

**COMMISSIONE PARLAMENTARE DI INCHIESTA
SUI FENOMENI DELLA CONTRAFFAZIONE,
DELLA PIRATERIA IN CAMPO COMMERCIALE
E DEL COMMERCIO ABUSIVO**

RESOCONTO STENOGRAFICO

AUDIZIONE

62.

SEDUTA DI GIOVEDÌ 3 NOVEMBRE 2016

PRESIDENZA DEL PRESIDENTE **MARIO CATANIA**

INDICE

	PAG.		PAG.
Sulla pubblicità dei lavori:		Catania Mario, <i>Presidente</i>	2, 5, 6, 7, 8
Catania Mario, <i>Presidente</i>	2	Bordo Franco (SI-SEL)	7
AUDIZIONI NELL'AMBITO DELL'APPROFONDIMENTO TEMATICO IN MATERIA DEL RAPPORTO TRA CRIMINALITÀ ORGANIZZATA E CONTRAFFAZIONE.		Cenni Susanna (PD)	5
Audizione di rappresentanti dell'Interpol: Direttore III Divisione Servizio per la cooperazione internazionale di Polizia, Massimiliano Razzano:		Gallinella Filippo (M5S)	6
		Razzano Massimiliano, <i>Direttore III Divisione Servizio per la cooperazione internazionale di Polizia dell'Interpol</i>	2, 6, 7
		<i>Allegato:</i> Documentazione prodotta da Interpol	9

PRESIDENZA DEL PRESIDENTE
MARIO CATANIA

La seduta comincia alle 8.35.

(La Commissione approva il processo verbale della seduta precedente).

Sulla pubblicità dei lavori.

PRESIDENTE. Avverto che, se non vi sono obiezioni, la pubblicità dei lavori della seduta odierna sarà assicurata anche attraverso impianti audiovisivi a circuito chiuso.

(Così rimane stabilito).

**Audizione di rappresentanti dell'Interpol:
Direttore III Divisione Servizio per la
cooperazione internazionale di Polizia,
Massimiliano Razzano.**

PRESIDENTE. L'ordine del giorno reca, nel filone di lavoro che riguarda la relazione che sta curando la collega Cenni, l'audizione del colonnello Razzano, direttore della III Divisione del Servizio per la cooperazione internazionale di Polizia dell'Interpol.

Sostanzialmente, si tratta, come mi spiegava il colonnello, di un gruppo interforze posizionato nell'ambito delle nostre Forze di polizia, che è l'interfaccia italiano di Interpol stesso.

Sono presenti, con il colonnello Razzano, anche il colonnello De Angelis, della Guardia di finanza, il maresciallo Squillaro e il brigadiere capo Rupolo.

Non abbiamo oggi moltissimo tempo, perché c'è Aula, ma sono convinto che faremo in tempo a fare anche tutte le

domande che abbiamo bisogno di formulare.

Do la parola al colonnello Razzano.

MASSIMILIANO RAZZANO, *Direttore III Divisione Servizio per la cooperazione internazionale di Polizia dell'Interpol.* Ringrazio il signor presidente e tutti i componenti della Commissione per avermi offerto la possibilità di spiegare oggi brevemente il ruolo di Interpol quale organizzazione internazionale nel contrasto a questa fenomenologia criminale, che negli anni, soprattutto a causa della globalizzazione e dello strumento delle opportunità offerte da *Internet*, costituisce una minaccia sempre più grave per l'economia e per la salute dei cittadini-consumatori.

Le linee di intervento per il contrasto al fenomeno sono state tracciate, come noto, anche dal Comitato nazionale anticontraffazione, che nelle sue relazioni ha più volte ribadito, oltre all'apprestamento di strumenti specificatamente dedicati al contrasto del fenomeno, quindi alla repressione, il coinvolgimento della società civile per il contrasto a questa fenomenologia.

Prima di fare una panoramica degli strumenti apprestati dalla nostra organizzazione, vorrei brevemente accennare al Servizio per la cooperazione internazionale di Polizia, un organismo interforze costituito nel 2000 attraverso un decreto interministeriale in seno al Dipartimento della pubblica sicurezza, costituito appunto da tutte e cinque le Forze di polizia del nostro Paese.

Ha il compito, sostanzialmente, di indirizzare e curare lo scambio informativo con i collaterali stranieri di tutto il mondo. In campo nazionale, è il referente per questo scambio informativo delle altre articolazioni del Dipartimento della pubblica sicurezza e dei comandi generali dell'Arma

dei carabinieri e della Guardia di finanza. Garantisce, inoltre, l'attuazione della cooperazione tecnico-operativa e fornisce consulenza per la redazione di accordi bi- o multilaterali in tema di cooperazione internazionale di Polizia.

Si articola in cinque divisioni: due dedicate a Interpol, quindi a livello internazionale; due a livello europeo, Europol e Sirene; una quinta articolazione è la I Divisione affari generali e si occupa di questioni organizzative interne, quali la gestione degli esperti della sicurezza, l'attività di formazione e altri compiti analoghi.

Il Servizio per la cooperazione internazionale trova, inoltre, uno dei suoi settori di punta nella ricerca in campo internazionale di latitanti, ricercati appunto sia da altri Paesi nel nostro territorio nazionale sia dalle autorità nazionali in territorio estero.

In ragione del suo mandato, inoltre, il Servizio per la cooperazione internazionale di Polizia costituisce il punto di contatto nazionale per un'importante serie di tematiche afferenti alla sicurezza. Cito brevemente le decisioni di Prüm, recentemente implementate con una norma di legge del 2016, che riguardano la costituzione della banca dati DNA, delle impronte digitali e dell'archivio dei veicoli registrati.

È punto di contatto, inoltre, per i dati sulle manifestazioni di grande ampiezza, terrorismo, documenti falsi, iniziativa svedese (principale strumento legislativo in campo europeo per lo scambio di informazioni), *asset recovery office*, rete europea anticorruzione e per il sistema di allarme scomparsa minori.

Per corrispondere appieno a questo mandato, il Servizio si avvale di una sala operativa internazionale costituita al suo interno, struttura formata da personale di tutte le Forze di polizia, che opera sette giorni su sette e ventiquattro ore su ventiquattro con personale in grado di esprimersi in almeno una delle quattro lingue ufficiali di Interpol (inglese, spagnolo, arabo e francese).

Questa struttura assolve alla funzione di *front desk*, cioè è il primo contatto con le controparti internazionali per lo scambio

di informazioni. È anche referente per le Forze di polizia italiane per potersi interfacciare urgentemente e tempestivamente con i collaterali servizi esteri.

Accennavo a Sirene, un'altra divisione, che assicura lo scambio di informazione nell'ambito del SIS, ovvero il Sistema informativo Schengen, sostanzialmente la banca dati a livello europeo, attualmente SIS II perché di seconda generazione, che consente lo scambio informativo di tutte le banche dati dei precedenti di Polizia attraverso il collegamento di tutti gli uffici Sirene dei Paesi membri dell'Unione europea e di quelli aderenti al Trattato di Schengen.

Accennavo anche all'unità nazionale Europol, ma questa Commissione ha già audito il rappresentante dell'agenzia dell'AIA. Presso lo SCIP è comunque presente, analogamente a Interpol, un'unità nazionale Europol, che è l'interfaccia nazionale perché quest'Agenzia europea, che ha come referenti nazionali tutte le Forze di polizia, il Servizio centrale operativo, la Direzione centrale per i servizi antidroga e la Direzione investigativa antimafia.

Da ultimo, per quanto riguarda il canale Interpol, il Servizio per la cooperazione internazionale di Polizia attua attraverso una propria articolazione lo scambio informativo nel settore della contraffazione, quello che qui interessa.

Al fine di consolidare la già proficua collaborazione con il Segretariato generale di Lione, già dal 2009 è assicurato il distacco di un ufficiale della Guardia di finanza appunto presso il Segretariato generale di Lione, che si occupa della sottodirezione traffici illeciti. È in corso di perfezionamento il distacco di un ufficiale, il colonnello De Angelis, per i prossimi mesi proprio presso questa sottodirezione.

Vorrei aggiungere che presso il suddetto Segretariato generale di Lione, anche a seguito della recente decisione di ridurre i finanziamenti da parte di privati, è in atto una ristrutturazione di quest'articolazione interna preposta al contrasto di questo fenomeno, ma la priorità del contrasto alla contraffazione comunque resta una delle missioni principali di quest'organizzazione internazionale.

Accennavo anche alla rete degli esperti della sicurezza. È una rete costituita da circa 50 unità di personale dislocate su quattro continenti, che consente di interfacciarsi con le Forze di polizia e con le autorità preposte alla sicurezza dei Paesi in cui sono ospitate.

Questa rete è stata recentemente rivisitata in base a un recente regolamento del Ministro dell'interno d'intesa con il Ministero degli affari esteri e della cooperazione internazionale dello scorso marzo. È disciplinata da un protocollo d'intesa tra il Ministero dell'interno e il Ministro degli affari esteri del 2010. A essa si riferisce anche il COP SCIP, il Comitato per la programmazione Strategica per la cooperazione internazionale di Polizia, che ha compiti propositivi riguardanti anche la dislocazione degli esperti per la sicurezza presso le varie sedi all'estero.

Questa rete, ripeto recentemente rivisitata, ha riunito nella figura dell'esperto per la sicurezza quelli che erano in precedenza gli ufficiali di collegamento Interpol e gli esperti antidroga della Direzione centrale per i servizi antidroga.

Un'efficace attività di contrasto al fenomeno non può prescindere dall'aggressione dei patrimoni illeciti proventi da reato, compresi quelli afferenti alla contraffazione.

In questo senso, anche in base a una decisione del Consiglio dell'Unione europea, l'Italia ha costituito al proprio interno, sempre in seno al Servizio per la cooperazione internazionale di Polizia, l'*asset recovery office*, un ufficio messo in rete con tutti gli altri omologhi uffici europei, deputato alla ricerca dei beni proventi di reato in vista del loro sequestro e confisca da parte dell'autorità giudiziaria.

A questa rete si affianca a livello extra-europeo una rete informale, denominata CARIN, che riunisce circa 53 Paesi di tutto il mondo e ha il compito analogo di fornire assistenza tra le Forze di polizia per la ricerca e il recupero di beni da sottoporre a sequestro.

Illustrati brevemente gli strumenti di cui è dotato il Servizio per la cooperazione internazionale di Polizia, vorrei passare in

rassegna alcune iniziative in atto, in cui è coinvolto il servizio, tra cui il *policy cycle*, il ciclo programmatico dell'Unione europea, un esercizio strategico. Attraverso quattro fasi che connotano quest'esercizio, il Consiglio dell'Unione europea individua le principali minacce dal punto di vista della sicurezza agli Stati membri dell'Unione europea, le quali vengono tradotte in priorità e in attività operative.

Nell'attuale ciclo operativo, queste priorità sono state individuate nel numero di nove, tra le quali vorrei annoverare quella della contraffazione di beni, per la quale l'Italia riveste il ruolo di guida attraverso due ufficiali, uno dell'Arma dei carabinieri e uno della Guardia di finanza, appunto *driver* di questa priorità.

Passando più specificatamente alle iniziative Interpol, vorrei fare riferimento all'operazione Pangea, che riguarda la commercializzazione dei medicinali contraffatti attraverso *Internet*, che, come è noto, sono regolati nel nostro Paese da un decreto legislativo del 2003, che disciplina anche il ruolo degli *Internet service provider*.

In questo contesto, mi preme sottolineare la recente iniziativa del Comando generale della Guardia di finanza, che è l'intesa con l'International AntiCounterfeiting Coalition (IACC), un'associazione no profit americana attraverso la quale è possibile, con un accordo con le società di pagamento e con le società di carte di credito, bloccare i pagamenti sospetti relativi a transazioni riguardanti beni contraffatti. Di quest'iniziativa so che già il comandante generale della Guardia di finanza ha riferito in questo consesso.

Sempre riguardo a quest'operazione Pangea, coordinata dal Segretariato generale di Lione, a livello nazionale il principale attore è l'Ufficio nazionale Interpol, che coordina l'attività e il coinvolgimento di tutti gli attori nazionali, vale a dire tutte le Forze di polizia, l'Agenzia delle dogane e le principali società dei circuiti delle carte di credito. Quest'operazione si svolge solitamente nei mesi di maggio e giugno. Viene preceduta da una fase di analisi attraverso riunioni preparatorie che coinvolgono tutte

le Forze di polizia. Viene coordinata a livello nazionale dall'Ufficio nazionale Interpol italiano.

All'ottava edizione di quest'operazione, che si è svolta lo scorso anno, nel 2015, dal 16 giugno, hanno partecipato 115 Stati, mentre nell'edizione di quest'anno, la nona, che si è svolta dal 30 maggio al 7 giugno, hanno partecipato 103 Stati, con 193 agenzie e Forze di polizia. In quest'ultima edizione segnalò che a livello internazionale sono stati sospesi quasi 5.000 siti *Web* dove veniva proposta la vendita di medicinali contraffatti.

Da menzionare è anche il progetto Energia, sempre sotto egida Interpol, che riguarda il commercio illecito di sostanze illecite dopanti. Quest'iniziativa si svolge in collaborazione con l'Agenzia mondiale antidoping. Anche l'operazione Opson si svolge sotto l'egida Interpol e attiene specificatamente alla contraffazione di prodotti agroalimentari, in cui la tutela del *made in Italy* riveste una figura di primo piano.

Anche in questo settore il Segretariato generale di Interpol, unitamente all'agenzia Europol, è fortemente impegnato. Analogamente all'altra operazione, Pangea, di cui ho appena parlato, annualmente viene svolta in un determinato periodo di tempo un'operazione che coinvolge moltissimi Paesi a livello europeo e non.

La prossima edizione avrà inizio nel prossimo mese di dicembre e coinvolgerà, oltre a tutte le Forze di polizia italiane, all'Agenzia delle dogane e ad altri attori, anche *stakeholder* privati, quali consorzi di tutela e altri attori coinvolti nel settore.

Tra gli altri partenariati e progettualità in cui è coinvolto il Servizio per la cooperazione internazionale di Polizia, vorrei citare la 10^a Conferenza sulla tutela della proprietà intellettuale, che si è tenuta a Londra, nella quale i vertici di Interpol hanno rappresentato l'importanza del programma in essere presso quell'organizzazione internazionale riguardante i traffici illeciti e della tutela della salute.

In quel contesto, è stata anche affermata e ribadita l'iniziativa formativa, svolta unitamente Underwriters Laboratories, di

cui si è fatta carico Interpol, finalizzata a formare operatori di Polizia di tutti i Paesi. Fino a questo momento, ha consentito di formare 12.000 utenti di oltre 140 Paesi associati a Interpol.

In ultimo, faccio presente che il Servizio è parte attiva anche in un progetto finanziato dall'Unione europea che riguarda i Paesi in predicato di accedere all'Unione europea, finanziato dalla Commissione, IPA 2013 Balcani occidentali, volto al miglioramento delle buone pratiche nel settore della Polizia e della sicurezza in genere, che consente di migliorare la cooperazione con quei Paesi dell'area balcanica.

Sempre sotto il profilo della formazione, il Servizio per la cooperazione internazionale di Polizia ha istituito presso la scuola allievi agenti di Caserta un centro di eccellenza di alta formazione per la lotta al crimine organizzato, in cui vengono formati a livello specialistico, oltre che operatori delle Forze di polizia italiana, anche operatori delle Forze di polizia estere.

Io avrei terminato con questa panoramica. Spero di aver centrato l'obiettivo di spiegare in breve tempo il ruolo e il coinvolgimento di Interpol, che, quale organizzazione internazionale di Polizia, è l'unica in questo settore che può operare a livello anche extraeuropeo. Vi ringrazio per l'attenzione.

PRESIDENTE. La ringrazio. Sicuramente ci ha illustrato molto bene la strutturazione delle realtà di contrasto che operano a livello internazionale, in particolare con i riferimenti all'Interpol e agli interfaccia italiani, ma credo che la relatrice abbia bisogno di qualche approfondimento ulteriore in merito a valutazioni sulla realtà del fenomeno della contraffazione e delle relazioni con la criminalità organizzata.

Do la parola alla collega Cenni.

SUSANNA CENNI. La ringrazio, colonnello, per la sua relazione dettagliata sul funzionamento di Interpol, sicuramente utile e di cui la ringrazio.

Ho una sola semplice domanda. L'audizione era fundamentalmente legata a un'in-

dagine che stiamo svolgendo in questa fase legata alle relazioni esistenti, se esistono, tra la criminalità organizzata e il fenomeno contraffazione. La domanda che, quindi, le porgo è proprio questa: secondo la sua esperienza, secondo il suo punto di vista, secondo le indagini che avete avuto modo di svolgere e di concludere o che sono in corso, esiste questa relazione? Che dimensioni ha?

Secondo le Forze dell'ordine e gli altri soggetti che abbiamo audito, in modo particolare la Guardia di finanza, che ci ha illustrato con dovizia di dettagli una parte di queste informazioni, di queste indagini che sono state svolte, il fenomeno c'è in Italia, riguarda alcune forme di criminalità organizzata in Italia e anche, purtroppo, l'emergere di alcune connessioni con il terrorismo.

La parte che a noi interesserebbe conoscere è questa: il suo punto di vista alla luce proprio del ruolo che svolgete, delle relazioni con altre Forze dell'ordine di altri Paesi, dei nuovi soggetti a cui avete dato vita, dello scambio di dati. Mi sembrano tutte cose importanti, per cui la domanda di fondo che vorrei rivolgerle è un po' questa.

PRESIDENTE. Ringrazio la collega Cenni. Questo è il tema centrale del nostro lavoro.

FILIPPO GALLINELLA. Ringrazio, anzitutto, per la spiegazione.

Avrei una curiosità: può menzionare una o più operazioni che meritano un rilievo nel campo della contraffazione alle quali avete partecipato, contribuito o risolto?

MASSIMILIANO RAZZANO, *Direttore III Divisione Servizio per la cooperazione internazionale di Polizia dell'Interpol.* Rispondo, seguendo l'ordine, alla prima domanda.

Devo fare una premessa di carattere metodologico. Il Servizio per la cooperazione internazionale di Polizia presso cui presto servizio e presso il quale vengono gestiti i tre canali principali di coopera-

zione internazionale di Polizia cui ho fatto cenno (Interpol, Europol e Sirene), non è direttamente coinvolto nell'esecuzione di indagini, le quali sono direttamente seguite dalle Forze di polizia presenti sul territorio.

Come Servizio per la cooperazione internazionale di Polizia, abbiamo il compito unico e precipuo di mettere in contatto, di scambiare informazioni, laddove richiesto. Da un verso, riceviamo le richieste dei nostri omologhi uffici internazionali, che richiedono appunto informazioni in Italia, e le giriamo alle Forze di polizia italiane direttamente interessate o che sono in possesso delle notizie richieste dai collaterali esteri.

Viceversa, giriamo le richieste delle Forze di polizia italiane che agiscono sul territorio italiano quando hanno bisogno di interfacciarsi, relazionarsi con le omologhe autorità o Forze di polizia estere nel corso delle loro indagini. Non partecipiamo, quindi, direttamente alla fase investigativa, ma siamo un tramite per lo scambio di informazioni.

Venendo alla sua domanda, onorevole, sicuramente esiste una relazione tra la criminalità organizzata e la contraffazione nei termini che sicuramente avranno spiegato, come mi ha accennato, la Guardia di finanza o le altre Forze di polizia che sono state sentite.

Per quanto riguarda la domanda sulle operazioni di Polizia, per brevità ho sorvolato, ma nella mia relazione avevo indicato tre operazioni tra le tante nell'ambito dell'operazione internazionale Opson, svolta sotto l'egida Interpol, un sequestro operato dai Carabinieri di Parma di diversi quintali di salumi e carne di maiale adulterata, oltre a varie etichette di vini pregiati contraffatte.

Un'altra indagine ha riguardato, sempre da parte dei Carabinieri, il sequestro di oltre 75.000 litri di spumante adulterato.

Da ultimo, ancora più rilevante sotto il profilo della tutela della salute dei consumatori, il Corpo forestale dello Stato ha operato il sequestro di 85 tonnellate di olive da tavola pronte per essere commercializzate e che erano state artatamente

colorate di verde attraverso l'utilizzo di solfato di rame. Non ho a disposizione la località del sequestro.

PRESIDENTE. Ovviamente, ci aspettiamo una valutazione diversa, di merito, rispetto al *focus* della nostra indagine, che è quello, come dicevo, della relazione esistente tra la grande criminalità organizzata e la contraffazione. Prendo atto, comunque, della sua risposta. Non è un rilievo nei suoi confronti, per carità.

In ogni caso, visto che abbiamo ancora qualche minuto, aggiungo io due domande puntuali relativamente a due passaggi del suo intervento.

La prima riguarda un accenno che lei ha fatto alla circostanza che il Segretariato generale di Interpol avrebbe, sostanzialmente, dismesso l'organizzazione che esisteva finora in merito al contrasto alla contraffazione. Mi risulta che ci fosse un'unità di contrasto al commercio illecito presso il Segretariato generale di Interpol, che adesso appunto è stata dismessa, e si va a un assetto diverso. Lei stesso ha fatto un accenno anche a questo.

Ciò sarebbe anche in relazione alla cessazione di contributi a Interpol provenienti dalle imprese private finalizzati al contrasto alla contraffazione. La chiusura di quest'unità sarebbe, quindi, da mettere in relazione con la fine di questi contributi provenienti da grandi imprese private. Vorrei che su questo lei tornasse un attimo.

Allo stesso modo, vorrei che ci dicesse due parole in più, se possibile, su quel passaggio in cui ha evocato le attività delle autorità americane, che danno luogo al blocco di pagamenti attraverso il circuito delle carte di credito. Che ruolo avete in tutto questo? Come vi collegate a questa tipologia di attività?

FRANCO BORDO. Intervengo per un'integrazione sull'osservazione precedente alla domanda della collega Cenni. Nella sua risposta ha detto che pensate che esista una correlazione con la criminalità: Interpol, l'organizzazione che rappresenta, è in grado di fornirci qualche elemento in più un po' più specifico su questo fenomeno,

magari tramite la banca dati che avete una relazione un po' più puntuale su quest'aspetto?

PRESIDENTE. Integro leggermente la domanda del collega Bordo dicendo che, se ritenesse di poterci far pervenire un testo scritto specificamente mirato al tema sollevato dalla relatrice Cenni, ripeto sulla relazione tra grande criminalità organizzata e contraffazione, nei prossimi giorni, sarebbe estremamente gradito a questa Commissione.

Intanto, se lo desidera, può rispondere sia a quello che le chiedevo io sia a quello che chiedeva il collega Bordo.

MASSIMILIANO RAZZANO, *Direttore III Divisione Servizio per la cooperazione internazionale di Polizia dell'Interpol*. Iniziando dalle sue domande, presidente, per quanto riguarda la prima, in ordine alla quale avevo fatto un accenno, per le mie informazioni in mio possesso, non è stata dismessa presso il Segretariato generale di Lione di Interpol alcuna unità deputata al contrasto della contraffazione.

Tuttavia, mi risulta che fino a poco tempo fa l'organizzazione internazionale beneficiava di finanziamenti da parte di privati e che, per decisione dei vertici dell'organizzazione stessa, ma non solo – mi risulta che decisioni analoghe siano stati assunte anche dal Parlamento europeo e dalla Commissione europea – ci sia ora un diverso orientamento, cioè di non accettare più per il funzionamento dell'organizzazione questo tipo di finanziamento da parte di privati.

Tuttavia, questo sicuramente determina minori possibilità di svolgere progettualità nello specifico settore, ma non la chiusura di alcuna articolazione in seno all'organizzazione internazionale, e non pregiudica il fatto di continuare ad avere quella della lotta alla contraffazione come una delle principali priorità e obiettivi dell'organizzazione internazionale.

Riguardo alla seconda domanda e all'iniziativa formalizzata dalla Guardia di finanza con l'International AntiCounterfeiting Coalition, posso affermare che si tratta

di un'associazione no profit statunitense che si occupa di tutela della proprietà intellettuale, nell'ambito della quale era prevista l'iniziativa che consente, attraverso la collaborazione tra titolari di marchi e i principali gestori dei canali di pagamento elettronici e in presenza di siti che commercializzano prodotti contraffatti, di ottenere dagli intermediari interessati il blocco dei conti sui cui si appoggiano transazioni illecite, con l'inibizione conseguentemente dell'operatività del punto di vendita illegale *online*. Questa è, sostanzialmente, la spiegazione in termini un po' più approfonditi di quest'iniziativa, di questa forma di collaborazione.

Riguardo alla domanda dell'onorevole Bordo, se effettivamente esista una documentazione dell'organizzazione internazionale Interpol sul fenomeno relazione tra criminalità organizzata e contraffazione, come ufficio nazionale Interpol non sono in possesso di una relazione di questo genere. Posso riservarmi di vedere se presso il Segretariato generale di Lione esiste una relazione di questo genere e, ovviamente, fornirvela al più presto.

PRESIDENTE. Direi che allo stato l'audizione si può considerare conclusa. Ringrazio molto il colonnello Razzano, che è stato molto disponibile e molto coinvolto in quest'intervento oggi presso di noi.

Gli ricordo, ma l'ho detto testé, che sarebbe per noi graditissima un'integrazione in merito. Se può girare la richiesta a Lione e farci avere qualcosa in materia proprio sul punto specifico, ci sarà particolarmente utile per il lavoro che la collega Cenni sta svolgendo e che darà luogo poi a una relazione di questa Commissione.

Dichiaro conclusa l'audizione e dispongo che la documentazione, una volta pervenuta, sia pubblicata in allegato al resoconto stenografico della seduta odierna.

La seduta termina alle 9.15.

