2006, taking into account the means and resources possessed, the priorities in fighting crime area have been determined in the Customs Service. The activities are concentrated on combating organized crime, particularly in the field of illegal trade in excise goods and drugs.

Since 2008, while there is an increase in the isolated seizures of goods, slowing down tendency of seizures amounts has been remarkably. It is a consequence of the Customs Service focus more on combating organized crime than on the control of small retail business and petty smuggling.

Number of disclosures in the Customs Service between 2007-2009 accounts for 92% of all disclosures.

Customs Service between 2007-2009 disclosed almost 77% of total number of cigarettes disclosed. According to the OLAF (European Anti-fraud Office) report and the WCO annual report, the Polish Customs Service is one of the most efficient among customs administration in terms of combating smuggling and illegal trade in tobacco products. Among the customs administration of EU countries the Polish Customs Service is on the second position, just after the British Customs and before the German and French one.

Customs-Excise Control and Gambling Control Department

Number of smuggling attempts or illegal cigarettes trade disclosed between 2007-2009 (1st half).

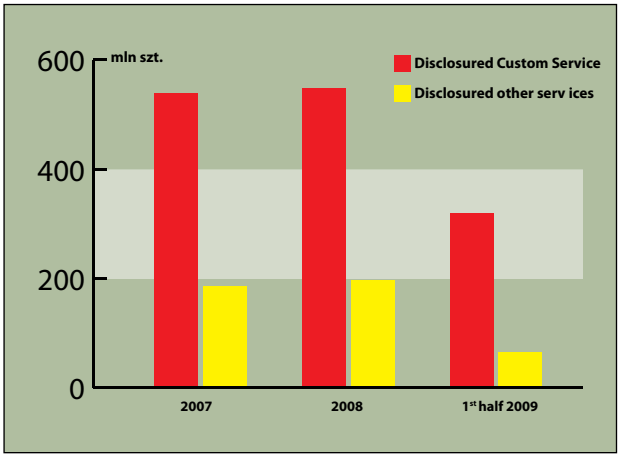
Year	Custom Service (tys.)	Other services* (tys.)	Total (tys.)
2007	111.9	7.6	119.5
2008	84.8	5.3	90.1
2009	56.2	2.4	58.6
All	253	15.3	268.3

*Disclosures registered by Police, Border Guard and fiscal authorities.

Number of cigarettes pieces seized during control

Year	Custom Service (mln szt)	Other Services (mln szt)	Total (mln szt)
2007	539	175	714
2008	547	195	743
2009	434	92	526
All	1.521	463	1.984

*Disclosures registered by Police, Border Guard and fiscal authorities.
**August 2009



Number of cigarettes pieces seized in Poland in years 2007-2008 i 1st half 2009

Information on Common Customs Operations with the participation of the Polish Customs Service in 2009 year concerning combating the smuggling of the tobacco products

In the last quarter of year 2009 the Polish Customs Service will participate in two Common Customs Operations (WOC) that will focus on combating the smuggling of the tobacco products within the European Union customs territory.

The first one is the Common Customs Operation called „MATEUSZ II (Mathew II). This is the continuation of the operation carried out in 2007 initiated by the Polish Customs who was also its main coordinator supported by the German and English Customs.

WOC „MATEUSZ II" will cover the territory of 27 including 22 EU Member States: Belgium, Bulgaria, Czech Republic (organizer), Denmark, Estonia, Finland, Greece, Spain, the Netherlands, Ireland, Lithuania, Luxembourg, Latvia, Germany, Hungary, Poland (co-organizer), Romania, Slovenia, Slovakia, Sweden, United Kingdom, Italy and 5 third countries: Croatia, Norway, Russia, Serbia and Switzerland.

Apart from the Polish Customs, Poland will be also represented by the Central Investigation Office within Police Headquarter (CBŚ KGP).

At the international level the operational actions will be supported by OLAF (the European Anti-Fraud Office), RILO-WE/WCO (World Customs Organisation, Regional Intelligence Liaison Office for Western Europe) and EUROPOL (the European Police Office).

The main objective of WOC „MATEUSZ II" is the fight against the smuggling of tobacco products being brought into EU territory through EU land (road) borders.

The operational plan also stipulates the actions to be undertaken in order to disclose the illicit cigarettes factories, monitoring the legal transports of products being used for the productions of tobacco products and machines for such production, improvement of cooperation methods as well as strengthening of the cooperation between the agencies participating in the operation.

Within the operation in subject the detailed control will concern the lorries entering the above mentioned countries as well as the vehicles going through the territories of those countries.

The control action will be performed both at the border and inland of the countries participating in the operation. Targeting of the vehicles for the control will be based on, among the others, agreed risk profiles.

During the actions the data of vehicles and people being controlled will be checked in databases of the countries participating in the operation Mathew II as well as in databases of OLAF and ERUROPOL.

The second operation, in which Poland will participate, is Common Customs Operation with code name „VIA BALTICA" that will be carried out by Customs Services of only 4 EU Member States (Estonia, Lithuania, Latvia and Poland). Similarly as in case of MATHEW II, the Polish Customs will be assisted by the Polish Police - Central Investigation Office.

The operational actions will be also supported by World Customs Organisation (expertise and IT assistance).

The main goal of WOC „VIA BALTICA" is the fight against the smuggling of tobacco products being brought into EU territory through EU Eastern land (road) borders.

The operational plan also stipulates the actions to be undertaken in order to disclose the illicit cigarettes factories, monitoring the legal transports of products being used for the productions of tobacco products and machines for such production, improvement of cooperation methods as well as strengthening of the cooperation between the agencies participating in the operation.

Within this operation the detailed control will focus on the cars and lorries entering the above mentioned EU Member States from Belarus and Russia as well as the vehicles going through the territories of these countries. The control action will be performed both at the border and inland of the countries participating in the operation. Targeting of the vehicles for the control will be based on, among the others, agreed risk profiles.

