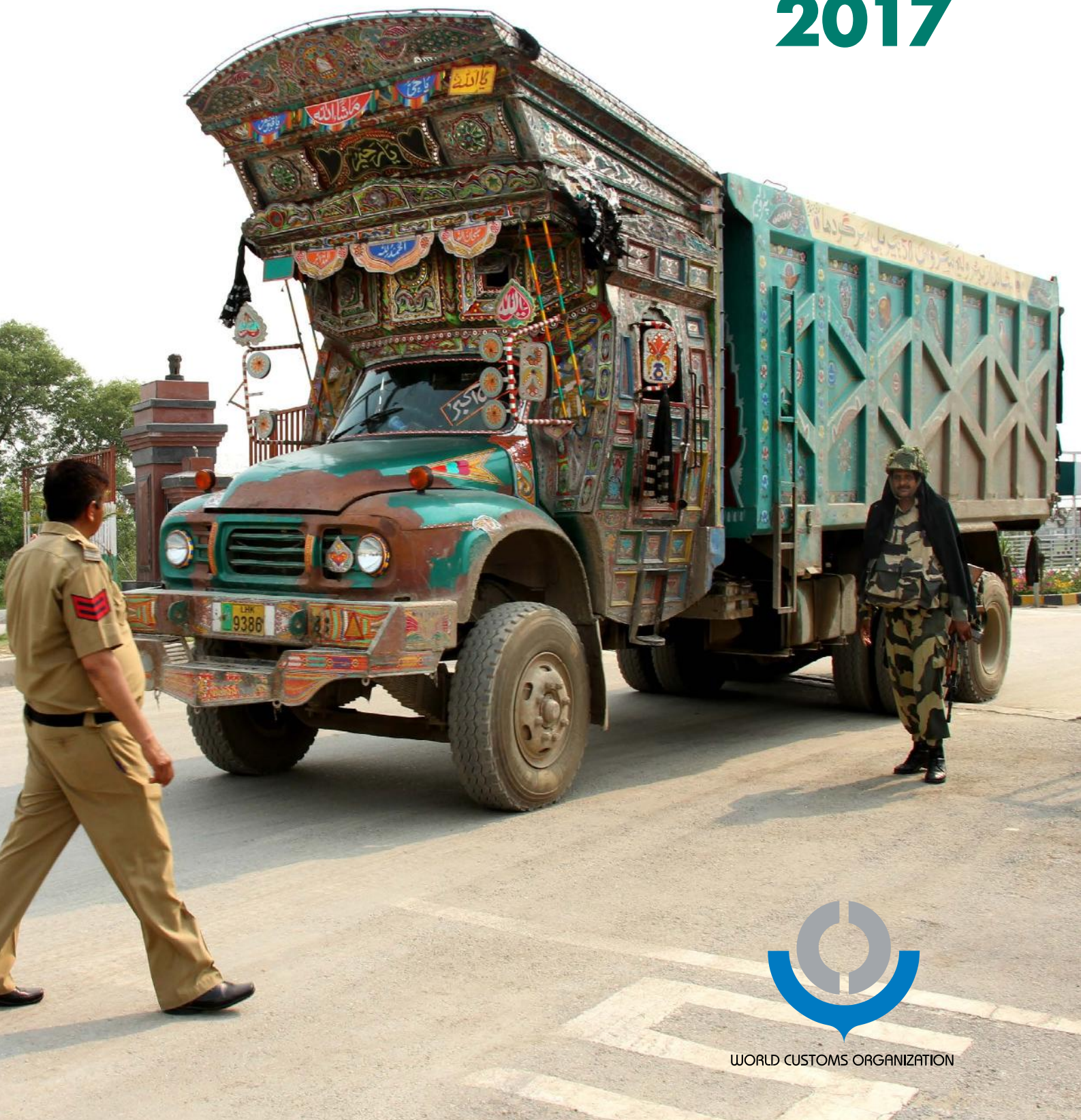


# Illicit Trade Report

2017



WORLD CUSTOMS ORGANIZATION

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# FOREWORD

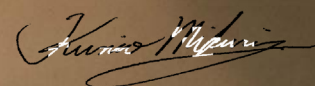
As tradition has it, autumn is the time when we publish our annual Illicit Trade Report. The 2017 edition is a continuation on the road to discovery undertaken last year, when data visualization technologies were used for the first time in order to make the data ‘talk’ to the readers. We continued the partnership with the Center for Advanced Defence Studies (C4ADS), a Washington, DC-based nonprofit organization dedicated to providing data-driven analysis and evidence-based reporting. While constantly looking for the best format in order to represent the findings of the Report, each edition remains unique and has its intrinsic features.

However, there is one particular feature which is the cornerstone for the analysis: it is the WCO Customs Enforcement Network (CEN), a global database of Customs seizures in six major areas of enforcement. The Sections of the Report follow this structure and represent these areas as follows: Cultural Heritage; Drugs; Environment; IPR, Health & Safety; Revenue and Security. This year 133 countries contributed to the seizures database, which made this analysis possible. While data gathering has many pitfalls that are a result of different legacy issues, overall, there is a progress in data quality and quantity. More and more Customs administrations came to an understanding that seizure data is important not only for statistics and press releases; it is the main tool to develop better enforcement strategies based on a more nuanced understanding of the illicit trade. While this Report is a global snapshot of the phenomenon based on the data voluntarily submitted by Member Customs administrations, much more can be done on the national

level to make this data operational. That is the reason why the WCO continues working in the domain of data analytics and encourages Member Customs administrations to embed data analytics into their daily routine.

Apart from data analysis, case studies and Member highlights, there are two particularly important findings that should be examined more in detail and conveyed further. One of them relates to E-commerce, a global phenomenon that has preoccupied minds and hearts of a variety of stakeholders both in governments and in the private sector for the past several years. The number of shipments grows in the geometric progression, posing serious problems both to postal and express operators and to Customs administrations. While public-private partnership is key to ensure safety and security of the people by identifying and seizing dangerous shipments, no matter how smooth and automated the process is, checking these shipments takes unprecedented resources. Even though the number of seizures of prohibited or restricted commodities, such as counterfeits, excise goods and drugs, is high, quantity wise it is low, especially if compared with seizures on vessels. The 2017 Illicit Trade Report presents this evidence in numbers, which in turn pose a serious strategic dilemma for Customs who strive to use their limited resources in an optimal way.

Another finding relates to the role of Free Trade Zones in supply chain security. Free Trade Zones are a very important nod in global value chains. However, from the supply chain security perspective,



Kunio MIKURIYA

Secretary General

World Customs Organization

they still largely remain outside Customs control and supervision. Every year Customs administrations are asked to provide data on seizures at the border of Free Trade Zones due to the fact that there are not many Customs administrations that have a mandate to enforce law within these Zones. While this type of available seizure data is rather negligible, the routing data suggests a positive correlation between the location of Free Trade Zones and seizures of illicit goods. For example, the Revenue Section specifically highlights this phenomenon through a case study as well as through the results of the Operation Fox conducted in 2017. While the awareness of Customs administrations and other enforcement agencies of the risks posed by Free Trade Zones is growing, we also expect to be receiving more robust data in order to be able to examine this issue more in detail.

Overall, I hope that you will find this quest for knowledge interesting and stimulating.



# INTRODUCTION

## GENERAL OVERVIEW

Since its inception in 2012, the World Customs Organization's (WCO) annual Illicit Trade Report has aimed to contribute to the study of the phenomenon of illicit trade through in-depth analysis of seizure data and case studies voluntarily submitted by Member Customs administrations from around the globe. By quantifying and mapping the situation in six key areas of Customs enforcement (cultural heritage, drugs, environment, intellectual property rights/health and safety, revenue assurance and security), it is hoped that this Report will provide a better understanding of current cross-border

criminal activities and contribute to information currently available on illicit trade.

The Report is composed of six sections relating to key areas of risks in the context of Customs enforcement:

- Illicit trafficking of stolen or looted cultural objects that include both archaeological objects and works of art;
- Drug trafficking, including cultivation, manufacture, distribution and sale of substances subject to drug prohibition laws;
- Environmental risks relating to trafficking of endangered species, hazardous and toxic waste, ozone-depleting substances, and trading of indigenous or protected timber, etc.;

- Intellectual Property Rights (IPR), and health and safety risks relating to trade in counterfeit or illicit goods, particularly products which pose a serious threat to health and safety, such as pharmaceuticals (including veterinary medicines), foodstuffs, toys and sub-standard items (such as electrical components and spare parts);
- Revenue risks, including leakage, through the smuggling of highly taxed goods such as tobacco, alcohol and motor spirits, plus commercial fraud activities such as under-valuation, misuse of origin and preferential duties, misclassification and drawback fraud;
- Security risks, including terrorism, proliferation of weapons of mass destruction, trafficking of small arms and explosives, and diversion of dual-use goods.

#### DATABASE AND METHODOLOGY

The analysis contained in this Report is based on the collection of data voluntarily submitted by Members to the WCO Customs Enforcement Network (CEN) — a database of worldwide Customs seizures and offences. WCO Members and the Regional Intelligence Liaison Offices (RILOs) enter and validate the data input into the CEN and used for this Report. Seizures include those reported by Customs, joint Customs and Police units and other law enforcement agencies with power over Customs duties.

The CEN is a vital resource, allowing all WCO Members to access a critical mass of information for analysis of illicit trafficking in the various areas of Customs' competence. This is crucial in terms of developing a fuller understanding of the connections between different forms of trafficking on a regional or global level, and defining strategies and mechanisms that render enforcement actions by Customs authorities more effective. The data contained in the CEN is continuously updated and reviewed, making it a 'living' database.

Intelligence exchange among all stakeholders is a fundamental part of the active collaboration to combat illicit trade. With this in mind, the WCO established a network of RILOs in six WCO regions, as an added layer of information exchange to complement the existing channels. The RILOs contribute actively to the CEN database in terms of data validation and quality control, on the basis of which

they develop regional intelligence products. With its additional active involvement in operational activities, the RILO network remains a steadfast WCO strategic intelligence capability in meeting the global Customs goal of identifying, disrupting and dismantling transnational criminal organizations.

## C4ADS

innovation for peace

C4ADS is a nonprofit organization dedicated to providing data-driven analysis and evidence-based reporting on global conflict and transnational illicit networks.

We use cutting-edge technologies to manage, integrate, and analyze disparate data from diverse languages, regions, and sources, incorporating our own field research from conflict zones and fragile states. We seek to engage with local and international audiences to produce compelling and actionable analysis, and in doing so, fill a critical gap left by traditional public sector and profit-driven institutions.

C4ADS is proud to partner with the World Customs Organization to co-author the 2016 Illicit Trade Report in support of our mission to help bridge the data gap among global law enforcement authorities and the private sector.

**C4ADS Contributors:** Patrick Baine and Devin Thorne.



## SECTION 1.

# CULTURAL HERITAGE

## INTRODUCTION

Trafficking of cultural objects is an under-studied phenomenon. Lately, however, more attention has been paid to this type of illicit activity by policy-makers and law enforcement. The United Nations Security Council Resolutions 2199/2015 and 2253/2015 highlighted illicit trafficking of cultural objects as one means for terrorist financing, while the latest Resolution, 2347 (adopted in 2017), specifically addressed the role played by this phenomenon in armed conflicts.

Since Customs administrations are at the forefront of this fight, the WCO, in partnership with various stakeholders, developed a unique Training Handbook for Customs officers on countering illicit trafficking in cultural objects. The Training Handbook will be available in English and French soon and it will also be translated into additional languages.

Training activities based on the Handbook have been successfully completed in the Middle East and North Africa (MENA) region in 2017. Training activities are also planned in West and Central African region in 2018. One part of the training activities include data analysis and encouragement to Members to use WCO instruments such as WCO CEN and ARCHEO to share seizure data and seek assistance on complex cases.

A: 634 objects of the Bronze Age, Gallo-Roman and Gallic periods seized by French Customs during the WCO-INTERPOL Operation Athena. Courtesy: French Customs.



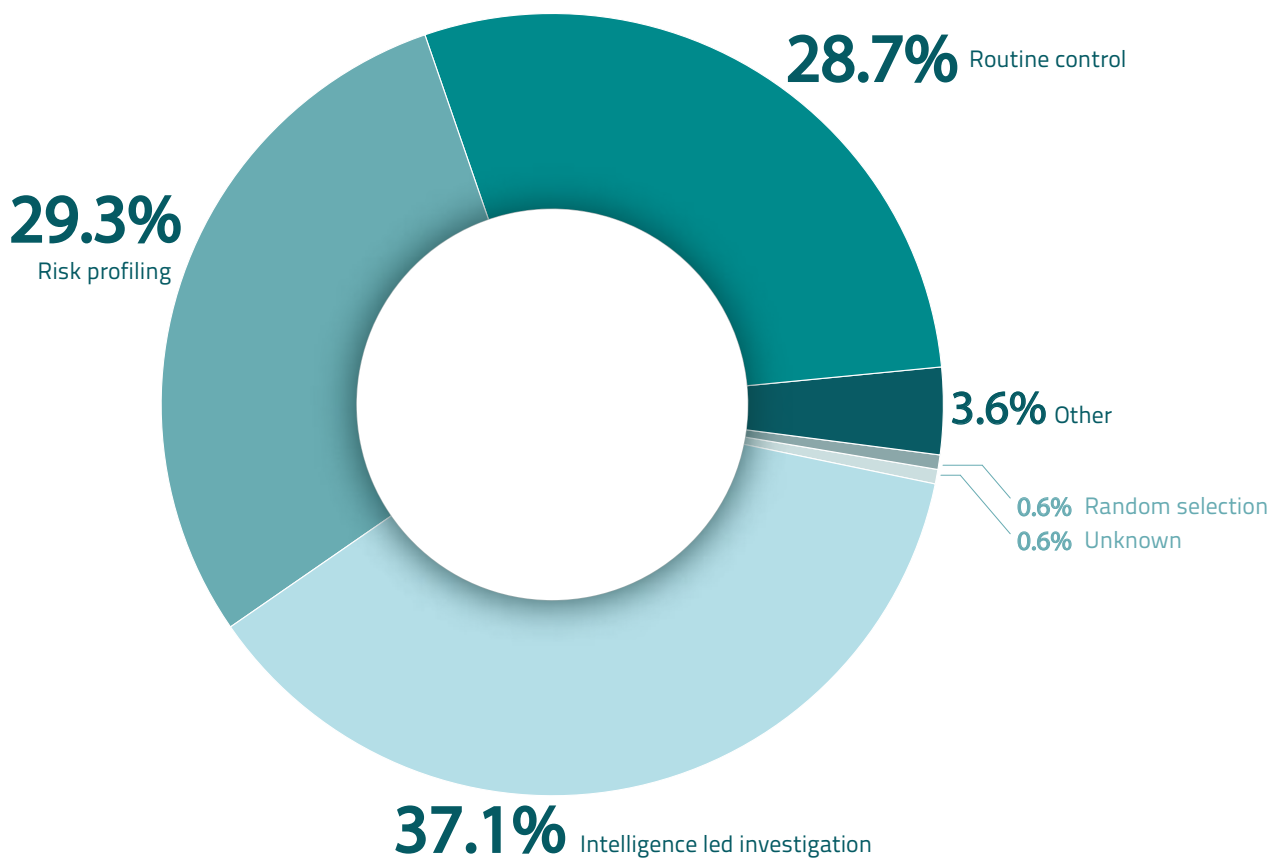
In 2017, 25 countries submitted a total of 140 cases to the WCO (comprised of 167 individual seizures) involving the trafficking of cultural objects. Customs officers identified and recovered 14,754 artefacts that year, including antiquities, paintings, statues and other cultural objects, amounting to an increase of 48.6% over 2016, when only 9,931 pieces were recovered.