IL CONSIGLIERE CAPO DEL SERVIZIO RESOCONTI
ESTENSORE DEL PROCESSO VERBALE

DOTT. RENZO DICKMANN

*Licenziato per la stampa
il 20 dicembre 2016*

STABILIMENTI TIPOGRAFICI CARLO COLOMBO

ALLEGATO



TABLE OF CONTENTS

Foreword	5	An unusual diplomatic privilege	38
INTERPOL's Trafficking in Illicit Goods and counterfeiting programme	6	A counterfeiting ring	38
INTERPOL's help for law enforcement	8	Chasing the smugglers	39
Global cooperation	10	It's in the post	40
What is "intellectual property"?	13	Under the border	42
Organized crime today	14	Forty tonnes of raw material	42
1. CONSUMER AND LUXURY GOODS	16	3. FAKE FOOD AND DRINK	44
How big is the problem of counterfeit goods?	16	The problem of food fraud	44
A family affair	18	Counterfeit ham and cheese	46
A life sentence	20	Illegal distilling	48
Condoms and Barbie dolls	20	Lamb or rat?	50
Consumers enforce their rights	21	Don't try this at home	50
The scent of money	21	4. COUNTERFEIT MEDICINE	52
Counterfeit handsets in transit	22	The medicines that kill	52
Operation Blackout	24	Operation Jupiter	54
Reinvesting profits	24	Infecting the supply chain	56
The Czech Republic's Vietnamese markets	25	The international business of counterfeit drugs	57
Counterfeit clothing and perfumes	26	Operation Pangea	58
The World Trade Bridge	28	The animal pharmacy	60
2. TOBACCO COUNTERFEITING AND SMUGGLING	30	The price of a blue pill	61
The counterfeiter's most popular product	30	Repackaged cancer drugs	62
Funding the rebels	32	5. MASS PRODUCTION	64
Continental Europe to the UK	34	The illicit product supply chain	64
The tri-border region	35		
The Paraguay connection	35		
Spanish customs	36		

Illicit white powder	65	8. HUMAN TRAFFICKING AND BODY PARTS	96		
Inside-out car parts	66				
Freezers containing DVD players	68				
Fake bearings by the million	68				
Hiding e-waste	69				
Customs seize computer hardware	70				
Counterfeit defense systems	72				
Counterfeit refills available	72				
Safety first	73				
Smuggling controlled waste	73				
What is the waiter doing with your credit card?	74	9. FINANCIAL FRAUD	104		
6. DIGITAL AND INTERNET					
Digital crime	76			10. LINKS TO TERRORISM	112
Fastlink	78				
Hacking the port of Antwerp	80				
Faking authenticity	81				
Shoes that last a month	81				
Odds and Pods	82				
The million-disc DVD factories	84				
The Masterbox masterminds	85				
7. ARMS SMUGGLING					
The illicit trade in firearms	86	Index	124		
You want it, we can get it	88				
Arms to Iran	90				
There's a missile in the sugar	92				
The logistics business	94				
Mr Marlboro	122				
Trafficking and its consequences	96				
An Indonesian boat tragedy	97				
Nigeria to Spain via London	98				
A dangerous route	100				
How much for your kidney?	101				
A market for body parts	102				
Terrorism and organized crime	112				
A deadly trade	114				
Fuel smuggling funding terrorism	116				
Interstate tobacco smuggling	117				
The trade in antiques	118				
Weapons for sale	120				



FOREWORD

The criminal networks behind trafficking in illicit goods and counterfeiting are complex and pervasive, reaching far beyond national borders. These criminals constantly find new and increasingly creative ways to manufacture and distribute fake goods. Naturally, this causes huge harm to the reputation and revenues of legitimate companies but this is by no means the only way in which this phenomenon affects the world's citizens.

Some of the most unlikely goods are counterfeit. As well as luxury goods — such as handbags, sunglasses and watches — everyday items including food, baby formula, hairdryers, batteries, cement and engine oil have all been seized in police operations. Given that many of these products fall far below required safety standards, the risks to global public health are alarming.

There is a clear connection between trafficking in illicit goods and other types of organized crime, with the profits from counterfeit products being channelled into areas such as trafficking in drugs and human beings.

The INTERPOL Trafficking and Counterfeiting Casebook is the first publicly released study to provide comprehensive evidence of these links.

The Casebook will now serve as a standard reference for law enforcement, businesses and the general public, enabling them to build a solid case for support: be it in pushing for the creation of anti-counterfeiting units, or in advocating for policy change. It will further add weight and credibility to all cross-sector efforts in tackling crimes related to illicit goods and counterfeiting. The message is clear: together, we can turn back crime.

I would like to thank everyone who has contributed to this resource, confirming INTERPOL as an authoritative voice on the subject. A collaborative effort, it demonstrates a firm commitment to raising awareness of this diverse and challenging area of crime, and finding effective methods to combat it.

Ronald K. Noble

INTERPOL Secretary General

INTERPOL'S TRAFFICKING IN ILLICIT GOODS AND COUNTERFEITING PROGRAMME

The International Criminal Police Organization (INTERPOL) was created in 1923. It is the world's largest international police organization, with 190 member countries. INTERPOL exists so that police from around the world can work together to make the world a safer place, even where diplomatic relations do not exist between the countries. It does this by working to ensure that police have access to the tools and services necessary to do their jobs effectively.

This means providing targeted training, expert investigative support, relevant data and secure communications, and helping police on the ground understand crime trends, analyse information and conduct operations.

INTERPOL works within the laws that exist in member countries, and in the spirit of the Universal Declaration of Human Rights. Its constitution prohibits "any intervention or activities of a political, military, religious or racial character".

By 1993, INTERPOL had unambiguous evidence that transnational organized criminals were manufacturing and distributing counterfeit and pirated products on an industrial scale. Its research showed that a high proportion of them were committing other crimes too, which needed a coordinated response. Many INTERPOL members began to voice concerns about the scale of intellectual property (IP) crime; but it was not

until the meeting of the 69th General Assembly in Rhodes in October 2000 that those members mandated the Organization to address the issue. Since then, INTERPOL has progressively increased actions against the organized traffic of infringing goods. It works closely with stakeholders such as the World Customs Organization (WCO), the World Intellectual Property Organization (WIPO) and Europol, as well as many brands and rights holders.

Since then the IP Programme had worked to prevent trademark — what we call counterfeiting — and copyright — what we call piracy — infringements. It has seven core objectives:

- Provide international IP crime police leadership.
- Provide a central point of reference for all public and private sector IP crime stakeholders.
- Raise awareness about the nature and extent of transnational organized IP crime.
- Maintain a mechanism for data exchange between members countries.

- Develop the International Intellectual Property Crime Investigators College (IIPCIC).
- Provide integrated IP crime training and operational support.
- Coordinate and facilitate regional cross-industry law enforcement and INTERPOL National Central Bureaus interventions into transnational organized IP crime.

Through its regional offices INTERPOL has been able to coordinate police action against counterfeiters and illicit traders. These actions have resulted in the seizure of products, and arrests of suspects on an unprecedented scale. Also, the 10-year IP Rights programme has seen levels of awareness of IP crime among member countries grow to 79%. Now 150 countries realise they have significant problems, and IP crime is now treated as a higher policing priority than it was 10 years ago. Many countries have established dedicated national IP crime units.

In August 2012 it was decided that, rather than focusing on the narrow confines of IP crime, INTERPOL and its member countries should emphasise all types of illicit trade. The programme has evolved into the Trafficking in Illicit Goods and Counterfeiting (TIGC) Programme. Despite the change of name, the pursuit of counterfeiters and those involved in piracy remains the cornerstone of most police actions against international traffickers.

It is naïve to compartmentalise transnational organized crime, or trafficking in illicit goods. The product is simply a commodity that can be traded for a profit. The criminals involved in trafficking illicit goods, in the experience of INTERPOL's members countries, rarely care whether the commodity in question is illegal drugs, cigarettes, counterfeit, arms or even human beings. Therefore we believe that police officers should keep an open mind about this international trade, and be alive to different circumstances.

It is exceptionally difficult to quantify the potential profits from any one of these sectors. The most recent research, completed by the OECD, estimated that in 2007 the upper bound on the international trade in counterfeits and pirated products was USD 250 billion, even without domestically produced and consumed products or pirated digital files. The OECD's report claims "The share of counterfeit and pirated goods in world trade is also estimated to have increased from 1.85% in 2000 to 1.95% in 2007."

That's the GDP of Singapore, or of the combined profit of the world's 16 largest companies in 2013. Many other bodies also estimate the damage or harm caused in their sectors. For example, a recent report by the World Wildlife Fund (WWF) estimated

that the value of illegally poached game, and the sale of products such as ivory and rhino horn, was USD 19 billion.

Where do these profits go? Some is undoubtedly invested in property, or into genuine businesses. Other profits are invested in different types of crime. As the final section in this book shows, some groups are using the proceeds to fund terrorist activity.

Quite apart from the illegal profits, fake products are a safety threat. Untested substandard electrical goods catch fire; vehicles maintained with counterfeit parts crash; fake food contains contaminants or poisons.

INTERPOL works to maintain and build strategic and operational partnerships with a range of international organizations and the private sector, to form a powerful alliance against crime. It is a central point of reference for agencies, including, national police forces, customs, regulatory bodies, national intellectual property offices, the WCO, the WIPO, Europol, trade associations, and 40 affected industry sectors.

Working together means that the TIGC Programme has a global overview of transnational trafficking in illicit goods; it can identify opportunities for collective efforts to combat it and focus scarce resources where they will be most effective.

The strategy of focusing on the criminal, rather than the commodity, has led to hundreds of arrests and the seizure of millions of dollars worth of fakes.

"Underwriters Laboratories has long held the view that all types of illicit trade, including the counterfeiting of electrical goods and certification marks, are intrinsically linked to transnational organised crime. It reinforces the critical need for the public and private sectors to work together to combat counterfeiting wherever it occurs."

Keith Williams
CEO
Underwriters Laboratories



OECD research
<http://bit.ly/1e7zdkk>

INTERPOL'S HELP FOR LAW ENFORCEMENT

A core part of INTERPOL's TIGC programme is raising awareness among policymakers and chief officers about the links between the trafficking in illicit goods and transnational organized crime. This is achieved on both operational and strategic levels.

COOPERATION AND COORDINATION: At a strategic level, this takes place through the Global Congress on Combating Counterfeiting and Piracy: a key international forum for identifying practical strategies to combat the production and distribution of counterfeit products.

This is a partnership initiative between INTERPOL, WCO, WIPO, the International Chamber of Commerce (ICC), Business Action Against Counterfeiting and Piracy (BASCAP), and the International Trademark Association (INTA).

TRAINING AND DEVELOPMENT: Training programmes for international police investigators were established at the start of the IP programme, but INTERPOL quickly realised that the only way to train the numbers of police officers that we wanted to involve would mean developing an online training resource accessible by every police officer.

The International IP Crime Investigators College (IIPIC) is now a fully functioning online training college providing 14 core modules for global law enforcement officers. This college has been designed in partnership with Underwriters Laboratories, with all the modules available in the four INTERPOL

languages: Arabic, English, French and Spanish. Work is also underway to have the modules translated into Mandarin Chinese. The learning allows investigators to develop a common understanding of the problems facing them. They learn about the knowledge and roles of other agencies, which intervention strategies and tactics work, and become better at working together. Training courses are free for law enforcement officers.

INTELLIGENCE ON ILLICIT TRADE AND INTERNATIONAL INTELLECTUAL PROPERTY

CRIME: Investigations are sometimes hampered by an absence of reliable data to inform policymakers about the true nature and extent of the problem. INTERPOL develops and supports collective efforts by police, international organizations, cross-industry representative bodies, IP crime affected industries and other stakeholders to work together to combat transnational organized counterfeiting and piracy. The TIGC programme aims to support regional law enforcement interventions, and ensures that these interventions take place on the basis of reliable information.

OPERATIONAL SUPPORT: The TIGC Programme provides integrated IP crime training and operational

support for member countries: police, customs and representatives from IP crime-affected industries work closely together to ensure that training is fully aligned to operational deployments; using a specially developed methodology.

These operations target criminals, but also raise awareness among communities and the public at large. By explaining and educating, we can reduce demand, and deny a market to transnational organized criminals.



IIPIC
<http://iipic.org/>



GLOBAL COOPERATION

INTERPOL's value in the fight against transnational crime is shown by the international operations it helps to plan and coordinate. Only some of the more extensive and recent operations are listed below.

OPERATION JUPITER: Launched in 2004, Operation Jupiter has expanded in scope every year. Each phase of the operation targets an increasingly wide range of counterfeit and illicit goods, in more distribution channels and in more countries. In 2011, Operation Jupiter V resulted in the seizure of almost eight million counterfeit products worth more than USD 200 million, and led to almost 1,000 arrests.

Seizures made by agencies involved in Operation Jupiter highlight the dangers that counterfeit products pose to public safety. Car parts, motor oil and construction materials – for example powders to make concrete and glue – were all seized during Jupiter V. Other goods recovered include sports clothes and shoes, sunglasses, mobile phones, books, car parts, computer software and alcohol.

Illicit goods are often openly on sale in shopping centres, while luxury items are appearing for sale on the internet. Operation Jupiter targets both these channels, and has even carried out interventions at sea to detect the routes used by boats smuggling illegal goods.



Operation Jupiter V
<http://bit.ly/1gumGPF>

OPERATION MAYA: In March 2012 this operation was carried out across North and Central America, from Canada to Colombia, resulting in more than 1,000 interventions by police, customs and IP experts at key locations. More than 200 individuals were apprehended.

The operation, which was supported by the US Department of Justice and the US Patent and Trademark office, highlighted the strategies used by criminals to evade detection, for example it discovered products smuggled by one route whilst counterfeit logos and badges were sent separately. It identified routes used by the traffickers of illicit goods, including stolen art, archaeological remains and wildlife.



Operation Maya
<http://bit.ly/1gun8wvW>

OPERATION BLACK POSEIDON: Launched in May 2012 with the financial support of the EU Commission, this four-week operation in Belarus, Georgia, Moldova, Turkey and Ukraine resulted in more than 1,700 interventions, leading to the seizure of 7.3 million goods, valued at more than EUR 122 million. More than 1,400 individuals were arrested or investigated. The operation confirmed the increasingly elaborate methods used by the traffickers, and seized fake toys, foods, electronic, cigarettes and tobacco, agrochemicals and vehicle spare parts.



Operation Black Poseidon
<http://bit.ly/1gunvra>

OPERATION MEERKAT: Carried out in Southern Africa in May 2012, and focused on smuggled cigarettes, tobacco and alcohol, the operation was coordinated by INTERPOL and the WCO, and highlighted cooperation between police and customs. Operation Meerkat carried out raids at 40 seaports, inland border crossings, and points of sale in seven countries: Angola, Kenya, Mozambique, Namibia, South Africa, Tanzania and Zimbabwe. They seized more than 32 million cigarettes, 134 tonnes of raw tobacco and 3,000 litres of alcohol. Local administrations have launched investigations into tax evasion and other criminal offences.



Operation Meerkat
<http://bit.ly/MRh49a>

OPERATION OPSON: This is an annual joint investigation between INTERPOL and Europol which aims to target fake and substandard food. These operations cover many countries. The operations have included cases which have led to the discovery of more than 385,000 litres of counterfeit liquids, including vodka, wine, soy sauce, and orange juice in addition to fish, seafood and meat which was declared unfit for human consumption. They have also led to the recovery of fake alcohol and factories producing fake foods, including the seizure of machinery used to change and extend the expiry dates on out of date food stuffs.



Operation Opson II
<http://bit.ly/MRinoG>

OPERATION PANGEA: This yearly operation targets online counterfeit and illegal pharmaceutical products.

The Operation involved police, customs and national regulatory agencies with support from internet service providers, payment systems providers and delivery services.

INTERPOL, WCO, the Permanent Forum of International Pharmaceutical crime, the Heads of Medicines Agencies Working Group of Enforcement Officers, the Pharmaceutical Security Industry, and the electronic payments industry coordinated the operation. The operation aims to disrupt the online criminal networks and credit card fraud connected with selling fake medicines online. It raises public awareness of the health risks of purchasing medicines online.

Pangea VI in June 2013 resulted in 10.1 million illicit and counterfeit pills confiscated, with an estimated value of USD 36 million. More than 13,700 websites were shut down and 534,000 packages were inspected by regulators and customs authorities, of which around 41,000 were confiscated.



Operation Pangea
<http://bit.ly/1da073H>
WORLDWIDE OPERATIONS IN 2013: With more than

“INTERPOL has consistently championed the concept of public and private sector co-operation against trans-national organised crime and has amply demonstrated that such co-operation can result in significant law enforcement successes. INTERPOL is uniquely placed to bring law enforcement and private sector partners together, to form powerful alliances against criminality, both locally and internationally.”

Sir Ronnie Flanagan
former HMIC and Chief Constable
PSNI and RUC

6,000 suspects arrested across the Americas, Africa, Asia and Europe, four operations led to the seizure of 24 million fake goods, worth an estimated USD 133 million, during May and June 2013.

The four operations were codenamed Black Poseidon II carried out in Europe, Etosha in Africa, Hurricane in Asia, and Pacific in the Americas.

Items included fake alcohol and cooking oils, shampoos and toothpastes, perfumes, toys, mobile phones, counterfeit engines, clothing, DVDs and cigarettes. In Ukraine, a complete underground cigarette factory, together with 250,000 packets of counterfeit cigarettes, was raided. Two illegal distilleries were shut down. In Brazil, Federal police arrested three individuals suspected of providing illicit firearms to organized gangs, and also seized shotguns, rifles, ammunition, silencers and telescopic sights.

Supported by the International Fund for Animal Welfare (IFAW), the four-month Operation Wendi coordinated national wildlife enforcement authorities, police, customs and specialized units for targeted inspections and investigations across West and Central Africa, targeting those involved in the illegal trade in ivory and other illicit goods by wholesalers, retailers and individuals. During this operation 66 arrests were made, and nearly 4,000 ivory products and 50 elephant tusks were seized, as well as weapons and cash.

Law enforcement in Costa Rica and Venezuela have stepped up their operations against illegal logging as a result of intelligence gained during Operation Lead in 2012. They confiscated 292,000 cubic metres of wood and wood products, equivalent to 19,500 truckloads of timber. Venezuela accounted for nearly two-thirds of the total.

Operation Lead has resulted in almost USD 40 million of timber being seized, and the discovery of illegal logging camps, sawmills and transportation routes.

WHAT IS "INTELLECTUAL PROPERTY"?

Intellectual property (usually shortened to "IP") can be divided into two categories: Industrial property, which includes patented inventions, trademarks and designs, and Copyright, which includes literary and artistic works such as novels, films, music or software.

Patents exist to protect the designers of products or services, who are granted the exclusive right to make money from their design for a limited time. Patents capture an original step in the creative process, and are designed to stimulate inventors to create better products, by rewarding their success.

Trademarks have been used for thousands of years. They are distinctive signs to help consumers identify a product or service. Put simply, it is a way that we can make informed choices about that is inside the packet, or how the product is made. That might mean that the product is good value, or that it is safe and legal.

Copyright does not continue indefinitely, but for a period of time during which creator can charge for copying or using the work. During this time the author has a monopoly. This has become increasingly relevant now that songs, books or software can be copied easily and distributed in seconds. Copyright exists so that we can reward creativity.

Counterfeiting is the unauthorized representation of a registered trademark, carried on goods identical (or similar to) goods for which the trademark is registered, with a view to deceiving

purchasers into believing that they are buying the original goods; whereas piracy refers to the activity of manufacturing unauthorised copies of copyright protected material (and any unauthorized commercial dealings in copied materials), whether or not there is a commercial gain for the person doing the copying.

The World Intellectual Property Organization (WIPO – see below) administers the complex national and international laws on the protection of IP. This is complicated by differences between national laws, as some countries have differences in their concept or understanding of IP law. There are both international agreements (for example, the Berne Convention for copyright, and the Paris convention for patents) and national laws. Countries vary in the sanctions against counterfeiters or pirates – some offences are treated as civil cases, with usually only the most serious (such as those described here) treated as criminal cases. As well as administering various conventions, WIPO holds information and databases about trademarks which are available to the public.

The World Trade Organisation (WTO) administers the Agreement on Trade Related Aspects of Intellectual

Property rights (TRIPS). This came into effect on 1 January 1995. It creates minimum standards of enforcement, and dispute settlement procedures in the fight against counterfeiting and piracy for all member countries. These treaties and conventions are the foundation of the work that INTERPOL and its members do against the international trafficking of illicit goods.

There are many other types of IP: some will be covered in the casebook. Not everyone agrees with strength of IP protection, which may lead to a romantic idea that the counterfeiter is a "Robin Hood" figure, stealing from the rich to give to the poor. The cases in this book show that this idea, though common, misunderstands the nature of the criminals involved and the crime.



ORGANIZED CRIME TODAY

INTERPOL TIGC coordinates the fight against organized networks of transnational criminals. These groups do not conform to the Robin Hood stereotype.

Organized crime has changed drastically, from the hierarchical syndicates that most people associate with the phrase, towards a more flexible and loosely knit collection of cooperative groups. This loose structure is able to move quickly to take advantage of international commercial opportunities for crime.

Traditionally, fields of expertise for crime syndicates might have been drug dealing, illegal gaming or prostitution. They still are, but the syndicates may now also be connected with the growing business of people trafficking. In many cases the victims are trafficked to work for the gangs as prostitutes.

No two groups are identical, but they have features in common. Low cost, high profit IP crime or counterfeiting in an international environment means that they set up business structures, giving them the appearance of legitimacy.

Some use these businesses to specialise online, others ship or transport products. Some join opportunistically to commit specific crimes. Others are adaptable, dealing in a particular product to transporting whatever happens to be in demand at that time. Some specialise in laundering the

profits of crime using offshore tax structures, shell companies based in third party states, or investments in genuine commercial activities. The word "mafia" has become synonymous with organized crime from Russia to Latin America, not just the original organizations that carry the name. We would be wrong to focus solely on this type of organization, when many other groups exist in many countries. These groups resemble our traditional picture of organized crime groups in name only.

Today, organized crime is globalised. Groups in one country make loose connections with criminals in others when there is a business opportunity. Conspirators are often in different countries, or different continents, and may never have met. There is a lack of reliable data on the scale of organized crime, precisely because we are attempting to quantify a secret trade. The United Nations Office on Drugs and Crime (UNODC) have estimated that transnational organized crime generated USD 870 billion in 2009, equivalent to 1.5% of the world's GDP and close to 7% of the world's exports. That means that their estimate of the size of the organized crime economy is about equal to the GDP of Mexico or South Korea, and sells twice as much as Wal-Mart, the world's largest legitimate business.

By far the most lucrative type of illicit trade is in narcotics; but the figure also includes the trafficking in counterfeits, human trafficking and the smuggling of migrants, trafficking in firearms and weapons, environmental crime, wildlife and cultural property, and some aspects of cybercrime. The best-known organized crime groups, such

as the Italian Mafia (in reality three distinct groups: the Neapolitan Camorra, the Calabrian N'drangheta and the Sicilian Cosa Nostra), the Chinese Triads and the Japanese Yakuza have their own characteristics, based in their cultures and countries. Some, such as the Cosa Nostra, have maintained a strong hierarchical structure. Others, for example the Camorra, have a looser structure: participants act as franchisees in a structure that can adapt rapidly to changing markets, commercial trends, political developments and threats.

The size and scope of organized crime creates secondary effects and problems: gang warfare in which rivals – and anyone standing up to the dominant group – are eliminated; corruption and intimidation in the forces of law and order, including the police, prosecutors, judges and politicians; powerless citizens forced to tolerate their pervasive presence, or do business with them as they become the sole suppliers of goods or services, whether those goods are genuine or not.

The case studies in this book are not an exhaustive list: instead they use examples to explain the problems of organized crime, the linkages between types of crime and the scale of the organizations involved, and the success of actions taken against the criminals. INTERPOL is always keen to listen: whether you work in law enforcement or a partner agency, are a policymaker, a rights owner, or have been affected by this type of crime, we would like to hear from you. We value your opinions, and would like to include as many as possible in subsequent editions of this casebook.



"Trafficking in illicit and counterfeit goods is seen by the State of Qatar as blatant contempt for innovation. It is therefore essential that we show no tolerance when tackling this problem, especially as innovation constitutes a key pillar for development and advancement that we are looking to keep up with at a rapid pace.

Protecting intellectual property is a vital prerequisite for preserving our society and inventors from these crimes."

Major General Saad Bin Jassim AL KHULAIFI
Director General of Public Security, Qatar

HOW BIG IS THE PROBLEM OF COUNTERFEIT GOODS?

Counterfeiting has been a problem for hundreds of years. In 1544, Emperor Charles V decreed that anyone who counterfeited Flemish tapestries would have his right hand cut off. In 1564, Charles IX of France introduced the death penalty for counterfeiting.

The modern era of counterfeiting relies on the mass production of genuine goods, often in locations that are thousands of miles away from the customers. This trend is also not new: in the 19th century, Louis Vuitton disliked the idea that inferior copies of his luggage were being produced, and so created a distinctive cloth with his “LV” logo on it. Counterfeiters, it turns out, were not so easy to dissuade.

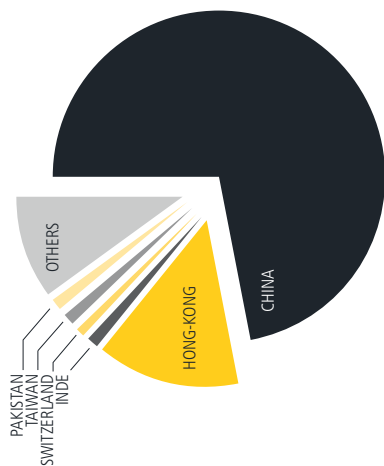
It is impossible to know exactly how much counterfeit product is shipped, because it occurs out of sight. But most customs administrations collect data on their seizures, data that sheds light on the extent of market penetration by counterfeiters.

“Each time Security and Police officers track down illegal goods traffickers and try to arrest them, they prove to the society that they are real effective officers. The United Arab Emirates will be one of the staunchest countries when it comes to tracking down those who try to commit Intellectual property crimes and crimes against creative endeavors, as the circulation of counterfeit goods in a given country brings inevitably with it the spread of other illegal goods and note that when minor breaches are allowed to occur, major ones will inevitably follow.”

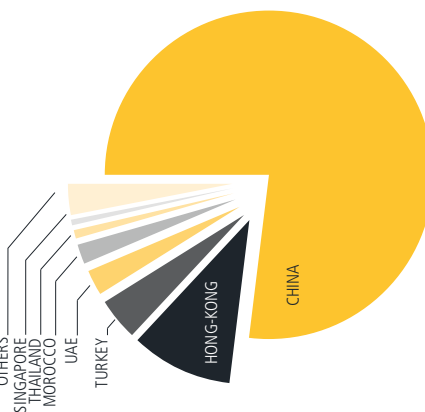
Lieutenant General Dhahi KHALFAN TAMIM
Deputy Chairman of Police and Security in Dubai City

CONSUMER AND LUXURY GOODS

IPR SEIZURE AT EU BORDER 2012



IPR SEIZURE USA 2012



CONSUMER AND LUXURY GOODS

17

reports that the top items seized were handbags and wallets, watches and jewellery, clothing and accessories, and then consumer electronics. In the EU the top items were shoes, clothing, bags, wallets and purses, watches and sports shoes.

A more popular route for shipping counterfeits in recent years uses postal and express carriers. In the EU this accounts for approximately 70% of all detentions, of which 23% relate to medicines. In the US, the Department of Homeland Security undertook more than 1,200 enforcement actions against postal shipments of suspect pills.

Both the US and EU report that, in terms of articles seized and their value, China is most often the country of origin. In 2012, the respective figures for the US and the EU were 72% and 77.09% in terms of the market value. When data for Hong Kong is included, these figures rise to 84% and 87.1% respectively. The following two charts illustrate these figures, which are remarkably similar.