During the actions the data of vehicles and people being controlled will be checked in databases of the countries participating in the operation „VIA BALTICA".

Customs-Excise Control
and Gambling Control Department

Combating cigarette smuggling
by the Polish Customs Service

Eastern border

Customs Chamber in Białystok due to its geographical location is in charge of both external EU border (Polish-Belarusian border) and internal EU border with Lithuania. On the part of border 418 km length with Belarus there is a traffic on 3 road border crossing points:

- Customs Branch Bobrowniki
- Customs Branch Kuźnica
- Customs Branch Połowce

and 3 railway crossing points:

- Railway Customs Branch Kuźnica
- Railway Customs Branch Siemianówka
- Railway Customs Branch Czeremcha

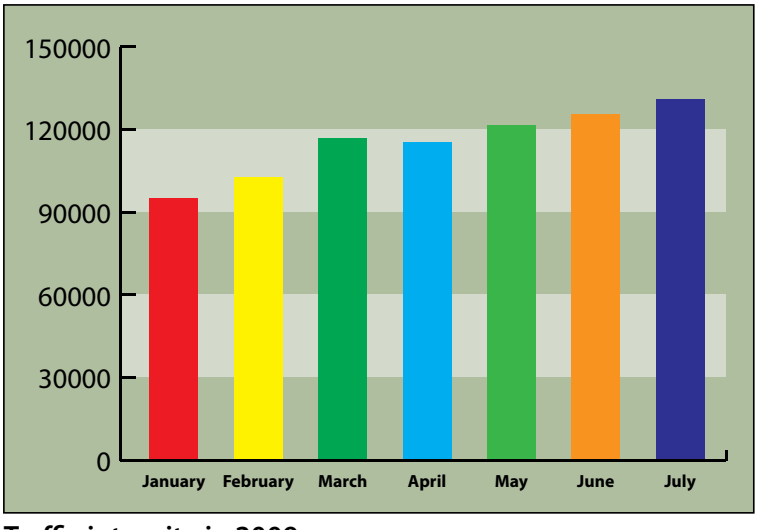
where the customs control is carried out on a regular basis.

Since 1 May 2004 customs officers from the mobile groups have been controlling 104 kilometers part of the internal border with Lithuania. After the entry of Poland and Lithuania into EU and after lifting the customs border with Lithuania, a gradual increase of traffic intensity is visible in this part. In 2007, 1463865 trucks passed the border, in 2008 – 1802069 and in the seven months of 2009 – over 808324 trucks. The traffic in this part is constantly growing.

Together with the growth of traffic intensity also the number of seized cigarettes increases. In 2007 in the territory of Customs Chamber in Białystok 725.937.031 pieces of cigarettes were seizured , in 2008 – 727 860 371 pieces and till the end of July 2009 – almost 517 052 627 pieces. What prevail are seizures made on the Polish-Lithuanian part of the border and on the roads going inland. New specialized equipment dedicated to control and increase in staff at the border crossing points led to the increase of control efficiency and the constant weakening of traffic intensity on the border with Belarus (from January till the end of July, the border with Belarus was crossed by 99972 trucks, and during the same time through the ex-border crossing point in Budzisko – 808324 trucks passed). Decreasing intensity of incoming commercial traffic resulted in more detailed and careful analysis of each transport and at the same time caused the lower probability of smuggling. Year in, year out, what is observed more strongly are changes both in the structure of smuggling and in the smuggling routes (cigarettes smuggling from Ukraine through Belarus and Lithuania to Poland and from Russia through Belarus, Lithuania Poland and further to the Western Europe).

It results from the analysis of smuggling cases, that the seizures up to 20000 pieces of cigarettes prevail on the Polish-Belarusian border. This amount is characteristic for individual smuggling in the touristic traffic. Organized crime, smuggling on large-scale (above 500000 pieces), moved to the Lithuanian part of the border. Well-organized transports, professional packing of goods with the use of specialized equipment and shipping and business documents well-prepared may suggest involvement of organized crime. Smugglers use original shipping documents from previous consignments, compiling them in order to hide the fictitious transportations. Smuggled cigarettes may be hidden in any kind of goods: in cereals, safe doors, wooden stairs, can beverages, vitamins, and even in animal tinned food.

Thanks to the activity of different services involved in the crime combating, from January till September 2009, over 70 cigarettes smuggling attempts were foiled in the Lithuanian direction. In each case over 100 000 pieces of cigarettes were seized. To sum up, it is 63 347 780 pieces of cigarettes overall what accounts for 61% of all seized cigarettes in this time in Podlaskie province.



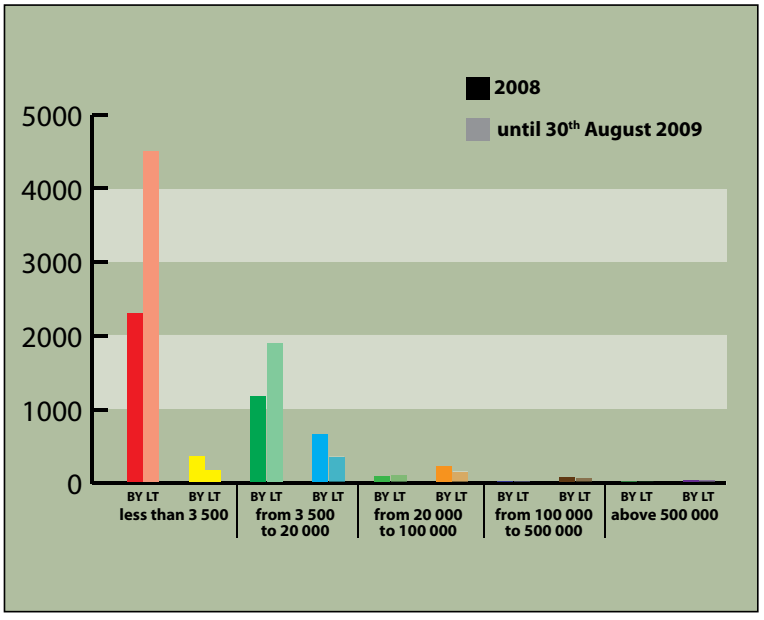
Traffic intensity in 2009 r.