Although the number of pieces recovered grew rapidly throughout 2017, the number of cases and seizures remained relatively stable, falling and rising only slightly, with 143 cases and 158 seizures in 2016, and with 140 cases and 167 seizures in 2017. This development is largely due to changes in reporting patterns:

as certain regions, such as the Commonwealth of Independent States, continued to report high levels of illicit activity, other regions, such as South America and Western Europe, bolstered their reporting levels. Meanwhile, formerly high-activity regions, such as Eastern and Central Europe, reported markedly fewer seizures. Overall, nearly all regions reported recovering increased numbers of trafficked artefacts.

**B:** One of the silk rugs seized by Turkish Customs, along with antique furniture in a lorry coming from Iraq. Courtesy: Turkish Customs.

FIGURE 1: PERCENTAGE OF SEIZURES BY DETECTION METHOD, 2017



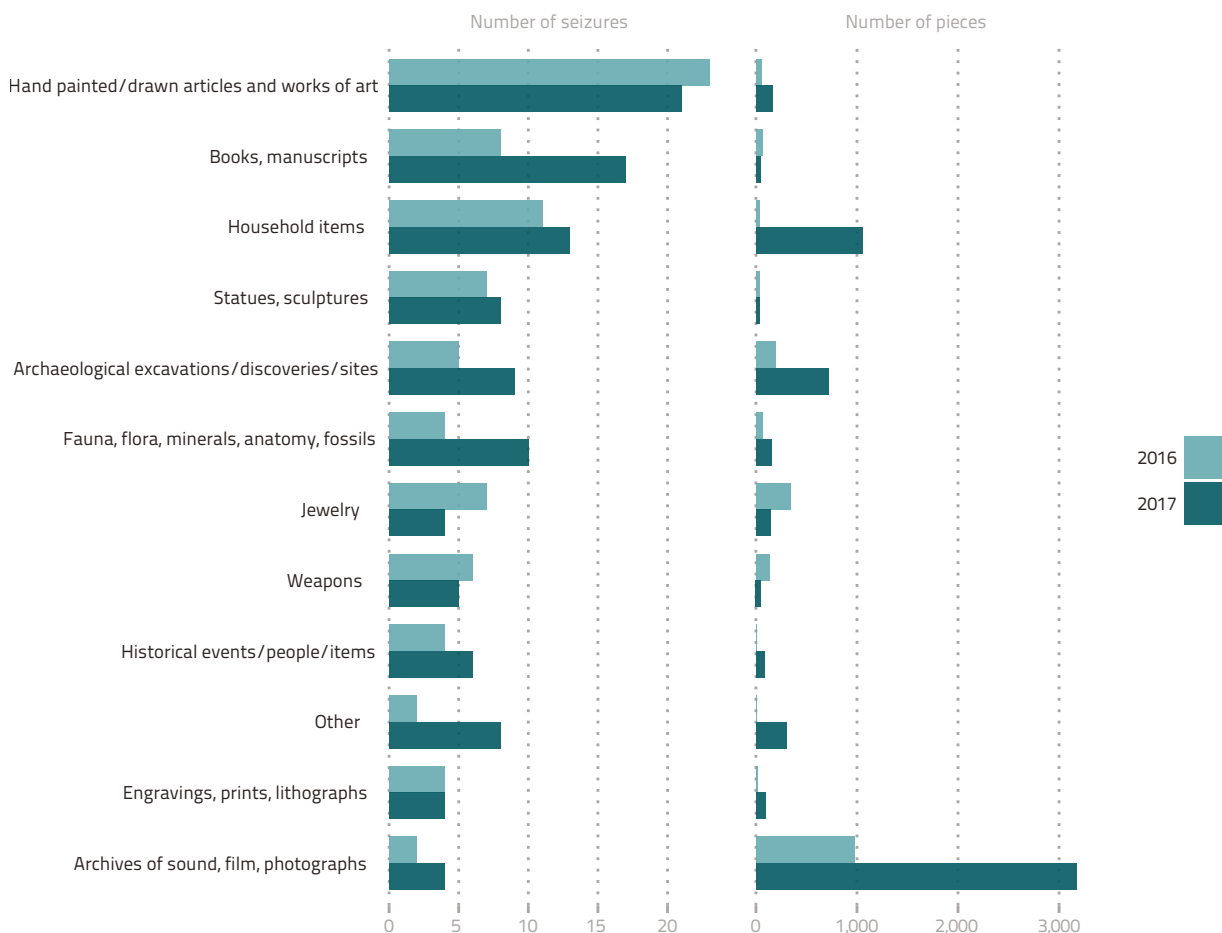
As shown in [Figure 1](#), seizures executed by Customs officers in 2017 were, in roughly equal parts, the product of intelligence led investigations, risk profiling and routine controls. Intelligence led investigations accounted for 37.1% (62 seizures) of all seizures that year, facilitating the recovery of 3,709 artefacts. Risk profiling was the second most successful method of detecting contraband, yielding 49 seizures (29.3%) and contributing to the confiscation of 7,802 cultural objects. Finally, routine control aided in the apprehension of 3,709 smuggled artefacts in 48 seizures (28.7%).

Such analysis requires a few caveats. First, all conclusions rely on voluntarily submitted data involving cases and seizures, information offered at the discretion of WCO Member countries. There are many reasons a particular Customs authority may

choose not to report certain portions or details of their data, including the need to maintain secrecy over ongoing investigations. As a result, the figures in this Section may not necessarily depict a comprehensive view of trends in the international trade of cultural objects. Second, apparent increases in certain trades may simply reflect improved methods and techniques of Customs officials rather than a genuine uptick in cultural heritage trafficking.

One note on the following visualizations: cultural heritage is divided into 13 categories of items. The numbers of seizures and pieces seized for all 13 categories are shown in [Figures 2 and 2A](#). However, for all other Figures, the following items have been included in the “other” category: ethnological objects; musical instruments; religious items; jewelry; weapons; engravings, prints

FIGURE 2: NUMBER OF SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017



and lithographs; archives of sound, film and photographs; and historical events, people and items. These were combined into one category to improve visualizations of the data and because the number of seizures for these categories was relatively small.

This Section is organized in the following manner:

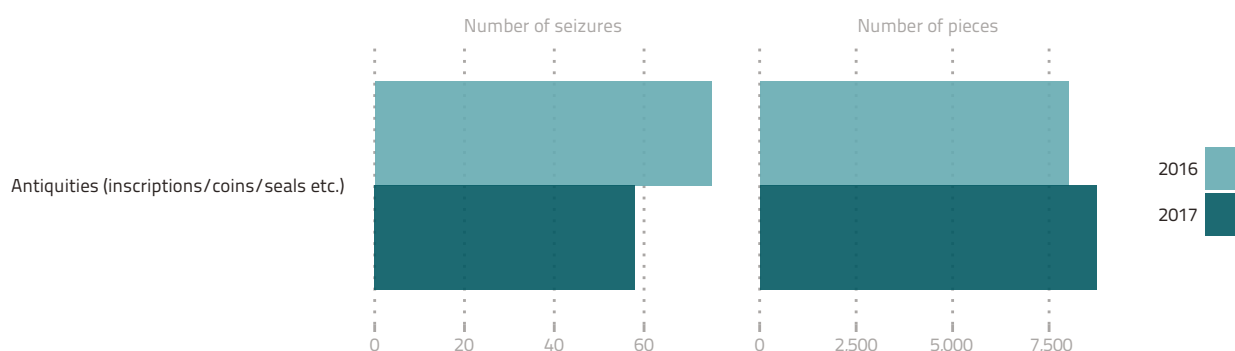
1. Overall trends in trafficking of cultural objects.
2. Operations.

## 1. OVERALL TRENDS IN TRAFFICKING OF CULTURAL OBJECTS

Figure 2 compares the number of seizures and the quantity seized for each type of cultural objects between 2016 and 2017. Note that Figure 2 does not include antiquities, due to the large quantity of such artefacts. A separate Figure 2A is included below to display the number of seizures and the quantity seized for antiquities. The analysis below refers to cultural heritage overall, including antiquities and all other types of cultural objects.

Trafficking in cultural objects appears to have increased in 2017, in terms of both the number of seizures (167) and the number of pieces seized (14,754). Compared with 2016, when 158 seizures led

FIGURE 2A: NUMBER OF ANTIQUITIES SEIZURES AND QUANTITY SEIZED, 2016–2017



to the recovery of 9,931 pieces, these data reveal overall increases of 5.7% and 48.6%, respectively. This growth is partly explained by a significant boost in reporting during the global Customs–Police Operation Athena, conducted in November 2017 and involving more than 80 countries (see Part 2 for more details on Operation Athena). Seizure totals in 10 of the 13 categories of cultural objects increased, as did the number of pieces seized in nine of these categories.

Archives of sound, film and photographs (four seizures and 3,169 pieces), household items including samovars and carpets (13 seizures and 1,056 pieces), and archeological excavations (nine seizures and 716 pieces) were the second, third, and fourth most seized artefacts in terms of the number of pieces recovered. (The artefact seized most often, antiquities, is discussed further in Figure 2A). The number of pieces recovered in these categories rose by 226%, 2,754.1%, and 271%, respectively, accounting for 77.5% of the overall increase in pieces seized.

Books and manuscripts (17 seizures) and jewelry (four seizures) were among the categories for which fewer pieces were discovered in 2017. Sixty-one books and manuscripts and 342 pieces of jewelry were seized in 2016, compared to 47 books and manuscripts and 148 pieces of jewelry the following year. Only eight seizures of statues and sculptures (comprising 39 pieces) and five seizures of weapons (comprising 50 pieces) were reported in 2017.

Two seizures denoted in kilogrammes are not included in the piece count shown in Figure 2 – one, a 2016 seizure of 29 kilogrammes of archaeological excavations, was reported by Russia, and the other, a 2017 seizure of a 3.8 kilogramme meteorite, was reported by Argentina.

Figure 2A highlights an important aspect of cultural heritage trafficking in 2017: the relationship between seizures and pieces seized is not always positively correlated.

## Member highlights: Antique weapons smuggling

On 24 July 2017, a weapon was found in the luggage of a Canadian resident travelling from Budapest to London. The weapon was suspected to be cultural property, and in this case its export would necessitate a permit by the Forster Gyula National Heritage Management and Service Center. The help of an expert in antique weaponry was enlisted to evaluate the potential contraband, who confirmed that the weapon was more than 150 years old. As the passenger had no permit, the item was seized.

**Source:** Hungarian Customs.

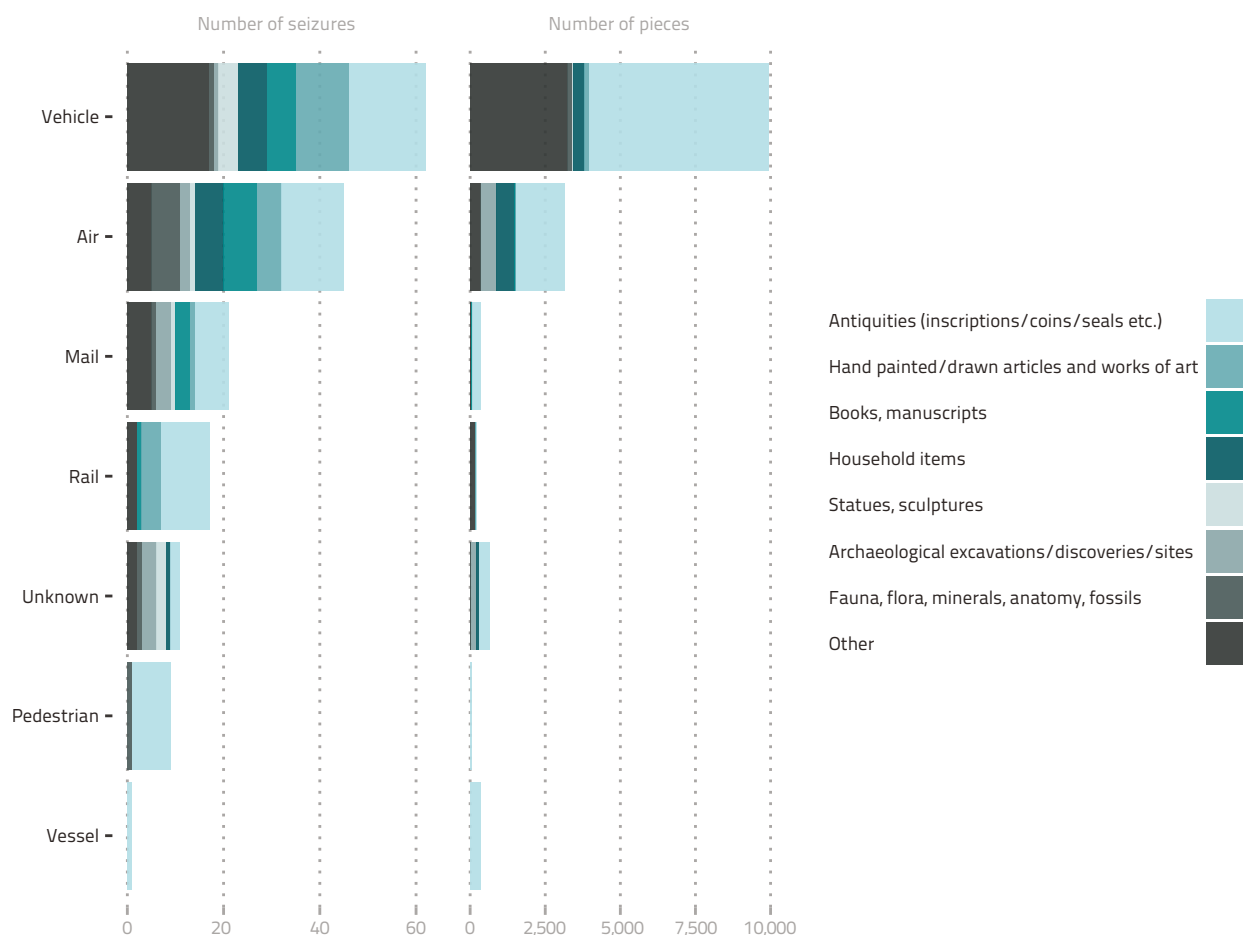
In May 2017, Latvian Customs officers at the Russian-Latvian border commandeered a vehicle and discovered 45 pieces of antique weapons, including 12 different types of guns, six bayonets, seven halberds, 12 swords, seven cannons of different sizes and one cannon shell.

**Source:** Latvian Customs.



C: Courtesy: Hungarian Customs.  
D, E: Courtesy: Latvian Customs.

FIGURE 3: NUMBER OF SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017



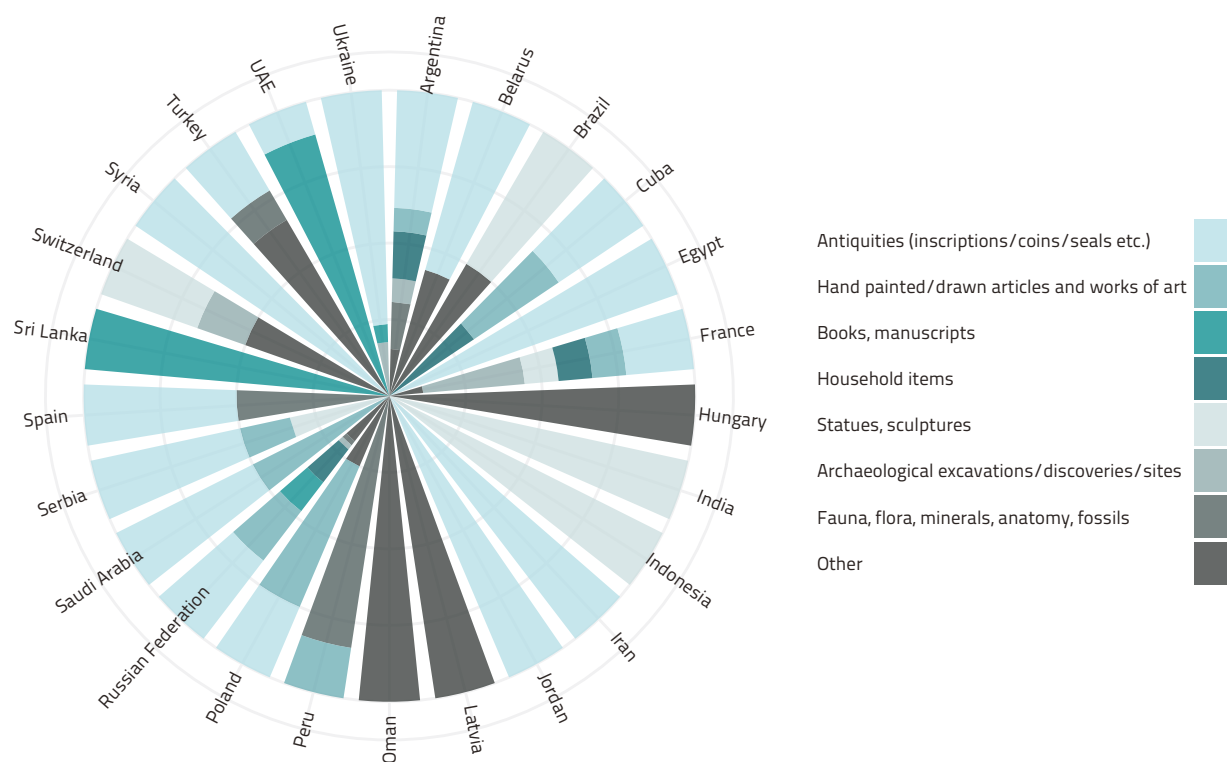
While antiquities, primarily coins and seals, were confiscated in just 58 seizures (a 22.7% decline from 2016), the quantity recovered rose by 9%, climbing from 8,005 pieces in 2016 to 8,725 pieces in 2017.