The Chinese authorities are well aware of the problems of counterfeit production within their country, and they are now effective in carrying out large-scale enforcement activities against the counterfeiters and illicit traders. The Quality Brands Protection Committee (QBPC) based in Shanghai, works closely with law enforcement officials. Many of the cases reported in this book were provided by QBPC.

The US and the European Union publish yearly reports containing statistical details of seizures of IPR infringing material. There are some differences in the way in which these statistics are reported, but they highlight the types of products being shipped and the value of the goods.

The figures for the US are published by the Department of Homeland Security and for the EU by the European Commission, Taxation and Customs Union, otherwise known as DG Taxud. There are links below.

The EU figures show 91,245 cases registered in 2011, and 90,473 in 2012. In the US, there were 24,792 cases registered in 2011, and 22,848 in 2012. We can't immediately deduce anything from the fall: there might be less counterfeit product shipped, due to an effect on demand from the global recession. It might be distributed through different channels, to avoid detection. Counterfeiters might be becoming better at hiding their cargo.

Market value is determined slightly differently. In the US, this is the manufacturers suggested retail price for a genuine item. In the EU the report is the domestic retail value. This is the price at which the goods would have been sold at retail, had they been genuine.

US claims that the value of the goods detained in 2012 was USD 1.2 billion, and the EU reports EUR 992 million (USD 1.3 billion). On one hand, using retail value of genuine product increases the value. On the other hand, these consist of a tiny fraction of the total numbers of imports that reach the marketplace. We don't know what proportion. Cigarettes are most often detained, but other items seized are similar in both regions: the US

DG Taxud report on EU customs enforcement of intellectual property rights
<http://bit.ly/1esiEo6>



Customs and Border Protection, annual IPR seizure stat
<http://1.usa.gov/1esiQUd>



A FAMILY AFFAIR 2013

The Chaudhry family, from Greater Manchester in the UK, ran a successful counterfeit clothing and drugs business while they knew that the police were gathering evidence against them. The family even continued to import fakes while they were on police bail.

Greater Manchester Police conducted the investigation into their operation. It began in 2009 and continued to 2011 when searches of the family's property found clothing valued at more than GBP 250,000 (USD 410,000), plus 42 cartons of fake GHD hair straighteners valued at GBP 65,000 (USD 110,000), and 7 kg of cannabis with a street value of GBP 70,000 (USD 115,000). The Chaudhrys evidently knew they were being watched, but didn't want to give up their business: during the searches officers found antisurveillance equipment consisting of radio frequency scanners indicating that they were aware of police activity.

Abdul Chaudhry smuggled the clothing, and supplied markets across the UK. They lived a good life on the proceeds: the family took holidays in Barbados, Dubai and Egypt, and his wife

Shahnuz Chaudhry once paid GBP 42,000 for a new Mercedes and jewellery. At the time she was working as a receptionist, earning GBP 12,000 a year. The family bought houses in Manchester, paying cash.

On 5 February 2013, at Manchester Crown Court, four members of the family were sentenced to a total of seven years in prison for offences involving the importation and sale of counterfeit clothing, the supply of cannabis and money laundering.

#UK
#counterfeiting
#clothing
#cannabis
#money laundering
#GHD



Report from the UK Intellectual
Property Office:
<http://bit.ly/1hJZJL1>





A LIFE SENTENCE 2012

China may be the origin of many of the counterfeit goods we see, but the Chinese authorities are not indifferent — indeed, in recent years, there have been an ever increasing number of major crackdowns. The courts report their work against the counterfeiters and publish details of seizures and sentences, some of which are unusually harsh. In August 2012 Heyuan Intermediate People's Court in China's southern province of Guangdong sentenced Xiao Zhenjiang to life imprisonment. Three accomplices were also sentenced to imprisonment of between seven and 10 years, and given heavy fines.

To earn his life sentence, Xiao Zhenjiang and his co-defendants had run a small factory in the city of Heyuan. Public security officials raided it in 2011. During the search of the premises, they found CNY 100 million (USD 15.7 million) of fake Hermès purses.

#China
#Hermes
#counterfeiting



China Gives Life Sentence to Hermès Counterfeiter, Wall Street Journal
<http://on.wsj.com/1hINCwF>

CONDOMS AND BARBIE DOLLS 2010

In 2010, 1.4 million counterfeit condoms were imported from China via ZX Trading Corporation, based in Queens, New York, and discovered in a raid on premises associated with the trading companies. If you were unlucky enough to buy these condoms, you will be dismayed to learn that, according to the prosecutors who investigated the merchandise under laboratory conditions, the Trojan Magnum, Trojan-ENZ, Trojan Ultra Ribbed and Trojan Mint Tingle condoms were found to burst, leaked, and lacked a spermicide.

Law enforcement identified a US immigrant called Jian Wang, originally from China, as the importer. Two other defendants pleaded guilty to trafficking in counterfeit goods, but Jian Hu, of Queens, New York, and his sister, Lin Hu, of Temple City, California denied any involvement with the fake condoms. They admitted transporting containers from China to Newark Seaport in New Jersey filled with Louis Vuitton handbags and Rolex watches, but also more surprising counterfeits: Marvel comic books, NASCAR hats, and even Barbie dolls.

In late 2010 a District Judge in Brooklyn, New York sentenced Wang to 37 months in prison for trafficking in counterfeit goods. Three other defendants pleaded guilty to offences of counterfeiting, and one has fled the US.

#US
#China
#Condoms
#Toys
#Trojan
#Barbie
#Marvel
#NASCAR
#Louis Vuitton
#Rolex
#counterfeiting



Bloomberg reports the court case: Counterfeit Condom Trafficker Gets 37-Month Sentence
<http://bloom.bg/1dQQi7n>

CONSUMERS ENFORCE THEIR RIGHTS 2012

On 2 October 2012 the Communications Commission of Kenya announced that 1.89 million counterfeit mobile phones had been disconnected from mobile networks in the country, and were unable to receive or make calls or send messages. The explosion in counterfeit handsets is a story that is repeated elsewhere in Africa: Uganda's telecommunications regulator has also cut off thousands of counterfeits, leaving users to buy new handsets if they want to get back online.

It is not surprising that consumers become upset when they are sold a fake. During 2012, four Kenyan consumers in the town of Isiolo bought what they thought were Nokia N9 series handsets, each worth between KES 9,000 (USD 105) and KES 20,000 (USD 230), from three Chinese traders: Li Meiyang, Chen Haizong and Chen Haiying. When they discovered the handsets were fake, they searched for the sellers, and found them doing business with other unsuspecting customers at a garage. They called the police, who arrested and charged the counterfeiters.

When they were arrested they were carrying six fake Nokia N series phones, three fake Apple iPhones and 21 counterfeit chargers. The defendants appeared at court on 30 August 2012 and pleaded guilty to trading in counterfeit goods.

#Kenya
#Uganda
#handsets
#Nokia
#Apple
#iPhone



Chinese nationals jailed for selling fake goods,
The Standard
<http://bit.ly/1177Ego>

THE SCENT OF MONEY 2010

At a Las Vegas trade show in August 2010, Shaoxiong Zhou, 42, of Guangdong, China was thinking big: he took orders to supply large quantities of Lacoste, Polo Black and Armani Code perfumes to his customers.

In early 2011 Customs officers in Staten Island, New York seized a container. It contained 37,000 units of perfume: Zhou's perfume. All had counterfeit trademarks and, on cursory examination, looked like the products of the well-known brands: but neither the bottles nor the perfume in them had been produced by the brands whose names were on the labels.

Zhou and his business partner Shaoxia Huang were arrested on 2 March 2011. In court they admitted trafficking in counterfeit goods. They were sentenced to 12 months and nine months imprisonment and were ordered to pay USD 20,000 in restitution.

#US
#China
#counterfeiting
#Lacoste
#Polo
#Armani
#perfume



US Department of Justice: Chinese Perfume Importer
Sentenced in Brooklyn to 12 Months in Prison for
Trafficking in Counterfeit Perfume
<http://1.usa.gov/1hj8aVR>



COUNTERFEIT HANDSETS IN TRANSIT 2013

When Argentine customs (AFIP) seized 540,000 counterfeit mobile phones at Buenos Aires and Córdoba airports in February 2013, they discovered fake BlackBerry, Samsung models including the Galaxy SIII, Nokia, Sony and Motorola handsets. But they also found counterfeit iPhone 5 handsets – a model that had been launched just six months before, and which had sold 5 million units in the US on the day of launch alone. AFIP also seized mobile phone batteries, MP3 devices and cameras. Altogether, AFIP estimated that, if they were sold at the manufacturers' suggested retail price, the value of the seized items would have been UYU 450 million (USD 90 million). Where were they heading? AFIP suggests the free trade zone of Ciudad del Este in Paraguay as one destination, but there was a clue in the packaging: printed in Portuguese, it implies that many of the phones were on their way to the world's seventh-largest economy in neighbouring Brazil.

#Argentina
#Paraguay
#Brazil
#iPhone
#Samsung
#Nokia
#Sony
#Motorola
#handsets
#counterfeiting

*“Trafficking in illicit goods is a problem which every day becomes more transnational in nature, requiring countries to respond with a multilateral approach to effectively tackle the issue...
...In addition to seriously affecting domestic security, the illicit traffic and illegal circulation of products such as weapons and medicines undermine human rights and international humanitarian law, by exacerbating and fuelling internal conflicts in various parts of the world.”*

Rodolfo Palomino López
Director General of the
Colombian National Police



Medio millón de celulares falsos, clarin.com
<http://clarin.com/1d9280E>



OPERATION BLACKOUT 2009

In 2009, some storage units in Middlesex, just outside London, were filled with 158,000 pairs of counterfeit Nike training shoes, including the popular Nike Air Max 90. Between October and December 2009, three containers had arrived at the port of Felixstowe, shipped from China, filled with the shoes.

The City of London police had identified the shoes, which were sold in London's street markets, and tracked them to the storage units. Using this information, they executed Operation Blackout: a series of search warrants. During the searches around GBP 450,000 in cash was seized from houses and safety deposit boxes owned by the four people who had been identified as the smugglers. One, named Sid Dehimi, was found with GBP 35,000 cash hidden under the stairs of his house.

Zohair Habet, Mourad Abad, Elies Dehimi and Dehimi were convicted at Southwark Crown Court on 9 January 2012. The four defendants were sentenced to a total of 16.5 years in prison.

This case illustrates the illicit international trade perfectly as the four suspects didn't just bring shoes: clothing, handbags and hair straighteners that were all smuggled into Britain, including Gucci, Nike, Ralph Lauren and Versace products.

#UK
#China
#counterfeiting
#shoes
#Gucci
#Nike
#Ralph Lauren
#Versace



The CPS report
<http://bit.ly/M2jbGG>

REINVESTING PROFITS 2010

In the US and Guam, officers of the US Department of Immigration and Customs Enforcement (ICE) indicted nine people, including two Malaysians, four Chinese citizens and three naturalized citizens of the US. They were accused of a conspiracy to smuggle into the United States counterfeit shoes, handbags and wristwatches manufactured in Malaysia and China. They had spent two years building a business, reinvesting their profits to import tens of thousands of fakes.

Three of the defendants pleaded guilty in a US Federal Court. Kim Yip Ng, Lidan Zhang and Josephine O. Zhou pleaded guilty in separate hearings.

According to their guilty pleas, the sales proceeds from their counterfeit import business between 2008 and 2010 were returned to manufacturers and middlemen in China to pay for additional counterfeit goods, and to pay fees through an importer to clear counterfeit clothing through the Port of Baltimore.

We know that, on 15 October 2009, Zhou had received a container filled with approximately 25,000 counterfeit Coach handbags through this shadow business. On 10 December 2009, Ng and Zhang had received a container loaded with approximately 25,000 counterfeit Coach handbags through the same business.

#China
#US
#ICE
#Malaysia
#Coach
#shoes
#handbags
#wristwatches



The ICE report
<http://1.usa.gov/170y5J>

THE CZECH REPUBLIC'S VIETNAMESE MARKETS 2012

The Czech Republic has a large ethnic Vietnamese population. Most arrived in the country as migrant workers from what had been North Vietnam following the end of the Vietnamese war, and the second and third generation Vietnamese population may be as high as 100,000.

Along the border with Austria and Germany there are around 50 markets, known locally as 'Vietnamese markets'. Some are little more than a few shacks but others, such as the Dragon market in Cheb, are large formal sites with modern buildings and hundreds of individual stalls.

The markets acquired a reputation for counterfeit music, films and software, watches, clothing, handbags, tobacco and perfumes. Day-trippers from Austria and Germany would arrive on organized coach trips to buy these counterfeits. Ultimately, the Czech government decided to regulate the markets more closely. Customs, police and market inspectors targeted the markets and the organized crime gangs behind them.

Millions of euros worth of products were seized and destroyed. Traders changed tactics so that profitable items such as films and software were hidden in locked containers, which officers were unable to search on normal market raids.

In 2009, local legislation changed to increase the penalties. A protracted battle was carried out over several years. Today we have an uneasy truce. The majority of the markets still exist, but levels of piracy and counterfeits have dropped.

This success is maybe no cause for celebration: the German police now note that some of the market traders have switched to an even more profitable product: selling drugs such as methamphetamine in commercial quantities to German distributors.

"Market participants and regulators rely on certification marks, such as the TÜV SÜD octagon safety mark, to make an informed decision. Counterfeit certification marks on untested products will endanger public health and safety. TÜV SÜD as a member of the Certification Industry Against Counterfeiting (CIAC) led by INTERPOL is contributing effective intelligence and training to anti-counterfeiting law enforcement worldwide."

Ishan Palit
CEO Global Product Service Division
TÜV SÜD

#Czech Republic
#Germany
#Austria
#Vietnamese markets
#counterfeiting
#methamphetamine



Two-way traffic on the border
<http://bit.ly/1F7H9ML>

COUNTERFEIT CLOTHING AND PERFUMES 2013

On 8 April 2013 the Guardia Civil in Spain announced that they had dismantled one of the largest criminal organizations operating in Spain dedicated to the sale of counterfeit clothing and perfumes. During the operation 50 people were arrested, and another 21 were accused of involvement in the illegal enterprise that operated throughout Spain – but especially in the provinces of Cadiz, Seville, Badajoz and Orense.

The operation commenced in Cadiz after the Guardia Civil detected the presence of immigrants, principally from Africa, who sold sportswear and perfumes to tourists during the holiday season. Most were poor and were employed at low pay by an organized crime group to sell the products.

The gang used garages and warehouses in Seville for distribution. The premises were raided, and 10 people arrested along with thousands of items

of clothing. Three other wholesale distributors were identified in Orense and Badajoz, where more than 10,000 articles were seized. During the operation officers seized sportswear and perfumes with a face value of more than EUR 2,18 million (USD 2,98 million) as well as EUR 20,000 (USD 27,000) in cash and 16 vehicles.

According to the Guardia Civil the network distributed more than 250,000 fakes to smaller distributors in other provinces in 2012. The network used a complex system of intermediaries to launder the proceeds, financing organized crime and other illicit activities.

#Spain
#Africa
#counterfeiting
#money laundering



Guardia Civil report
<http://bit.ly/1f7kTOC>







THE WORLD TRADE BRIDGE 2012

In 2012, US Customs and Border Protection (CBP) officers in Laredo, Texas made two large seizures of fake Swiss watches at the World Trade Bridge, a border crossing to the Mexican city of Nuevo Laredo.

On 29 June officers stopped a shipment for examination. They found 10 boxes, containing 1,120 watches that looked at first sight to be Audemars Piguet designs: the Swiss watch favoured by LeBron James and Leo Messi, among others. But they were fakes, as were the 28 other boxes, containing 3,080 cheaper watches. If the goods had been genuine watches, they would have been valued at USD 28.7 million according to the manufacturer's suggested retail price.

Then, on 12 December 2012, the CBP team announced that they had made the largest seizure (by retail value) in the port's history: more Audemars Piguet branded watches, which were also fakes. This time, the consignment of 7,800 watches which had arrived at the border in an express carrier's truck would have had retail value of USD 83 million if they had been genuine.

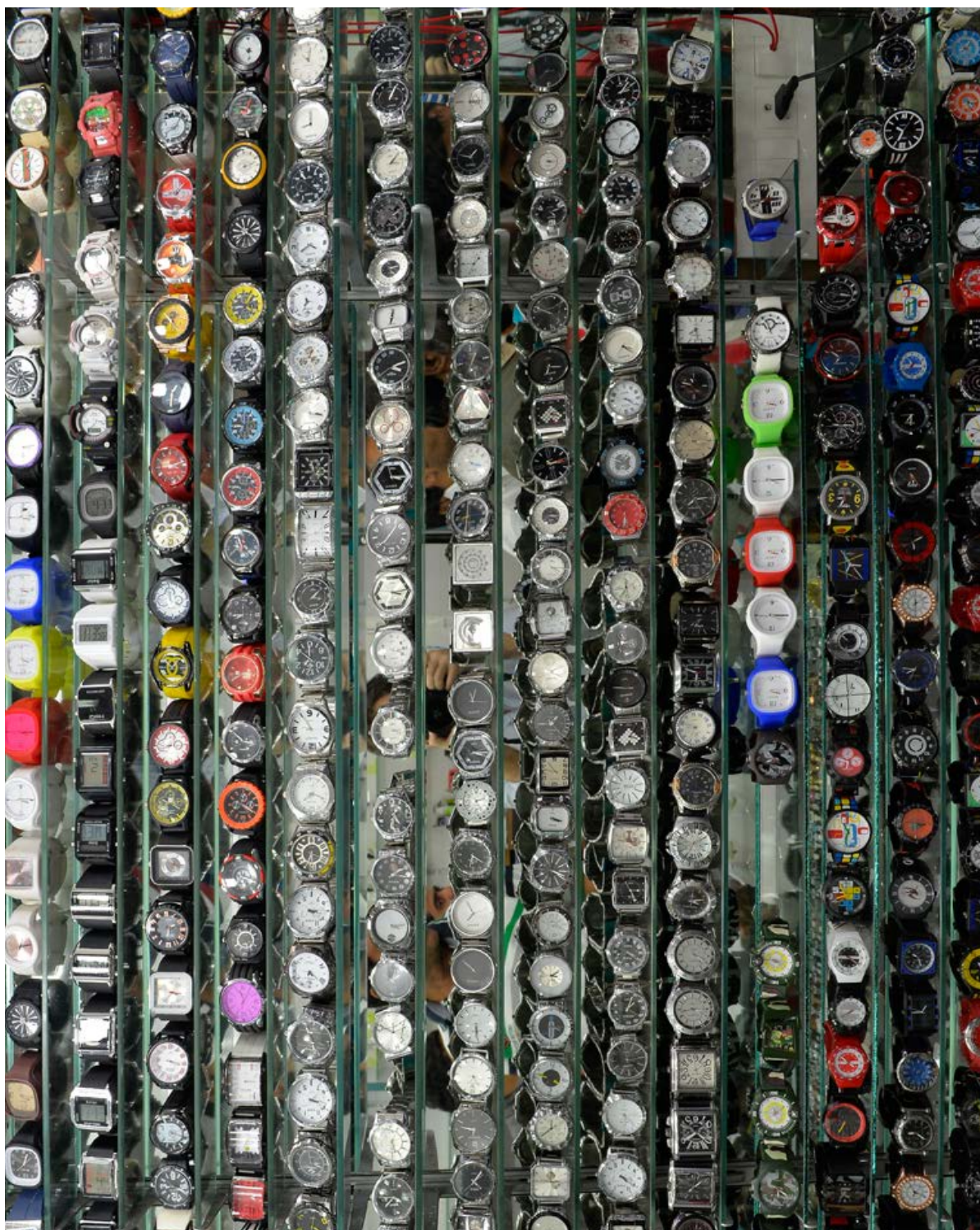
#Mexico
#US
#CBP
#Audemars Piguet
#wristwatches
#counterfeiting

"This casebook is a valuable addition to the evidence of the increasing role played by transnational organized criminal networks in the trade of counterfeited and pirated goods. BASCAP welcomes this new resource and hopes that it, along with reports such as the BASCAP-UNICRI study on "Confiscating the Proceeds of Crime", will generate greater awareness amongst policy makers of the harms and risks associated with the involvement of transnational organized crime in the trafficking in illicit goods, including counterfeit and pirated goods."

Jeffrey Hardy
 Director of ICC BASCAP

The CBP report
<http://1.usa.gov/171Aug>





THE COUNTERFEITER'S MOST POPULAR PRODUCT

It would be hard to find a more ideal candidate for counterfeiting and illicit trade than cigarettes. The product is small, lightweight and profitable for illicit trade because the sale price is many times the cost of manufacture, mostly due to high levels of local tax in most countries. According to the US Department of Agriculture, around 5.6 billion cigarettes are manufactured every year – that's equivalent to 10 million people lighting a cigarette every minute.

There are opportunities both for counterfeiters and smugglers of cigarettes. Counterfeiters can create a cheap copy that a consumer can't detect at the point of purchase, and that customs may struggle to identify. Smugglers also have incentive to take advantage of different levels of taxation to move the genuine product from a low-tax country (or state) to one where taxes are higher.

"The EU and the Member States will continue losing EUR 10 billion per annum in revenue and the illicit trade will continue undermining public order, public health and security."

OLAF
European Anti Fraud Office

TOBACCO COUNTERFEITING AND SMUGGLING

There are three strategies for the potential smuggler or counterfeiter: First, source genuine cigarettes and or tobacco in the world markets and smuggle this product into another country for sale. Second, produce illegal cigarettes or tobacco and sell them in counterfeit packaging. This means sourcing raw tobacco, machinery for making the product, and cartons imitating original product. Not only are the counterfeiters producing and selling an untaxed product, they are also committing intellectual property crimes. Finally the third option is to source and smuggle cheap cigarettes, legally produced in some countries, and which are known in the trade as illicit whites.

Tobacco smugglers are a threat to government tax revenue and often provide a more dangerous or sub-standard product. Because illicit cigarettes are a high-profit, low-risk product, organized crime is deeply involved in the manufacture and shipping of counterfeit or illicit whites manufacturing. It has also been a useful way for terror groups to raise cash, notably the IRA in Northern Ireland.

The losses of taxation on smuggled cigarettes are relatively simple to quantify. A single shipping container of smuggled cigarettes could contain 10 million cigarettes. The average loss of customs duty, excise duty and VAT in the EU is EUR 1.5 million (USD 2.1 million), and the European Commission estimates losses at EUR 10 billion per year.

In the UK, where taxes on tobacco are higher than in most of Europe, it is now estimated that approximately 25% of all cigarettes consumed are counterfeit or smuggled. This equals GBP 2 billion (USD 3.3 billion) in lost taxes per annum, according to a report published by HM Revenue and Customs in 2011.

Even in countries with smaller populations and lower levels of taxation, such as Romania, the estimated losses from tobacco and cigarette smuggling can run into billions of dollars. As we report below, sales of cigarettes in Spain have decreased dramatically since the financial crisis began. Some of this may be attributable to people smoking less, or giving up. Much more may be attributable to counterfeits and contraband.

Europe has a large market, and open borders internally. Customs regulations normally only allow for inspection at the external borders of the EU, or at the port of first entry into the EU. Thus once product has cleared such a control it can travel across the 28 states without further inspection. The scale of tobacco smuggling into the EU is massive: something recognised by the European Anti-fraud office (OLAF) and by Europol, though contraband and counterfeit cigarettes are common everywhere in the world.

To detect smuggling the authorities increasingly use technology. In one operation codenamed Barrel in 2011, trains travelling from the Ukraine (outside the EU) to Poland were subjected to a scanning process at the border. Information obtained was analysed in real time and relayed to officers at border control points who compared the declarations made with the results of the scan. In the operation, 1.2 million cigarettes were discovered in trains carrying wood and iron and in another case hidden inside gas tanks.



Stepping up efforts to fight against
cigarette smuggling, OLAF
roadmap
<http://bit.ly/1fuOO6S>



Operation Barrel
<http://read.bi/1fuQ3D4>

FUNDING THE REBELS 2009

Tribert Rujugiro pleaded guilty to tax evasion at a court in Eastern Cape Province, South Africa, on 5 June 2009.

A Rwandan national, Rujugiro was originally arrested at Heathrow airport in London, after which he was extradited to South Africa.

Rujugiro had several businesses in South Africa. He imported tobacco and produced cigarettes for both export and domestic sale. He admitted that, thanks to unpaid taxes and duty, he had received a financial benefit of ZAR 60 million (USD 5.41 million). He was sentenced to pay this back at a rate of ZAR 1 million (USD 90,000) per month.

On 12 December 2008 the United Nations Security Council had published a report by its Group of Experts on the Democratic Republic of Congo (DRC). The report accused Rujugiro of channelling money from his companies to a Congolese rebel group called *Congres National Pour la Defense du Peuple* (CNDP). The CNDP is one of the rebel groups fighting to control the mineral rich territory in DRC

and has been implicated in human rights violations including murders, the recruitment of child soldiers, mass rape, slavery and torture. One email from Rujugiro claimed that he had sent USD 120,000 to pay soldiers of the CNDP.

#South Africa
#cigarettes

#tobacco

#Democratic Republic of Congo
#Congres National Pour la Defense du Peuple



The plea agreement
<http://bit.ly/17mHGx>





CONTINENTAL EUROPE TO THE UK 2012

Douglas Allison, the leader of a gang which tried to smuggle more than 13 million counterfeit cigarettes into the UK, hidden in lorries that seemed to be carrying ice cream through the ports of Dover and Newhaven, was sentenced to six and a half years in prison in 2013, plus another six months when he failed to attend Maidstone Crown Court. Three other members of the gang were also jailed.

According to HM Revenue and Customs (HMRC), Allison admitted he had been dealing in illicit cigarettes for a number of years, and had lied to investigators to hide his criminal income. His earnings funded gambling, holidays, shares and two flats in Glasgow, Scotland, and if he had successfully smuggled the cigarettes, they would have avoided paying GBP 2.7 million (USD 4.4 million) in duty to the government.

#UK
#cigarettes
#smuggling
#tobacco



The BBC report of the case
<http://bbc.in/1f7o6gN>

"An effective response to the threats posed by the illegal trade of tobacco products can be ensured by coordinated and concerted efforts at national and European level, and in close cooperation with third countries and international organizations."

"Cigarette smuggling threatens financial, social and health security of the EU and must be tackled effectively."

The Council of the European Union
11 December 2013

THE TRI-BORDER REGION 2011

On 1 September 2011 the Brazilian Federal Police claimed to have dismantled a Paraguayan gang active in tobacco smuggling for at least 10 years. The operation took place in Campinas, close to the city of São Paulo, and 12 people, including three gang leaders, were arrested.

During the arrests one of the suspects unsuccessfully tried to throw away a computer hard drive and BRL 200,000 (USD 87,000). The officers found contraband materials, vehicles, controlled drugs, firearms and BRL 270,000 (USD 113,000) in cash.