Taking into account the scale of dangers related to the cigarettes smuggling from the territory of Lithuania, some activities aiming at limiting cross-border crime in this region were undertaken – in the Customs Chamber in Białystok National Cigarettes Task Group was created in 2007, this unit:

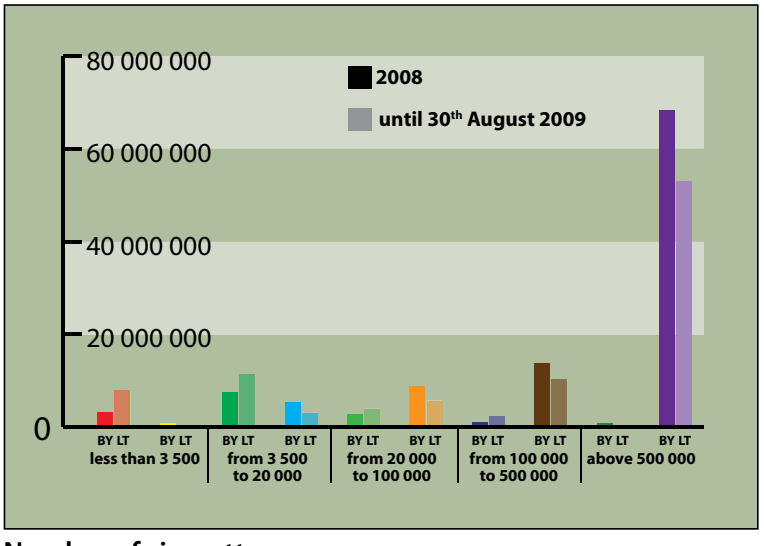
- provide the Customs Service management with the information needed to making decisions which lead to the reduction of illegal activities;
- stores, processes and analyses information on foiling attempts to smuggle, illegal production or trade in cigarettes;
- forward the results of conducted analysis to the customs chambers on a regular basis; these results relate mostly to:
- concealments in the means of transport

Combating cigarette smuggling
by the Polish Customs Service





Number of disclosures



Number of cigarettes

- means of transport used to smuggling
- goods used as masking in smuggling.

Co-operation with other national and foreign services is being developed in order to increase effectiveness. It aims to perform joint activities to seal the Polish-Lithuanian part of the EU internal border. For that purpose the detailed control place in Budzisko was possessed and RTG equipment for trucks scanning was installed.

The overall threat analysis of border part was presented at the meeting with the representatives of Customs from Lithuania, Latvia and Estonia (in Augustów, 15-17 June 2009).

One of the meeting's objective was to include Lithuania into common actions aiming at combating the illegal cigarettes traffic through the Baltic States.

As elements reducing the risk of increase in smuggling indicated:

- rotary performing of international customs operations aiming at combating illegal turnover of tobacco products;
- intensification of activities both on the Polish and Lithuanian part of the border in order to combat illicit trade in cigarettes;
- further strengthening of co-operation with other national control services involved in fighting cross-border crime (Police, Border Guard);
- signing of the new agreement between Customs Services of Poland and Lithuania on creating Joint Services Contact Point to combat cross-border crime;
- tightening co-operation with the Contact Points at the Lithuanian-Latvian border;
- participation in the assistance programs which enable to fund equipment, trainings and joint actions aiming at reducing cross-border crime.

Mieczysław Dziaduła
Customs Regional Office in Białystok

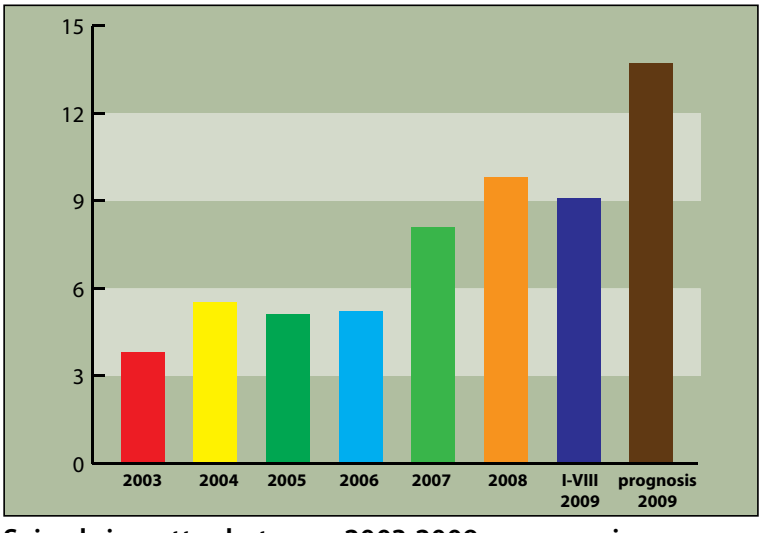
Fighting against cigarettes smuggling in the Customs Chamber in Biała Podlaska

Nowadays combating cigarette smuggling is the biggest challenge for the Customs Service. Especially the Eastern border as the external European Union border is attractive to the different types of contraband. Only in the last year and only in the part of border in the Lubelskie province the customs officers confiscated 10 millions of cigarettes packages. It is circa 270 tons. It may be said that the number of smuggling attempts foiled increases by 20-25% year by year.

It is obvious that the smuggling is likely to increase since the contraband is profitable. Even 2-3 times more costs the cigarette package bought in Ukraine and then sold in the area near border. Its price definitely goes up in Germany or Great Britain and costs 5-6 times more. The price depends also on the brand. If the organized crime and big consignment of cigarettes are considered, profit on sales ma be comparable to the profit on drug sale.