In the following Figures, the “other” artefacts category includes objects with relatively low numbers of seizures: ethnological objects; musical instruments; religious items; jewelry; weapons; engravings, prints and lithographs; archives of sound, film and photographs; and historical events/people/items. These were combined into one category to improve the visualization of these data.

Figure 3 shows the number of seizures and the quantity of cultural objects seized by type and conveyance method. Relative

to other types of trafficking, the conveyance methods used by cultural heritage smugglers are quite diverse. Vehicle, air, mail, and train seizures yielded seven or more categories of items, albeit in varied quantities. Vehicle seizures accounted for 37.1% of the 167 seizures of cultural objects reported in 2017 and 67.3% of the 14,754 pieces seized, yielding artefacts from all eight categories visualized in Figure 3. Overall, 68.6% (5,986 pieces) of antiquities (coins and seals) and 84.5% (3,257 pieces) of other artefacts were confiscated from vehicles. Air-based seizures were similarly diverse, resulting in the recovery of artefacts from all eight categories shown in Figure 3, particularly household items (six) and antiquities (13). Respectively, 609 and 1,605 pieces from these categories were confiscated from the air transport sector, accounting for 57.7% and 18.4% of all household items and antiquities recovered in 2017.

FIGURE 4: PROPORTION OF SEIZURES BY TYPE AND COUNTRY, 2017



Twenty-one reported mail seizures resulted in the recovery of 347 artefacts, predominantly antiquities (283 pieces). In 2017, there was only one seizure aboard a vessel; it was reported by Jordan, and it contained 338 coins that originated in Egypt.

Figure 4 depicts the proportion of seizures for each category of cultural objects, as reported by each country recording at least one such seizure. Figure 4 illustrates that, although antiquities (primarily coins and seals) were by far the most frequent yield of 2017 seizures, only 16 of 25 participating countries reported seizing such items in 2017. Four countries, Jordan (one), Iran (one), Egypt (one) and Syria (one) exclusively reported seizures in this category.

Six other countries reported seizures from only a single category, but all of them also only reported a single seizure: Hungary and Latvia (reporting other objects, specifically weapons), India and Indonesia (reporting statues and sculptures), Oman (reporting other objects, specifically from the category “historical events/people/items”) and Sri Lanka (reporting books and manuscripts). Russia, France and Argentina were the only countries that seizing artefacts in six or more of the categories shown in Figure 4. Hand-painted and hand-drawn articles were apprehended in 21 seizures reported by eight countries, with Russia’s 12, Poland’s two, and Cuba’s two collectively accounting for 76.2% of the total.

FIGURE 5: NUMBER OF CASES BY COUNTRY, 2016–2017

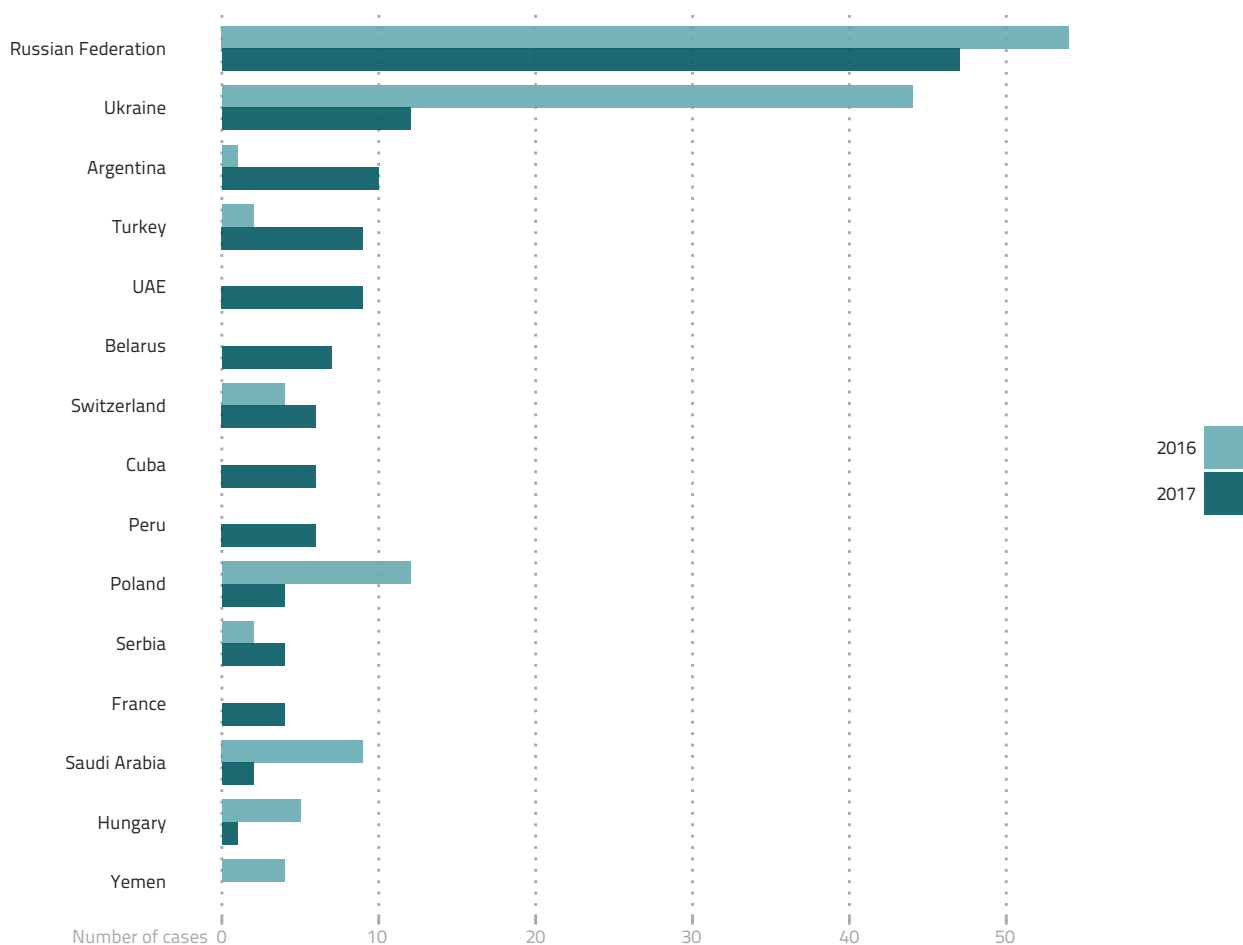


Figure 5 compares the number of cultural heritage cases submitted by the top 15 reporting countries in 2016 and 2017. It suggests that illicit trade in cultural objects has remained relatively stable. In 2016, the top 15 reporting countries submitted 137 cases, while 127 were submitted in 2017. Reports from Russia (47 cases) and Ukraine (12 cases) accounted for 46.4% of these 127 cases. Notably, five countries included in Figure 5 – United Arab Emirates (nine), Belarus (seven), Cuba (six), Peru (six) and France (four) – reported no cases in

2016, potentially skewing the stable trend identified. Examining all countries that reported at least one case in 2016 (not just those in the top 15), there was a significant drop in the number of reported cases (31.5%), from 143 in 2016 to 98 in 2017. This decline was, however, largely offset by cases submitted in 2017 by countries that did not report any the previous year, bringing the 2017 total to 140.

## Member highlight: Trafficking trends in the Russian Federation

In 2017, Customs authorities of the Russian Federation initiated 26 criminal cases and 290 administrative cases on the illegal trafficking of cultural property, whereby 85 offenses, detected by Customs, were further referred to other enforcement agencies in accordance with the national legislation. They were also registered in the Crime Notification Logbook. The most frequently smuggled cultural objects discovered were household items, icons, badges, coins and weapons. Although Russian citizens were the suspects in 90% of cases, citizens of China, Israel, Vietnam, Canada, Czech Republic and Ukraine were also apprehended attempting to traffic cultural property.

The illegal importation of cultural property was carried out from France, Belgium, Germany, the United States, the United Kingdom, Sweden, Switzerland and the Netherlands, while illegal exports were destined for Ukraine, China, Czech Republic, Poland and France.

Law enforcement units have collaborated with Customs posts in efforts to combat the illicit trafficking of cultural goods. The Analytical Department also releases regular information about the schedules of exhibitions of antiques and auctions held abroad.

In one instance, Customs officers at Moscow's Domodedovo airport stopped a 24-year-old Russian citizen arriving from Zurich, Switzerland. During the examination of her handbag, Customs officers found the Order of the White Eagle, the Imperial Order of St. Anne and three coins of the Russian Empire. According to expert evaluation, the total market value of these items was 120,000 US dollars. The items were confiscated.

Sources: RILO CIS, WCO data.

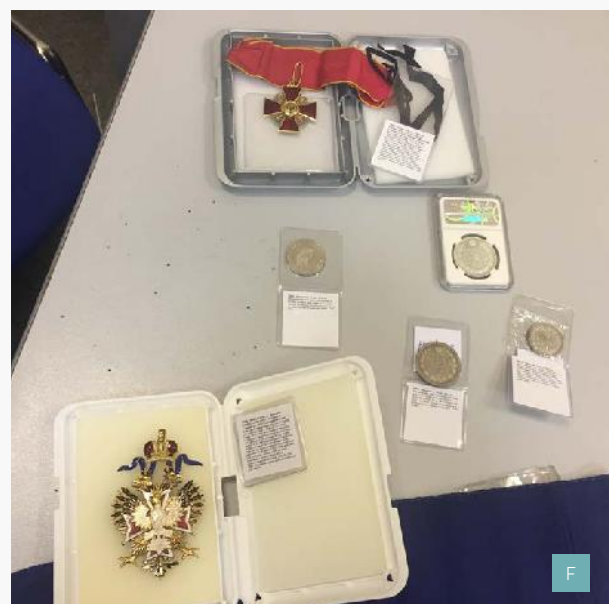


FIGURE 6: NUMBER OF SEIZURES BY CUSTOMS PROCEDURE AND COUNTRY, 2017

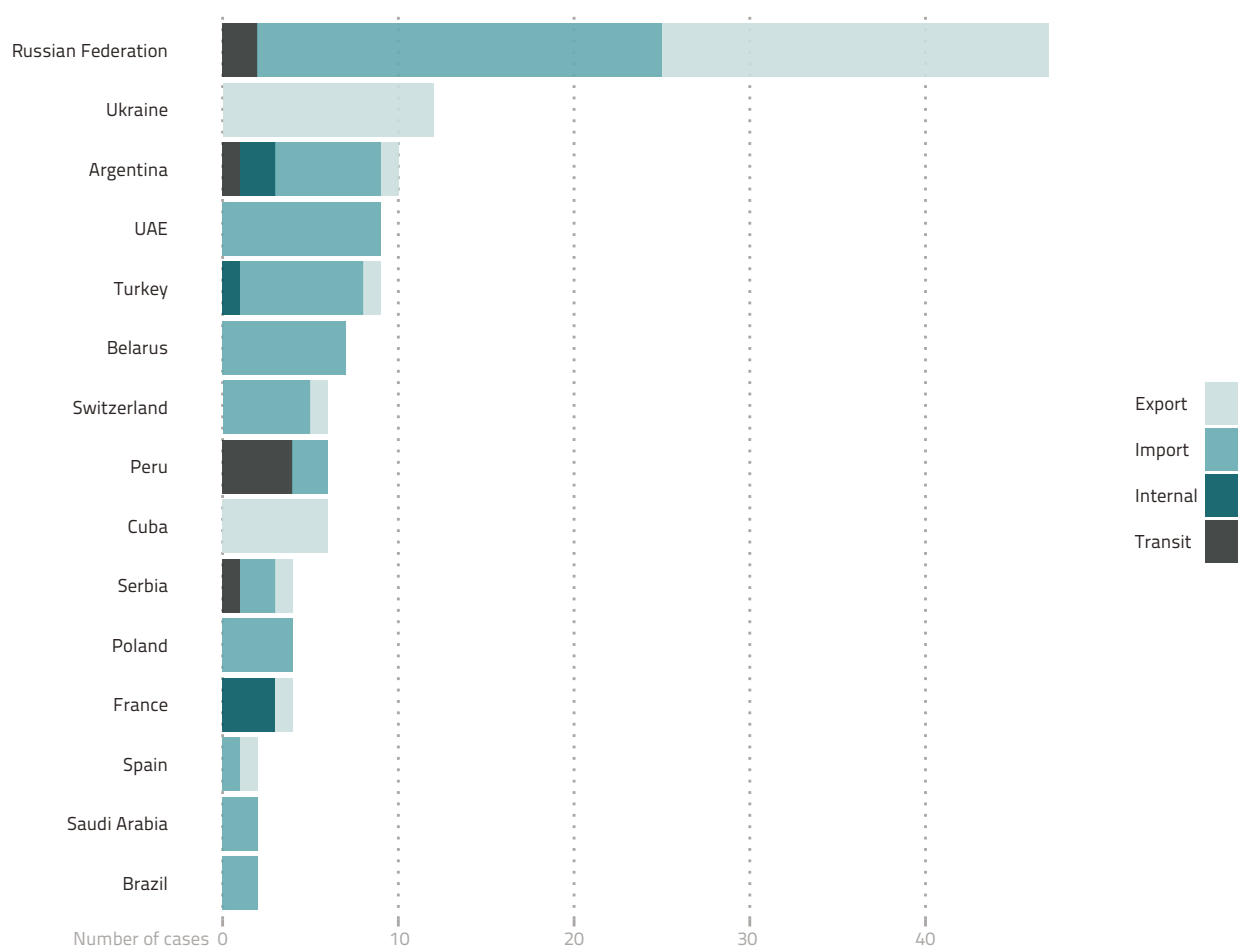
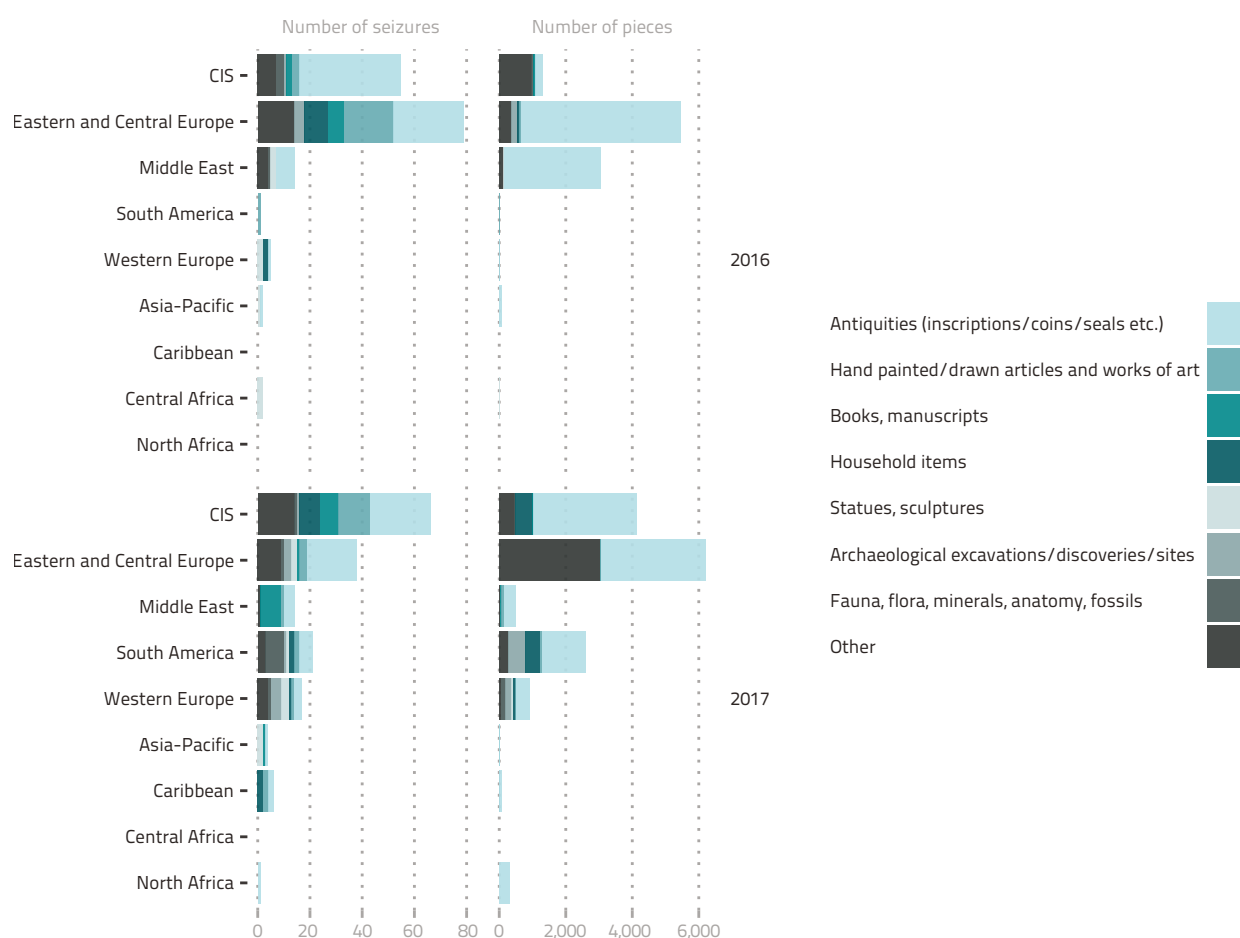