It is suspected that the gang were turning over some BRL 2 million (USD 874,000) each month from smuggling tobacco evading taxes as well as circumventing sanitary controls on tobacco products.

#Brazil
#cigarettes
#tobacco
#smuggling

Source: Brazilian Federal Police

THE PARAGUAY CONNECTION 2012

The Paraguayan city of Ciudad del Este borders Argentina and Brazil. Millions of dollars worth of counterfeits of every description move between the countries every year.

Paraguay has a population of around 6.2 million people and its tobacco companies produce around 68 million cigarettes every year. Its internal market is estimated to be around 3 million cigarettes. The difference is exported to neighbouring countries. But much of this excess production is smuggled.

In neighbouring Argentina, seizures of smuggled Rodeo brand cigarettes account for 45% of all seizures, 290 million in 2012/13. According to press reports around 14% of tobacco sold in Colombia is contraband, sourced from the islands of Aruba and Curacao. In 2012, 5 million contraband cigarettes were seized, the majority being two brands, produced in Paraguay.

#Paraguay
#Argentina
#Colombia
#cigarettes
#tobacco
#Rodeo
#smuggling



Smuggling into Argentina
<http://bit.ly/1f7xUXS>



Smuggling into Colombia
<http://bit.ly/1f7yhBP>

SPANISH CUSTOMS 2012

Spain has seen levels of tobacco smuggling rise dramatically, so much so that tobacconists and specialist shops selling these products have reported a dramatic decline in sales: 2012, sales of legal cigarettes fell by 40%.

One reason for this is smuggling. In 24 July 2013 a container, which according to the customs declaration should have contained shoes, arrived in Valencia. Customs officers were suspicious, and followed it 230km to a warehouse in Murcia. On 7 August the Guardia Civil arrested 10 people, caught transferring the load from the container to a heavy goods vehicle with a foreign registration number. The load was made up of tobacco and cigarettes, indistinguishable from the genuine product, and valued at EUR 2 million (USD 2.7 million). The printing on the packets was in French: once inside the EU, goods can also pass from country to country with no further customs control.

#cigarettes
#Tobacco
#Spain
#China



AFP reports the seizure
<http://bit.ly/1bKS3Wa>

"[Counterfeit and contraband] increased by 0.4% in 2012 to 65.5 billion cigarettes and grew by 0.7 percentage points as a proportion of total consumption. If these cigarettes had been sold legally in the countries where they were identified, the tax revenue would have been worth approximately EUR 12.5 billion. Non-domestic levels increased in 2012 for the first time since the study was initiated, by 6.5% to 24.8 billion cigarettes and grew by 0.5 percentage points as a proportion of total consumption."

KPMG
Project Star 2012 Report
2013



AN UNUSUAL DIPLOMATIC PRIVILEGE 2011

Esther Pascaline Bombeto, whose husband Marc Marius Itela Elombola was a counsellor at the Congolese Embassy in Belgrade, had the habit of crossing from Serbia to Romania once or twice a week, using their diplomatic passports.

On the night of 12 June 2011, Romanian police stopped her: they had been following her movements for three months. She refused to let police search her car, claiming diplomatic immunity: but the officers knew that cigarette smuggling wasn't covered by her immunity. Police found more than 18,000 cigarette packets hidden in her car.

Officers confiscated the Albanian-made cigarettes. At least two Serbian nationals alleged to be Ms Bombeto's accomplices were also detained. Police were also searching the homes of nine more suspected accomplices in Romania. By 15 June, the Congolese press was reporting that Elombola had been recalled.

#cigarettes
#smuggling
#tobacco
#Serbia
#Congo
#Romania
#diplomatic immunity



The AFP reports the arrest
<http://bit.ly/17YAY1>

A COUNTERFEITING RING 2011

On 14 November 2011, the Chinese Ministry of Public Security announced that 1,500 police officers had taken action against 122 criminal dens, arresting 78 suspects, in a raid on a cigarette counterfeiting ring in nine provinces.

They confiscated 80,000 cartons of bogus cigarettes and 10,000 units of counterfeit logos, manufacturing equipment and 25 vehicles. The ring was made up of a closely linked chain of counterfeiting groups who would coordinate their production to meet their orders: sometimes high-end cigarettes, other times domestic brands.

#China
#cigarettes
#tobacco
#counterfeiting
#smuggling



The Xinhua News Agency reports the raids
<http://bit.ly/117vadh>

CHASING THE SMUGGLERS 2012, 2013

Part of the threat posed to the Italian markets stems from newly independent countries in the Balkans such as Montenegro and Serbia where organized crime gangs are waging a battle for supremacy in the smuggling of tobacco and other goods.

On 26 May 2013, officers from the Guardia di Finanza in Brindisi arrested two Italian men after a high-speed night-time chase at sea. Their boat, which had earlier left Montenegro, was powered by two 450 horsepower outboard engines and was chased for more than an hour before officers were able to board it. On board they found 350kg of cigarettes to be landed further along the coast. At the designated landing point, a car (which had been stolen the previous day) was waiting. Both suspects were arrested and the launch also seized.

The coastline of Puglia between the towns of Ostuni and Fasano is another area where the Guardia di Finanza regularly looks for smugglers. For example, on 20 December 2012 two Italians and an Albanian had been caught attempting to land 400kg of foreign tobacco. The suspects were using a high-speed launch. Four vehicles, used to transport the contraband, were also seized on the beach.

TOBACCO COUNTERFEITING AND SMUGGLING

39

In July 2013, border police at the port of Bari stopped a 37-year-old Neapolitan man driving a Scania truck that had recently arrived from Greece. He looked nervous, so police subjected the truck to an x-ray scan that revealed suspicious results. Although the truck appeared to be carrying a cargo of watermelons, hidden behind them were more than 6 tonnes of contraband cigarettes: almost 30,000 large boxes.

The driver of the lorry was arrested and the truck and contents seized.

#Tobacco
#cigarettes
#Smuggling
#Albania
#Montenegro
#Italy



In Brindisi
<http://bit.ly/1F7EVrG>



in Puglia
<http://bit.ly/1F7EM7T>



in Bari
<http://bit.ly/1F7EE8c>

IT'S IN THE POST 2011

Why smuggle tobacco in hundreds of small packets? Not only are the parcels very much smaller, reducing losses if the shipments are intercepted, but the likelihood of an individual shipment being identified and seized is smaller too. If you're smuggling tobacco, the disadvantage is that someone has to package, weigh and post it all.

In early December 2011 Hong Kong customs officers identified 72 parcels containing 900kg of tobacco at an airmail centre before they were sent to the UK – they had been packaged as tea or rice. When they investigated, they seized illicit tobacco worth HKD 3.9 million (USD 503,000), soon to be airmailed to Britain. They later arrested three men: the tobacco was from mainland China, repacked under a false trademark and sold in Britain at up to 10 times the price.

#Airmail
#Hong Kong
#China
#UK
#cigarettes
#tobacco



Tobacco dreams up in smoke
<http://bit.ly/1f7sdlw>

“Forging a global alliance of law enforcement agencies, through close coordination and collaboration, will surely reduce substantially the threats posed by transnational organised crime.”

Albert HO
Assistant Commissioner
HK Customs





UNDER THE BORDER 2012

In July 2012, when Tax officials and Customs officers in the Slovak Republic raided a factory close to the border with Ukraine, they surprised two people loading boxes of counterfeit cigarettes onto a lorry — and a further surprise.

What looked like a wood processing yard 220 metres from the Ukrainian border hid a tunnel that led under the border to the Ukrainian town of Uzhorod, 700 metres away. The tunnel, about one metre in diameter, appeared to have been professionally excavated using mining techniques, and contained a track which ran from one end to the other. Products were sent along it on a trolley. The tunnel emerged inside a family house in Uzhorod, from where counterfeit cigarettes were despatched through the tunnel to emerge in the factory premises in Slovakia.

This successful raid seized 13,100 master boxes of cigarettes. The cigarette packets seized all had printing in the English language, which suggests they weren't destined for Slovakia — but in all probability for the Irish or UK markets.

#cigarettes
#Tobacco
#Slovak Republic
#Ukraine

Source:
World Customs Organization Illicit Trade Report 2012, p18

FORTY TONNES OF RAW MATERIAL 2012

Hidden factories in remote areas can manufacture hundreds of thousands of cigarettes. Even when it is too late to intercept the product, investigators can still find the evidence, and put the factories out of business. On 18 November 2012, officers of the Tobacco Monopoly Association TMA of Xiamen City inspected a factory in the Ma Xiang Town Hou Xu Village in Xiamen City, China. They discovered an underground manufacturing site for making cigarette filters. They discovered cigarette filter pieces, 420 rolls of cigarette wrapping papers, two machines that were used to make filters — and 6.3 tonnes of acetate tow, the material used to make filters. The value of the equipment confiscated was CNY 768,610 (USD 125,000).

On the same day, the officers visited another factory in the Hong Xi Industrial Area, Ma Xiang Town, Xiamen City, China. They found a storage site of raw materials for manufacturing fake cigarettes. Here they seized another 719 filter pieces, 1,470 rolls of wrapping paper, and another 33.3 tonnes of acetate tow. This amount of raw materials was capable of producing millions of illicit tobacco products, which apart from generating millions of US dollar profit for the criminals involved, would clearly reduce excise revenue for the countries which would be victims of the distribution.

#China
#cigarettes
#counterfeiting
#factory

Source: NCB Beijing



"The share of the illicit cigarette market in the EU has continued to increase in recent years (from 8,3% in 2006 to 10,4% in 2011)."

Stepping Up Efforts to Fight Against Cigarette Smuggling

A Comprehensive EU Strategy.
European Commission
August 2012

THE PROBLEM OF FOOD FRAUD

In December 2013 and January 2014, more than 1,200 tonnes of fake or substandard food and nearly 430,000 litres of counterfeit drinks were seized in a coordinated operation in 33 countries, conducted by INTERPOL and Europol.

Operation Opson III led to the recovery of more than 131,000 litres of oil and vinegar, more than 80,000 biscuits and chocolate bars, 20 tonnes of spices and condiments, 186 tonnes of cereals, 45 tonnes of dairy products and 42 litres of honey. In total, 96 people were arrested or detained with investigations continuing in many countries.

In Spain, 24 people were detained for illegal work and immigration offences after 4.5 tonnes of snails illegally taken from woods and fields were recovered. In Bangkok, Royal Thai Police raided a warehouse and recovered more than 270 bottles of fake whisky, forged stickers, labels and packaging. Officials in the Philippines seized nearly 150,000 fake stock cubes, and French police identified and shut down an illegal abattoir on the outskirts of Paris.

“Nobody should be in any doubt: the serious end of food fraud is organized crime, and the profits for criminals can be huge.”

Professor Chris Elliott

FAKE FOOD AND DRINK

When most people either grew their own food, or knew their suppliers well, food safety was a problem of hygiene: keeping and cooking it properly. Today, with the majority of the world's population living in cities, most of us do not know exactly where our food comes from. We rely on the food standards regulations, and the accuracy of the labels, to identify what we eat and drink.

The recent series of food scandals have come as a shock to many people. In China, a series of food scandals has undermined public confidence in food supplies. So far, the most damaging was an infant milk powder sold in November 2008, which had melamine added to increase the apparent protein content. The Chinese government reported an estimated 300,000 victims, with six infants dying from kidney damage.

Last year, rat meat sold as lamb in Shanghai sparked panic among consumers. It is now possible to buy consumer food testing kits, which will identify the freshness of eggs, verify the authenticity of red wine and detect clenbuterol in meat and poppy seed pods in steamboat soup, among other tests.

A similar scandal in Europe highlighted the pressures on meat suppliers to increase profits by cutting corners. In January 2013, horse DNA was discovered in meat available in British and Irish supermarkets. Arrests have been made throughout Europe, though so far, no prosecutions have been undertaken.

The UK government commissioned a report from professor Chris Elliott, Director of the Global Institute for Food Security at Queen's University Belfast. He highlighted the involvement of organized criminals, and recommended specialist

“food police” to ensure consumer safety: he used market prices to calculate profits in the supply of adulterated beef from what he calls organized ‘food fraud’ at GBP 1,020 (USD 1,700) per tonne.

Food fraud is not a recent phenomenon: for example, organized gangs in Guangzhou in 2003 had not only supplied fake Wrigley's gum to shops, but had copied the delivery trucks and uniforms of the suppliers. What has changed over the years is the length of the supply chain: Europe's food scandal showed that supermarkets and their distributors were apparently buying fake food in good faith, and found it difficult to trace exactly where the meat they had bought had originated.

The supply of fake alcohol is both profitable and dangerous. The profits can be measured, because counterfeiters do not pay duty. They either print their own labels, or refill discarded bottles, and often sell direct to bars. On the other hand, the dangers are hard to quantify. Official Russian government figures, for example, estimate deaths from counterfeit alcohol as 45,000 in the early 2000s, falling to about 12,000 in 2010. The problems stem from the cheap alcohol base used. Ethylene glycol (antifreeze) attacks the kidneys and heart; methanol can result in blindness; isopropyl alcohol (rubbing alcohol), even in small quantities, can cause drinkers to fall into a coma, or to choke on their vomit.



The UK government's review into the safety of its food supply
<http://bit.ly/1fxp75v>



The market in fake alcohol
<http://bit.ly/1fxLFTP>



COUNTERFEIT HAM AND CHEESE 2008, 2011, 2013

Operation Opson (see the list of INTERPOL operations) was organized in response to Europe-wide concerns about contaminated and counterfeit foods.

Between October and November 2011, 10 EU countries participated in the first Operation Opson. It recovered more than 13,000 bottles of substandard olive oil, 30 tonnes of fake tomato sauce, around 77,000kg of counterfeit cheese, more than 12,000 bottles of substandard wine worth EUR 300,000 (USD 410,000), five tonnes of substandard fish and seafood, and almost 30,000 counterfeit candy bars.

Among the perpetrators, the Neapolitan Camorra had found a useful line of business: producing and marketing such products as Parma ham and Mozzarella, two Italian products with DoC (Denominazione di Origine Controllata) and protected Geographical Status. These marks should provide consumers with the guarantee that any product bearing them is produced with the care and the standards set for each product.

Fears about contaminated mozzarella dated from 2008, when samples were found to contain high levels of dioxins – a chemical residue known to be extremely harmful to human health. Investigations revealed that not only were some farmers in the region of Campania acquiescing or permitting in the dumping of toxic material on their land, but that milk from animals grazing on the pasture growing on this land was also contaminated.

Toxic waste should be disposed under strictly controlled conditions, but the Camorra also controlled this.

The scale of this toxic waste in the Naples region was once again brought into focus in November 2013: thousands demonstrated in the city calling for Government action to clean up the area. Known as the Triangle of Death, the area between Naples and Caserta suffers from the high incidences of cancer and other diseases: it is alleged that more than 10 million tonnes of industrial waste has been dumped there in the previous 20 years. The demonstrators blamed the Camorra.

In February 2008 Italian authorities had also reported the seizure of around 1,000 fake Parma hams. In this case the product was perfectly safe to eat – the product was seized because it was labelled incorrectly with a Parma prosciutto label.

#Camorra
#food
#Parma ham
#Mozzarella
#Italy
#Operation Opson
#INTERPOL



Contaminated food
<http://bit.ly/1d9Q52C>



ILLEGAL DISTILLING 2011

In November 2011, five British men were convicted of conspiracy to cheat the revenue. The gang were running an illegal vodka distilling operation in a remote farmhouse: the court learned that they had evaded the payment of up to GBP 1.5 million (USD 2.46 million) by bottling fake vodka. The two ringleaders of the operation, John Humphreys and Kevin Eddishaw, were each sentenced to seven years in prison. Other gang members received shorter sentences.

The product sold by the gang was, in fact, denatured alcohol or methylated spirit—which is unfit for human consumption. Methylated spirit is coloured to identify it, but this was treated with bleach to remove the colouring agent and then diluted. Analysis of the bottled vodka revealed high levels of methanol, which is toxic.

When officers searched the production site they found enough denatured alcohol to make 100,000 bottles of vodka. The gang had obtained original bottles for a well-known brand as well as attaching professionally printed labels, taxation stamps and bottles tops – all of which were counterfeit.

Fake alcohol can kill the people who drink it, whether they know it is fake or not, and often does. In 2006 it was reported from Moscow that medics treated more than 1,000 people, and that 50 had died, after drinking fake vodka. In September 2012, authorities in the Czech Republic announced that 18 people had died, and that at least another 24 were critically ill, after consuming fake vodka.

#vodka

#Russia

#Czech Republic

#UK

#counterfeiting

#Methanol



Counterfeit vodka gang
<http://bbc.in/1d9R1c5>



Deaths in Russia
<http://ind.pn/1d9T1p3>



Deaths in the Czech Republic
<http://bit.ly/1d9TMFC>



LAMB OR RAT? 2013

In early May 2013, Shanghai police announced that they had arrested 63 suspects involved in fake meat processing. Lamb sold in markets in Jiangsu and Shanghai wasn't all it seemed. According to the police report, the gang had taken the meat from rats, foxes and other small mammals. They stained the flesh with dye and added gelatine and preservatives.

Almost 10 tonnes of counterfeit lamb was seized from a warehouse, but this has been only a small part of the counterfeit meat trade. In a little more than four months in 2013, more than 900 people were arrested and many illegal butchers and 1,721 processing sites were shut down.

#food
#China
#counterfeiting



"Rat meat sold as lamb in China highlights fears",
New York Times
<http://nyti.ms/1d9N5mV>

DON'T TRY THIS AT HOME 2011

Deaths from illegal alcohol are not always a result of drinking it. This was demonstrated on 14 July 2011 when residents of Boston, UK, heard a massive explosion, and witnessed an equally large fire at an industrial site in the town.

When firefighters had extinguished the flames and were able to enter the premises they found the remains of an illegal vodka distilling operation, and the bodies of five men.

The inquest into their deaths revealed that the men, aged between 19 and 32, were all of Lithuanian origin, and had been working in the illegal factory. A sixth man survived, also from Lithuania. He was badly burnt during the fire. Separately, trading standards reported that they had earlier seized fake vodka from six stores in the town, which was being sold as the genuine product.

#UK
#Lithuania
#vodka
#counterfeiting



The Boston explosion linked to illegal alcohol
<http://bit.ly/1d9UL8H>



“Unlike the trafficking of illegal drugs that are readily identifiable as contraband, the diversion of tobacco and alcohol products attract less scrutiny and have a reduced risk of apprehension while still offering high potential profits.”

Congressional Budget Submission
United States Department of Justice Bureau
of Alcohol, Tobacco, Firearms, and Explosives
May 2009

THE MEDICINES THAT KILL

We are accustomed to believing that fake medicine applies only to 'lifestyle' medicines available on the internet – for example erectile dysfunction and weight loss medicines. But the evidence from INTERPOL operations such as Pangea shows that this applies to lifesaving medicines too. In the developing world, this means that many drugs such as antibiotics or malaria tablets contain less active ingredients or none at all. Yet the manufacture of counterfeit drugs has become a sophisticated business, and also encompasses drugs used to treat cancer, heart disease and other serious illnesses.

And it's not just medicines. Fake medical devices, from contact lenses to condoms, syringes to surgical instruments, and wheelchairs to radiotherapy machines also pose a risk, especially to people who are unable to pay for medical care where it is not provided free. Even in the US, the Food

"Thorough Criminal Investigations provide a platform of inducing perpetrators of crime and promotion of Justice, through Criminal Justice system. Unprofessional Criminal Investigations and lack of Criminal Investigative techniques negate the core functions of the Police, which is to ensure that offenders are investigated with a view to secure conviction. Economic and Social development cannot take place in a crime infested environment because peace is a pre-requisite for development..."

Stella Mwaka LIBONGANI
Inspector General of Police
Zambia

COUNTERFEIT MEDICINE

“Plunder of natural Resources, corruption, lawlessness and thefts of revenue give credence to widespread unemployment, disease, poverty, hunger and the resultant crime levels escalation... Mankind therefore, has a duty and a responsibility to ensure that crime in all its forms and manifestation is eradicated, locally, regionally and internationally”

Stella Mwaka LIBONGANI
Inspector General of Police
Zambia



Video of Operation Pangea
<http://bit.ly/1edLDApp>

and Drug Administration discovered in 2012 that illicit online pharmacies were selling unauthorised intrauterine devices (IUDs) for contraception, direct to the public. Buyers were taught how to insert their own IUD using cartoons posted on YouTube.

On one hand, pharmaceutical counterfeiting can be like any other mass-produced fake product, and the response to it involves tracking down manufacturers, using customs officers to track shipments, and removing the drugs from sale. On the other hand, many of the suppliers work hard to introduce counterfeit pharmaceutical drugs to the legitimate supply chain, through which pharmaceutical drugs are tracked. If this is successful, they become much harder to track, because dispensing pharmacists or hospitals will be unaware of the problems until they discover the effects on our health.

INTERPOL has established a standalone sub-directorate called Medical Product Counterfeiting and Pharmaceutical Crime (MPCPC). Counterfeit medicines are a major public health issue and collaboration between law enforcement and health sector practitioners has proven to be an effective approach to combating some of the worst aspects of this trade as evidenced by the impressive results recorded in this publication. INTERPOL's focus on the health impacts of counterfeit medicines is unique for this reason and MPCPC will continue to work closely with the health sector to reduce harm to consumers

We are focused on enforcement operations to identify and dismantle the organised crime networks linked to this activity, as well as expanded training and capacity building opportunities for police; Action against counterfeit medicines can achieve

spectacular results. Operation Pangea, which acts against the internet supply of medicines, has expanded from a 10-country operation in 2008 to involve around 100 countries in coordinated actions against counterfeiters and training.

Other operations include Operation Storm, which aimed to disrupt the trafficking of counterfeit medical products in southeast Asia. In 2010 two training sessions were delivered in Indonesia to the eight participating countries in Storm II (Cambodia, China, Indonesia, Laos, Myanmar, Singapore, Thailand and Vietnam). During the operational phase, 20 million pills were seized, more than 100 pharmacies and illicit drug outlets closed and at least 33 suspects arrested.

Operation Mamba was a similar action targeting eastern Africa. In 2010, Mamba III saw 200,000 pills seized from 375 premises targeted, and at least 34 convictions. In western Africa in 2011, Operation Cobra was carried out with seven participating countries (Burkina Faso, Cameroon, Ghana, Guinea, Nigeria, Senegal and Togo). More than 100 people were arrested, and 10 tonnes of fake medicine were seized.

Finally, Operation Giboia, in October 2013, involved more than 900 officers in 550 coordinated raids and inspections of marketplaces, pharmacies and clinics in southern Africa. It also targeted illicit care centres and outlets in around 30 cities and border points in Angola, Malawi, Swaziland, Tanzania and Zambia. Almost 100 tonnes of illicit medicines were seized, including illicit and counterfeit versions of antibiotics, birth control, anti-malarial and analgesic medicines, worth approximately USD 3.5 million. Nine outlets were closed, and two entire clinics employing unqualified staff were closed in Malawi.

OPERATION JUPITER 2006

The World Health Organization (WHO) estimates that more than 1 million people die each year from malaria; this could be significantly reduced if counterfeit malaria drugs were removed from the market. Counterfeit anti-malarial drugs are an increasingly serious problem, particularly in southeast Asia and Africa. In countries with high rates of malaria, such as Myanmar, Laos, Cambodia and Vietnam, the Wellcome Trust – a UK-based charity which funds biomedical research – estimates that as much as 50% of all artesunate tablets are counterfeit. Artesunate is one of the most effective anti-malarial drugs.

The fight against counterfeit medicines requires resources to be deployed that few countries, working independently, can sustain for long. Therefore INTERPOL coordinated Operation Jupiter in 2006, working with the WHO and Wellcome Trust-University of Oxford South-east Asian Tropical Medicine Research Programme and Chinese authorities. Operation Jupiter analysed fake malaria drugs and packaging.

Five laboratories analysed the composition of the fakes, most of which contained no artesunate. Some contained a wide range of potentially toxic wrong active ingredients. Other tablets sometimes included dangerously small amounts of artesunate, too low to be effective, yet high enough to contribute to malaria parasites becoming resistant to this class of drugs. Scientists were also able to identify the approximate location of the factory producing the

fake drugs by examining pollen grains and other elements found in the fake medication.

As a result, collaboration between scientists, public health workers and police led to the arrest by the Chinese authorities of alleged traders of fake anti-malarial drugs in southern China and the seizure of a large quantity of counterfeit drugs.

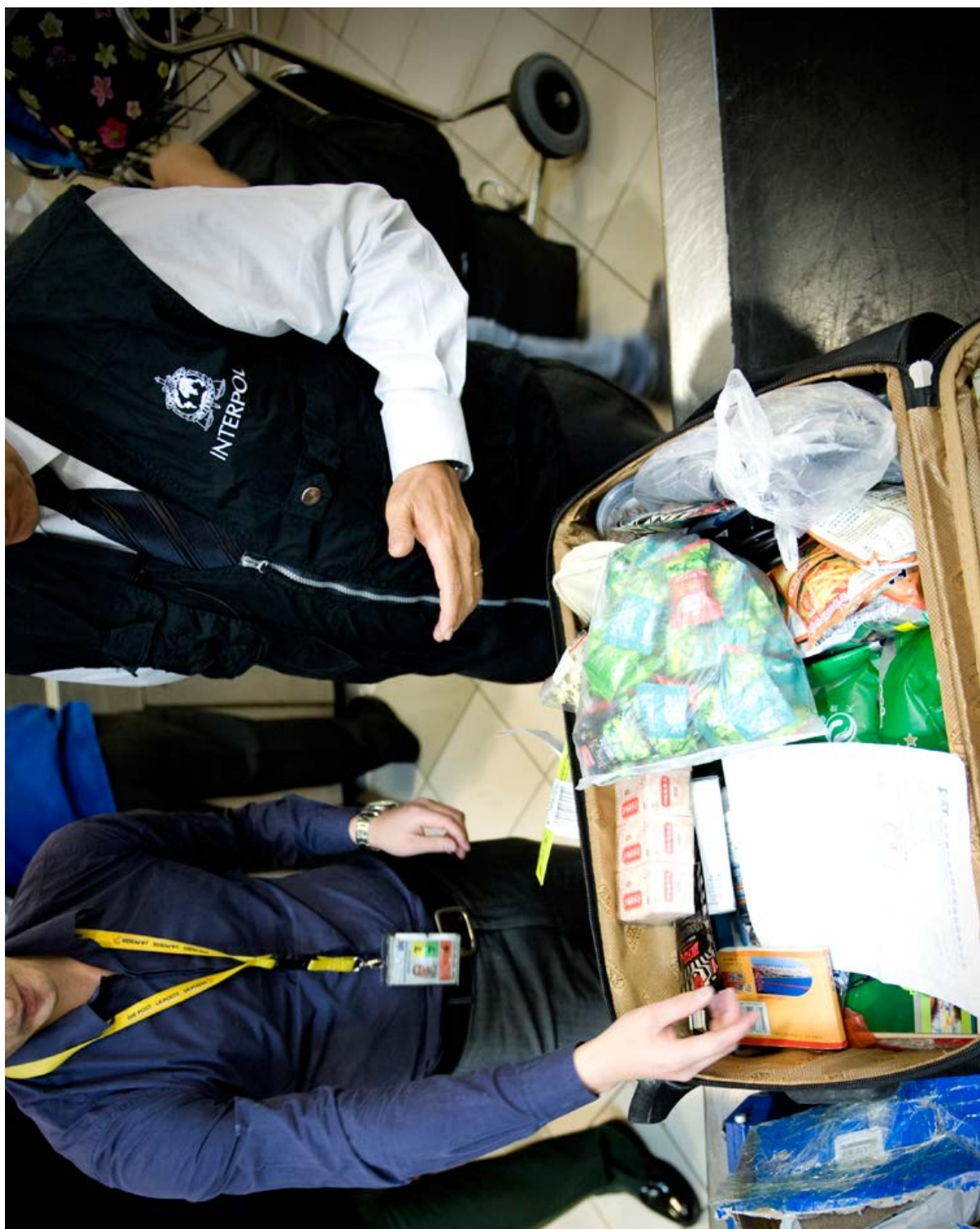
INTERPOL passed these findings to the Chinese authorities, who arrested a suspect in the Yunnan Province of China in 2006. He is alleged to have traded 240,000 blister packs of counterfeit artesunate containing a medicine containing no active ingredient against the disease. The Chinese authorities seized 24,000 of these packs. The rest were probably sold at crossings on the border of Yunnan and Myanmar. This would account for almost a half of all blister packs of artesunate sold to the region.