While the type of contraband goods is the same, the tendency of smuggling changes. The freight trains have become the mean of transport more frequently used by the smugglers. But still the contraband cigarettes found in the trucks are confiscated on the border. Although each vehicle is scanned at the border crossing point, the smugglers do not give up these illegal activities. Usually they hide cigarettes under other goods – timber planks, metallurgical scrap material, wire coil. If the petty smuggling is considered, empty spaces in the car construction are used. The cigarettes are usually found in the vehicles' tyres, seats and in the gas containers. However the smugglers keep looking for new ways of smuggling. The examples of the most "original" ones are: cigarettes hidden in books with specially designed hole, in yarns pieces and in refrigerators.





Seized cigarettes between 2003-2009 – prognosis

The cigarette contraband varies also by the country of origin. The amount of smuggled cigarettes from Belarus is very low in comparison to the Ukrainian direction. 90% of all seized cigarettes are confiscated at the border crossing points with Ukraine.

Huge part of smuggled cigarettes is destined for the markets in France, Germany, Great Britain, which is confirmed by the disclosures made by services of those countries. Only a tiny part of smuggled cigarettes is left in Poland.

Both, cigarettes crime detection rate and efficiency in combating cigarette smuggling increase. Customs officers from Customs Chamber in Biała Podlaska confiscated over 9,1 million packages of cigarettes until August this year. If the tendency is to continue, there will be almost 14 million of packages at the end of the year.

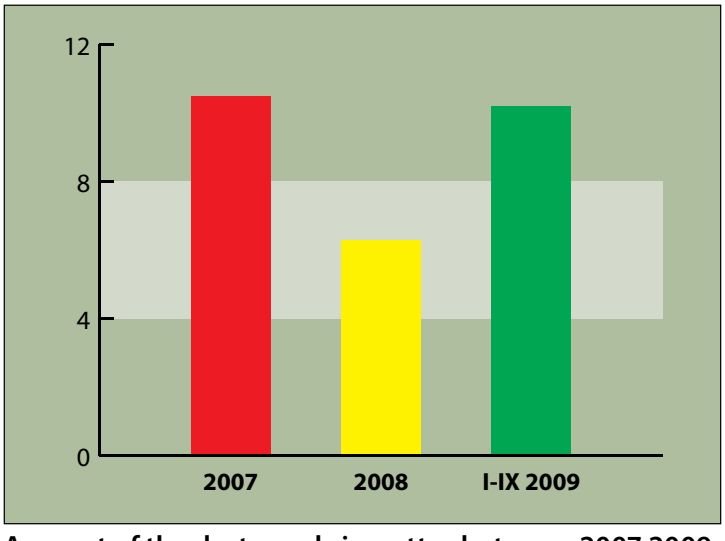
In this year over 10 millions cigarettes packages have been already destroyed.

Creative ways to smuggle cigarettes:

- "grandmother smuggling" – 72-year-old

woman, Russian nationality, hid cigarettes in the yarns. She confessed to travel from Russia to Germany to visit her son. There were over 2 thousands of cigarettes packages hidden in the yarns.

- "man of letters" smuggling – cigarettes hidden in the holes made in the books (books had to be huge and hardcover)
- customs officers could "admire" creativity of smugglers finding cigarettes in:
- tar
- caustic soda
- refrigerators
- refrigeration truck, where previously the fishes had been transported; cigarettes were hidden in the side walls of semi-trailer; dirt and stench of stinking fish waste was to deter customs officers from the detailed control;
- sofa bed;
- vacuum cleaner pipes;
- concealments in the trains prepared by the smugglers are very often atypical and dangerous – the customs officers found cigarettes in WC container, high voltage boxes; the cigarettes covered emergency cord (being blocked by the cigarettes packages were unlikely to use if needed) or were located near to the trailing socket.



Amount of the destroyed cigarettes between 2007-2009

Marzena Siemieniuk
Customs Regional Office in Biała Podlaska

Threat of Cigarettes Smuggling in a Border Pedestrian Traffic

One of the main reasons of using border crossing points for illegal import of cigarettes into Poland is profit made on sale of smuggled cigarettes on internal or local market. Most of cigarettes are smuggled in travellers' luggage or on the body. Profitability of such activity is caused by big difference between sales prices in the EU and purchase prices in east European countries such as Belarus, Russia, Ukraine and also by avoiding of tax and Customs duty payment as well as relatively low cost of smuggling.

As far as territory of Poland is concerned, pedestrian traffic flows mainly through the border crossing in Medyka.

Average single disclosure in pedestrian traffic in 2008 amounts to 580 pieces of cigarettes, the biggest one concerned 3500 pieces of cigarettes.

In general, cigarettes are hidden by travellers in outer clothing (also in their luggage) and customs officers disclose them during personal search. Persons smuggling cigarettes in clothing look unnaturally, which is especially visible in summer season when clothing does not fit to the air temperature.

The most popular brands smuggled by persons in Medyka pedestrian crossing are: LM, PRIMA and CLASSIC.

Cigarettes smugglers in pedestrian traffic are mainly Polish nationals living in Przemyśl or nearby. Average age of smugglers is 27. This is because, Przemyśl is located 13 kms from the Medyka border post and unemployment in the region reaches14,1%. The ant smuggling is the only source of profit for local population.

Moving Cigarettes in the Community Road Passenger Transport.

Prices of cigarettes in the countries of Eastern Europe are much lower than in the Western Europe. Highest prices are met in France, Norway and Iceland. In Germany cigarettes' prices oscillate around 4€. It is 50% more than the price of cigarettes sold in Poland. Most cases of cigarettes smuggling, except the border posts between Poland ,Russia, Ukraine and Belarus, are disclosed on the Polish-Lithuanian border. Poland is an important redeployment point of tobacco contraband from the east. Transports of cigarettes are destined mainly to Germany, France and the United Kingdom. Sales price of cigarettes in Germany is 3€ higher than the one in Lithuania, which makes smuggling profitable. Due to the differences in prices of tobacco products among countries profits from smuggling activity will grow.