Figure 6 displays the top 15 countries that reported cultural heritage cases in 2017, and it indicates the direction in which target shipments were moving when confiscated. Cultural heritage cases were made most often as trafficked artefacts entered countries. However, the division between cases at import and export was less pronounced than the trafficking patterns for other types of contraband. Of the 140 cases submitted in 2017, 75 involved imports and 50 involved exports. Five countries shown in Figure 6 – Brazil (two), Saudi Arabia (two), Poland (four), Belarus (seven), and the United Arab Emirates (nine) – exclusively submitted import cases. Ukraine, with 12, and Cuba, with six, were the only countries to solely report export cases. Overall, only 5% of all reported cases (seven) were internal, while only 5.7% (eight) were of goods in transit.

Peru was the only country to report a majority of cases involving artefacts transiting through the country, comprising four out of six cases. Argentina was the only top reporting country to report at least one case of all four Customs procedures, with one export case, six import cases, two internal cases and one transit case.

Figure 7 compares the number of seizures and the total quantity of cultural objects seized by reporting region, while also comparing these metrics between 2016 and 2017. It builds on the observation noted above that the total number of cultural heritage seizures fluctuated only slightly, from 158 to 167, and emphasizes that this trend was the result of data reported by new countries in several regions. Seizures submitted by Eastern and Central European

FIGURE 7: NUMBER OF SEIZURES AND QUANTITY BY CATEGORY AND REGION, 2016–2017



countries fell notably, from 79 in 2016 to 38 in 2017. Most notably, 16 fewer seizures of hand-painted and drawn articles (19 seizures in 2016) were made in Eastern and Central Europe. However, this regional decline was offset by greater numbers of seizures in all other regions except for the Middle East and Central Africa. Countries in the Commonwealth of Independent States, South America and Western Europe reported especially large numbers of seizures in 2017, increasing from 55, one and five in 2016, respectively, to 66, 21 and 17 the following year.

In terms of pieces recovered worldwide, this uptick is even more pronounced, growing, as Figures 2 and 2A demonstrated, from 9,931 pieces to 14,754 pieces. This was primarily due to 214.5% and 13.9% increases in artefacts seized in the Commonwealth of

Independent States and in Eastern and Central Europe, where 4,148 and 6,203 pieces were confiscated in 2017, respectively. The Commonwealth of Independent States confiscated considerably more household items in 2017, rising from zero in 2016 to 529 pieces in 2017, as well as antiquities, rising from 232 in 2016 to 3,115 pieces in 2017. In Eastern and Central Europe, pieces of other artefacts grew from 365 to 3,033 between 2016 and 2017. In particular, archives of sound, film and photographs climbed from five pieces seized in 2016 to 2,910 pieces seized in 2017 particularly due to two cases reported by Turkey. In South America, where 2,590 pieces were confiscated in 2017, 19.8% were archeological excavations, 16.9% were household items, and 50.2% were antiquities, mainly coins.

## Member highlight: Successful cooperation between Customs and culture experts in Turkey

Turkey is well known for both its rich cultural heritage and its dedication to protecting that heritage, including efforts to prevent illicit trafficking. Being both a source country and a transit hub, Turkey is committed to continuous training and inter-agency cooperation in developing more effective protection along its borders.

Turkish Customs has partnered with the Ministry of Culture to add modules on cultural heritage protection into the training programmes for both newly recruited and senior Customs officers. These modules have been included in training programmes since the 1990s, but after 2014 the curriculum was updated to be more useful for frontline staff. The content of the revised training programme concentrates on “why and how to protect” cultural objects, as well as the broader significance and meaning of this heritage. National and international legislation covering illicit trade and circulation of cultural property is another important component of the training modules. All training is complemented by case studies, through which participants learn to conduct in-depth analysis.

Law enforcement’s cooperation with the Ministry of Culture is vital to the protection process, spanning every phase from prevention to detection and investigation. There are 200 state museums located around Turkey that function under the overall authority of the Ministry of Culture. After a seizure, cultural objects are handed over to the closest museum so as to determine whether the seized items are authentic. Museum experts prepare a report on the results of the examination, and the entire subsequent process, which is under the protection of the Ministry of Culture, is carried out with continuous communication and information-sharing between the experts of different agencies and Ministries. All law enforcement units in the country share data and cooperate in similar ways.

This cooperation produces encouraging results. Approximately half of the 48 seizures recorded on the Turkish border since 2013 have been carried out during routine controls. In April 2017, at the Edirne, Kapikule border crossing point, a truck coming from France via Bulgaria, was subject to a routine control by Customs officers.

During the cabin search of the truck, officers seized 250 pieces of 45-rpm and 260 pieces of 33-rpm phonograph records. Then, in September 2017, a car coming from the Netherlands via Bulgaria, through the same border crossing point, was considered “high risk” and thereby deserving of a physical search that led to the seizure of 2,400 of long-play records. According to the expert’s report for this case, these records were considered protected within the scope of national legislation. These two cases comprise the largest seizures executed by Turkish Customs units in 2017.

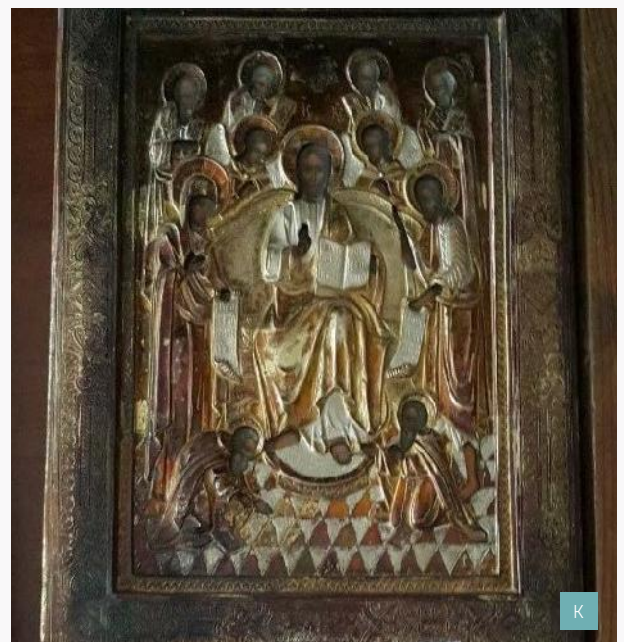
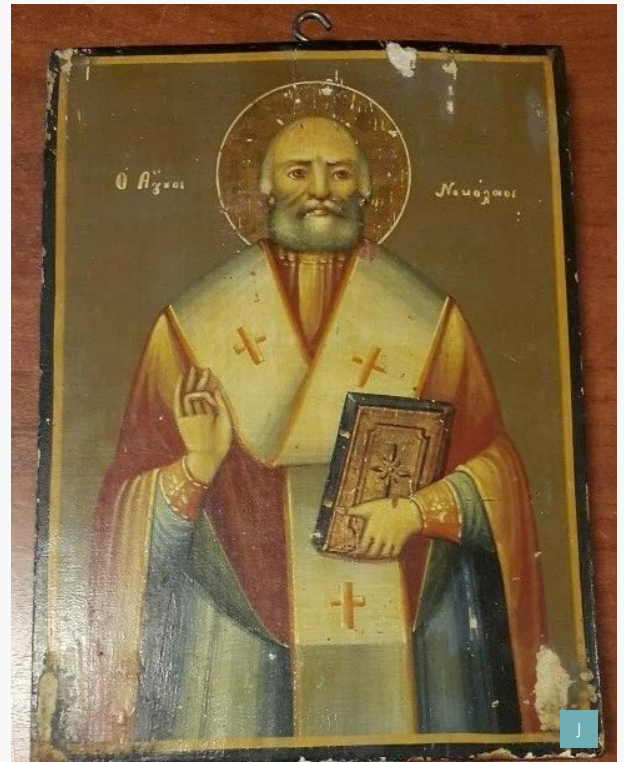
In another case, local Customs enforcement units received an anonymous tip through a hotline in December 2017, resulting in a search at a Customs consultant company in Istanbul. After observing suspicious movements by a company employee, officers searched the deck compartment of a company vehicle, seizing 11 objects thought to be cultural property. Information about origin and destination countries of the objects was unknown. According to the expert’s report in this case, the icons were subject the regulations of national legislation.



In the spirit of international cooperation, both the Ministry of Culture and Tourism and the Ministry of Customs and Trade conclude bilateral agreements or memoranda of understanding with other countries on various matters. Even those agreements that are not solely devoted to the protection of cultural property contain provisions on the prevention of illicit trafficking of cultural property in order to strengthen mutual assistance, encourage cooperation and prevent this type of crime, while also facilitating return and restitution procedures.

**Sources:**

- Directorate General of Customs Enforcement (Turkish Ministry of Customs and Trade).
- Directorate General of Cultural Assets and Museums (Turkish Ministry of Culture and Tourism).



## Member highlights: Smuggling of Indonesian cultural objects

In June 2017, Customs and Border Protection (CBP) Officers assigned to the Los Angeles and Long Beach Seaport examined a shipment arriving from the Netherlands that was declared to be “collector’s pieces.” The shipment was detained by CBP for possible cultural property violations and was referred to Homeland Security Investigations (HSI) for further review. An expert from the Smithsonian Institution later confirmed that the lone object discovered in the shipment was an antiquity originating in Indonesia, and the Indonesian government confirmed it was a protected item. The Indonesian Consulate will be sending an official to start the process of returning the artefact to Indonesia.

**Source:** US CBP.

In September 2017, two bronze statues, both 92 centimeters high, were detected in a parcel ready to be shipped from Waikabubak, West Sumba, Indonesia, to Singapore. The statues were identified as cultural heritage, presumably of the Bronze-Iron Age (perundagian). Both objects were subsequently seized by Customs.

**Source:** Indonesian Customs.



**L:** Courtesy: US CBP.

**M:** Courtesy: Indonesian Customs.

FIGURE 8: NUMBER OF SEIZURES AND QUANTITY BY CATEGORY AND REGION, 2016–2017

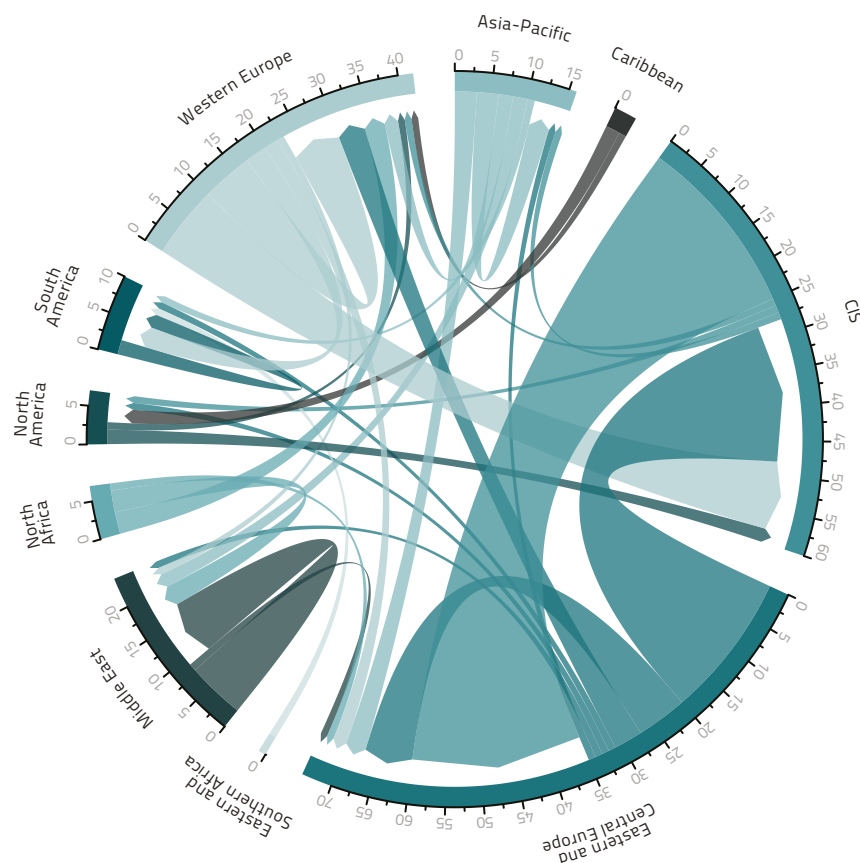


Figure 8 displays intended cultural heritage trafficking flows from, to, and within reporting regions for 2017, regardless of where a given shipment was seized. Figure 8 only shows trafficking routes that appeared in five or more trafficking instances. The predominant trade flow in 2017 was from countries in the Commonwealth of Independent States to Eastern and Central Europe, with roughly two-thirds (67.2%) of all trafficking cases involving one or the other of these regions. It is important to stress this is the result of these regions reporting the majority of available data on seizures of cultural objects. Of 122 cases included in Figure 8, 25 were en route from the Commonwealth of Independent States to Eastern and Central Europe, while 20 others flowed in the opposite direction. Interestingly, Western Europe was implicated in more cases destined for the

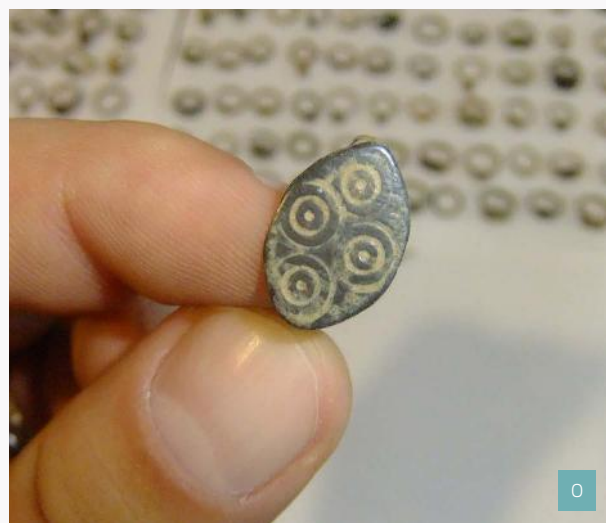
Commonwealth of Independent States (ten) than it was for those bound for Eastern and Central Europe (two). Conversely, Western Europe only received – or would have received, had the traffickers not been discovered – artefacts inbound from the Commonwealth of Independent States in one case and from Eastern and Central Europe in four cases. The Caribbean was the only region from which no artefacts are known to have originated on their way to either the Commonwealth of Independent States or Eastern and Central Europe. In the Middle East, intraregional trafficking remains a prominent concern, with eight of the nine cases originating there also terminating in the region. The two largest regions of origination for artefacts smuggled into the Middle East were North Africa (three cases) and Asia-Pacific (two cases).