#Myanmar
#Laos
#Cambodia
#Vietnam
#WHO
#malaria
#medicine
#counterfeiting
#Operation Jupiter
#INTERPOL



The Wellcome Trust on counterfeit malaria medicine: Malaria
<http://bit.ly/1amRn10>





INFECTING THE SUPPLY CHAIN 2007

Counterfeit medicines are not just a problem for developing countries.

In the UK, on 24 May 2007, the Medicines Healthcare Regulatory Agency (MHRA) in the UK issued a recall of medicine tablets: it had discovered the existence of three counterfeit batches, containing 60% of the active ingredient that should be found in the drug. "It is believed that two of the batches have reached patient level. We take this very seriously and a criminal investigation is being carried out," the recall explained.

The medicine in question was used for the treatment of psychosis, and two other drugs were affected: One used for the prevention of blood clots, and the other used for the treatment of prostate cancer. The recall explains how they came to be in the supply chain: approved wholesalers in Europe are allowed 'parallel distribution', by which they repackage drugs manufactured in one country, for

legal sale in another. The counterfeit 'was supplied in French livery via parallel distributors into the UK supply chain.'

The investigators suspected that the drugs were produced in southeast Asia, most probably China, and didn't originate in Europe at all. They discovered that, during a five-month period in 2007, more than 2 million doses of fake lifesaving drugs were imported into the UK and although more than half of these were seized by the MHRA, almost 900,000 doses reached pharmacies and to patients.

A complex trail across Europe led investigators to a supplier headed by a British businessman, Peter Gillespie, and several associates. Gillespie denied supplying counterfeit drugs—but, following a four-month trial at Croydon Crown Court in London, was convicted of conspiring to defraud pharmaceutical wholesalers, pharmacists and members of the public by importing more than GBP 4.5 million

of counterfeit medicine. He was also convicted of selling or supplying drugs without a marketing authorisation between January 2006 and June 2007, and also acting as a company director while disqualified.

He was sentenced to eight years imprisonment on 8 April 2011. This is still the most serious known breach of the UK's regulated supply chain of medicines.

#UK

#medicine

#MHRA

#Eli Lilly

#counterfeiting



The MRHA recall in detail
<http://bit.ly/1onE3mY>

THE INTERNATIONAL BUSINESS OF COUNTERFEIT DRUGS 2007

Counterfeiting is a global business. US Federal Drugs Administration commenced an investigation into the activities of a Chinese national, Kevin, who was suspected of counterfeiting and distributing counterfeit medicines to both the UK and the US from China, and was the owner of Pacific Orient International Ltd, a company based in China.

US Immigration and Customs Enforcement (ICE), the largest investigative arm of the Department of Homeland Security, and the Food and Drug Administration-Office of Criminal Investigations (FDA-OCI), launched an undercover operation. Xu discussed openly how he could supply 25 pharmaceutical drugs, including drugs produced by some of the major pharmaceutical companies such as Pfizer, Eli Lilly, Hoffmann La Roche, AstraZeneca and Sanofi-Aventis.

Between December 2006, and continuing through until June 2007, Xu shipped drugs to undercover agents in Houston, Texas. All the drugs were counterfeit – but to the naked eye appeared identical to the drugs manufactured by the

legitimate trademark holders. Chemical analysis revealed that although these drugs contained active ingredients, they were not in the same quantities as shown on the packaging, and also contained unknown impurities.

Further investigation revealed that Xu had also sold similar drugs to unsuspecting buyers on the internet, and during 2007 was estimated to have turned over USD 1.5 million.

Investigators noticed that some of the lot numbers on the drugs supplied by Xu were identical to those that had been circulated by the MHRA in their recall notice – confirming for the first time that the counterfeit drugs in the UK were produced in China. The counterfeits in two continents had a single source: Kevin Xu.

Xu was arrested when he visited Texas on a sales trip to the US, and prosecuted for conspiring to distribute counterfeit pharmaceutical drugs and misbranding counterfeit drugs. He was convicted on 3 July 2008 in Houston, Texas and sentenced to

six and a half years in prison. He was also ordered to pay USD 1.29 million in restitution to two pharmaceutical companies.

#US
#China
#medicine
#counterfeiting
#Pfizer
#Eli Lilly
#Hoffman La Roche
#AstraZeneca
#Sanofi-Aventis
#ICE

COUNTERFEIT MEDICINE

57



ICE: Convicted counterfeit
pharmaceutical
distributor re-sentenced
<http://1.usa.gov/1onLuL3>

OPERATION PANGEA 2008-2013

INTERPOL has been at the forefront of targeting illegal drugs in the worldwide market, especially combating the sale of illegal medicines online. Operation Pangea provides a snapshot of what types of illicit medicines are available online, and the results obtained are even more astonishing considering that it only operates for one week each year.

Originating as an initiative organized by the Permanent Forum on International Pharmaceutical Crime (PFIPC) and supported by INTERPOL, Operation Pangea commenced in Autumn 2008. In 2008, 10 core countries participated. It has grown to include 100 countries in 2013.

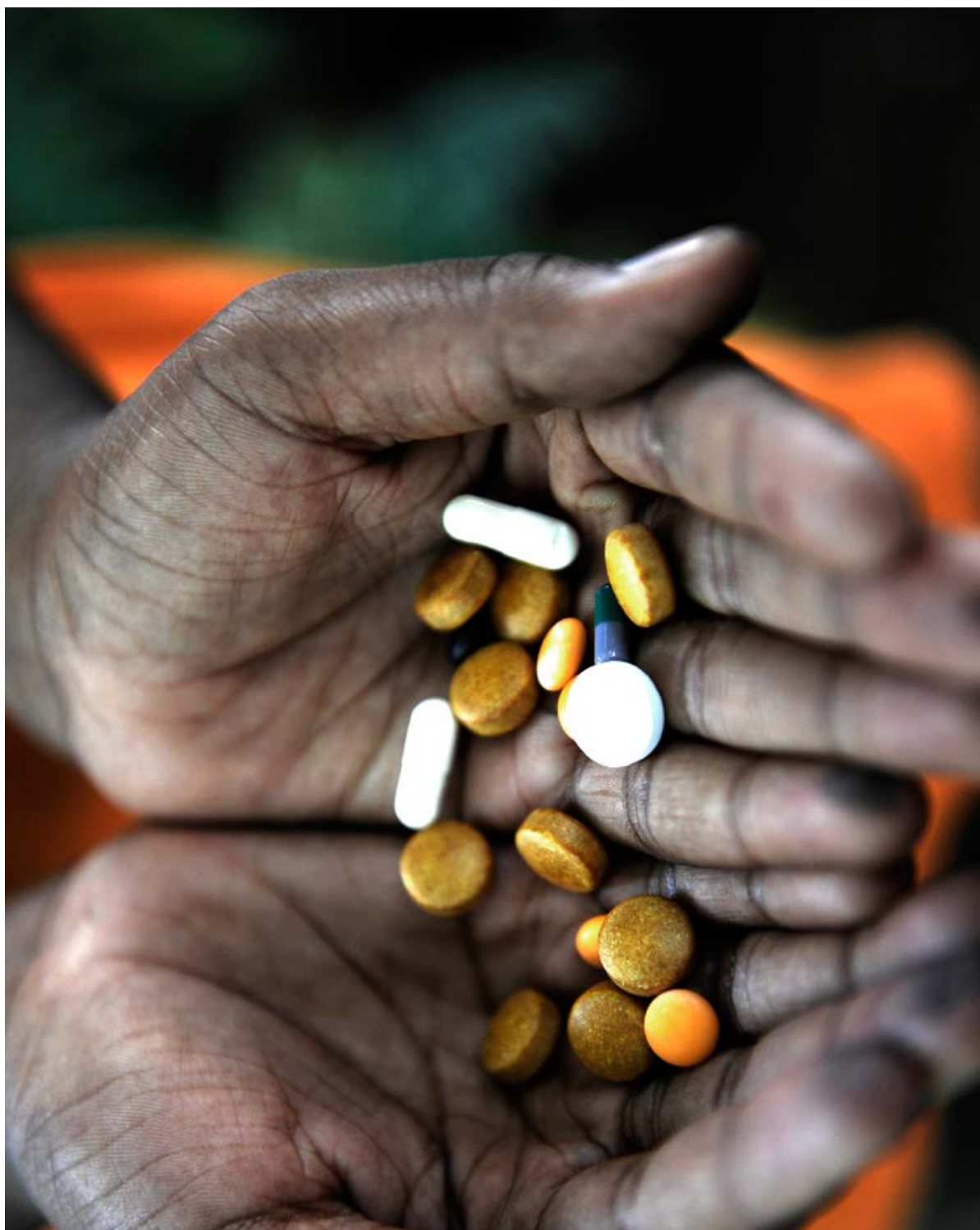
The international week of action brings together customs, health regulators, national police and the private sector from countries around the world. They seek to identify web sites engaged in illicit activity, including the sale of suspected counterfeit medicines and controlled prescription-only drugs. It works closely with the Internet Service providers (ISPs) to close down the sites as swiftly as possible. It also aims to seize as many such substances as possible. Where evidence is available it will arrest and prosecute offenders.

During Pangea I to VI, around 45,000 web sites have been taken down and more than 18 million counterfeit or illicit pills seized. In Pangea VI alone, between 18 and 28 June 2013, 10.1 million illicit and counterfeit pills were confiscated with an estimated value of USD 36 million, 53,400 packages were inspected by regulators and customs authorities, of which around 41,000 were confiscated. Following the operation, 213 individuals are currently under investigation or under arrest for a range of offences including illegal internet activity, illegal sale of medicines, and supplying unlicensed medicines.

#Operation Pangea
#INTERPOL
#medicine
#counterfeiting
#internet



INTERPOL Pangea pages
<http://bit.ly/1da073H>



THE ANIMAL PHARMACY 2011

It is not just doctors and their patients who have to be aware of the risks of purchasing medicines from unauthorised sources.

Between January 2004 and November 2010 Ronald Meddes, 73, and his wife Regine Lansley, 62, sold unauthorised and prescription-only medicines to more than 4,000 British customers from their properties in France and from warehouses in Belgium and Kent.

We can be sure that those who took these medicines didn't know they were illegally imported: the drugs were veterinary medicines. Meddes and Lansley ran a series of businesses under the Eurovet name, including ZAO Eurovet International, Euro Exports CIS Limited, Global Animal Pharmaceuticals and the Animal Pharmacy. British customers bought them by telephone, fax and online.

Six others distributed the products on the black market to British farms, stables, kennels and vet surgeries. Three major customers were convicted, as well as one man responsible for laundering the proceeds.

In 2006, the British government's Veterinary Medicines Directive asked the Department for Environment, Food & Rural Affairs (DEFRA) to investigate. It made large seizures of medicines at Ashford and Dover in Kent, Aldershot in Hampshire, and Stansted Airport.

In May 2007 the French authorities, on behalf of the VMD, seized more than 20 tonnes of medicines – the biggest seizure in Europe – from Lansley and Meddes' property in Picardy. Computer accounts and customer showed a turnover between January 2004 and May 2007 of GBP 5.6 million (USD 9.2 million).

Meddes and Lansley re-established their business from Belgium. In October 2008 Belgian authorities raided premises there and seized further large amounts of veterinary medicines.

On 8 July 2011, at Croydon Crown Court in London, Meddes and Lansley admitted illegally importing and supplying unauthorised and prescription-only veterinary medicines. They were sentenced to 28 months and 20 months imprisonment, respectively.

Another four defendants admitted illegally supplying unauthorised and prescription-only veterinary medicines. Two others were found guilty at trial of illegal importation and supply. A ninth person was convicted of money laundering and two more admitted possession of fake medicines for use in their own businesses.

#Belgium

#France

#UK

#medicine

#veterinary

#illegally importing

#money laundering



DEFRA press release: Thirteen convicted for GBP 6 million vet medicine smuggling
<http://bit.ly/1HJ8KOZ>

THE PRICE OF A BLUE PILL 2012

Between 2003 and 2007 Martin Hickman sold GBP 6 million (USD 9.8 million) of fake Viagra, the now-famous blue pill manufactured by Pfizer Inc., and another impotence drug, on about 150 websites.

In June 2009 he was sentenced to two years imprisonment at Southwark Crown Court in London after pleading guilty to six counts of selling and supplying fake and unlicensed medicines, and laundering GBP 1.4 million. He was also sentenced to 22 months in prison for trying to obtain a passport by deception, and selling property in breach of court order.

The UK regulator, MHRA, conducted this case. The investigation had started in 2005, following test purchases. Police searched a business address where Hickman claimed to be running a call centre for an Indian company.

In reality Hickman operated businesses including an illegal online pharmacy based in Germany to sell unlicensed and counterfeit medicines. After this arrest, it appeared did not want to give up his lucrative business, even when he was served with

an injunction ordering him to close down his web site. At that time he was sentenced to three months imprisonment and a fine of GBP 20,000.

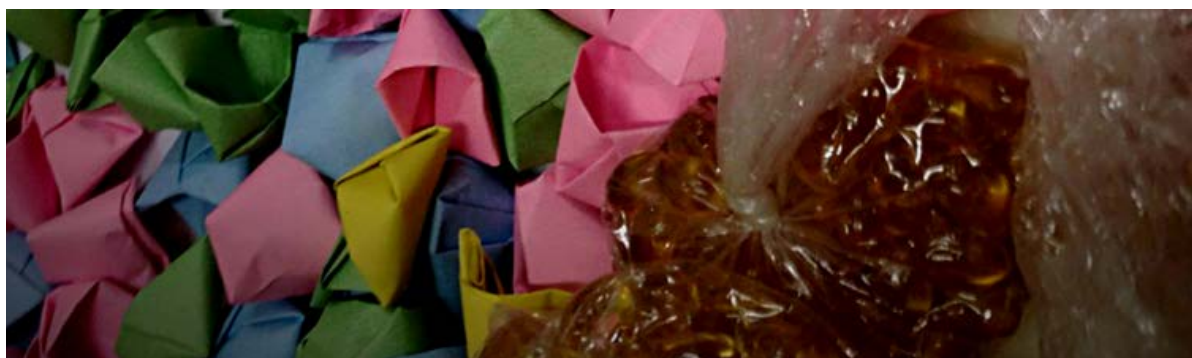
Why did he go back into the same business? After his 2009 prison sentence, the UK's North West Regional Asset Recovery Team undertook a financial investigation. It found bank accounts in other countries, plus investments in luxury commercial and residential properties. This investigation concluded that Hickman had made GBP 15.3 million (USD 25.1 million) from the proceeds of crime. He owned a beachside villa on Spain's Costa del Sol, a diamond-studded Rolex and a flat in London.

In April 2012 Hickman returned to Southwark Crown Court for a proceeds of crime hearing, where he was ordered to pay GBP 14.4 million within six months, or serve another 10 years in prison.

#Viagra
#counterfeiting
#internet



Bloomberg on the action taken to recover proceeds of crime by Pfizer Inc.
<http://bloom.bg/1d9YzqH>



REPACKAGED CANCER DRUGS 2012

In June 2012, in the Russian city of Rostov, Russian police detained two members of a group that were selling out-of-date and fake cancer medicine. The group obtained out-of-date medicines from the Ukraine. In Rostov, expiry dates were erased, and the medicines were repackaged. The gang also had production facilities to produce counterfeit medicines. Preliminary police investigations suggest that this scheme was extremely lucrative, earning the gang around RUB 500 million (USD 15 million).

During police operations in which the suspects' premises were searched, officers seized more than 700,000 fake drugs, machines for pressure-testing medicine vials, other pharmaceutical products and more than RUB 2.3 million (USD 68,000) in cash.

This investigation has uncovered evidence of trademark infringements and may include other more serious offences.

#medicine

#Russia

#Ukraine

#counterfeiting

#Fraud

Source: Moscow Times, 3 July 2012



THE ILLICIT PRODUCT SUPPLY CHAIN

One of the problems of enforcement against counterfeiting has been how to identify the fakes before they create harm. This is especially the case when the products involved are difficult for a non-specialist – or even a specialist without time and equipment – to identify.

One of the consequences of globalisation is that counterfeiters may be able to quickly find a customer for a product that no one would suspect was faked. Industrial parts, washing powder or face cream, available through apparently legitimate sources, are not immediately identifiable by customers as fake.

That is why, as well as trying to ensure legitimate products, a legitimate supply chain is a vital insurance against the harm of illicit goods. INTERPOL, or any other enforcement agency, cannot achieve this in isolation. It is vital both to partner with other agencies, for example the World Customs Organization (WCO), and the private sector. We currently partner with more than 40 different industry sectors and a number

“Counterfeiters and pirates who target the primary market while seeking to maximise profits have limited, or no, interest in ensuring the quality, efficacy or safety of their products. The industries where health and safety effects tend to occur include: automotive, electrical components, food and drink, chemicals, toiletry and household products, pharmaceuticals and tobacco products.”

The Economic Impact of Counterfeiting and Piracy

Organisation for Economic Co-Operation and Development (OECD) - 2008
P.148

MASS PRODUCTION

IL LICIT WHITE POWDER 2012

If a product can be manufactured, it can be faked for a profit. In October 2012 Unilever issued a press release congratulating the Police and customs in New South Wales, Australia for seizing 40 tonnes of counterfeit OMO washing powder, which was seized at the port of Sydney having arrived from China.

In July 2012, the same police force discovered 33 tonnes of counterfeit washing powder, also bearing the trademark OMO. Two men, who were selling the product to convenience stores and market stallholders, are suspected of importing the fake powder from China. They have been charged with possessing and selling products bearing a false trademark.

#Unilever
#OMO
#counterfeiting
#China
#Australia



The press release
<http://bit.ly/1f82mBj>

MASS PRODUCTION | 65

of cross-industry associations and representative bodies that offer financial and operational support.

The only way in which long-term progress can be made against counterfeiters is by developing capacity and skills, and improving intelligence against increasingly resourceful and sophisticated supply operations. Often it is not just a problem to discover counterfeit products; it is equally a problem to identify whether a product is illicit or not on first examination, and what crime (if any) has been committed. In this work, cooperation is essential between public and private sector. For example, the WCO introduced a tool known as Interface Public-Members (IPM) in 2010, which links rights holders to customs officers in member countries. This helps customs officers who suspect products may be counterfeit to identify them, and train themselves to recognise fakes when they encounter them. More than 60 countries and 3,000 customs officers now use IPM.



WCO IPM platform
<http://bit.ly/1esj6Tc>



INSIDE-OUT CAR PARTS 2012

Counterfeiters often cover the brand name of their fakes in some way, or disguise shipping labels and tags in different consignments to the actual product to prevent it being identified at customs points. In December 2012, customs officers at the port of Jeddah in Saudi Arabia seized a massive shipment of counterfeit spare car parts. But when they examined the boxes containing the car parts, they were all made of plain card; the packaging didn't seem to use the manufacturer's name or trademarks.

Opening the boxes, however, revealed that they were designed to be turned inside out when they reached the retailer. The trademarks were printed on the inside.

Counterfeit parts will not have been tested to comply with safety legislation and are thought to be responsible for many accidents: but, because

auto accidents are rarely investigated, we do not know how many. The Saudi Arabian Customs Department claims that fake vehicle parts account for around half of all road accidents in the Kingdom while, in the Sultanate of Oman, 45% of recent road fatalities can be attributed to vehicles running on unsafe or counterfeit spare parts.

#auto
#airbags
#China
#US
#counterfeiting
#auctions



The fight against fake parts in
Saudi Arabia
<http://bit.ly/1da5HTX>



FREEZERS CONTAINING DVD PLAYERS 2011

On 13 April 2011 Jiaxing Hero Import & Export Company sent ten containers of unbranded chest freezers to Nigeria. Suspicious customs officers marked the containers for inspection. Good job they did: on opening the containers, officers found 1,377 chest freezers bearing hidden LG logos. The logos had been covered; peel off the covers, and they were no longer unbranded.

Inside the freezers, another surprise: 14,324 undeclared DVD players bearing LG, Samsung, Sony and Sharp logos, valued at CNY 2.33 million (USD 390,000). Due to the size of the shipment, the case was passed to Jiaxing Public Security Bureau for a criminal investigation.

The two companies and six ringleaders were sentenced in 2011 by Jiaxing District Court. Jiaxing Hero Import & Export Ltd and Zhejiang Hero Electric Appliances Ltd were each fined CNY 720,000 (USD 120,000). Zhang Li and Zhang Wei were both sentenced to three years in prison and fined CNY 1,17 million (USD 192,000). Fan Xiao Liang, Ding Li Wei, Wang Jian Zhong and Gao Sheng Qiang were each sentenced to three years in prison and fined CNY 485,000 (USD 80,000).

#China
#Nigeria
#LG
#Samsung
#Sony
#Sharp
#freezers
#DVD players
#counterfeiting

Source: QBPCC

FAKE BEARINGS BY THE MILLION 2011

All bearings are not the same: Chinese customs in Shanghai launched an operation in 2010 to prevent the export of a product that is a vital component of millions of machines and devices around the world.

Acting on intelligence, customs intercepted four shipments of bearings exported by Wuxi Kobe Bearing Co. Ltd. between 14 October 2010 and 23 November 2011. The fake bearings, involving brands such as SKF, FAG and TIMKEN, had a declared factory price of USD 45,306.42 – which was much lower than those of the genuine articles. The case was transferred to the Shanghai PSB, and subsequently to Jiangsu Provincial PSB, for further criminal investigation.

Investigators discovered that Wuxi Kobe Bearing Co and related entities had exported another 117 loads of suspected fake bearings, using the names of nine well-known brands. The total declared value of these exports was more than USD 4 million, and they had been exported to more than 20 countries. The main suspect in the case surrendered himself to police.

#China
#SKF
#FAG
#TIMKEN
#bearings
#counterfeiting



A bearing lawsuit from the Southeast Texas Record
<http://bit.ly/118y9n6>

HIDING E-WASTE 2013

Usually counterfeiters are accused of producing goods to confuse consumers into believing that they are buying genuine and newly manufactured goods. But a simple label can be as harmful.

Egypt prohibits the import of computer equipment that is more than five years old. This is to protect the environment: much older equipment contains harmful toxic residues that, if not disposed of under controlled conditions, endanger the environment and human health.

Discount Computers Inc. (DCI), based in the US, replaced original factory labels on used cathode ray tubes with a newer manufacturing date. Over a five-year period it exported at least 100,000 CRT monitors in more than 300 shipments. These shipments were valued at USD 2.1 million. The items were despatched from three factory premises operated by DCI in three states in the US.

Under US Federal law it is illegal to knowingly use a mark on goods and services for the purpose of deceit or confusion. It is also illegal to store and dispose of hazardous waste without a permit.

Glass from older CRT monitors contains lead, which is toxic hazardous waste. When deposited in a landfill the lead can leach out and contaminate drinking water.

Mark Glover, the owner of DCI, was sentenced on 22 March 2013 to 30 months in prison and a USD 10,000 fine; his company was fined USD 2 million, with USD 10,839 in restitution, for trafficking in counterfeit goods and services. The company was also sentenced for storing and disposing of hazardous waste without a permit.

Electronic waste equipment, or e-waste as it is known, is a global concern; because used electronic equipment contains more than 1,000 different substances including toxic heavy metals and organics. Improper e-waste disposal is common in developing countries because they are ill equipped for recycling, refurbishing, and disposal. It is also common in these countries to find black market recycling factories. They extract valuable metals from e-waste without regard for the safety of their employees, who are exposed directly to toxic materials.

#counterfeiting
#environment
#Egypt
#US
#e-waste

MASS PRODUCTION | 69



ICE reports the sentencing
<http://1.usa.gov/1da2rYl>

CUSTOMS SEIZE COMPUTER HARDWARE 2006

Qiu Jinxiang, Zhang Donghua and Zhang Weihua established Beijing Sai Ruite Technology Co. Ltd to manufacture and sell counterfeit and illegally-upgraded Cisco products. A fourth person, Zhang Xing, was employed to market the counterfeits on the internet.

Clients were established in the US, where the majority of the illicit product was shipped. But, following a complaint, on 26 October 2006 the Public Security Bureau of Haidian District raided the offices of the company. Only one counterfeit Cisco article was found — but some of the sales records of the company identified clients in the US.

Two days later, US customs officers intercepted 20 units of Cisco-branded telecoms switches exported by Beijing Sai Ruite Technology Co. Ltd, and discovered that 18 of them were counterfeit. Business records indicated that these items were valued at CNY 290,000 (USD 48,000).

The PSB unit took immediate action against its suspects: seizing further sales records, examining online chat records relating to the sales, and interviewing all four of them. As a result of this and evidence passed to the prosecutors from US Customs, all four were prosecuted at the Peoples Court of Haidian District, where they pleaded guilty.

Qiu Jinxiang and Zhang Donghua were sentenced to 3 years in prison and fined CNY 20,000 (USD 3,300) each; Zhang Weihua was sentenced to 14 months in prison and was fined CNY 10,000 (USD 1,650) for contravening registered trademarks. Zhang Xing was found guilty of selling counterfeit products, and sentenced to 14 months in prison, and was ordered to pay a fine of CNY 10,000 (USD 1,650).