Combating cigarette smuggling
by the Polish Customs Service

Both smuggling to Poland and to the other member states is very profitable. Number of smuggled cigarettes imported to Poland has been growing for years. Their prices are attractive for smokers who complain about rising prices of legal tobacco products. From January till October of 2008 sale of legal tobacco products reached 4.8 billion pieces. It was 8% less than the cigarettes sold in 2007. At the same time the Border Guard, Customs, Police and tax offices seized 626 million of cigarettes. Illegal trade limits state's excise revenues which in 2008 reached approximately 15 billion zlotys. Budget losses caused by smuggling and illegal trade amount to 1.5-2 billion zlotys. Black market of tobacco products results in losses of tobacco companies which can expect 15% lower sale and 25 million zlotys lower profits per year. Cigarettes smuggling can be compared to drugs smuggling but it is much safer activity because punishments for this crime are much lower. Cigarettes and tobacco products are more than 60% of all goods smuggled into the EU.



Leading brands seized in the Community passenger road transport in 2007 – 2008 were LM, JIN LING i MARLBORO. In 2008 comparing to 2007 number of smuggled cigarettes LM, JIN LING and PALL MALL grew up significantly. Number of smuggled WEST and PRIMA cigarettes rose slightly. Smuggling of MARLBORO, SAINT GEORGE and PRILUKI was lower than in 2007.

Basic directions of smuggling in the Community passenger road transport concerning territory of Poland are:

- from Lithuania to Poland



Combating cigarette smuggling
by the Polish Customs Service

• from Poland to Germany
• from Czech Republic to Poland and vice versa
• from Slovakia to Poland and vice versa.

Threat of Cigarettes Smuggling in Railway Passenger Border Crossing Points

One of the main reasons of use of railway passenger traffic for illegal import of cigarettes into the EU usually hidden in carriages or in passenger luggage are potential profits from illegal sale of smuggled cigarettes on internal markets.

Profitability of such activity is caused by big difference between sales prices in the EU and purchase prices in east European countries such as Belarus, Russia, Ukraine and also by avoiding of tax and Customs duty payment as well as relatively low cost of smuggling.

Railway border crossing points in Poland engaged in such activity are: Braniewo, Czeremcha, Dorohusk, Krościenko, Kuźnica, Przemyśl, Terespol.

90% of cigarettes were seized in railway border posts with Ukraine in Dorohusk and Przemyśl. Only 20% of passenger traffic flows through these crossings which proves that the seizures in carriages were really big. Most of the cigarettes entering from Ukraine are disclosed on trains departing from Kiev. A great number of seizures were noted on the trains Grodno – Kuźnica, Chyrów – Sanok and Brześć - Terespol. These are short distance international trains. They are used by local people living near the border and dealing with ant smuggling. They are usually Ukrainians, age of 30, living in Lwów, Iwonofrankowsk, Mościska, Odessa, Czerniowce, Kiev.

In many cases the smuggler is unknown because most of cigarettes are smuggled in hiding places in passenger carriages such as seats, walls, roof, ventilation systems and no passenger admits that cigarettes belong to him.

In most of cases smuggled cigarettes are disclosed during routine controls or random checks but also as a result of risk analysis.

Threat of Cigarettes Smuggling through the Border Crossing Points in Railway Cargo Traffic.

One of the main reasons of use of railway cargo traffic for illegal import of cigarettes into the EU usually hidden under declared goods are potential profits from illegal sale of smuggled cigarettes on internal markets or in Western Europe. Profitability of such activity is caused by big difference between sales prices in the EU and purchase prices in East European countries such as Belarus, Russia, Ukraine and also by avoiding of tax and Customs duty payment as well as relatively low cost of smuggling.

Railway cargo traffic flows through the border crossing points with Russia (Skandawa, Braniewo), Belarus (Terespol, Małaszewicze, Kowalewo, Kuźnica, Siemianówka) and Ukraine (Dorohusk, Medyka – Żurawica, Hrubieszów, Werchrata).

Special attention should be paid to the wide railway track line called LHS leading from the border post in Hrubieszów to Sławków in Silesia. LHS was constructed in order to transport iron ore, sulphur and coal to the former USSR without necessity of reloading the cargo on the border. It is the longest wide railway track line in Poland and the only one located in this part of Europe.

LHS goes through the Southeastern and the Southern part of Poland and is about 400 kms long. In Poland it starts on the Polish – Ukrainian border on Bug river near Hrubie-



Combating cigarette smuggling
by the Polish Customs Service

szów. It is currently used for transport of coal, iron ore, wood, construction materials and trucks. Goods cleared in Hrubieszów are transported to reloading points located along the LHS line.

Taking into account the fact that the goods imported to Poland can be moved inland without reloading it is very important that the cargo is subjected both to border controls and controls in reloading points performed by mobile groups. The risk of cigarettes smuggling into the territory of Poland on this line is high which can be proved by seizure of 452 000 cigarettes with Ukrainian excise labels on 17 December 2008 during reloading of industrial salt cargo in Staszów.

99% disclosed cigarettes were seized in the railway border posts with Ukraine (Dorohusk, Medyka – Żurawica, Hrubieszów). Minor seizures were reported in the railway border posts with Belarus (Terespol and Małaszewicze).

Most often smuggled cigarettes are hidden under bulk cargo such as broken stone, coal, iron ore, corn, wheat, clays and wood or bricks.

Due to kind of cargo (detailed control requires application of specialist equipment) and the fact that the cargo is transported without customs seals there is a risk that the contraband can be loaded after the customs control has been performed and unloaded before the cargo has been declared.

Irregularities in the Area of Tobacco Products in Road Passenger Border Traffic.