## Member highlights: Countering illicit trafficking of cultural objects from conflict zones

In 2008, the Customs Enforcement Unit in Cilvegözü, Hatay, Turkey, detected a shipment of 80 pieces of antique furniture, as well as ancient silk rugs. The Customs Enforcement Unit informed experts from the Hatay Museum, and the public prosecutor initiated an investigation. The Ministry of Culture contacted the INTERPOL National Central Bureau in Ankara and requested dissemination of a notice to all possible source countries to which the seized artefacts might have belonged. Through diplomatic channels, Iraq informed Turkey that the artefacts belonged to Baghdad and also provided a report on them. Once informed about the origin of the artefacts, the Turkish court decided to confiscate them. Following the judicial process, the Ministry of Culture and Tourism, working through the Ministry of Foreign Affairs, informed Iraq that Turkey wished to return the artefacts. A restitution ceremony is expected to take place soon in Turkey.

In November 2016, at the Hatay, Cilvegözü border crossing point, the luggage of a Syrian national coming from Syria was inspected by Customs Enforcement officers via baggage X-ray. Officers found 200 rings of various sizes that were thought to be historical artefacts. The expert's report revealed the objects were Roman, Byzantine and Islamic artefacts, made of bronze and copper, and that they were considered cultural property. They were taken under protection in Hatay Museum, according to the provisions of the United Nations Security Council Resolution 2199.

Sources: WCO data and Turkish Customs.



Five ancient marble sculptures excavated in the 1960s and 1970s from a Phoenician site in Sidon, at the Temple of Eshmun, were stolen from a storeroom in Byblos, Lebanon, in 1981, during the Civil War. In July 2017, a famous life-sized marble bull's head, circa 360 B.C. and valued at approximately 1.2 million USD, was recovered from the Museum of Metropolitan Art, where it was on loan from a private collector. A statue of the calf bearer valued at 4.2 million USD was recovered from the same private collector in New York, who voluntarily returned it to the authorities in October 2017 after having been presented with the documents proving its origin. In November 2017, a third statue was recovered from a private collector in New York. Following an investigation by the United States Immigration and Customs Enforcement and Homeland Security Investigations (HSI), working in coordination with the Manhattan District Attorney's Office and New York's Cultural Property, Arts and Antiquities group, the three statues were repatriated to Lebanon.

The fourth statue, a 5th century B.C. torso of a male, surfaced in a German gallery in spring 2017, but was voluntarily returned to authorities once the gallery received evidence of Lebanese ownership. The fifth object, a statue of a young boy, was seized by Lebanese Customs at the port of Tripoli in January 2018. The statue was hidden among used furniture in a container coming from the United States.

All objects were unveiled to the public during the ceremony at the National Museum in Beirut, Lebanon, in February 2018.



#### Sources:

- Lebanese Customs.
- WCO data.
- US Immigration and Customs Enforcement (2017), *3 ancient statues repatriated to Lebanese Republic*, press release, available at <https://www.ice.gov/news/releases/3-ancient-statues-repatriated-lebanese-republic>, accessed on 16 July 2018.



## Case study 1. Spanish Guardia Civil dismantles an online ring of cultural heritage thieves

The Spanish Guardia Civil conducted a nine-months investigation codenamed Dupondio to identify and arrest members of a trafficking network who swept archaeological sites for items of value and sold artefacts online. The Guardia Civil ultimately seized almost 20,000 archeological excavations and nearly 3,000 ancient coins, while also arresting seven suspects.

Operation Dupondio began in June 2017 when a Guardia Civil agent flagged a series of suspicious coins and archeological excavations being sold through an online marketplace. Cultural heritage specialists at the Guardia Civil began tracking these transactions and were able to compile sufficient information to identify the suspect.

The Guardia Civil raided the workshop associated with the network and seized nearly 3,000 ancient coins, along with a notebook detailing members of the criminal enterprise. They then discovered a secondary location, resulting in the recovery of a cache of nearly 20,000 assorted medieval and ancient items, including fossils and human skeletal remains. The network's modus operandi was to dispatch a team of six with metal detectors and other devices to scour archaeological sites for artefacts. The thieves would then deliver their findings to a cleaner who prepared the items for sale online. Illicit profits were divided amongst members of the group. Following the conclusion of the investigation, the artefacts will be donated to local archaeological museums.



### SOURCES

- El País Cultura (2017), *La Guardia Civil desmantela una red de expolio de bienes arqueológicos*, available at [https://elpais.com/cultura/2017/04/10/actualidad/1491827175\\_777156.html](https://elpais.com/cultura/2017/04/10/actualidad/1491827175_777156.html), accessed on 6 August 2018.
- La Verdad (2017), *Recuperan 20.000 piezas históricas y 3.000 monedas expoliadas en yacimientos*, available at <https://www.laverdad.es/murcia/201704/11/recuperan-piezas-historicas-monedas-20170411014438-v.html>, accessed on 2 August 2018.

FIGURE 9: HEAT MAP OF TRAFFICKING INSTANCES BY COUNTRY, 2017

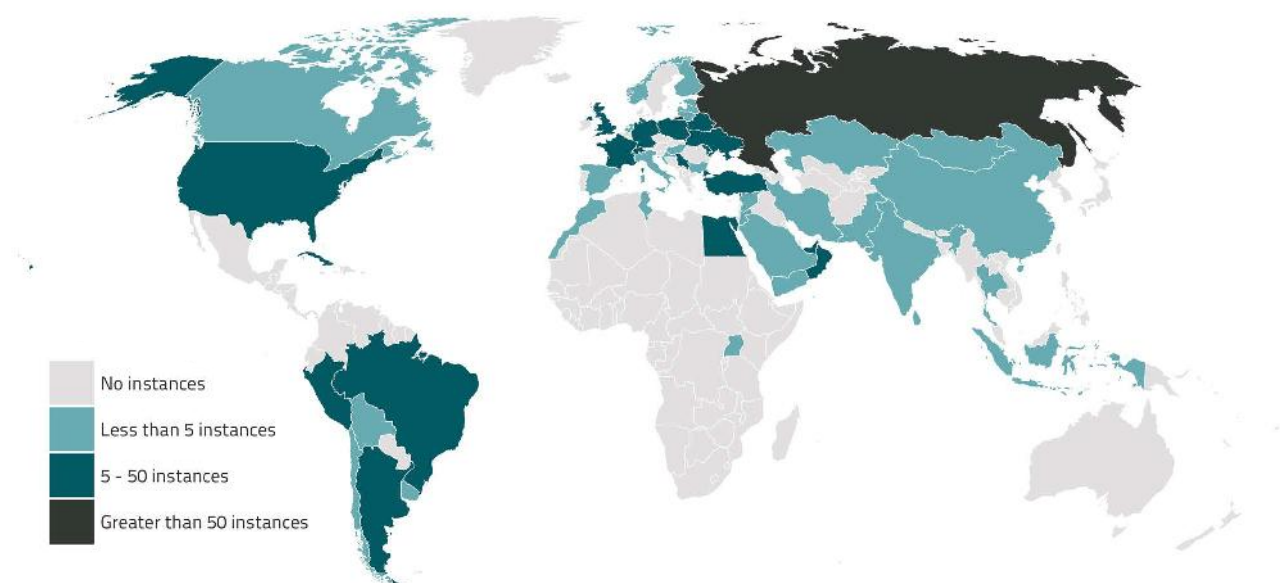


Figure 9 is a heat map of cultural heritage trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination, or a transit point for one or more seized cultural heritage shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 9 indicates all countries through which cultural objects are known to have been trafficked, or were intended to be trafficked, in 2017.

In 2017, 299 instances of smuggling of cultural objects, collectively touching 51 countries and oriented primarily in Europe, were identified. Of the 18 countries appearing in between five and 50 trafficking instances, nine are in Europe, with Ukraine (29 instances), Poland (15 instances), Turkey (14 instances), and France (13

instances) constituting the most frequently implicated countries. In the Middle East and North Africa, three countries were implicated: Egypt (six instances), Oman (six instances) and the United Arab Emirates (ten instances). Russia, with 63 instances, was the only country implicated in greater than 50 instances. Import and export instances were almost evenly split, comprising 39.7% and 36.5%, respectively, of the total number of Russian instances, while intrastate transit instances comprised the remaining 15 instances. Russia, Ukraine, France and Poland were the only countries implicated in seven or more export instances, appearing in 23, 18, seven and seven, respectively. The United Arab Emirates, Turkey and Russia were the only countries implicated in nine or more destination instances, implicated in nine, ten and 25, respectively.

## Member highlights:

### Countering illicit trafficking in Asia - Indian DRI dismantles a gang smuggling red sanders and cultural objects from India to the Middle East

Based on intelligence, the Indian Directorate of Revenue Intelligence (DRI) disrupted a Chennai-based gang that was smuggling red sanders and cultural objects to the Middle East. Having established surveillance for over a week at the Chennai seaport area, as well as on the outskirts of Chennai city, the DRI located a private warehouse, on the way from CFS to the Chennai seaport, where the gang had been swapping shipping containers, exchanging those containing contraband for “clean” containers with legal goods. DRI officers uncovered a huge stock of red sander logs loaded into a container, while also finding a welding machine, woodcutter circular blades, drillers, a polishing machine, fake bottle seals, tools and equipment to manipulate containers for substitution of contraband, cover goods and several incriminating documents. The total quantity of red sanders seized in this location was about 17.500 MTs, which was valued at INR 7.90 crore. Another container, destined for Jebel Ali, UAE, with goods declared as “G.I. sewage cover,” was found to contain 652 red sander logs, weighing 18.440 MTs and valued at INR 8.30 crore. Overall, approximately 36 MTs of red sander logs were seized. The DRI operation also revealed that the smuggling gang was similarly involved in the illegal trade of cultural objects. The examination of the container revealed more than several hundred of such objects, including antique stone idols, ivory statues, furniture, other artefacts, as well as handicrafts.

**Source:** Directorate of Revenue Intelligence, Central Board of Indirect Taxes and Customs, Ministry of Finance, India.



T: Courtesy: Indian Customs.  
U: Courtesy: Uruguayan Police.

### Latin America in the spotlight of traffickers of cultural objects

In June 2017, Police seized more than 300 archeological objects (some more than 2,300 years old) at an auction house during Operation Lekythos in Montevideo, Uruguay. Some of the objects, hailing from Greece, Italy, Lebanon, Syria, Peru and Egypt, among other countries, were either reported stolen by their respective countries or did not have the necessary export permits from their countries of origin.

The investigation started when police received a tip from experts at the Museum of Decorative Art about a 2,300-year-old vase stolen from the museum in 2015 and then seen in a catalogue of the Montevideo auction house 'Zorilla'. Other stolen objects also surfaced in the catalogue, leading to the suspension of the auction and the seizure of 162 lots containing more than 300 objects.

The investigation revealed that the objects were smuggled into Uruguay either by plane or across the borders of Argentina or Brazil, using false Customs declarations and sometimes disguising invaluable pieces as garden decorations. The thief who stole objects from the Taranco museum in Uruguay and sold them to the auction house was identified and brought to justice. The Uruguayan government got in touch with the source countries to identify the pieces, and judicial proceedings are underway.

**Source:** Uruguayan Police.



FIGURE 10: TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017

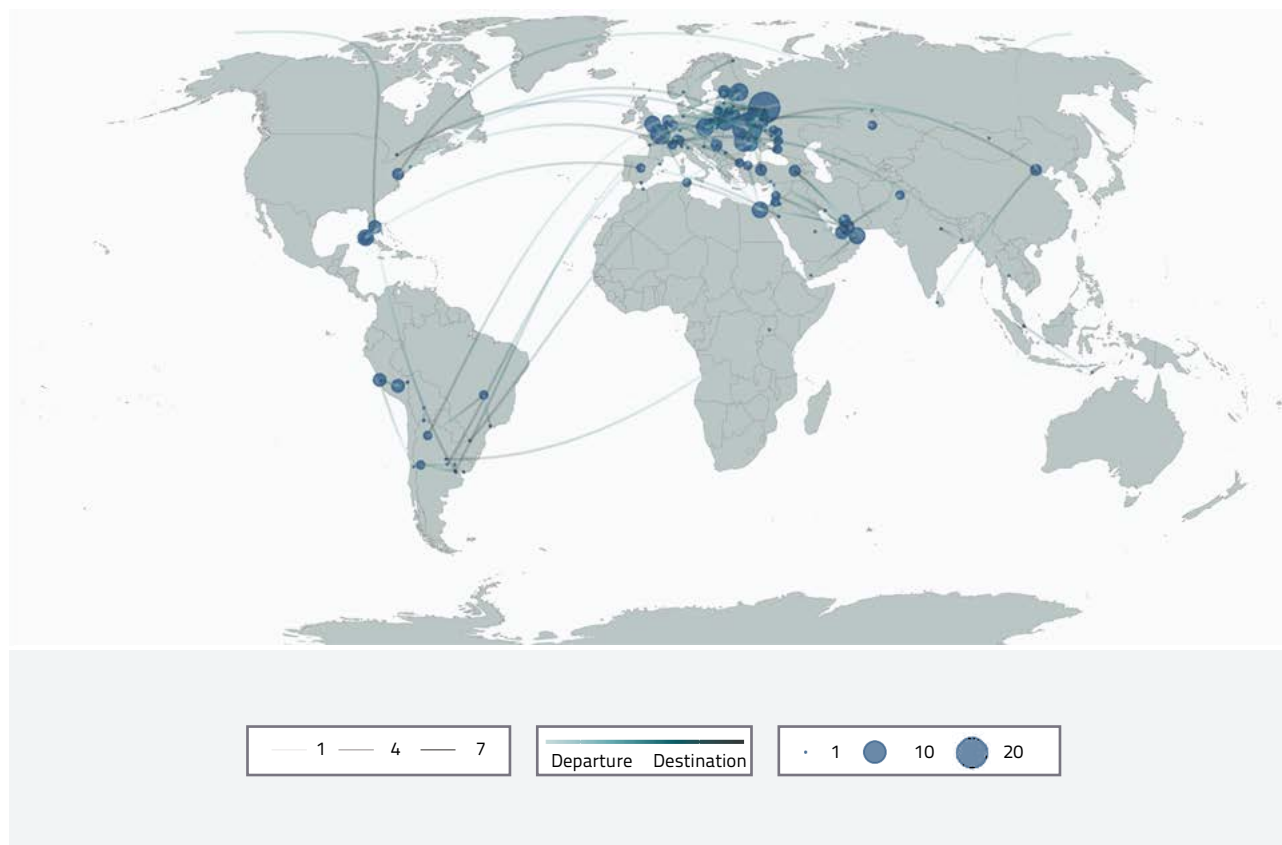
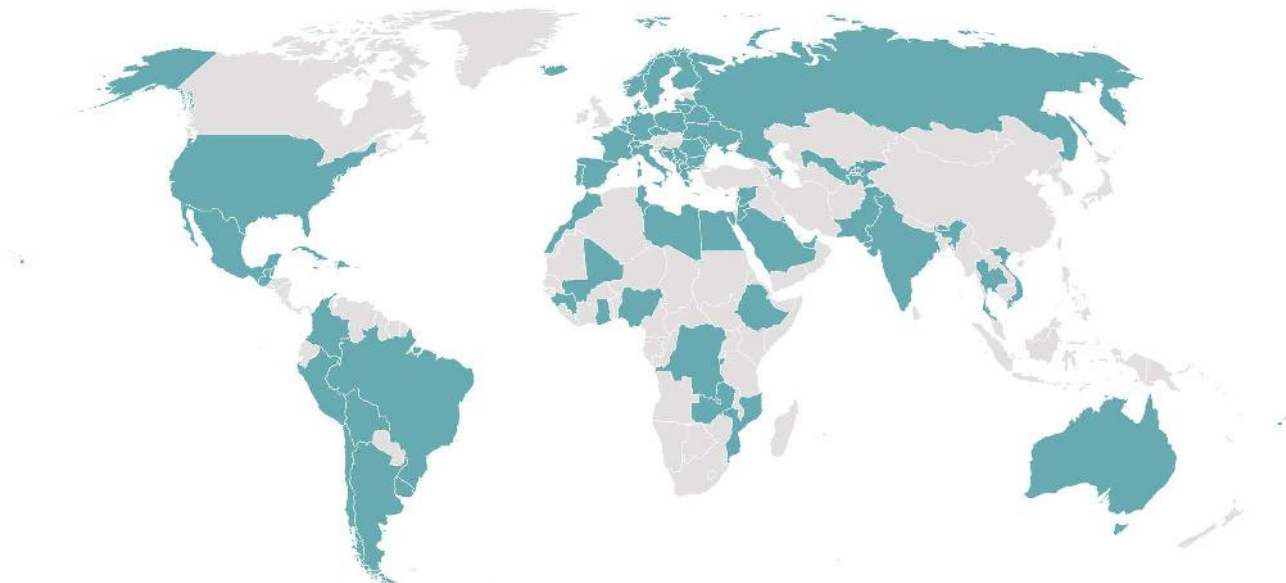