#US
#China
#Cisco

Source: QBPC





COUNTERFEIT DEFENSE SYSTEMS 2010

If there is one area where one would expect counterfeits not to appear it would be in defense procurement, but a recent study by the US Senate Committee on Armed Services into the extent of counterfeit electronic parts in the defence supply chain concludes that: "Looking at just part of the supply chain over a two-year period from 2009 to 2010, the investigation uncovered 1,800 cases of suspect counterfeit electronic parts. The total number of individual parts involved in those cases exceeded one million."

Parts examined included counterfeit transistors fitted into electronic filters used for night vision in Seahawk helicopters: the source was traced to a supplier in Shenzhen, China.

Another part examined in detail was an avionics component known as a bus adaptor unit, used to provide the pilot with flight information. Several of these components failed and, when the committee raised questions, they were also found to be counterfeit. In yet another aircraft suspect counterfeit microchips were discovered. As in the first example, the product was traced back to a manufacturer in China.

A fourth aircraft, the P-8A Poseidon (similar to a Boeing 737), was found to be fitted with refurbished sensors which, although having the appearance of new components, were used parts and should never have been used. Once more, these sensors were traced to a supplier in China. When counterfeit electronic parts were found in the THAAD missile defence system the parts had to be replaced at a cost of USD 2.7 million.

#Defense
#aircraft
#counterfeiting
#China
#US

Source: Inquiry into counterfeit electronic parts in the Dept. of Defense supply chain. US Senate report 12 May 2012.

COUNTERFEIT REFILLS AVAILABLE 2010

In various parts of the world waste dumps are routinely searched for items to be sold for reuse. Containers and bottles are then refilled with poor quality products to be sold as genuine.

For example, in Argentina, a German manufacturer of bodycare products made a commercial decision to change packaging of a face cream. It scrapped approximately 1 million bottles, caps and labels in South America. These items were sent for destruction and the product re-launched into the market place with new packaging.

Later, when customers complained that they had suffered from skin rashes after purchasing their products, the company found that the products were fakes. The one thing they had in common: they all used the discontinued bottle: it clearly had not been destroyed.

Officers from the *Unidad Especial de Investigaciones y Procedimientos Judiciales, Gendarmeria Nacional* identified a criminal organization behind the distribution of the fake creams: they had recovered the old bottles, and filled them with inferior product.

#Germany
#Argentina
#makeup
#counterfeiting

Source: BDF

SAFETY FIRST 2013

From 2011 onwards, customs officers in the US, intercepted shipments of counterfeit airbags and other fake car parts. On 13 November 2013, Jason Jordan, who was receiving the parts, was sentenced to 31 months imprisonment and ordered to pay USD 600,000 restitution, having pleaded guilty to conspiracy to traffic in the counterfeit airbags which he was purchasing from China. Jordan ran two businesses in Washington, DC, and used these businesses to import the fakes. The airbags were falsely labelled as Honda, Toyota, Ford and General Motors parts, and Jordan sold them on eBay — from which he earned USD 444,180.

Jordan continued to import and sell counterfeits even after he found out that his shipment had been intercepted. When officers raided his business they found more than 5,300 counterfeits.

#auto
#airbags
#China
#US
#counterfeiting
#auctions



The US Attorney explains the case
<http://1.usa.gov/1da6lly>

SMUGGLING CONTROLLED WASTE 2013

In 2013 China launched its Green Fence campaign in an effort to stop a flood of unauthorised materials from entering the country from overseas for destruction or recycling. In August 2013 China Customs at the Mengla border post in Kunming Province reported that they had seized more than 100 tonnes of digital products that had been smuggled into China from neighbouring Laos. Included in this haul were used telephones, computer keyboards and circuit boards. Eight suspects were arrested at the scenes and four vehicles impounded.

This seizure is just part of a national campaign to strengthen border measures, which has resulted in eleven cases and more than 170 tonnes of solid waste being seized.

#China
#waste
#Laos
#smuggling



China Customs: 100 tonnes of discarded digital products seized
<http://bit.ly/1da3UHE>

WHAT IS THE WAITER DOING WITH YOUR CREDIT CARD? 2000

In 1999, when investigators discovered a Russian gang importing counterfeit CDs, they accidentally stumbled on something much bigger. In a London flat, they found one of the most sophisticated credit card cloning operations the City of London police had ever seen. The circumstances of the case illustrate how illicit trade provided the seed investment for a potentially much more lucrative crime: conspiracy to counterfeit credit cards.

The investigators, employed by the music industry, had discovered that high quality Russian made CDs were on sale across the capital. They made test purchases, and discovered that the discs were sold at prices close to the genuine product. The quality was good enough that a customer would not guess that the discs were counterfeit. It took forensic tests to confirm that the discs had been manufactured in factories in St Petersburg, Russia, which was the headquarters of the criminal gang's operation. From there a large number of couriers smuggled the discs to London where they were delivered to the leader of the gang, Vladimir Strogueine, and an accomplice, Alexander Tanov.

The investigators were soon to discover that the operation didn't end with CDs. An undercover investigator gained the confidence of the counterfeiters by purchasing some counterfeit discs. Then they offered him a more valuable product: forged credit cards. Strogueine and Tanov had set up a counterfeit factory in an apartment in south London, from which they were able to produce thousands of almost perfect credit cards. They had recruited a network of hotel and restaurant waiters and given them card readers. They used the readers to copy the data from the magnetic strip on cards that they took away from the table when customers paid their bill. Simple computer software allowed the forgers to produce cards with the details of a genuine bank customer. Add a counterfeit hologram, and the card was ready for use. The cost of a fake card on the black market: GBP 300.

Hundreds of Londoners had no idea that their cards had been compromised — that is, until they received a bill from their bank. City of London police identified the factory — in reality, a small bedroom — and searched the premises. The computers, embossers

and hologram making equipment could produce near perfect replicas of Visa, Amex and MasterCard cards. They discovered hundreds of blank cards, false passports, and fake national insurance cards — and, of course, thousands of fake CDs. At the trial it was stated that the banks lost over GBP 200,000 as a result of the fraud. But this could have risen to GBP 5 million if all the stolen card numbers had been used. In April 2000, the Strogueine and Tanov pleaded guilty to conspiracy to defraud and were sentenced to four years in prison.

#Russia
#UK
#credit cards
#Visa
#American Express
#Mastercard
#counterfeiting
#fraud

Source: IFPI



DIGITAL CRIME

Technology has increased our living standards, but has also increased the opportunity for counterfeiting and piracy.

Websites offering services and illicit products can be hosted in any jurisdiction and are frequently in areas where enforcement provisions are weak or almost non-existent. Websites can be hosted in one country, with administrators in another, and product produced and shipped from anywhere. Payments can be made through a variety of service providers or aggregators and income banked anywhere in the world.

Products such as music, films and software are created in a digital format. This means that exact copies can be made and distributed using the internet, either direct to customers or to local manufacturing operations that can mass-produce the product.

Locating the crime is also difficult in this case, not least because these 'factories' can often move in a matter of hours.

Fifteen years ago, if illicit traders wished for a way to find business partners and customers, it could not have wished for something better than the Internet. It has allowed them to disguise their identities, to do business globally, and to market products direct to consumers. One outcome has been an increase in the supply of counterfeit product through the postal system.

"The international nature of IP crime makes it essential to think globally when undertaking any enforcement action. Interpol is the logical way to facilitate this whether you are a public body or private industry."

Kieron Sharp
Director General
Federation Against Copyright Theft

DIGITAL AND INTERNET

“The Internet offers multiple opportunities for organized crime. It facilitates the search for and accessing of information, the targeting of victims, the concealing of criminal activities, the arrangement of logistics, recruitment, distribution, the laundering of criminal proceeds and creates previously unknown criminal markets.”

Europol Serious and Organized Crime
Threat Assessment

Another outcome has been the growth in spam messages offering fake medicines, luxury items or pornography. Most of these messages were generated and sent remotely from so called ‘botnets’ or robotic networks.

Organized crime syndicates who charge customers to transmit the spam messages operate these botnets. The botnet operation operated from Russia, known as ‘Rustock’, was shut down in March 2011 following a lengthy global investigation involving multiple law enforcement agencies and experts from the private sector.

It has been estimated that Rustock at its height was responsible for half of all the global spam messages that were sent: about 44 billion every day. Seven of the servers controlling the remote computers in this illegal network were found in the US. The owners were unaware that their computers had been taken over.

The ‘Deep Web’ is part of the web that is not accessed by standard search engines, which may be larger than the indexed web. Many of these sites are simply private, but it also offers opportunities for illicit activity. The most notable examples are web sites accessed using the TOR browser, originally developed by the US Naval Research Laboratory. TOR is now available as a free download, and it enables users to anonymously browse all mainstream sites and communicate in an untraceable way, paying with the digital currency bitcoin. This has become a way for some vendors of illicit products, for example firearms or drugs, to find new customers.



FASTLINK 2006

With 120 search warrants executed in 12 countries, the operation known as Fastlink was truly global. Hundreds of computers were confiscated, and illegal online distribution hubs shut down. More than USD 50 million of illegally copied copyright software, games, movies and music was taken off the internet.

Operation FastLink was the culmination of multiple FBI undercover investigations across the US: to date, 31 defendants have been convicted of copyright infringement offences. For example, four men, David Chen Pui, of Fountain Valley, California, David Lee Pruett, of Auburn, Washington, Franklin Edward Littel of Indianapolis and Shawn Laemmrich of Michigan were all convicted of conspiracy to commit copyright infringement. All four men were sentenced to between 8 months and 18 months imprisonment.

Three of these men were active members of warez groups, the so-called release groups that for many years were the primary sources for the pirated works distributed and downloaded via the Internet. They acted as first providers of copyrighted works to the internet.

This is how warez groups were able to spread pirated software so quickly: once a group prepared a stolen work for distribution, the material was distributed in minutes to secure computer servers throughout the world. From there, in a matter of hours, the pirated works were distributed globally, filtering down to peer-to-peer and other public file sharing networks accessible to anyone with Internet access. One of the defendants, Pui, even operated his own distribution server.

#internet
#warez
#software
#piracy



The US Department of Justice reports
the prison sentences
<http://1.usa.gov/1gri0Me>



HACKING THE PORT OF ANTWERP 2013

Police in the Netherlands and Belgium seized a tonne of cocaine, a tonne of heroin and a suitcase containing EUR 1.3 million after uncovering a drug smuggling operation in June 2013. One shipment alone contained 864 kg of heroin.

This is regrettably not so unusual. In this operation, however, Dutch smugglers used hackers that they hired to break into the systems of shipping companies.

The hackers were hired to break into systems in Antwerp, in neighbouring Belgium. By extracting details from workers in the port using malware attached to email, they had access to the two computers used to control the administration in the port. They changed the location and the delivery times of containers that had the drugs in them, according to the Dutch public prosecutor. The gang sent its drivers to pick up the relocated shipping containers with drugs in them. When the real owner of the container arrived to collect its goods, the container was already gone.

The drug-smuggling operation included other ports, including Rotterdam, Belgian and Dutch police, alerted by suspicious port staff, raided more than 20 homes and businesses. Nine people were arrested in joint police operation: seven in the Netherlands and two hackers in Belgium. Europol announced that 15 persons had been charged and are awaiting trial in two countries. They also confirmed that during searches, officers seized six firearms including a machine gun and silencer and bulletproof vests. But the instigators of the crime didn't use guns, never saw the drugs, and never went near the port.

#drug trafficking
#Belgium
#Netherlands
#hacking
#internet
#smuggling



The report in De Telegraaf:
<http://bit.ly/1grh5vm>



The Dutch public prosecutor explains the case
<http://bit.ly/1grhhLZ>

FAKING AUTHENTICITY 2012

In July 2011 the Haidian District Public Security Bureau in Beijing raided a local storage and found more than 360,000 partially finished Certificates of Authenticity (COAs). The product names and product identification had not been added, but they estimated that, when finished and packed, they would have been worth CNY 513.5 million (USD 79 million).

In the same raid law enforcement discovered counterfeit products and finished COAs valued at approximately CNY 10.4 million, or USD 1.6 million. This included 4,400 channel original equipment manufacturer (OEM) products for Dell, HP and Lenovo; in other words, the software that you have bundled with your computer. They included Simplified Chinese and English-language versions of Microsoft Windows XP, Microsoft Windows 7, Microsoft Windows Server 2008 and 2003. With production in both Chinese and English language versions, the illegal software was likely destined for the export market as well as the home market in China.

The prosecution was the first time in which a defendant in a piracy case was charged with two IP crimes in China: both copyright and trademark infringements. On 9 May 2012 the 1st Intermediate People's Court of Beijing upheld the Haidian District Court's decision that had earlier sentenced Shang Yajun to seven years and six months imprisonment and fined him a total of CNY 80,000 (USD 13,200). This is the longest criminal sentence in China for selling and distributing counterfeit software products to date.

#China
#Dell
#HP
#Lenovo

#Microsoft
#software
#piracy
#counterfeiting



Source: QBPC. What Microsoft said about this case: China Takes Action to Stop Software Counterfeiting
<http://bit.ly/1HkOzB>

SHOES THAT LAST A MONTH 2010

Utilising the web portal Taobao.com, China's biggest e-commerce site, counterfeiters opened several online shops in July 2010 selling Converse shoes at about 10% of the price of genuine product. The bargain prices attracted plenty of customers. The shops were soon sending out 10,000 packages per month using to an express carrier.

One customer was not delighted. His new shoes lasted only a month, so he complained to the police. Officers identified a warehouse and several offices, which were successfully raided. More than 80,000 pairs of counterfeit shoes seized.

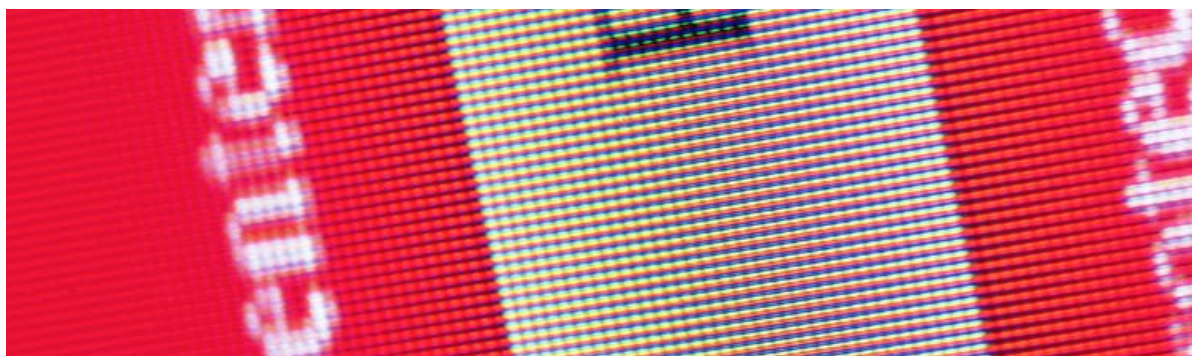
"I regret what I have done," one of the counterfeiters, identified only as 'Lin' told the court, having been arrested in December 2010. "I would choose to be a decent person if I was given a chance to go back."

He didn't get the chance. He was one of eight defendants sentenced to between two and half and six years imprisonment for selling counterfeit shoes, valued according to news reports at more than CNY 18 million (USD 2.88 million).

#China
#Converse
#counterfeiting
#internet



Shanghai Daily reports the prison sentence
<http://bit.ly/1grp6k>



ODDS AND PODS 2013

In 2013, high-value headphone brand Sennheiser's UK marketing director Peter May had a problem: "At one point we estimated that almost 80% of all the complaints we received were due to the fake products he was selling illegally under our brand name," he says. He is Michael Reeder, convicted in March 2013 at Portsmouth Crown Court of 13 counts of trademark infringement relating to the possession and sale of counterfeit electronic goods.

When customers are confident buying from the Internet, some retailers exploit the trust placed in them. Reeder's business purchased his supplies of goods from an unauthorised manufacturer in China, imported them into the UK and sold the product to through the Odds & Pods website. Claiming to sell Sennheiser, Monster, Apple and Nintendo products, he was in fact selling cheap fakes.

In the UK, unhappy consumers can complain to their local Trading Standards Authority, which many did. When the authorities raided him, his house contained 4,000 counterfeit items. Reeder promised Odds & Pods had ceased trading — but then East

Midlands airport seized a shipment of fake Monster headphones. Reeder was running another website called Nice Cans, selling the same products.

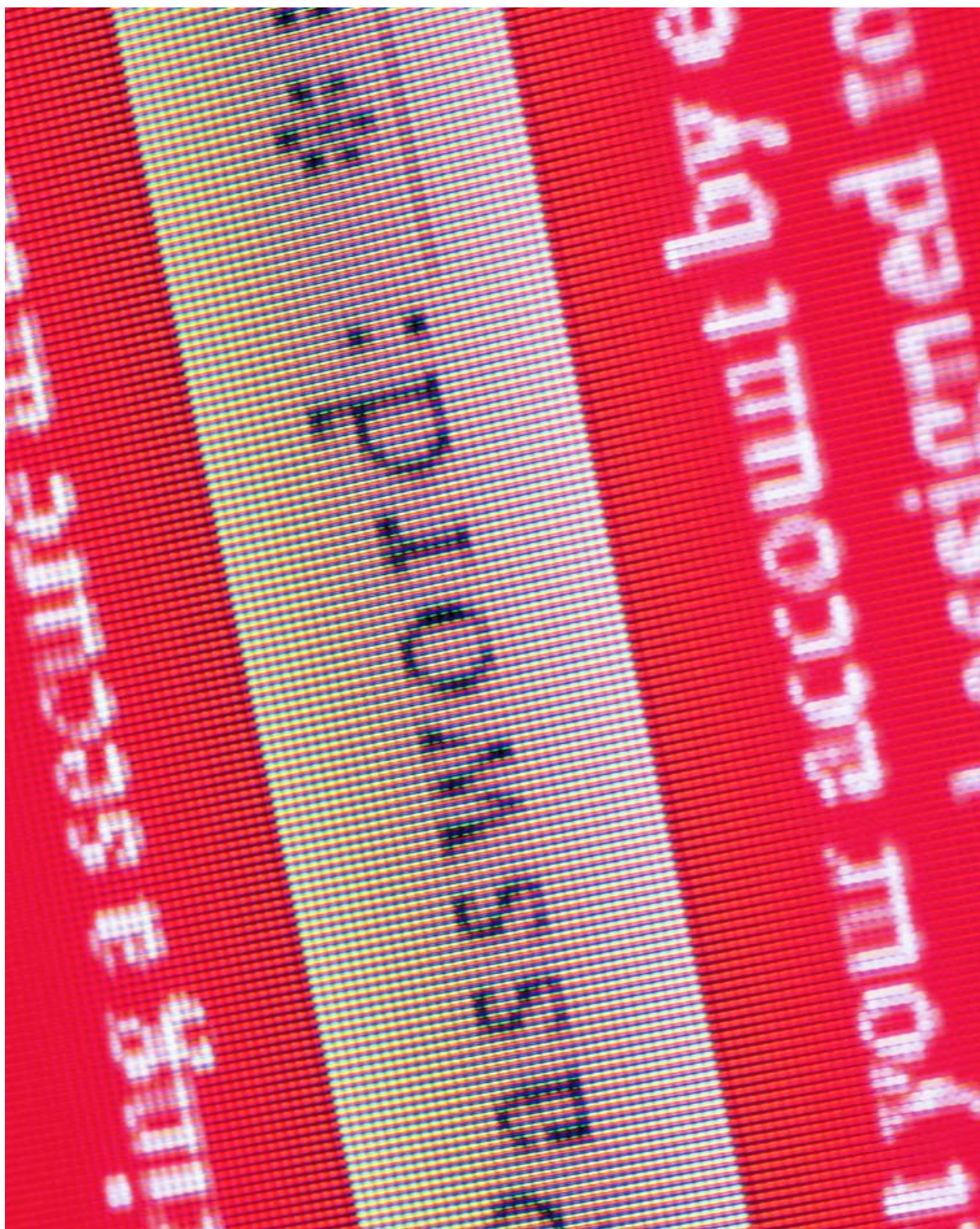
Profit margins were 100% on each item: GBP 168,500 (USD 280,000) if he had sold all the goods found during the raid on his home.

Sentencing Reeder to 30 months imprisonment on 19 April 2013 the trial Judge, Recorder Philippa Whipple QC said: "You planned your business, you were at the core of it, you deceived people."

Reeder's suppliers, who planned the business with him but remain in China, are unlikely ever to be prosecuted.

#UK
#China
#Sennheiser
#Monster
#Apple
#Nintendo
#internet

Source: IACC



THE MILLION-DISCDVD FACTORIES 2006

In 2006, customs officers at Stansted airport intercepted a small parcel that would break open a UK-wide network of DVD factories operated by slave labour. It contained only 10 anonymous metal discs, but the customs officers immediately suspected that the discs were master discs or “stamper”, used by the optical disc industry to replicate DVDs. Forensic examination of the discs confirmed their suspicion — the discs contained copyright protected material. Each stamper could be used to produce around 100,000 DVDs. This was the essential component for an underground replication plant somewhere in the UK, which would, using these stampers alone, have been able to make more than a million counterfeit discs.

But, of course, there was an excellent lead: Rafi Sheikh — the person whose name and address was, conveniently, on the parcel.

The Metropolitan Police quickly identified a company, Samrana, and its directors as their prime suspects. But these suspects knew by this time that their stampers had been seized, which started a race to cover their tracks before the police could gather enough evidence. By the time the Metropolitan Police had identified the underground DVD production line that was the destination for these discs, they also heard from their informants that the equipment had been shipped out of the UK to Vietnam via Hong Kong.

They had lost this factory, but despite this setback, officers identified an industrial warehouse where huge numbers of DVDs were being duplicated using DVD burners and recordable discs. A Chinese national named Xin Li, who had entered the UK illegally, was in charge of the burning operation; he was also responsible for liaison with a national network of distributors.

He was, police discovered, responsible for recruiting and organizing the workforce for production lines operated by a Chinese organized crime group. If the management worked directly for Chinese organized crime, the workforce for this profitable business was mostly made up of illegal immigrants who had been trafficked into the UK for this purpose. They lived in their factories, which ranged from industrial units to terraced houses. These factories were generally short-term rentals. The illegal immigrants, effectively slaves, worked around the clock.

The factories produced hundreds of thousands of illegal copies per week of popular movies: hundreds of titles, including unregulated pornographic material that would never be licensed in the UK but which was sold on the streets alongside the mainstream movie titles.

Raiding the homes of the family of the members of the group, police discovered GBP 130,000 (USD 220,000) in cash; GBP 106,000 (USD 180,000)

in cash was hidden in the home occupied by the Sheikh family, and a further GBP 24,000 (USD 40,000) recovered from the bedroom occupied by Xin Li and his wife — though a lot more cash had already left the country. A separate financial investigation discovered even more financial assets.

Four defendants were sentenced to a total of 18 years imprisonment at Southwark Crown Court in London on 28 July 2009. At a subsequent hearing in April 2012, the defendants were ordered to pay a total of GBP 1 million (USD 1.67 million) to the court or face further imprisonment.

#UK
#China
#piracy
#DVDs
#Samrana
#counterfeiting
#trafficking

Source: Federation Against Copyright Theft

THE MASTERBOX MASTERMINDS 2007

Some counterfeiters use the lack of regulation and the benefits of globalisation to move with more agility than genuine businesses.

In 2007, music industry investigators in the Netherlands discovered a company that marketed box sets of nine DVDs each month. The box sets contained copies of the latest film releases, music albums of latest music releases, complete television series and pornography, together with all the artwork to print album covers. The sale price of the sets, marketed under the brand Masterbox, was EUR 40 (USD 55). A bargain: each music DVD alone contained more than 50 complete albums in MP3 format.

Each month the contents of a new box set was sourced, remastered and sent to a manufacturing plant to be pressed onto discs, so that the albums, films and TV programmes could be released on time. The counterfeiters needed to find several manufacturers who were prepared to produce the discs without verifying that they had the rights to the product to be replicated. Artwork and boxes needed to be prepared, and the product shipped to the Netherlands for sale to the public.

The masterminds of Masterbox had one weakness in this complex process: each pressing plant leaves its unique fingerprint on every disc. The source of replicated discs can usually be identified by a forensic examination under a Microscope. This is

what investigators did: using the forensic capability of the International Federation of the Phonographic Industry (IFPI) in London, after German customs had intercepted a shipment of suspect discs. The factories in Poland were identified in February 2009 and officers raided three premises, two replicating plants in Warsaw and Rybnik, and a professional distribution plant in Zabki. Four people were arrested; evidence was secured and sent to prosecutors.

Investigators had found some of the suppliers, but not discovered the gang behind Masterbox. The monthly box sets continued to find their way in the shops. The IFPI microscope revealed that production had moved to manufacturing plants in Italy. In November 2009, Italian authorities raided the factory, again finding evidence of unlicensed and unauthorised production of music, film and television programmes.

Amazingly, the gang didn't give up. Further production sites were located in the Czech Republic, and finally in Bulgaria. By the time the police closed in on the pressing plant in Bulgaria, officers from several European police agencies were involved. Around 450,000 copies of the Masterbox series had been sold, generating about EUR 19 million (USD 26 million) in illegal sales: about the size of the retail market for recorded music of China or Indonesia.

Finally, in October 2010 more than 100 police officers in four countries carried out a series of

coordinated actions against the gang. Police searched eight business premises and five homes in Belgium, Bulgaria, the Netherlands and Spain.

This case also exposed massive reinvestment of profits into the manufacture of high quality Skunk Cannabis, leading to raids on many hidden cannabis 'farms'. These criminals were subsequently able to sell the cannabis for many millions of Euros.

#Poland
#Netherlands
#Bulgaria
#IFPI
#piracy
#counterfeiting
#Masterbox



Billboard reports the raid
<http://bit.ly/1gro7jw>

THE ILLICIT TRADE IN FIREARMS

Each year, firearms are used in more than 245,000 murders worldwide (excluding countries in a state of war). This statistic, however, is only a small percentage of all crimes committed with firearms; firearms are often, for example, linked closely with drug trafficking, transnational organized crime and terrorism.

The manufacture, transfer and circulation of firearms and their excessive accumulation and spread in many regions of the world fuels crime and terrorism, and poses a serious threat to international public security.

Arms are considered illicit by INTERPOL if they are considered illicit under the law of the country in whose territorial jurisdiction they are found; if they have been transferred in violation of an arms embargo decided by the United Nations Security Council in accordance with the Charter of the United Nations; if they lack the correct marking that mean they can be traced, if they have been manufactured or assembled without a licence, or if they were transferred without a licence or authorisation.

ARMS SMUGGLING

The INTERPOL illicit Arms records and tracing management system (iArms) is the first centralised system for reporting and querying lost, stolen, trafficked and smuggled firearms, and is growing rapidly. Authorised users can query the iARMS database and instantly determine whether the firearm they seized has been reported to INTERPOL by another member country. It also assists member countries by providing an enhanced tracing system, and helps countries to statistically chart their requests and responses for international assistance.