One of the main reasons of use of road passenger traffic for illegal import of cigarettes into the EU usually hidden in special hiding places in passenger vehicles are potential profits from illegal sale of smuggled cigarettes on internal markets or in Western Europe. Profitability of such activity is caused by big difference between sales prices in the EU and purchase prices in East European countries such as Belarus, Russia, Ukraine and also by avoiding of tax and customs duty payment as well as relatively low cost of smuggling.

Road passenger traffic flows through the following border crossing points : with Russia (Gronowo, Bezledy, Gołdap), Belarus (Kuźnica, Bobrowniki, Połowce, Terespol, Sławatycze), Ukraine (Dorohusk, Zosin, Hrebenne, Korczowa, Medyka, Krościenko). It is estimated that more than 50% of passenger vehicles and 60% of coaches enter Poland through the road border crossing points with Ukraine. More than 73% of seizures in road border crossing points and more than 72% of seized cigarettes in 2008 are associated with this part of border.

In December 2008 duty and tax free allowances for passengers on excise goods which can be imported into the EU were limited. After introduction of these limitations number of passengers crossing the border decreased..

Most of the seizures observed in passenger vehicles, where average seizure reached approximately 4000 pieces of cigarettes. However it must be stressed that the biggest seizures took place in coaches which may prove that the drivers were involved in smuggling activity. It was usually connected



with the cases when cigarettes were hidden in empty construction spaces of the coach where passengers had no entry and loading of contraband required dismantling of coach.

Irregularities in the Area of Tobacco Products in Road Cargo Border Traffic

One of the main reasons of use of road cargo traffic for illegal import of cigarettes into the EU usually hidden in transported goods or in special hiding places are potential profits from illegal sale of smuggled cigarettes on internal markets or in the Western Europe. Profitability of such activity is caused by big difference between sales prices in the EU and purchase prices in the East European countries such as Belarus, Russia, Ukraine and also by avoiding of tax and Customs duty payment as well as relatively low cost of smuggling.

Road cargo traffic lows through the border posts on the border with Russia (Gronowo, Bezledy, Gołdap), with Belarus (Kuźnica, Bobrowniki, Koroszczyn), with Ukraine (Dorohusk, Hrebenne, Korczowa, Medyka, Krościenko),

As far as the number of seizures as well as the amount of smuggled cigarettes is concerned the highest risk of smuggling occurred on Ukrainian border where 52% of trucks entered Poland in 2008. The highest number of cigarettes were seized in Dorohusk (53,3% of all seized cigarettes) and in Korczowa (26,6% of all seized cigarettes). The highest number of trucks entered Poland in 2008 through Dorohusk (20,85% of all cleared trucks) and Korczowa (14,72% of all cleared trucks)

Most of seizures were observed in vehicles cabins as well as in the hand luggage which indicates that the drivers could be involved in smuggling. Taking into consideration the places of hiding it should be mentioned that not in all border crossings cigarettes were seized in the same hiding places. Most of the seizures in vehicles cabins were observed in Korczowa, most of the seizures in hand luggage were observed in Medyka. The highest number of seizures in transported goods were reported in Korczowa.

Head of Enforcement Division
Andrzej Tadla
Customs Regional Office in Przemyśl

HIGH LEVEL MEETING OF THE POLISH, LITHUANIAN, LATVIAN AND ESTONIAN CUSTOMS ON TRAFFICKING OF TOBACCO PRODUCTS IN THE REGION

Suwałki/Augustów, Poland

16 June 2009

The overall aim of the seminar was to agree on common approach to the problem as well as jointly work out effective methods for combating the illegal trafficking of tobacco products in the Region.

Following presentations given by each country on activities performed to tackle smuggling of tobacco products on national and international levels, the discussion brought about following conclusions and proposals of concrete activities to be implemented in the region:

1. Setting up of the expert group for discussion and exchange of knowledge on new trends, phenomena, risks, initiatives as well as to find proposals on prevention measures, joint actions and operations. Its role would be also to define scope, principles and technical details regarding exchange of information.
2. Strengthening of Customs activities in the Region, such as joint operations led by different administrations, taking into account location of risks. Polish Customs will organize the first meeting of the expert group that will define the operation frameworks and will lead the action. The outcomes from the operation will be assessed on the High Level meeting.
3. Broader use of RIF, CIS and other EU exchange information systems or WCO CENCOMM system for cooperation in our region is recommended. Partner Customs Services will discuss possibility of setting up a supplementary exchange information system for quick communication in the Region ("Via Baltica customs information system"). Expert meeting will establish concrete channels for exchange of information among Customs Services of our region.
4. As additional tool to assists partner Customs Services of the region in organizational, technical or analytical work it is recommended to use of the WCO ECE RILO.
5. Where relevant and feasible, establishing of Customs-Police Cooperation Centres at the borders can be taken into account. Cost calculation as well as possibility to use other tools for fast inter-agency communication play important role in this context.
6. In order to strengthen cooperation with third countries on tobacco smuggling, the Customs Services of the Region will consider to include into bilateral meeting's agendas with Russian and Belorussian Customs, the topics concerning the problem of illegal tobacco trafficking.
7. Organization of a regional meeting on tobacco smuggling with participation of Russian and Belorussian Customs will be taken into account.
8. Customs Services will participate in regional assistance projects funded by the EU, which give opportunity to co-finance investments, purchase equipment, arrange training for Customs officers.
9. Distribution to the public on the national level of the information regarding cooperation in the field of combating tobacco smuggling and illegal turnover is encouraged to demonstrate engagement and unity of Customs Services in the Region.
10. Further cooperation with OLAF, Europol and tobacco producers is recommended.
11. Organization of High Level meetings on tobacco smuggling in the region on periodical basis to keep cooperation ongoing will play the key role in assessment of agreed activities and shall help to take further strategic decisions in this area. Drafting of joint announcement/press-release on conclusions from these meetings.