Figure 10 details the illicit flows of cultural objects from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are light blue in color at their origins, becoming darker as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 10 shows the entire intended trade route from origin to destination, based on available data.

Figure 10 reveals 118 unique trafficking routes used to smuggle cultural heritage items within the 156 trafficking instances recorded in 2017 (but including only those with known origins and destinations). Only 22 routes were implicated in more than one instance, and only four were implicated in four or more instances, including Muscat, Oman to Abu Dhabi, United Arab Emirates (four), Krupets, Russia to Kyiv, Ukraine (four), Moscow, Russia to Bryansk, Russia (five) and Bobolice, Poland to Berezovka, Belarus (seven). Of 126 cities implicated, 46% are in either the Commonwealth of Independent States or Eastern and Central Europe, corroborating the findings of Figure 9. The top three at-risk cities, as measured by number of trafficking instances, are Moscow, Bryansk (Russia) and Kyiv (Ukraine), which appeared in 24, 21 and 12 instances, respectively. This correlates with the fact that Russia and Ukraine were the top reporting countries in 2016–2017 (see Figure 5).

## 2. OPERATIONS

**FIGURE 11:** COUNTRIES PARTICIPATING IN OPERATION ATHENA



## FIRST GLOBAL CUSTOMS-POLICE OPERATION ATHENA

More than 41,000 objects, including coins, furniture, paintings, musical instruments, archaeological pieces and sculptures, have been seized in a global operation targeting the trafficking of cultural artefacts. During the operational period from 20 to 30 November 2017, officers carried out tens of thousands of checks at airports and border crossing points across the globe. Auction houses, museums and private houses were also searched, resulting in the opening of more than 300 investigations and the arrest of 101 people.

The first global Customs–Police Operation aimed at countering illicit trafficking of cultural objects was launched as an effort to better understand the reality on the ground and also to identify gaps, collect operational information and enhance inter-agency cooperation in this domain of enforcement. It was a successful initiative implemented by different law enforcement entities and other relevant government agencies. Initiated and coordinated by the WCO, and in collaboration with INTERPOL, Operation Athena was complemented by the regional, Europe-focused Operation Pandora I, coordinated by the Spanish Guardia Civil and Europol. The global Operation was supported by 81 countries (Customs and Police)<sup>1</sup> and the RILO Network<sup>2</sup>, demonstrating a worldwide interest in this area of enforcement.

<sup>1</sup> In total, 90 countries expressed interest in the Operation, out of which 81 logged into the Athena platform (CENcomm) to take part in it.

<sup>2</sup> Seven RIOs supported the Operation: CIS, Eastern and Central Europe, Western Europe, East and Central Africa, the Middle East, North Africa and South America.

Throughout the ten-day operational period, participating countries conducted enhanced controls of the identified shipments, cargo, passengers and premises that could potentially carry or contain illicit cultural objects, emphasizing the detection, interception and seizure of these objects. Controls were also implemented during the pre-Operation and post-Operation phases.

The WCO and INTERPOL Secretariats, in close collaboration with the WCO RILO Network, participating Members (including those not currently covered by the RILO network) and Police National Central Bureaus (NCBs), organized and carried out the Operation with the assistance of the virtual Operational Coordination Unit. To secure continuity and 24/7 coverage, INTERPOL used the 'follow the Sun' approach by engaging its Command and Coordination Centers in Buenos Aires (Argentina) and Singapore, as well as its headquarters in Lyon (France).

As mentioned above, Operation Athena was complemented by the European Operation Pandora II, coordinated by the Spanish Guardia Civil and Europol<sup>3</sup>. These efforts ran concurrently and the parties established information-exchange mechanisms. While WCO and INTERPOL coordinated the Operation Athena through the CENcomm-based Athena platform, at the European level Operation Pandora II was conducted with the SIENA information-exchange tool, relying on Europol's 24/7 Operations Centre to cross-check personal data.

Several Customs administrations targeted and detained suspicious goods that were later determined not to be cultural heritage objects and that were, therefore, released. The identification was made either due to the local networks of experts and the engagement of national stakeholders or with the support of the WCO and INTERPOL. Checks in the INTERPOL Works of Art Database

were performed on all objects reported as detained during the Operation. Additional checks were made in other international and national databases. In a number of cases, the WCO activated the network of experts in order to identify the objects based on their description and photos. In most cases, the preliminary identification results were available within 48-72 hours following the receipt of the request through the Athena platform.

In total, 41,148 objects were reported seized during the global efforts<sup>4</sup>. In particular, Spanish Guardia Civil seized more than 20,000 archaeological objects, amounting to approximately 50% of all reported objects. Approximately 7,000 objects, or 20% of all objects recovered during the Operations, were seized as a result of investigations of the internet sales.<sup>5</sup>

Many Customs administrations and Police counterparts joined forces and also invited representatives of other governmental agencies, specifically the Ministries of Culture, to either actively participate in the Operation during the searches or to be available in case of inquiries regarding the documentation or identification of objects. Some Customs administrations initiated a dialogue with the Ministry of Culture prior to the Operation to ensure that Customs was aware of the national and international legislation regulating the import and export procedures of cultural goods. Other countries also reported developing joint Police-Customs national Operational Plans.

In general, the participating countries showed great commitment to and interest in the Operation. Being the first global Customs-Police exercise, the Operation Athena has been a powerful mechanism for raising awareness and a method for identifying gaps in Customs control. More exercises of this sort will follow in the future.

<sup>3</sup> Police forces from 21 European countries participated in Operation Pandora II (Belgium, Bosnia and Herzegovina, Bulgaria, Cyprus, Czech Republic, Denmark, Germany, Greece, Ireland, Italy, Latvia, Malta, the Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Spain, Sweden and Switzerland). The work of these forces was complemented by the actions of the 19 Customs administrations that participated in both Pandora II and Athena. (Only Irish Customs and Slovak Customs did not participate in the Operations.)

<sup>4</sup> WCO (2017), *Over 41,000 artefacts seized in global operation targeting trafficking of cultural goods*, 21 February, available at <<http://www.wcoomd.org/en/media/news-room/2018/february/over-41-000-artefacts-seized-in-global-operation-targeting-trafficking-of-cultural-goods.aspx>>, accessed on 18 July 2018.

<sup>5</sup> All seizures made by the participants of the Operation Athena (all Customs administrations and non-EU Police forces) are included in the global analysis in the Part 1 of this Section.

## Member highlights: Notable seizures during Operation Athena

On 29 November, French Customs checked the premises of an antiquities collector and found 634 objects classified as cultural heritage property (category A1) according to French legislation. The seizure contained Roman and Gallic coins, household items of the Bronze Age, jewelry, Gallo-Roman and Gallic fibulae with an overall estimated value of 52,350 Euro. Customs officers conducted the check because the collector was trading these objects online.



French Customs seized a painting by the French–Russian artist Nicolas de Stael, valued at approximately 500,000 Euro. The painting was discovered in the luggage of a passenger who was travelling from Gare du Nord in Paris to London and who did not have the necessary export permit. A museum expert confirmed the authenticity of the painting, which was subsequently seized.



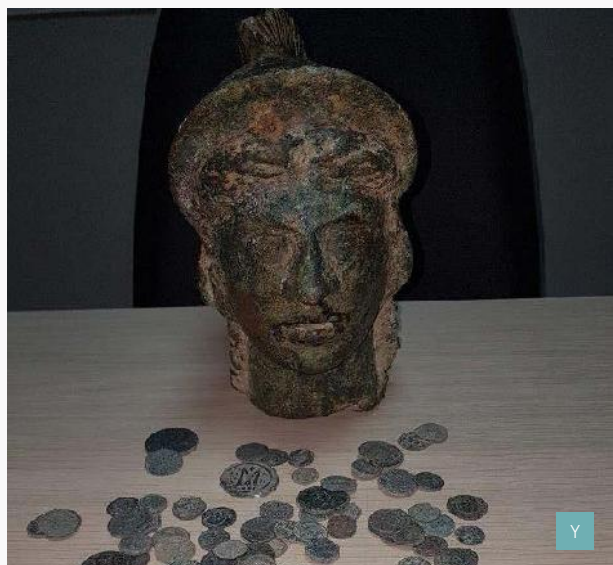
Source: French Customs.

During the random inspection of a vehicle with a Spanish license plate that was being shipped from from Nador, Morocco to Motril, Spain, on board a vessel, officials found 134 fossils. The fossils had not been declared and were seized by Customs in cooperation with Guardia Civil.



Source: Spanish Customs.

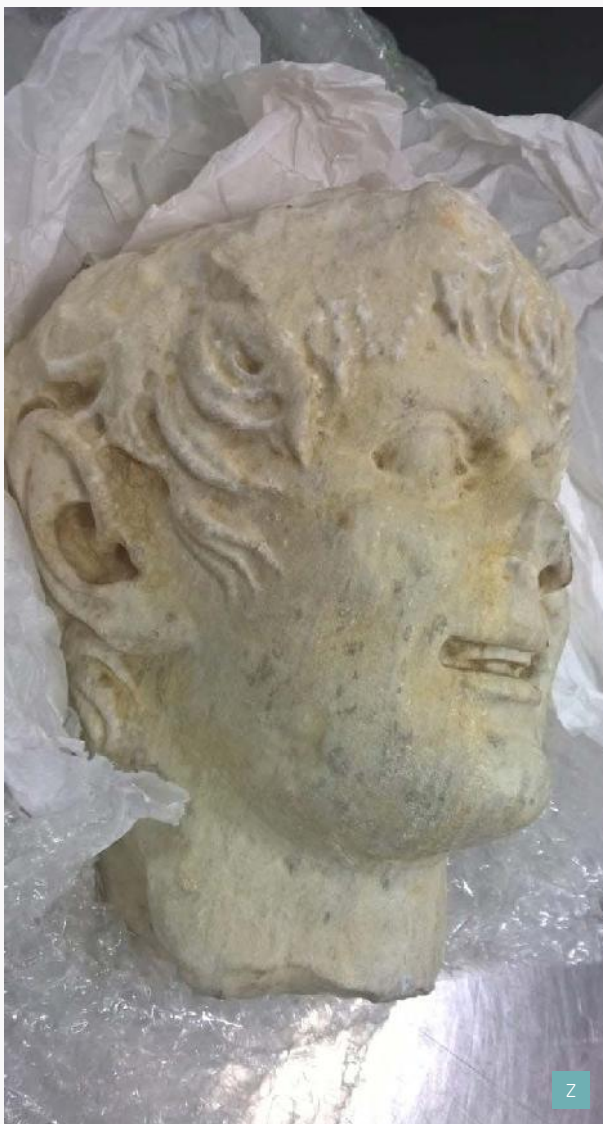
During a routine control, Serbian Customs reported a seizure, from a passenger car, of 2,234 Roman coins and one statue resembling a Roman legionary. The objects were concealed under both the driver's seat and the back seat, and the vehicle was travelling through Serbia and Croatia.



Source: Serbian Customs.

V, W: Courtesy: French Customs.  
X: Courtesy: Spanish Customs and Guardia Civil.  
Y: Courtesy: Serbian Customs.

During a luggage inspection for passengers travelling from New York City to Sao Paulo, Brazilian Customs found a marble head concealed in a suitcase. The passenger owning the suitcase could not provide the accompanying papers and informed officials that he bought the head at a gallery in New York and stated that he intended to use it for home decoration. With the use of the Athena platform and a global network of experts, the object was more precisely identified. Further examination is ongoing.



Source: Brazilian Customs.

Z: Courtesy: Brazilian Customs.



## SECTION 2.

# DRUGS

### INTRODUCTION

As it is such a lucrative endeavour, drug trafficking constitutes the flagship activity of organized crime. Among other things, organized crime threatens international trade, encourages violence, causes health problems, embodies national public safety issues and geopolitical challenges, and provides a constant source of funding for extremist groups and terrorist networks.

In the course of monitoring cargo flows and defending legitimate international trade from penetration by organized criminal networks, Customs agencies stand on the frontline in tackling drug trafficking, dealing with the constantly evolving threats presented by both traditional drugs and emerging synthetic substances, as well as the ever-changing *modi operandi* associated with changes in digital technology.

Considering how the production of traditional drugs (e.g. cocaine, heroin and cannabis) has intensified, the endless possibilities and dangerous nature of new psychoactive substances (NPS) and the increasing complexity of methods used to conceal contraband, cooperation and collaboration between international administrations mutually interested in combatting narcotics are more essential than ever. Customs enforcement actions, such

**A:** Synthetic drugs seized by Hong Kong Customs. Courtesy: Hong Kong Customs.

as post-seizure judicial investigations, confiscation of criminal assets and neutralization of trafficking groups on national and international levels, are crucial factors for putting more pressure on crime syndicates. When combating international drug traffickers, the central challenge is strengthening lines of dialogues between Customs administrations and other law-enforcement partners.

For years, the WCO has been committed to this task and has emphasized collaboration among its Members and with other international organizations (e.g. UNODC and INTERPOL) in joint projects, including the Container Control Programme (CCP) and the Airport Communication Programme (AIRCOP), while also introducing new methods for working in joint-control teams. This cooperation draws upon the dissemination of modern risk analysis and targeting methods, as well as the organization of coordinated international operations (COCAIR VI, SPORTBAG II, CATalyst 2, etc.) along air, sea and land routes that present opportunities for testing the actual coordination capabilities of administrations.