“Today, firearms still provide a formidable global threat, responsible according to one estimate for more than 740,000 deaths, and three times as many casualties every year across the globe.

About 80% of all conflict deaths come from small arms, and more than one third of terrorist incidents worldwide have seen firearms as the weapon of choice.”

Ronald K. Noble
INTERPOL Secretary General



YOU WANT IT, WE CAN GET IT 2009

On 24 February 2009, Monzer Al Kassar was sentenced in New York to 30 years imprisonment for conspiring to sell millions of dollars of weapons to be used to kill Americans in Colombia. His co-defendant Luis Felipe Moreno Godoy was sentenced to 25 years imprisonment at the same time.

Al Kassar, who lived in Spain, was known to the authorities before 2009. He had once been deported from the United Kingdom for arms and drug dealing, and had been caught in possession of false passports in Germany, for which he was fined.

The case started as an undercover DEA sting operation. Al Kassar and Moreno Godoy agreed to sell to the undercover DEA agents more than 12,000 weapons, including machine guns, rocket-propelled grenade launchers, and surface-to-air missile systems. The weapons came with 2 million rounds of ammunition.

The agreement was discussed and made during a series of recorded telephone calls, email correspondence, and in-person meetings with two confidential sources working with the DEA. The dealers thought that the sources represented FARC, and would be used to attack US helicopters in Colombia.

Al Kassar was open about his business. He provided the DEA sources with a plan of the vessel to be used to transport the weapons, specifications for the missiles he agreed to sell to FARC, and bank accounts in Spain and Lebanon that he would use to receive

and conceal more than USD 400,000 sent from DEA undercover accounts. The agents told him that they had earned the money from drug trafficking.

He also promised to provide FARC with C-4 explosives, as well as expert trainers to teach them how to use it. If that was not enough, Al Kassar offered to send 1,000 men to fight with FARC against US military officers in Colombia, and to make training camps available.

Although the investigation started with the DEA, this not surprisingly became an international investigation, and required the cooperation between the DEA, the Spanish National Police, and the Romanian Border Police.

Al Kassar was also ordered to forfeit all foreign and domestic assets.

#US
#Colombia
#FARC
#Spain
#DEA
#smuggling
#weapons
#terrorism



The Department of Justice reveals details of the crimes
<http://1.usa.gov/1hpLITX>





ARMS TO IRAN 2013

On 9 January 2013, in a blaze of publicity, a retired British businessman called Christopher Tappin was sentenced to 33 months imprisonment by a court in El Paso, Texas. Earlier he had pleaded guilty to aiding and abetting the illegal export of defence articles. He was also ordered to pay a fine equal to the profit from an arms deal that sent him to prison.

Tappin's extraordinarily risky arms deal was not going to get him into the big time: his profit was going to be USD 11,357,14.

Tappin and two associates had purchased, and tried to export, special zinc/silver oxide reserve batteries for Hawk Air Defence Missile Systems. The batteries could not legally be exported from the US without special licences. He wasn't going to get the licence, because government suspected that the final destination of the batteries would be Iran.

They were correct: US Attorney Robert Pitman, who prosecuted the case, said that Tappin "stated under oath that he was guilty of aiding the attempted export to Iran of sensitive military equipment. In so doing, the defendant put at risk the national security of the United States."

The investigation into Tappin's arms deal, which began in 2005, led to the arrest and conviction in the US of three people. Tappin's associates were Robert Gibson (a British subject resident in Cyprus) who had earlier agreed to cooperate with the US authorities, and an American, Robert Caldwell.

Gibson was jailed for 24 months in 2007 after pleading guilty to conspiracy to export defence equipment. Caldwell was found guilty of aiding and abetting the illegal transport of defence equipment, and was sentenced 20 months in prison.

At first sight Christopher Tappin seemed like an unlikely candidate to be the person to smuggle weapons to Iran: having spent his career in shipping, he was a wealthy businessman and a golf club member. But he knew enough to try to fix a deal with intermediaries to look as if they were buying the product, to sell it on, and to keep their mouths shut.

#Smuggling

#Iran

#US

#UK

#missiles

#United Nations



Christopher Tappin pleads guilty
in Iran missile scheme
<http://reut.rs/1f8uB6P>





THERE'S A MISSILE IN THE SUGAR 2013

Not all illegal smuggling is done by gangs. On 15 July 2013 government troops in Panama boarded a North Korean registered ship, the Chong Chon Gang, that was about to enter the canal zone. Suspicions had been aroused by the fact that a location transponder on the ship had been turned off for several days. They suspected that the ship contained illicit drugs.

Beneath more than 10,000 tonnes of sugar the authorities didn't find any drugs. Instead they discovered the fuselages of two MiG 21 jet fighters, engines for 15 other aircraft, several missiles, and radar equipment of the type to control anti-aircraft missiles. None of this equipment had been declared.

The ship, which had been at sea after sailing from Russia in April 2013, had been loaded with the military equipment in Cuba. The Cuban government

claims that their weapons were being sent, with the sugar, to North Korea for repair. Under United Nations sanctions, the supply of arms to North Korea is restricted. As of February 2014, North Korea is negotiating to pay a fine to release the ship, without the weapons.

#smuggling
#North Korea
#Cuba
#Panama
#missiles
#weapons



CNN coverage of
the Chong Chon Gang
<http://cnn.it/1eG4eQN>



THE LOGISTICS BUSINESS 1995-2008

Victor Bout was a former Russian air force pilot who, after the break up of the USSR in 1995, purchased several military transport aircraft and started a lucrative trade in arms, minerals and other supplies in many parts of Africa and beyond – supplying any armed group, as long as they could pay.

He started in Angola, one of the few countries where his aircraft were permitted to land, and supplied weapons for both sides of the conflict there. As his business expanded he supplied weapons to many conflict areas including Liberia, Rwanda and the Congo, but was also suspected to have transported arms for the Taliban and Al-Qaeda in Afghanistan.

If he seems familiar, it may be because the 2005 Hollywood movie *Lord of War* was based, at least in part, on his business.

Bout's business, which he claimed was only to supply logistics, came to an abrupt end when

he was arrested by the Thai authorities in 2008 following a US investigation and sting operation in which Bout agreed to supply missiles and other equipment to DEA agents posing as buyers for the Revolutionary Armed Forces of Colombia (FARC). The agents claimed they wanted to shoot down US pilots working with the Colombian authorities. FARC is a group classified as a terrorist organization in the US.

Bout, who had spent several years evading authorities in various countries, was extradited to the US and convicted following a trial in New York. His defence was that he was an entrepreneur, with a legitimate international transport business.

It didn't work. The trial judge in addition to the prison sentence also ordered that USD 15 million be forfeited. He was sentenced in 2011 to serve a mandatory minimum term of 25 years on conspiracy and terrorism charges

#Bout Victor
#FARC
#Colombia
#Congo
#Liberia
#Angola
#Rwanda
#Lord of War
#weapons
#smuggling
#US
#terrorism



Victor Bout's rise and fall,
by the New Yorker Magazine
<http://nyr.kr/1bYk3CO>



"We are firmly rooted in our conviction that governing public security in our countries is closely linked to the demands of regional and global security, recognizing the importance of belonging to an active police community because no problems are specific to any one nation. I believe that INTERPOL's legacy to the world is the understanding that every country on its own is a source of strength, but together we are a great power, a unique infrastructure for fighting crime, joining efforts and sharing ideals."

Rodolfo Palomino López
Director General of the Colombian National Police

TRAFFICKING AND ITS CONSEQUENCES

The report of the Secretary-General of the United Nations to the 2014 session of the Commission on Population and Development captures the problem of trafficking: "International migration is a powerful tool for reducing poverty and enhancing opportunity for individuals and for countries of origin, transit and destination," the report says, "While many migrants are able to take advantage of new opportunities, others have become victims of trafficking, exploitation, discrimination and other abuses."

So while approximately 232 million people, according to the UN, are currently international migrants, many are exploited. Trafficking can be a lucrative enterprise: often the migrants find themselves working illegally in a foreign country to pay off a debt at high rates of interest. They might have been trafficked for sexual exploitation by the promise of a better job in the destination

"Trafficking respects no borders, and our response requires cross-border cooperation. Law enforcement networks must prove that they can be stronger, more connected and more efficient than criminal networks."

Asha-Rose Migiro
Former UN Deputy Secretary-General

HUMAN TRAFFICKING AND BODY PARTS

AN INDONESIAN BOAT TRAGEDY 2012

On 21 June 2012 an overcrowded boat sank in Indonesian waters, close to Christmas Island. At least 92 people drowned, no one can be sure of the exact number. A further 110 people – mostly Afghan, Iranian and Pakistani – were saved by Indonesian authorities.

Immigrants hoping to go to Australia without an entry visa have little choice in how they get there: long and potentially dangerous sea voyages, organized by professional smugglers. The criminals who organize these journeys carry as many people as possible, frequently overloading vessels and failing to provide even the most rudimentary safety equipment.

An Afghan national, Dawood Amiri, was prosecuted in Indonesia for people smuggling and, on 21 February 2013, sentenced to six years imprisonment plus a fine of USD 76,000. Amiri was one of the organizers of the crossing, but the court accepted his explanation that he was a middleman for smuggling syndicates and was not controlling the illegal business.

Each passenger paid up to USD 5,500 to get from Afghanistan or Pakistan to Australia. Amiri had collected around USD 1 million from the 200 asylum seekers.

#Indonesia
#Afghanistan
#Australia
#people smuggling



Amiri trial report: Man behind boat tragedy gets jail term
<http://bit.ly/1anVqr5>

country or for forced labour. Children are trafficked to provide sex for tourists in some locations.

Worse outcomes are possible: on 1 November 2013, 92 people died of thirst in the Sahara after trying to cross towards the North African coast from Niger. The victims had been travelling in two trucks that broke down in the desert and they attempted to walk to safety without adequate water; their corpses were discovered in a severe state of decomposition. They had been partly eaten, probably by jackals. The corpses were found only 10 km from the Algerian border. Niger is a strategic transit point for many from sub-Saharan Africa who are attempting to reach Europe: the government responded to the tragedy by closing refugee camps in Agadez, the main town in northern Niger, and promising to dismantle the organized crime gangs that traffic them for profit. The UN reports that 5,000 west Africans, many of them from Niger, leave from Agadez each month for Algeria or Libya.

Two INTERPOL operations show that it is possible to succeed against traffickers. In Operation Tui, in October 2012, police in Burkina Faso rescued 400 children who had been trafficked from the region to work as forced labour in illegally operated gold mines and cotton fields. Officials arrested 73 individuals during the operation. And in Operation Bia II, INTERPOL joined forces with national authorities in Ghana to rescue child victims, aged from five to 17, who had been trafficked from other parts of the country to work on fishing boats. During the May 2011 operation, police rescued 116 children and arrested 30 suspected traffickers.



Niger migrants' bodies found
<http://bbc.in/1mr5DBq>

NIGERIA TO SPAIN VIA LONDON 2013

On 17 September and 23 November 2011, two unaccompanied girls, aged 14 and 15, arrived at Heathrow airport. Both were stopped by Border Force officers at the airport and were discovered to be travelling on false passports which stated they were adults. They had arrived on flights from Lagos, and were attempting to travel on to Paris.

The Serious Organized Crime Agency's Vulnerable Persons team interviewed them both. It became clear they were being trafficked to mainland Europe, via London, to work as prostitutes. They were placed in local authority care, but on 6 April 2012 were reported missing to Sussex police. Odoosa Usiobaifo, who had arranged their initial flights and documents, had found them. He collected them from a pre-arranged meeting point, and gave them false passports and tickets for a flight to Valencia, Spain.

One of the girls was refused entry to Spain, and returned to the UK, where she was placed in the care of the UK authorities. We still do not know what happened to the other girl.

An investigation, part of a joint law enforcement operation called Operation Hudson that targeted organized crime groups suspected of trafficking young women, via London, identified Usiobaifo, and arrested and prosecuted him. On 11 March 2013 Usiobaifo was sentenced to 14 years in prison at Isleworth Crown Court, London. He was convicted of conspiracy to facilitate illegal immigration of non-EU citizens into the UK, and of trafficking two girls aged 14 and 15 out of the UK for sexual exploitation.

#Nigeria

#UK

#Spain

#Operation Hudson

#trafficking



The UK Border Agency:
Man jailed over trafficking teenagers
<http://bit.ly/1hIQ06t>





A DANGEROUS ROUTE 2000

On 18 June 2000, a customs officer at the port of Dover in the UK stopped a lorry that had arrived on a ferry from the port of Zeebrugge, Belgium and upon checking a sealed refrigeration unit found 58 bodies. All 58 appeared to have suffocated.

Two people were found alive, but in need of hospital treatment. All 60 had come from China. Dutch lorry driver Perry Wacker was arrested. He was prosecuted for manslaughter and conspiracy offences, and jailed at Maidstone Crown Court, UK, on 5 April 2001 for 14 years. Ying Guo, a translator, was also jailed for six years for conspiring to smuggle illegal migrants into Britain.

The victims were all from Fujian in China and had placed themselves in the hands of people smugglers in order to get to the UK. Dutch officers investigated, and found that two organized crime gangs were involved, one Turkish and the other Chinese. The Turkish gang brought them through Turkey, into northern Europe, where they were handed over to the Chinese syndicate for the final leg of the journey into the UK. A Turkish man was subsequently sentenced to 10 years imprisonment in the Netherlands.

Dutch investigators found another 51 immigrants in the hands of a Chinese organized crime gang, who were preparing to smuggle them into Britain. The Snakehead gang, behind the tragedy in Dover, is now believed to be responsible for smuggling thousands of Chinese immigrants into the UK. The European base for this gang in Rotterdam was headed by a Chinese woman called Jing Ping Chen, or 'Sister Ping', who was arrested by the Dutch authorities in the days after the event, although the investigation into her activities had begun long before.

In June 2003 Chen was convicted, sentenced to three years in prison, and fined the equivalent of USD 13,000.

#trafficking
#Snakeheads
#China
#Netherlands
#Belgium
#Turkey
#UK



Snakehead empress who made millions trafficking in misery
<http://bit.ly/1eGZKGr>

HOW MUCH FOR YOUR KIDNEY? 2013

It is the stuff of urban myths: people trafficked for internal organs or murdered for their body parts. But, sometimes, police find that is exactly what happens.

This investigation began in 2008 when a Turkish man, who had had his kidney removed, collapsed at Kosovo's Pristina airport while waiting to journey home. Investigators tracked his treatment to the Medicus centre, where they discovered that as many as 30 patients had undergone operations in which organs were illegally removed. The patients had all been promised payment to donate their organs.

The organs were to be sold on the black market to Israel, Canada, Poland and Germany. The going rate: donors from poor countries in eastern Europe and central Asia were paid around EUR 15,000 for their kidney, which would then be sold on for around EUR 100,000.

The ringleader of the group of doctors was urologist Lufti Dervishi, who was sentenced to eight years in prison for organized crime, people trafficking and co-perpetration. He was also fined EUR 10,000 for his role in the international conspiracy.

His son, Arban Dervishi, was sentenced to seven years and three months and fined EUR 2,500 for organized crime and trafficking. A consultant anaesthetist, Sokol Hajdini, was jailed for three years for committing grievous bodily harm.

Two others, Islam Bytyqi and Sulejman Dulla, were found guilty of grievous bodily harm and were each sentenced to one year in prison, suspended for two years.

Was this a freak occurrence? A Counsel of Europe report from 2010, titled *Inhuman treatment of people and illicit trafficking in human organs in Kosovo*, suggests that during the conflict that led to the break up of the former state of Yugoslavia, and before the international forces could take control of the region, prisoners from Serbia and some Albanian Kosovars may have had their organs removed for sale on the international black market.

#Kosovo
#Israel
#Canada
#Poland
#Germany
#kidneys
#organ trafficking
#trafficking



Video: Twenty years imprisonment for five defendants in Medicus case
<http://bit.ly/1hIS3r8>

A MARKET FOR BODY PARTS 1995-2008

Kidneys are the most commonly traded organ, because one can be removed without killing the donor. The risk, as a donor, of dying is around 1 in 3,000 — although this risk is much greater if the kidney is removed in an illicit donation.

In 1991, the World Health Assembly endorsed the WHO Guiding Principles forbidding organ sales, which state: “The human body and its parts cannot be the subject of commercial transactions. Accordingly, giving or receiving payment (including any other compensation or reward) for organs should be prohibited.”

102

The World Health Organization (WHO) estimates that, globally, 200,000 people are waiting for a kidney transplant, and that annually 63,000 operations are carried out. It estimates that, of these, 10% are carried out for payment to non-related donors of different nationalities.

We do not know how many people are trafficked illegally for their organs to be removed. The WHO

reports that the poorest in society are most likely to sell their organs in this way: recent years have provided evidence of trafficking in body parts from the Arab countries, Costa Rica and southeast Asia, as well as the case study below. For example, it notes evidence that people travelling from across the world to Pakistani clinics providing human organs pay up to USD 40,000 for a kidney. The donor receives about USD 1,000-2,000 of this sum.

Others have no choice in the matter: their organs are ‘harvested’. In September 2013, the Pakistan authorities announced that they had arrested six members of a gang who had trafficked poor labourers from remote regions of the country to a medical centre in Rawalpindi, promising free medical treatment. One there, the patients would have their kidneys removed without consent. The gang, which included a doctor and two laboratory technicians, had previously sold 25 kidneys.



WHO briefing on live donors
<http://bit.ly/1fwG1kZ>



The illegal trade in Pakistan
<http://bit.ly/1fwGWik>

“Some terrorist organisations are known to have engaged in various types of criminality, including the abuse of social benefits, extortion, kidnapping, human trafficking, skimming schemes, credit card and cheque fraud, cigarette smuggling and insurance fraud.”

EU Drug Markets Report:

A Strategic Analysis

European Monitoring Center for Drugs and Drug Addiction (EMCDDA) and Europol
2013



MONEY LAUNDERING

Money laundering is the process by which the illicit source of assets obtained or generated by criminal activity is concealed to obscure the link between the funds and the original criminal activity.

Anti-money laundering measures are now mandatory in many countries. The United Nations Convention against Transnational Organized Crime (the "Palermo Convention"), as well as many other international instruments, places a requirement on all states parties to introduce measures for the confiscation of criminal assets, and to deal with money laundering and corruption.

Countering money laundering is therefore a priority for many governments, because it affects all of us. Removing the ability to hide the proceeds of crime also removes an incentive for criminal gangs to commit the crimes.

For the criminal a successful money laundering operation has to satisfy three basic objectives: firstly it converts the cash proceeds of crime to another, less suspicious form; secondly it conceals the criminal origins and ownership of the assets; thirdly it provides a legitimate explanation or source for the funds or assets.

Money laundering schemes can involve complicated financial arrangements, purchases of insurance, properties, high value commodities, the use of shadow companies and enterprises registered in tax havens, offshore banking or a combination of many such schemes. They may involve the purchase of pensions, the investment in shares or other negotiable instruments, the manipulation of accounting practices or assigning illicit gains to legal entities.

In some cases they may involve the use of genuine businesses, often those that are noted for high cash turnover, such as restaurants or hairdressing salons. Frequently large sums of money are divided into smaller sums below the limits set for declaration to the authorities in each country.

Occasionally, however, criminals are forced to move large sums of money in cash and, when they do, law enforcement and the courts have the opportunity to intervene directly.



The International Monetary Fund
Money Laundering factsheet
<http://bit.ly/1k3CTAD>



UN information about the Palermo
Convention
<http://bit.ly/1fxMDQ4>

"Money laundering and the financing of terrorism are financial crimes with economic effects... Action to prevent and combat money laundering and the financing of terrorism thus responds not only to a moral imperative, but also to an economic need."

Min Zhu,
Deputy Managing Director of the
International Monetary Fund



CARBON TRADING FRAUD 2009

Illicit trade used to concern only physical goods, which had to be shipped, landed and distributed. Some modern offences committed by organized criminals are effectively a paper fraud: and may not be apparent to auditors or investigators until long after the offences have been committed, unlike trade in counterfeits which potentially can be identified as soon as they are seen.

The EU Emissions Trading System (EU ETS) is a cornerstone of the European Union's policy to combat climate change and its key tool for reducing industrial greenhouse gas emissions cost-effectively. The first – and still by far the biggest – international system for trading greenhouse gas emission allowances, the EU ETS covers more than 11,000 power stations and industrial plants in 31 countries, as well as airlines.

The EU ETS works on the cap and trade principle. A cap, or limit, is set on the total amount of greenhouse gases that can be emitted by the factories, power plants and other locations belonging to the company. Within the cap, companies receive or buy emission allowances, which they can trade with one another. They can also buy credits from emission-saving projects around the world.

In December 2009 Europol reported that the EU ETS had been the victim of fraudulent traders for the past 18 months. This had resulted in losses of approximately EUR 5 billion. Europol estimated that, in some countries, up to 90% of the whole market volume was caused by fraudulent activity.

The fraud worked like this: different member countries have different tax rates. Fraudsters created non-existent commercial transactions, and reclaimed VAT on them – tax that had never been paid. Raids were carried out in Italy, France, Germany, Spain, UK and non EU countries during April 2009, and involved more than 2,500 officers. Norway, Switzerland, Belgium, Czech Republic, Denmark, Latvia, the Netherlands, Slovak Republic and Portugal are all among the countries trying to identify the network of criminals behind this massive fraud – a fraud with links to criminal networks operating outside the EU.

#EU
#Italy
#France
#Germany
#Spain
#UK
#ETS
#Carbon trading
#VAT



Europol explains the fraud
in more detail
<http://bit.ly/1mozuT>



GIVE ME LIBERTY 2006-2013

While much money laundering is small-scale, sometimes organized criminal operations can launder much bigger sums. Few, though, can aspire to launder the amount processed by Liberty Mutual between 2006 and 2013: USD 6 billion.

That's more than the annual GDP of Monaco, Bermuda or Liechtenstein, or about 13% of the annual GDP of the country in which the company was based.

Liberty Reserve was a digital money service registered in Costa Rica. On 28 May 2013 the US Department of Justice announced that they had seized its web domains during raids. They were convinced that Liberty Reserve provided online money laundering for criminals, with few questions asked.

Liberty Reserve operated a digital currency system that, in the opinion of the US Department of Justice, had been specifically designed to provide cyber and other criminals with a way to launder their profits without leaving a trace.

Liberty Reserve operated like a private bank, issuing its own currency called Liberty Reserves (commonly known as LR). It did not take deposits direct from account holders. Would-be customers, including those who might wish to launder money, could open

an account by providing a name (not necessarily their own), a date of birth and email address. No verification was required. It serviced more than 1 million users globally, including 200,000 in the US.

Once an account was established, customers could make contact with unlicensed money exchangers in countries such as Malaysia, Nigeria or Vietnam, and purchase Liberty Reserves, paying for them in any currency the exchangers wanted to accept. The exchanger would then deposit the Liberty Reserves in the named account, charging a commission for doing so. To withdraw the money, the system operated in reverse order, again with the exchangers charging commission. Account holders could use their LRs to make purchases from merchants and pay any other account holders, again paying a commission of 1%.

The merchants provided services that included stolen credit cards and personal identity information, online fraud schemes, computer hackers for hire, unregulated gambling and underground drug dealers.

Liberty Reserve would hold no records of these transactions, other than a name and email address for the account holder. The exchangers carried out all deposits and withdrawals.

At the same time as the US raids, the Spanish National police announced that they had arrested two people, said to be the heads of Liberty Reserve, in transit at Madrid airport. Arthur Budovsky and Azzeddine El Amine, both naturalised Costa Ricans, were waiting to board a flight to Costa Rica.

Budovsky had experience of the business of moving cash: he had been indicted in 2006 for the unlicensed transmission of money, and had been sentenced to five years probation.

The US and Spanish operations were only part of a coordinated global operation in 15 countries against those responsible for Liberty Reserve, which saw more than USD 25 million recovered, domain names forfeited, and servers seized. An indictment against seven people alleged that more than USD 6 billion of criminal cash was laundered, the proceeds of financial fraud, online piracy, drug trafficking and child abuse images.

On 31 October 2013 Vladimir Kats, one of the founders of Liberty Reserve, was arraigned at Manhattan Federal Court and pleaded guilty to one count of conspiring to commit money laundering, one count of conspiring to operate an unlicensed money transmitting business, one count of operating

an unlicensed money transmitting business, one count of receiving child abuse images, and one count of marriage fraud. The case against the other founders continues.

#US
 #Costa Rica
 #Liberty Reserve
 #payment provider
 #money laundering
 #internet
 #fraud
 #piracy
 #drug trafficking
 #pornography



The US Department of Justice explains the indictment
<http://1.usa.gov/1mobB9R>



The guilty plea by Kats
<http://1.usa.gov/1mobN98>



The Spanish Police explains the arrest of Budovsky and El Amine
<http://bit.ly/1mobTgS> (in Spanish)

“Organized crime has diversified, gone global and reached macro-economic proportions... fuelling corruption, infiltrating business and politics, and hindering economic and social development. And it is undermining governance and democracy by empowering those who operate outside the law.”

United Nations Office
 on Drugs and Crime

TELEVISION ADDICTS 2012

Almost anything can be faked. Though it is rare to find a fake TV crew.

In August 2012, police in Nicaragua were surprised to discover a fake Mexican television crew, all 18 of them, when they stopped six vehicles that had entered the country from neighbouring Honduras.

Some of the vehicles were painted with the logo of the largest Mexican television network, Televisa. The occupants claimed to be journalists working for the station, and travelling in Nicaragua to cover a high-profile murder trial. They even produced a letter of accreditation apparently signed by an executive of Televisa.

The letter was a fake too. Televisa staff had not written it. They had never heard of the so-called journalists, and they didn't own the vehicles.

Nicaraguan law enforcement officers searched the six vans. Instead of satellite transmission equipment, they found USD 9.2 million in cash, wrapped in 39 packets and hidden in secret compartments.

Later, in the ninth district court in Managua, the fake TV crew experienced a trial: their own. The prosecution showed that some of the defendants had made up to 40 journeys across Nicaragua between 2008 and 2012, and that in four of the vans traces of cocaine had been found.

On 19 December 2012 the counterfeit TV crew was found guilty of money laundering, organized crime and drug trafficking. On 18 January 2013 they were sentenced to 30 years imprisonment, and each fined USD 4,600. The court also ordered the forfeiture of the USD 9.2 million, and even the vehicles used in the crime.

#Nicaragua

#Honduras

#Mexico

#drug trafficking

#money laundering

#Televisa



The court case
<http://bit.ly/1mo6kz0>



Sentencing
<http://bit.ly/1mo6rdk>



TERRORISM AND ORGANIZED CRIME

On 28 September 2001 the United Nations Security Council adopted Resolution 1373, which says that nation states should 'prevent and suppress the financing of terrorist acts'.