Customs Policy Department

Combating cigarette smuggling
by the Polish Customs Service

RILO ECE

As information and intelligence exchange is one of the pillars of the WCO's enforcement strategy, the Organization has set up a global network of Regional Intelligence Liaison Offices (RILOs). The RILO is a regional center for collecting, analyzing and supplementing data as well as disseminating information on trends, modus operandi, routes and significant cases of fraud.

The aim of this mechanism is to enhance the effectiveness of global information and intelligence exchange as well as co-operation between all the Customs services tasked with combating transnational crime.

The RILO network currently comprises 11 Liaison Offices covering the WCO's six regions. One of them is RILO ECE based in Warsaw in the structure of Polish Customs Administration, as the special unit within the Department of Customs Policy in the Ministry of Finance.

This mechanism is split into three levels which operate interactively and in a complementary manner, namely :

- at national level, the Member administrations' National Contact Points (NCPs) gather information on seizures made from existing sources, electronically input data into the CEN or transmit the said data to RILOs by fax or post, analyze the information to ascertain new trends, produce Alerts and transmit them to the RILOs for regional circulation, and co-operate nationally with the full gamut of enforcement agencies or services;
- at regional level, the RILOs study and evaluate international seizures, verify the accuracy of the CEN data supplied by the NCPs, prepare and circulate Alerts and intelligence profiles, issue periodicals or ad hoc analysis bulletins, devise, organize and support regional intelligence-based operations, facilitate mutual assistance and co-operation with other enforcement services and provide technical or other assistance to NCPs;
- at international level, the WCO Secretariat is responsible for the central management of the CEN by using, operating and maintaining the system as a global information and intelligence tool for the RILO network, periodically conducts global strategic and tactical analyses based on information available in the CEN, circulates a summary of its analyses in its annual reports, offers training and technical assistance to the RILOs and their Members, and shares strategic information with other international organizations.

The RILO mechanism is supported by the Customs Enforcement Network (CEN), a global data and information-gathering, analysis and communication system for intelligence purposes.

The CEN contains:

- database of 13 different commodities covering all principal fields of action of Customs worldwide;
- information on seizures of tobacco products is stored with the aim to facilitate the exchange of information and identify trends;
- alerts – created on the basis of information provided by the Member countries;
- Concealment Picture Database – exceptional concealment methods and X-ray pictures;
- National intelligence reports;
- Reference database of cigarette, fiscal labels, health warnings and packaging.

One of the most important and valuable RILO ECE tasks is preparation of analyzing reports for enforcement purposes and the participation in different kind projects.

RILO ECE – Tobacco issues

RILO ECE annually prepares a report reflecting the situation in tobacco smuggling in the region of Eastern and Central Europe. Additionally RILO ECE prepare information concerning tobacco issues in periodical report (Herald – each quarter) and inform about significant seizures concerning cigarettes in the "Alerts".

RILO ECE is sustaining other organization in combating the phenomena of tobacco smuggling by providing them with the analytical support. RILO ECE prepared the post operational reports to the operation Shadow II and Shadow III concerning tobacco smuggling organized by SECI Center and took part in the preparation of the operational plan for the operation Shadow IV in this matter.

RILO ECE took part in the common project of OLAF, EUROPOL and WCO on illicit factories of cigarettes which is going to be continue.

Actually RILO ECE started realization of the new project concerning tobacco issues – the illicit movement of cigarettes below the limits. The project aim is to carry out an analysis to identify risk indicators which can assist law enforcement officers in detecting and dealing with smuggling of small amount of cigarettes.

Customs Policy Department



Cigarette smuggling – disclosures

Record-breaking disclosure of cigarettes by the Customs Regional Office in Katowice

Almost 5 200 000 cigarettes were disclosed by the customs officers from the Customs Regional Office in Katowice together with officers from the Police Station in Bielsko-Biala. The customs officials of both services entered the property which included also the storehouse just at the moment when the "hot" goods were unloaded. The cigarettes were probably smuggled from Ukraine.

A sender of those illegal goods wanted to hide them by masking them with sparkling drinks (when the officials opened a semitrailer of a truck-tractor, they saw only bottles of sparkling drinks). Documentation which assisted the track indicated also the sparkling drinks.

All the disclosed cigarettes had Ukrainian excise stamps. The market value of these goods amounts over 2 000 000 PLN.

In case these goods were on the market, the State Budget would loose 2 740 000 PLN of unpaid customs and tax duties. Last year customs officers of the Regional Customs Office in Katowice disclosed almost 10 740 000 cigarettes, which value was estimated to amount 4 000 000 PLN.

Aldona Węgrzynowicz
Spokesman of the Regional Office
in Katowice



Three and half a million JIN LING

Smuggling cigarettes of 1.000.000 PLN value was disclosed by Customs officers from the Mobile Group in Wrocław.

Customs officers and Border Guard officers disclosed an illegal store with tobacco products. Over 175.000 JIN LING cigarette boxes were seized, they had been earlier smuggled from behind the EU Eastern border. Most probably the store was a transfer place where the smugglers were preparing shipments of cigarettes in different trucks going to the Western Europe. To unable to disclose cigarettes by specially trained service dogs, the smugglers used to spray cardboard boxes with chemical devices against cats and dogs. All seized cigarettes came from Russia and had Russian excise labels.

Aleksandra Pokora
Spokesman
Customs Regional Office in Wrocław



Combating cigarette smuggling
by the Polish Customs Service

Container full of cigarettes

On 24th August Pomeranian Customs officers disclosed over 4 million cigarettes, value 1.700.000 PLN. In the course of checking a container which came from China, Customs officers from Gdynia put attention to cardboard boxes with china tea-sets which were declared as bed-clothes. In result of further checking, officers found 4.200.000 LM cigarettes (value 1.680.000 PLN) without Polish excise labels. Cardboard boxes and cigarette boxes were marked with Polish overprints, even with unit prices which means that their destination was Polish market. They were placed at a customs store belonging to the Customs Chamber in Gdynia.

This action was conducted in cooperation with the Pomeranian Police and the Central Investigation Bureau. Two people were arrested and further investigation is going on.