The WCO also promotes the dissemination of traditional techniques for non-intrusive control, such as the use of canine units. Through a continuously expanding network of Regional Dog Training Centres (RDTCs), and by organizing a biennial Global Canine Forum, the WCO fosters the exchange of best practices between canine units in the Customs community. However, information-sharing is still the most effective form of cooperation in the fight against drug trafficking. The WCO's Customs Enforcement Network (CEN) database consists of statistical information on Customs seizures voluntarily forwarded by Member administrations, analysis of which contributes to securing a better understanding of the evolving routes used for different drugs, making the database the primary tool for understanding trafficking trends.

In 2017, 105 countries submitted a total of 40,236 drug trafficking cases to the WCO. The data comprise 43,144 individual seizures of over 46 drug substances. Customs officials operating in some of the world's most heavily-trafficked border crossings, airports, international mail centres, railroads and ports, seized more than 1,256,256 kilogrammes of illicit narcotics in 2017. Analysis of the available data shows that drug trafficking, regardless of substance, is a global problem touching nearly every country in the world.

And yet, overall, based on the analysis of WCO CEN data, drug seizures appear to be on the decline. Three percent fewer cases were reported in 2017 than in the previous year, corresponding to a 2.4% fall in the total number of seizures and an 18.2% drop in the quantity of kilogrammes seized. This continues a downward trend evident in the 2015–2016 drug trafficking case data submitted to the WCO, which also suggested a slight decline in flows of contraband. Still, seizures of some types of drugs are increasing, revealing an evolving drug culture as the preferences of consumers change.

Analyses of such trends require a few caveats. First, all conclusions are drawn from case and seizure data voluntarily submitted at the discretion of WCO Members. There are many reasons that a particular Customs administration may choose not to report certain elements of its data, including the need to maintain secrecy over ongoing investigations. The figures in this Section, therefore, may not necessarily depict a comprehensive view of trends in the global drug trade. Second, apparent increases in certain trades may reveal the increasing efficacy of Customs officials rather than a genuine uptick in drug trafficking activity.

This Section is organized in the following manner:

1. Overall trends in trafficking of narcotics.
2. Trafficking trends for each category of drug data collected by the WCO: Cannabis, Cocaine, Khat, New Psychoactive Substances (NPS), Opiates, Psychotropic Substances.
3. Operations.



B: Customs officers seizing drugs hidden in a car. Courtesy: Serbian Customs.

## 1. OVERALL TRENDS IN TRAFFICKING OF NARCOTICS

FIGURE 1: PERCENTAGE OF SEIZURES BY CATEGORY, 2017

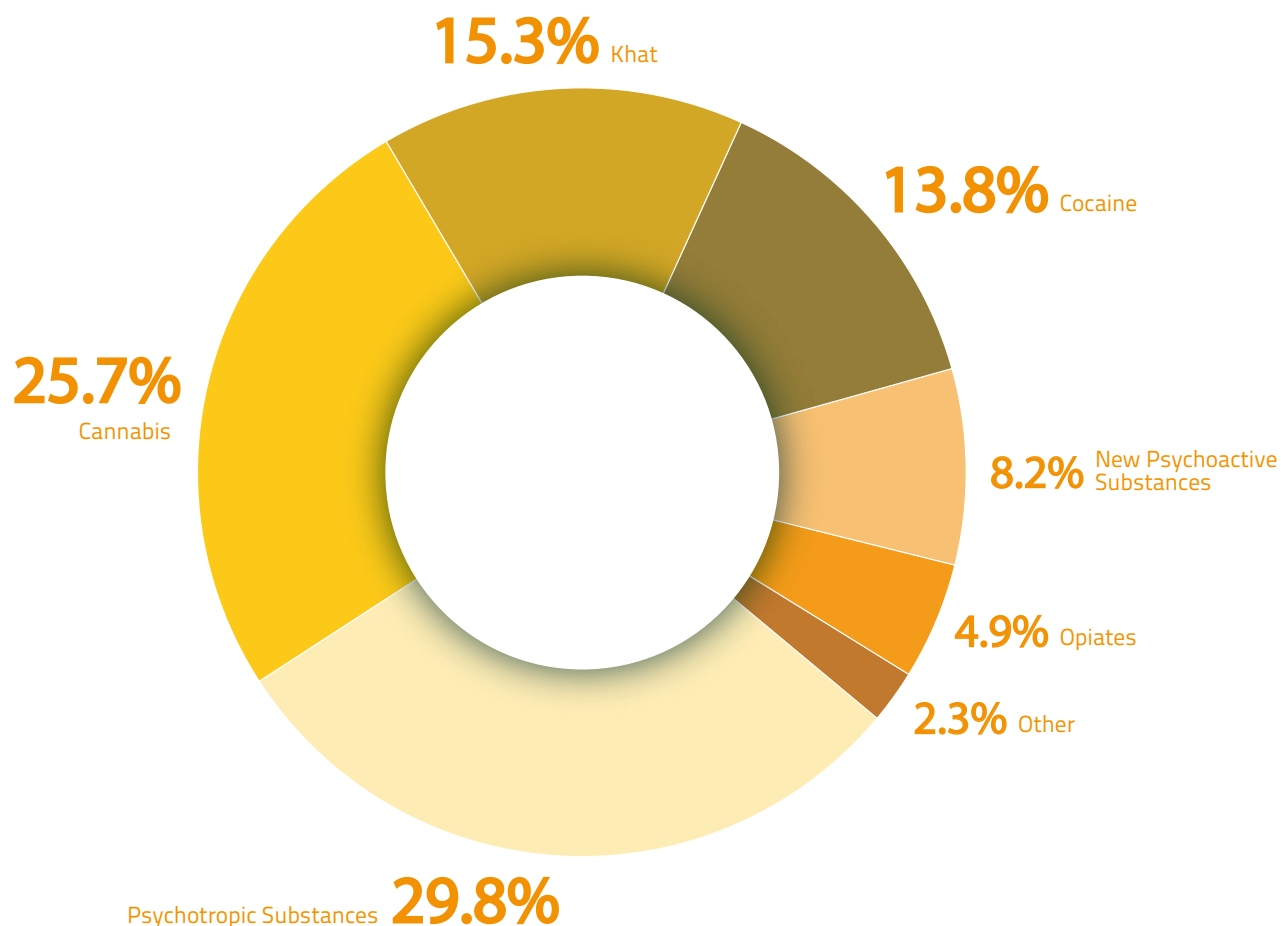


Figure 1 presents all reported drug seizures in 2017, according to the category of substance seized. In 2017, Customs officers from 105 reporting countries reported a total of 40,236 trafficking cases, involving 43,144 individual seizures of contraband narcotics. Psychotropic substances and cannabis were the most commonly confiscated substances, accounting for 55.5% of all seizures and representing 29.8% and 25.7% of reported seizures, respectively. The third most seized substance, khat, was identified in 15.3% of seizures, and 13.8% of seizures involved cocaine. Customs officers further reported that new psychoactive substances, opiates, and other drugs, including cannabidiol, tryptamines, sedatives, pain medications, stimulants and hallucinogens, collectively accounted for just 15.4% of all seizures.

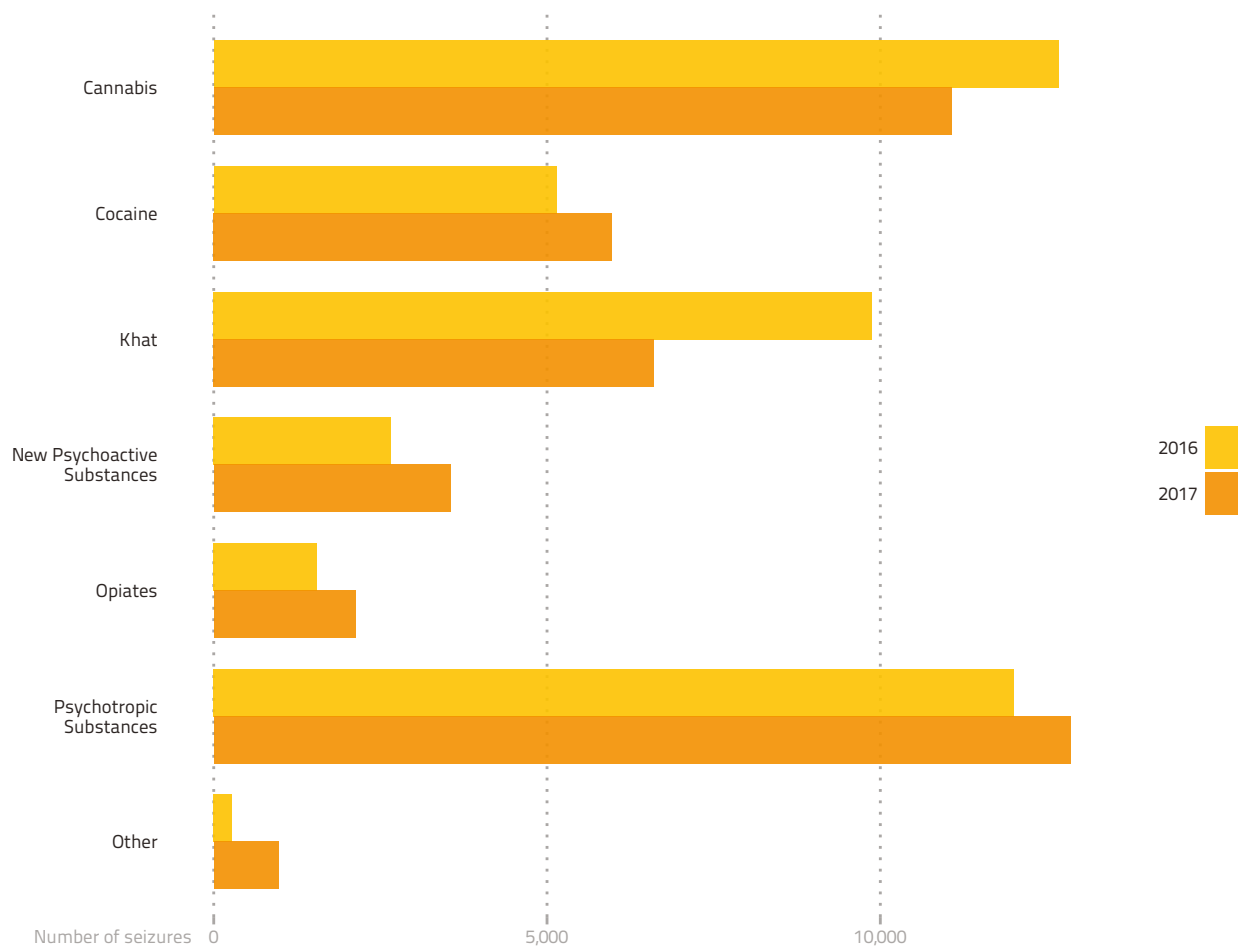
Figure 2 is a heat map of the number of seizures for each category as reported by participating countries. Each row includes all seizures reported by a given country, classified by category of drug seized. Grey fields indicate that no seizures of a given product were reported by the corresponding country. The darker the colour of a field, the more seizures of the corresponding drug that were reported. Because the United States reported so many more seizures in each drug category than any other participating country, its data have been presented separately.

Figure 2 suggests that cocaine drug trade may be relatively concentrated. Seizures reported by two countries, Brazil and the Netherlands, comprised 32.2% of all reported cocaine seizures. Excluding the United States, these two countries accounted for

FIGURE 2: NUMBER OF SEIZURES BY CATEGORY AND COUNTRY, 2017



FIGURE 3: NUMBER OF SEIZURES BY CATEGORY, 2016–2017



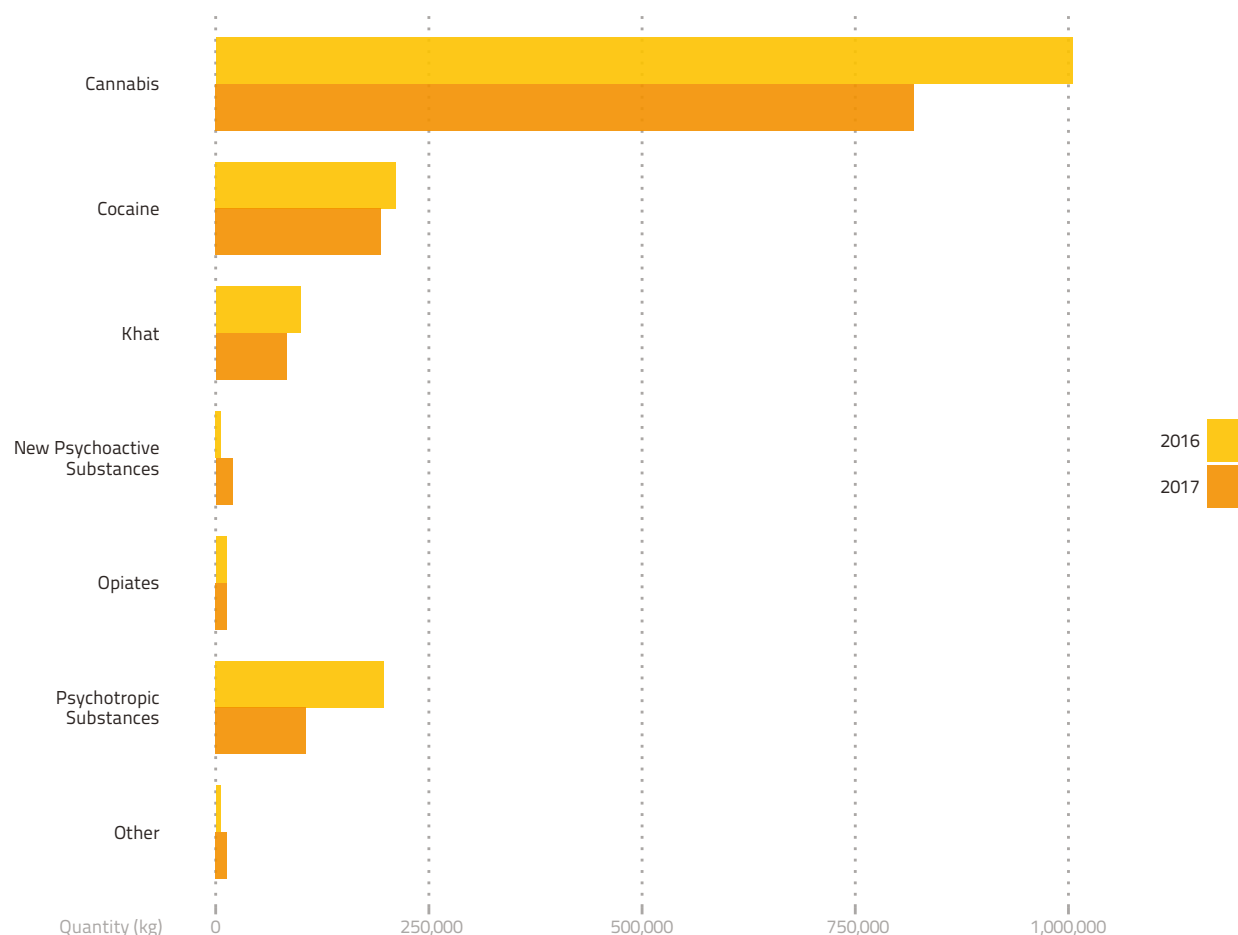
49.3% of all cocaine seizures, or 937 and 987 cases, respectively. Psychotropic substances also appear relatively concentrated and are especially prevalent in Germany, which reported 1,080 seizures, or 16.7% of all such seizures, not including those reported by the United States.

Examining the data as a whole, participating countries, including the United States, reported an average of 410.9 drug seizures across all categories. However, the average number of seizures for each category falls to 177.2 when the United States is excluded. In 2017, the world's Customs administrations, on average, reported the following number of seizures per drug category: 178.5 (psychotropic substances); 141.9 (cannabis); 81.9 (cocaine); 38.7 (opiates); 220.1 (khat); and, 74 (new psychotropic substances).

These averages are calculated per drug category, using data only from countries that submitted at least one seizure for a category and excluding seizures submitted by the United States.