Paragraph 4 notes "with concern" the links between international terrorism and transnational organized crime: "... [I]llicit drugs, money-laundering, illegal arms trafficking, and illegal movement of nuclear, chemical, biological and other potentially deadly materials, and in this regard emphasizes the need to enhance coordination of efforts on national, sub-regional, regional and international levels in order to strengthen a global response to this serious challenge and threat to international security."

The Regulation arose from the events of 11 September 2001, and Al-Qaida's attacks on the World Trade Centre in New York and the Pentagon. One consequence of those attacks has been better research into the financing of terrorism, with the US government commissioning a National Commission report into the sources of funding for terrorist attacks. When the source of funds for

"The Colombian National Police continues working to make its contribution to enable police forces worldwide to maximize efforts to make the world a safer place, and what stands out is its modern technical and operational support structure to help meet the growing challenges of fighting crime. I would like to highlight the fundamental role played by INTERPOL through the Colombian National Central Bureau which, for the past four years, has made the Organization's capacities and tools available for the administration of justice"

Rodolfo Palomino López

Director General of the Colombian National Police

LINKS TO TERRORISM

terrorism is organized crime, then action against the criminals has two positive outcomes.

The Commission reported that the 9/11 plot cost Al-Qaida between USD 400,000 and USD 500,000 in total. Terrorist operations are relatively cheap (although recruitment, training at camps, subsistence payments to members and families raises the cost): Al-Qaida had funded a number of other terrorist operations, including the 1998 US Embassy bombings in East Africa (which cost approximately USD 10,000), the 2002 Bali bombings (approximately USD 50,000) and potential operations against oil tankers in the Strait of Hormuz (approximately USD 130,000).

If the costs are not large however, funding often has to be raised in ways that the authorities cannot trace, and would find hard to cut off. This is one reason to make tactical alliances with organized crime groups. Organized criminals may often also provide essential services such as money laundering or smuggling, due to their expertise in acting out of sight of the authorities.

Many investigators remain sceptical that terrorists, motivated by ideology, would have long-term links with criminals, who are motivated by profit. A 2005 academic report into the funding of terrorism by organized criminals titled 'Methods and Motives' makes the point that, while these links may be short-term and tactical at first (motivated partly by the increasing similarity in methods of operation), the relationship often deepens. "Once terrorists and other criminals begin to work together, they have moved beyond activity appropriation to a different, closer, form of interaction... Starting by borrowing each other's methods (activity appropriation), terror and crime groups naturally

begin to buy and sell services and goods from each other instead. Clearly, it is more efficient to outsource a service – such as passport forgery – to an established specialist than to try and master the necessary techniques yourself."

The report advises "the business community should work more closely with law enforcement to detect patterns and methods of organized crime, since so many crimes fund terrorism. More detailed analysis of the operation of illicit activities around the world would help advance an understanding of terrorist financing."

INTERPOL is part of that effort to identify funding where it exists, and share information among member countries. We produce a monthly intelligence report covering all aspects of CBRNE (chemical, biological, radiological, nuclear and explosives) terrorism, shared with our member countries. The reports provide information about incidents involving CBRNE materials, emerging threats, trends, trafficking routes and methods. Illicit trade that directly supports terrorism is a focus of INTERPOL's activity too. At the Nuclear Security Summit in 2012 INTERPOL launched Operation Fail Safe, an initiative to counter nuclear smuggling. Operation Fail Safe supports the international law enforcement community in tracking the transnational movement of individuals involved in the illicit trafficking of radioactive or nuclear materials.

Report of the National Commission
on Terrorist Attacks Upon the
United States
<http://bit.ly/1mrbvK0>



"Today, the criminal market spans the planet, and in many instances criminal profits support terrorist groups. Globalization has turned out to be a double-edged sword. Open borders, open markets, and increased ease of travel and communication have benefited both terrorists and criminals."

Yury Fedotov
Executive director of the UN
Office on Drugs and Crime

LINKS TO TERRORISM

113

Methods and Motives, Exploring
Links Between Transnational
Organized Crime and
International Terrorism
<http://bit.ly/OwZFnx>



A DEADLY TRADE 2012

In 2012, park rangers in the Democratic Republic of Congo find 22 dead elephants and a puzzle. All are missing their tusks. There is no trace of activity on the ground where poachers had been active, or trails leading away from the scene. Whoever was responsible for this attack carried away ivory valued at approximately USD 1 million.

The only clue: earlier sightings of a military helicopter, approaching from over the border.

The trade in ivory has been banned by international treaty since 1990 but, due to increasing demand from Asia, the slaughter of elephants for their tusks continues, driven by prices which can reach USD 1,000 per pound (USD 2,200 per kilogram).

Since 2012 increasing numbers of journalists are asking why and how these animals were being killed, and who is responsible. Evidence suggests that helicopters are used to kill animals from the air. In other cases elephants had clearly been slaughtered by machine gun, rather than being snared first.

Defectors from Africa's rebel armies accuse them of participating in this illicit trade to fund their activities. The Lord's Resistance Army (LRA) in Uganda, Al Shabaab in Somalia, and the Janjaweed from the Darfur region are all suspected of involvement in this trade. The LRA is a militant religious cult operating in northern Uganda, South Sudan, the Democratic Republic of Congo, and the Central African Republic. The group is led by Joseph Kony, who is believed to

have recruited between 60,000 and 100,000 child soldiers and displaced around 2 million people throughout central Africa. The leadership of the LRA is wanted by the International Criminal Court for war crimes and crimes against humanity.

Al Shabaab is a Somalia-based cell of Al Qaeda, and describes itself as 'waging jihad against enemies of Islam'. It has been designated a terrorist organization by several Western governments and security services. The Janjaweed are armed partisans drawn from Arab tribes, particularly from Sudan and are known as horsemen. Reports suggest that they travel long distances to target elephant herds.

#Ivory
#terrorism
#Democratic Republic of Congo
#Central African Republic
#Uganda
#South Sudan
#Darfur
#smuggling
#weapons
#Lord's Resistance Army
#Al Shabaab
#Janjaweed
#Al Qaeda



Ivory cash "funding terrorism",
 the Nation, Kenya
<http://bit.ly/1hpOdPi>





FUEL SMUGGLING FUNDING TERRORISM 2013

Between 1969 and 2005, when an effective cessation of hostilities was agreed, more than 3,500 people died in the Republic of Ireland and Northern Ireland because of the activities of the IRA and other paramilitary groups.

The activities of the IRA were not cheap: law enforcement estimated that its annual budget in 1980 would have been around USD 50 million. Some funding came from sympathetic governments and people in other countries. Some came from bank robberies. A lot came from the smuggling and washing of agricultural diesel fuel from the Irish Republic, smuggling cigarettes, and from selling counterfeit goods.

The sophisticated smuggling networks still operate. It has been too lucrative to suspend, and many former terrorists have made fortunes. The political peace dividend celebrated by all has also been a financial dividend for a few counterfeiters and smugglers.

The Northern Ireland Organized Crime Task Force, which aims to confront organized crime through a multi-agency partnership of government departments, law enforcement, the public prosecution service, the policing board, business community and the wider community, publishes a yearly threat assessment. In 2013 it explained that:

“Paramilitary groups remain active in Northern Ireland. These groups’ political intent is not always clear, however some remain a threat to national security and are also heavily engaged in organized crime. In the past year dissident republican groups have been responsible for a number of attacks principally against members of the Police Service of Northern Ireland (PSNI), Northern Ireland Prison Service and military.

Despite publicly denouncing organized criminality, dissident republican groups remain largely dependent on organized crime to fund their terrorist activities. Some dissident republicans are generating significant sums of money from fuel laundering and tobacco smuggling. In addition there has been suspected dissident republican involvement in a range of other criminality in the past year, including armed robbery (such as cash-in-transit robbery), extortion, money laundering, drugs supply, burglary, insurance fraud, counterfeit currency and intimidation. Dissident republican groups also remain heavily involved in ‘civil administration’ and extortion against those they suspect of being involved in organized crime, in particular drugs supply.”

Fuel smuggling into Northern Ireland takes advantage of lower duty rates for diesel in the Republic supplied for farm equipment. The fuel is

dyed to make it distinctive, and so the smugglers also launder it, by using acids to bleach the dye. This process leaves harmful residues that, if not carefully disposed, cause grave environmental harm.

In March 2013 a joint task force of officers from the Garda (the Irish Police), Irish Revenue and Customs, the Irish Defence Forces, the British Army, and officers from the PSNI raided a farm in the Irish Republic, situated less than two metres from the border with Northern Ireland.

Thomas ‘Slab’ Murphy owned the farm. He had been named as chief of staff of the IRA’s army council during a Smithwick Tribunal hearing into terrorist links to rogue law enforcement officers in 2011, though he has always denied the accusation.

This wasn’t a single raid: the agencies searched 22 premises in 11 counties across Ireland. During the searches one of the largest suspected diesel laundering plants ever discovered was found on Murphy’s property. The single plant, capable of laundering around 70,000 litres of fuel per day, had the potential to cause an annual revenue loss of GBP 18 million to the British government from fuel duty. On site the police found 39,000 litres of fuel, as well as 18,000 litres of toxic waste, fuel tanks and vehicles.

INTERSTATE TOBACCO SMUGGLING 2002

The first large-scale cigarette trafficking case tied to terrorism was prosecuted in North Carolina, US, in 2002. A federal jury in Charlotte convicted Mohamad Hammoud of violating a ban on providing material support to terrorist groups by channelling profits from a multi-million dollar cigarette-smuggling operation to Hezbollah.

Although Hezbollah is considered a terrorist organization in the US, Netherlands, France, Gulf Cooperation Council, UK, Australia, Canada and by the European Union, it is not treated as such in Lebanon or many other countries, where it is considered a legitimate political party. On the other hand, Hammoud was convicted of conspiracy, cigarette smuggling, money laundering, racketeering, and immigration fraud. His brother Chawki was also convicted of cigarette smuggling and other criminal counts.

Hammoud was born in Lebanon and moved to the US as a young man, settling in North Carolina. He had entered the US illegally, and married three times so that he could stay. His job was to smuggle cigarettes from North Carolina to Michigan, taking advantage of tax differences in the two different states.

Profits were sent to the leaders of Hezbollah in the Lebanon. Hammoud, while in prison awaiting trial, tried to order the murder of the prosecuting attorney and the bombing of Charlotte's Federal Courthouse. Instead, he was sentenced to 30 years imprisonment.

#Hezbollah
#terrorism
#Lebanon
#US
#cigarettes
#smuggling
#fraud



The FBI report on terrorism, 2002-2005, covers the Hammoud case
<http://1-usa.gov/1bYfUeI>

Murphy, apparently a livestock farmer, also has a multimillion Euro portfolio of properties and other assets. Financial investigators and tax authorities in Ireland are keen to identify them.

#Northern Ireland
#Republic of Ireland
#IRA
#smuggling
#fuel
#terrorism
#counterfeiting
#money laundering
#drug trafficking



PSNI: The OCTF Threat Assessment 2013
<http://bit.ly/1bYcagA>

LINKS TO TERRORISM

117

THE TRADE IN ANTIQUITIES 2003

One example of how the global trade in stolen art and antiques funds terrorism comes from Iraq. US Colonel Matthew Bogdanos, who served in counter-terrorism operations in 2003, investigated the looting of the Iraq National Museum.

Bogdanos later recalled in an interview with CNN:

"From my experience, I can say that the illegal antiques trade has become a revenue stream for terrorist activity in the region. In 2005, every single weapons shipment that we seized, whether from terrorists or insurgents, also contained antiques. These trucks, but also caves, buildings and other hiding places, would contain boxes of rocket propelled grenades alongside boxes containing ancient tablets and figurines."

#terrorism

#Iraq

#US

#antiquities

#smuggling

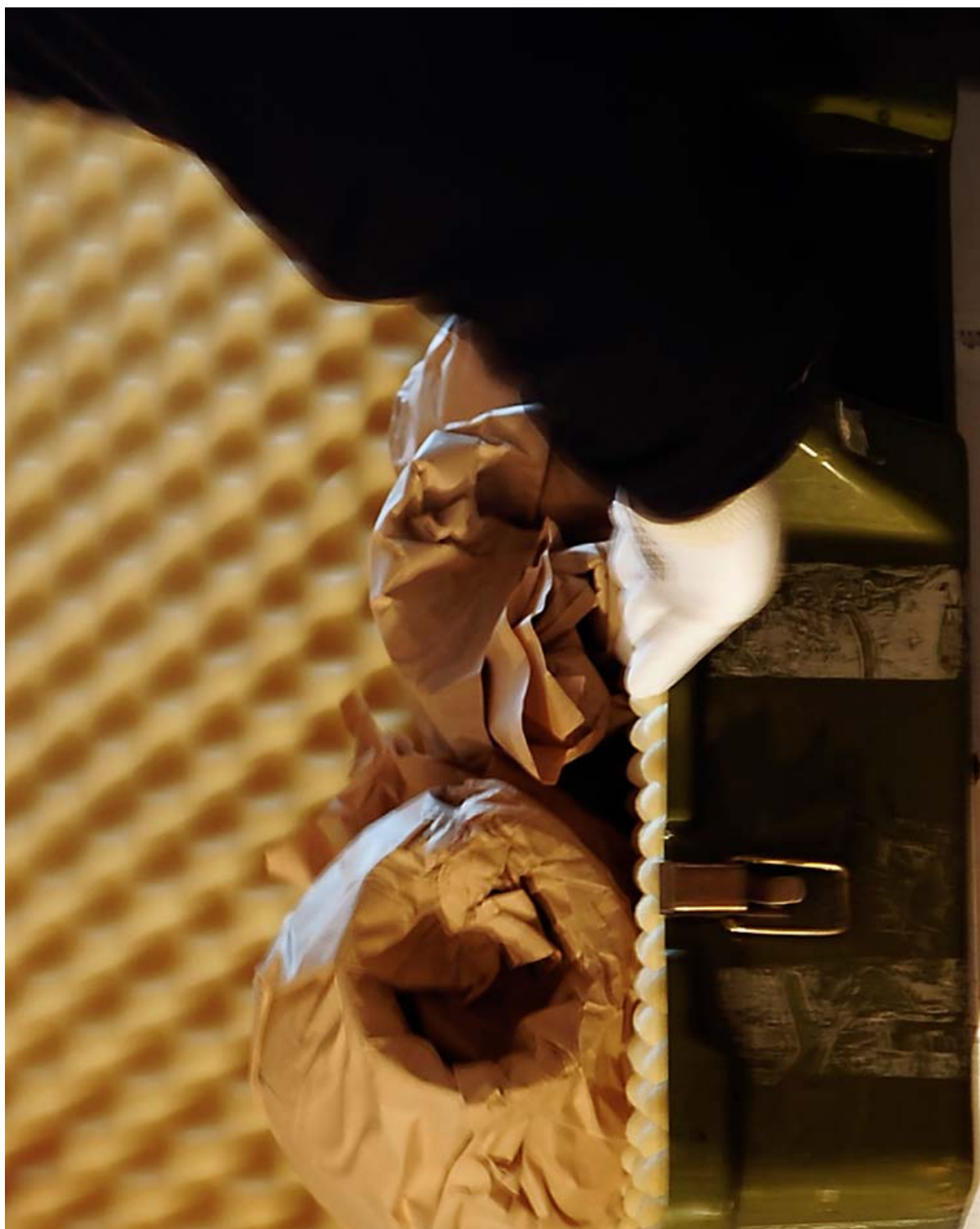
#art

#weapons



Bogdanos' report, "Thieves of Baghdad: Combating Global Traffic in Stolen Iraqi Antiquities"
<http://bit.ly/1hpMEIO>





WEAPONS FOR SALE 2007

In Northern Ireland the Real IRA, an organization that appears in the US Department of State list of foreign terrorist organizations, is chiefly known for planting a car bomb that exploded on 15 August 1998 in the town of Omagh. The car contained 220kg of explosives, and the bomb killed 29 people, including several children.

No one was ever successfully prosecuted for this crime but almost 11 years after the event, following a civil prosecution, Justice Declan Morgan, a judge at Belfast High Court declared that four men, one of whom was named Liam Campbell, were responsible for the planning, production, placing and detonation of the car bomb. He also awarded damages of GBP 1.6 million (USD 2.7 million) to the relatives of six people who had died in the bombing.

None of the defendants gave evidence during the trial, a fact the judge described as inexplicable. He said there was "cogent evidence" that Liam Campbell had been a member of the Real IRA, and held a leadership position within the terror group. Additionally phone evidence showed he had directed the car bomb attack. Two years earlier, Liam's brother Michael Campbell had been successfully prosecuted by the Lithuanian authorities, and sentenced to 12 years imprisonment, for attempting to procure explosives and firearms including a sniper rifle.

Michael Campbell was also involved in criminality: in 2004 he was sentenced to four months in jail in the Netherlands after he was convicted in relation to a shipment of smuggled cigarettes, intercepted by Dutch authorities while on route between North Africa and Ireland. The authorities suspected that cigarette smuggling had been the main source of funding for the Real IRA, as well as other terrorist organizations in Northern Ireland.

In 2007, MI5 (the UK's domestic counter-intelligence and security agency) was investigating Michael Campbell again for cigarette smuggling. The undercover operation used an informant who was also involved in cigarette smuggling, and they travelled to Lithuania in August 2007. MI5, working undercover with the Lithuanian security service, showed Michael Campbell some weapons that it claimed were for sale, including sniper rifles and Rocket Propelled Grenades (RPGs). During the conversation Michael Campbell asked how much explosive was needed to blow up bulletproof vehicles. He told the undercover agents that he intended to use explosive devices against people.

On 25 October 2007, Michael Campbell travelled to Marbella in Spain where he paid a EUR 5,000 deposit and haggled over what he could get for the money. Then in January 2008, he travelled to Vilnius, the capital of Lithuania with his wife. Both pretended to be tourists.

The Lithuanian agents met Michael Campbell again. He examined explosives, detonators and timers, and a Barrett sniper rifle. He said that he wanted to kill 'Brits' with it. He paid a EUR 1,000 for the rifle and 12kgs of TNT, detonators, timers and two rocket propelled grenades, and told the agents that he was a member of the IRA.

Shortly afterwards, he was arrested and prosecuted. Michael Campbell claimed unsuccessfully in his defence that he wasn't buying arms for the Real IRA. He was just a cigarette smuggler, he said.

#Real IRA
#weapons
#Northern Ireland
#Spain
#Lithuania
#smuggling
#cigarettes
#terrorism



The BBC reports Michael Campbell's conviction
<http://bbc.in/1bY9ZcT>



MR MARLBORO 2013

Traditional trading routes across the Sahara desert to the Mediterranean Sea have, in recent years, become extraordinarily profitable. More trafficked humans, drugs, diamonds and cigarettes all accompany traditional goods. Kidnapping of aid workers or unwary travellers for ransom has also been good business for the local warlords. One person involved in this lucrative business became known as Mr Marlboro because of his links to the trafficking in counterfeit cigarettes.

Mokhtar Belmokhtar earned his nickname because of his involvement in tobacco smuggling — but he has previously been convicted in his absence in Algeria on three occasions and sentenced to death on two others. The first was in 2007 for forming an armed terrorist group, carrying out armed attacks, kidnapping foreigners, and importing and trafficking in illegal weapons; the second in 2008 for involvement in the murder of 13 customs officers in Algeria.

It's not just people who get in the way of his smuggling business that die. He has long been a member of Algeria's Islamic Armed Group (GIA), then becoming joint founder of the *Groupe Salafiste*

de la Predication et le Combat (GSPC). This meant he was added to the US Treasury Department's list of Specially Designated Global Terrorists in October 2003. Subsequently the GSPC has evolved into Al-Qaeda in the Islamic Maghreb (AQIM).

Mr Marlboro has been linked to the 2003 kidnapping of 32 European tourists, the 2008 negotiations for the release of two Austrian captives, and 2009 negotiations for the release of two Canadian hostages. Hostage-taking and smuggling of everything from cigarettes to guns, people and drugs, form part of a multi-million-dollar import, export and extortion business.

The world noticed Belmokhtar on 13 January 2013. The raid on the Ansema gas field installation by more than 50 heavily armed insurgents, who killed more than 35 of the workers at the plant and took another 41 hostage, was blamed by the insurgents on the French invasion of neighbouring Mali to evict Islamic Militants from that country. On the other hand it was a well-planned attack, and only two days had passed since the French forces commenced operations. In March 2013 Belmokhtar was reported as killed in Mali by the Chadian

authorities. In May 2013 Mr Marlboro came back to life: he claimed responsibility for a further attack in Niger. And on 19 July 2013 the US Department of Justice announced that charges had been filed in Manhattan Federal Court against Mokhtar Belmokhtar in connection with the terrorist attack on the Amenas gas facility: three of the victims in the 16 January attack were US citizens.

#Algeria
#cigarettes
#Marlboro
#terrorism
#Amenas
#kidnapping
#smuggling
#trafficking
#Al Qaeda



Belmokhtar is added
to the list of terrorists
<http://1.usa.gov/1hpNIPb8>



'Uncatchable' jihadist kingpin said
behind Algeria raid:
<http://reut.rs/1hpO6uU>



INDEX

- A**
Afghanistan 97
Africa 26
airbags 66, 73
aircraft 72
Airmail 40
Albania 39
Algeria 122
Al Qaeda 114, 122
Al Shabaab 114
Amenas 122
American Express 74
Angola 94
antiquities 118
Apple 21, 82
Argentina 22, 35, 72
Armani 21
art 118
Astrazeneca 57
auctions 66, 73
Audemars Piguet 28
Australia 65, 97
Austria 25
auto 66, 73
- B**
Barbie 20
bearings 68
Belgium 60, 80, 100
Bout 94
Brazil 22, 35
Bulgaria 85
- C**
Cambodia 54
Camorra 46
Canada 101
cannabis 18
Carbon trading 106
CBP 28
Central African Republic 114
China 20, 21, 24, 36, 38, 40, 42, 50, 57, 65, 66, 68, 70, 72, 73, 81, 82, 84, 100
cigarettes 32, 34, 35, 36, 38, 39, 40, 42, 117, 120, 122
Cisco 70
clothing 18
Coach 24
Colombia 35, 88, 94
Condoms 20
Congo 38, 94
Congres National Pour la Defense
du Peuple 32
Converse 81
Costa Rica 109
counterfeiting 18, 20, 21, 22, 24, 25, 26, 28, 38, 42, 48, 50, 54, 56, 57, 58, 61, 62, 65, 66, 68, 69, 72, 73, 74, 81, 84, 85, 117
credit cards 74
Cuba 92
Czech Republic 48
- D**
Darfur 114
DEA 88
- E**
Defense 72
Dell 81
Democratic Republic of Congo 32, 114
diplomatic immunity 38
drug trafficking 80, 109, 110, 117
DVD players 68
DVDs 84
- F**
Egypt 69
Eli Lilly 56, 57
environment 69
ETS 106
EU 106
e-waste 69
- G**
Germany 25, 72, 101, 106
GHD 18
Gucci 24
- H**
handbags 24
- I**
handsets 21, 22
Hermes 20
Hezbollah 117
Hoffman La Roche 57
Honduras 110
Hong Kong 40
HP 81
- J**
Janjaweed 114
- K**
Kenya 21
kidnapping 122
kidneys 101
Kosovo 101
- L**
Lacoste 21
- M**
Mafia 118
- N**
Nigeria 118
- O**
Obama 118
- P**
Pepsi 118
- Q**
Qatar 118
- R**
Rafael 118
- S**
Samsung 118
- T**
Toshiba 118
- V**
Vodafone 118
- W**
Walmart 118
- X**
Xerox 118
- Y**
Yahoo 118
- Z**
Zimbabwe 118

- Laos 54, 73
 Lebanon 117
 Lenovo 81
 LG 68
 Liberia 94
 Liberty Reserve 109
 Lithuania 50, 120
 Lord of War 94
 Lord's Resistance Army 114
 Louis Vuitton 20
- M**
 makeup 72
 malaria 54
 Malaysia 24
 Marlboro 122
 Marvel 20
 Masterbox 85
 Mastercard 74
 medicine 54, 56, 57, 58, 60, 62
 methamphetamine 25
 Methanol 48
 Mexico 28, 110
 MHRA 56
 Microsoft 81
 missiles 90, 92
 money laundering 18, 26, 60, 109, 110, 117
 Monster 82
 Montenegro 39
 Motorola 22
 Mozzarella 46
 Myanmar 54
- N**
 NASCAR 20
 Netherlands 80, 85, 100
 Nicaragua 110
 Nigeria 68, 98
 Nike 24
 Nintendo 82
 Nokia 21, 22
 Northern Ireland 117, 120
 North Korea 92
- O**
 OMO 65
 Operation Hudson 98
 Operation Jupiter 54
 Operation Opson 46
 Operation Pangea 58
 organ trafficking 101
- P**
 Panama 92
 Paraguay 22, 35
 Parma ham 46
 payment provider 109
 people smuggling 97
 perfume 21
 Pfizer 57
 piracy 78, 81, 84, 85, 109
 Poland 85, 101
 Polo 21
 pornography 109
- R**
 Ralph Lauren 24
- Real IRA 120
 Republic of Ireland 117
 Rodeo 35
 Rolex 20
 Romania 38
 Russia 48, 62, 74
 Rwanda 94
- S**
 Samrana 84
 Samsung 22, 68
 Sanofi-Aventis 57
 Sennheiser 82
 Serbia 38
 Sharp 68
 shoes 24
 SKF 68
 Slovak Republic 42
 smuggling 34, 35, 38, 39, 73, 80, 88, 90, 92, 94, 114, 117, 118, 120, 122
 Snakeheads 100
 software 78, 81
 Sony 22, 68
 South Africa 32
 South Sudan 114
 Spain 26, 36, 88, 98, 106, 120
- T**
 Televisa 110
 terrorism 88, 94, 114, 117, 118, 120, 122
 TIMKEN 68
 tobacco 32, 34, 35, 38, 40
- Tobacco 36, 39, 42
 Toys 20
 trafficking 84, 98, 100, 101, 122
 Trojan 20
 Turkey 100
- U**
 Uganda 21, 114
 UK 18, 24, 34, 40, 48, 50, 56, 60, 74, 82, 84, 90, 98, 100, 106
 Ukraine 42, 62
 Unilever 65
 United Nations 90
 US 20, 21, 24, 28, 57, 66, 69, 70, 72, 73, 88, 90, 94, 109, 117, 118
- V**
 VAT 106
 Versace 24
 veterinary 60
 Viagra 61
 Victor 94
 Vietnam 54
 Vietnamese markets 25
 Visa 74
 vodka 48, 50
- W**
 warez 78
 waste 73
 weapons 88, 92, 94, 114, 118, 120
 WHO 54
 wristwatches 24, 28
- 125







**TURN
BACK
CRIME**



INTERPOL