Marcin Daczko
Spokesman
Customs Regional Office
in Gdynia



Once again together means successfully

On Wednesday, 26th August 2009 officials of Special Tax Supervision together with Mobile Group Division in Olsztyn and officers from Police Station in Dobre Miasto carried out common control action in Olsztyn district.

In Dobre Miasto they stopped a Citroen Jumpy to control. Krzysztof R., a resident of our region drove a car. During controlling the car, customs officers disclosed tobacco products hidden in a cargo section. There were 100 kg tobacco drought packed in foil sacks 2 kg each. Krzysztof R. was stopped and passed to Police Station in Olsztyn. All secured goods were transported to the deposit of the Customs Regional Office.

Monika Czyżewska
Customs Regional Office in Olsztyn



Combating cigarette smuggling
by the Polish Customs Service

We protect health and life, E-cigarettes

Customs officers from the Postal Section of the Customs Office in Przemyśl checked a parcel from China and found 6 Mini E-cigarette boxes with 6 additional cartridges.

E-cigarette is a not flammable, electronic and ecological cigarette which contains no tar nor other components which could be harmful. It is safe for environment and can be used everywhere (at the office, in the bus, on the airplane). Additionally, quitting smoking is painless even for hard smokers.

Seems to be very positive but… Due to lack of respective EU marks (CE), information on producer and certificates – Customs officers applied to the Electronic Communication Office in order to obtain opinion on security of E-cigarette sets.

In opinion received on 11th August 2009 it is clearly stated: lack of CE mark on E-cigarette box means that this product does not meet basic requirements which leads to conclusion that relief for circulation or use of it is prohibited.

This time "ecological" and "not harmful for health" cigarettes were not allowed to appear on the market.

Aneta Wilczyńska
Małgorzata Czesak
Regional Office in Przemyśl



Night chase

Almost 24-kilometer chase in dense snowstorm, dynamic blockade of escaping black BMW and… thousands of smuggled cigarettes in one boot – this is a synthetic description of a road control exercised was at night by Lodz customs officers from Enforcement Division and officers of Border Guard.

Near Sulejow, customs officers from Lodz Regional Office and Border Guard designated a BMW car moving very quickly to control. The driver did not stop when he was called by the officers and started escaping using back roads. Exceptionally bad weather conditions on the roads of the region caused that the driver lost control over the vehicle. Then his car was blocked by the cars of Customs Service and Border Guard. After stopping the car, the driver locked himself inside and did not react when asked to leave the vehicle.

Only braking the window and disabling him allowed the Customs officers to control the car.

The result of the control was impressive. The customs officers found in a car's boot : 8670 packages of smuggled cigarettes. Their market value amounts over 65000 PLN. A man – 35-year resident of Lodz spent the night at the police station. During questioning he confessed an act of possession of illegal goods. He denied a charge of escape. As he said he thought that the cars with sirens on were just … clearing his way.

Anna Ludkowska
Spokesman
Customs Regional Office in Lodz



Combating cigarette smuggling
by the Polish Customs Service

Waterpipe Aromatizated Tobacco

Holiday travel season is still going on. For customs officers paying their duties at the airports it is time of increased work, which is inseparably connected with greater number of travellers and charter flights.

This time customs officers at Pyrzowice airport during regular control of travellers' luggage disclosed 49 tobacco cartons containing 10 packages of waterpipe aromatic tobacco each.

As this amount of tobacco importing to our country exceeded limits exempted from customs duties and the traveller had not declared the importation to the customs authority, a penal-fiscal proceeding against him (a Polish citizen) was launched.

Waterpipe aromatizated tobacco was seized and placed in customs deposit.

Aldona Wegrzynowicz,
Spokesman
Customs Regional Office in Katowice



He thought, he would escape

24th of August 2009 on Monday, an officer from Ilawa Customs Mobile Group coming back from his patrol by non-marked Customs Service car noticed a car passing nearby. Mercedes Vito with Bartoszyce plates seemed to look familiar from other disclosures. He decided to inform his superior, who recommended him to follow the suspected car. While following the Mercedes, the officer was in touch with his superior and other customs officers, who set off from their headquarters to assist him in chase. From Rudzienice the position of the suspected car was passed constantly what allowed for coordination of the Service cars departure. The car according to supervisor's recommendation was to stopped in Nowa Wies on the state road no 16. When the driver saw a Customs Service car standing cross the street, turned right and thereby ran to the dead end. Mobile Group cars immediately cut his way. As it turned out Mariusz. Sz., resident of Warmia-Mazury Region was a river of the car. The officers disclosed 10 000 packages of Jin Ling cigarettes without Polish excise stamps. As result of this the car was directed to the parking of Customs Branch in Ilawa in order to get out all of the contraband. A penal-fiscal proceeding against him was launched and the goods were confiscated.

Monika Czyżewska
Customs Regional Office in Olsztyn



Combating cigarette smuggling
by the Polish Customs Service

Cigarettes did not go

Customs officers from the Mobile Supervision Group in Szczecin (together with Police officers) seized 65.000 cigarette boxes without Polish excise labels, value 553.000 PLN. The Treasury's estimated loss due to unpaid customs and tax fees amounts to around 860.000 PLN.

Cigarettes were hidden in a car which was parked at one of Szczecin wharfs. They were prepared to be loaded on a barge sailing to Western Europe.

During routine checking action conducted together with the Border Guard officers from Gryfino, Customs officers from the Mobile Supervision Group in Szczecin disclosed 1.328 cigarette boxes and almost 6 litres of alcohol beverages with Polish excise labels. They were hidden in a luggage-carrier and tyres of the car belonging to one of Pomeranian citizens. The illegal consignment was seized for further proceedings and its value amounts to 11.500 PLN while unpaid customs and tax fees - around 18.000 PLN.

Monika Woźniak-Lewandowska
Spokesman
Customs Regional Office in Szczecin