Figure 3 compares the number of seizures reported in 2016 and 2017 for each category of drug. Overall, the reported number of drug seizures decreased by 2.4% between 2016 and 2017, falling from 44,190 in 2016 to 43,144 in 2017. This decline is due only to decreasing reports of cannabis and khat seizures, which fell by 12.7% and 33.1%, respectively. A similar trend was observed in 2016, when cannabis and khat declined by 12% and 30.6%, respectively. Unlike 2016, however, the declines in 2017 were not offset by a greater volume of substances being seized, as shown in Figure 4, suggesting a real decline in drug seizures for certain

FIGURE 4: QUANTITY OF DRUGS BY CATEGORY, 2016–2017



substances. The number of seizures increased for all other categories of drugs, despite noted decreases in the previous year. Cocaine seizures increased by 16.2%, to 831; opiate seizures jumped 37%, to 574; and seizures of other drugs underwent the largest increase, rising by 251.8%, to 695.

Figure 4 compares the quantity of drugs seized in 2016 and 2017 for each category. Overall, the quantity of drugs seized between these years dropped 18.2%, from 1,536,157.9 kilogrammes seized in 2016 to 1,256,256.0 kilogrammes seized in 2017. The largest declines were associated with cannabis and psychotropic substances, with the quantity of seized cannabis decreasing by 185,741.9 kilogrammes (18.5%) and seizures of psychotropic substances declining by 91,293.3 kilogrammes (46.3%). As referenced

in Figure 3, the quantity of khat seized in 2017 also fell by 7,250.1 kilogrammes (7.3%). Meanwhile, the quantity of drugs seized in 2017 grew in only three categories – new psychoactive substances, opiates and other drugs – which, together, comprised only 3.7% of the total quantity of drugs seized in 2017. Among these three drugs, new psychoactive substances showed the most drastic uptick, jumping 229.3%, as 13,867.6 more kilogrammes were seized in 2017 than in 2016. It is important to note that this spike is accounted for by only six seizures, with a cumulative total of 14,213.2 kilogrammes.

FIGURE 5: NUMBER OF CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2017

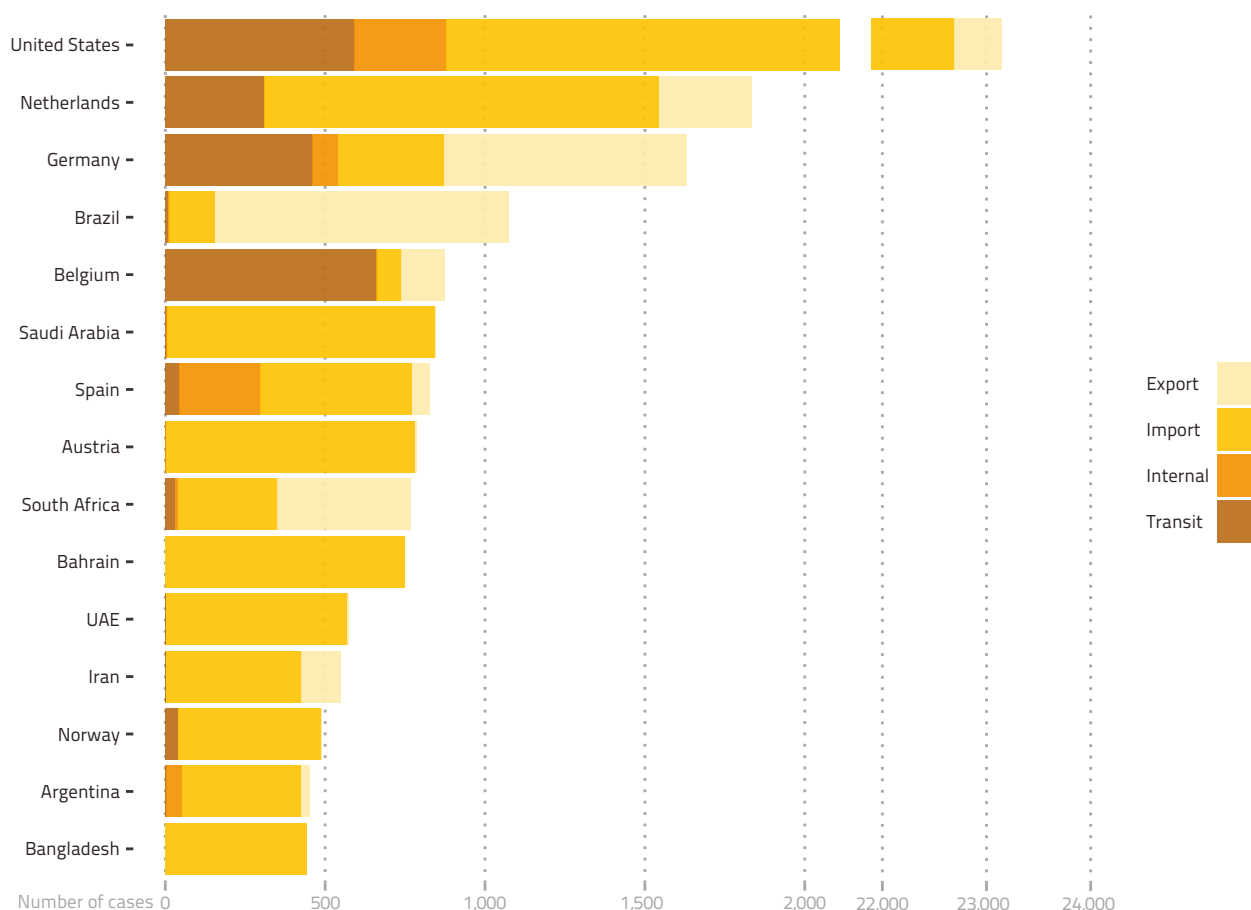


Figure 5 displays the top 15 countries that reported drug cases in 2017, and it indicates the direction in which target shipments were moving when confiscated. The majority of drug cases take place when narcotics are being smuggled into a country. Indeed, 82.7% of cases recorded by the top 15 reporting countries occurred as a substance was imported. However, it should be noted that this conclusion is skewed because the United States is included in the count. Removing cases submitted by the United States shows that only 60.4% of cases occurred on import. Belgium, the

United States, Germany and the Netherlands saw the highest incidence of transit cases, reporting 659, 592, 461, and 310 cases, respectively. Only three countries, Brazil, Germany and South Africa, reported a majority of cases involving exports, representing 85.5% (917 cases), 46.5% (757 cases) and 54.4% (418 cases) of those countries' totals, respectively.

FIGURE 6: PERCENTAGE OF SEIZURES BY DETECTION METHOD, 2017

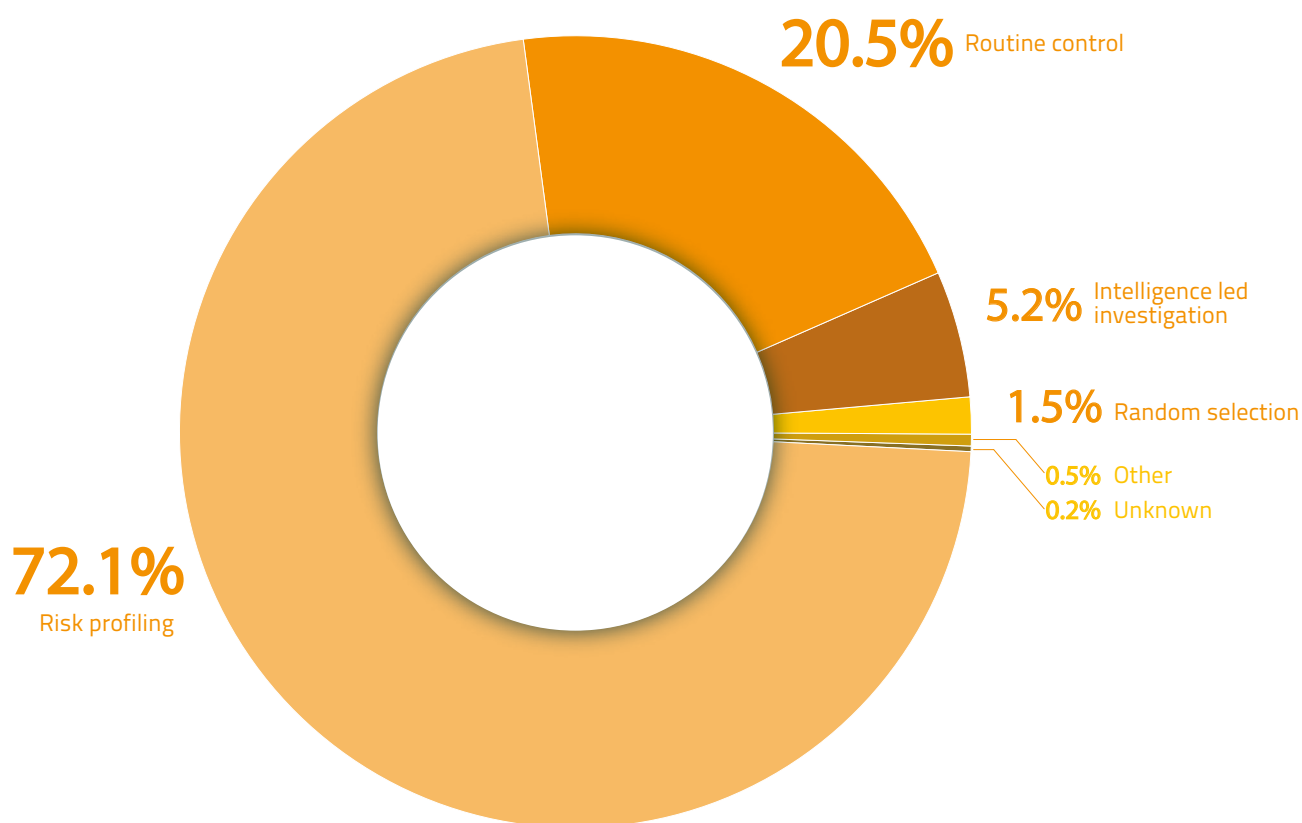


Figure 6, an aggregation of all seizures for each drug type, depicts percentages for drug seizures according to the detection methods Customs officials employed to seize the contraband. According to available data, risk profiling, an operation that entails screening shipments for red flags or indicators of illicit activity, is the most effective method of detection, facilitating 31,103 seizures, netting 873,299.6 kilogrammes, and reflecting 72.1% of reported narcotics seizures around the globe. Routine control ranks second in efficacy, generating 8,859 seizures involving a total of 80,790.9

kilogrammes, and accounting for 20.5% of all seizures in 2017. Intelligence led investigations resulted in 2,228 seizures, garnering 297,909.3 kilogrammes, and amounting to 5.2% of the total. Finally, random selection was associated with a mere 1.5% of seizures.

FIGURE 7: NUMBER OF SEIZURES AND QUANTITY BY CATEGORY AND REGION, 2016–2017

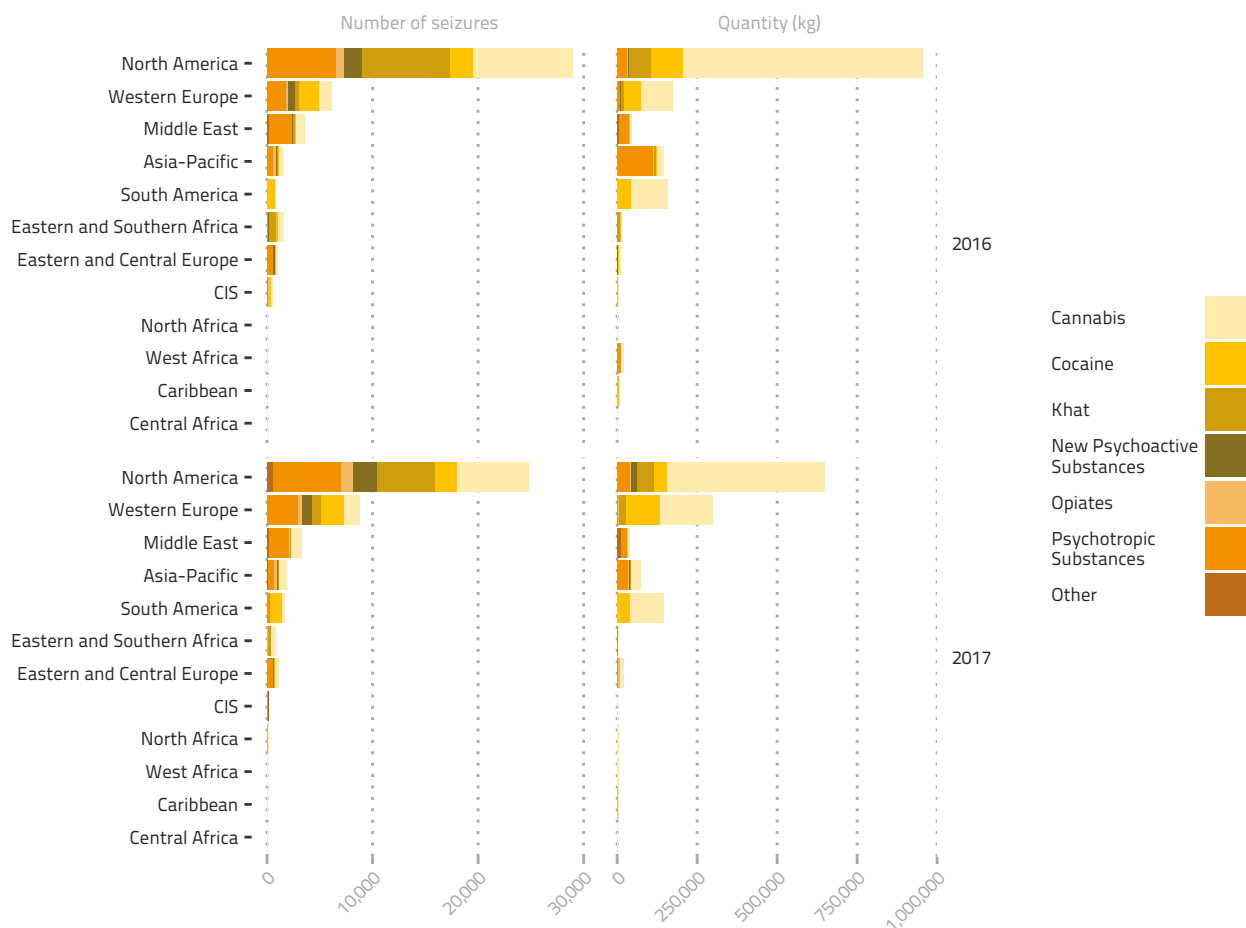


Figure 7 compares the number of seizures and the total quantity of drugs seized by reporting region for each category of narcotics, while also comparing these metrics between 2016 and 2017. North America, comprising the United States, Canada and Mexico, reported both the most drug seizures and the greatest quantity of drugs seized. Of North American reporting countries, the United States accounted for 99.8% of the 24,757 seizures and 97.2% of the 658,891.5 kilogrammes of drugs seized in 2017. As noted in Figure 4 above, seizures of psychotropic substances and cannabis were the first and second most frequent, respectively, among all reporting countries and regions. Figure 7 also confirms that cannabis is the most common drug in terms of quantity, with 818,781.4 kilogrammes confiscated in 2017.

However, unlike Figure 4, which showed psychotropic substances as the second most commonly seized substance, psychotropics were only the third most common drug in terms of quantity, 105,774.7 kilogrammes having been seized. Instead, cocaine was the second most common drug seized according to quantity (193,573.5 kilogrammes), suggesting that, compared to less common drugs, psychotropic substances are often trafficked and seized in relatively small quantities. Figure 7 also shows a possible fluctuation in the cocaine trade, as the total quantity of cocaine seized in the Caribbean fell by 54.1% in 2017, while rising by 90.4% in Western Europe. In 2017, 104,223.3 kilogrammes of cocaine were seized in Western Europe, accounting for 53.8% of the global reported total. Interestingly, this shift is seen in the total weight of cocaine seized despite the overall number of seizures in both regions remaining relatively unchanged.

FIGURE 8: TRAFFICKING FLOWS BY REGION, 2017

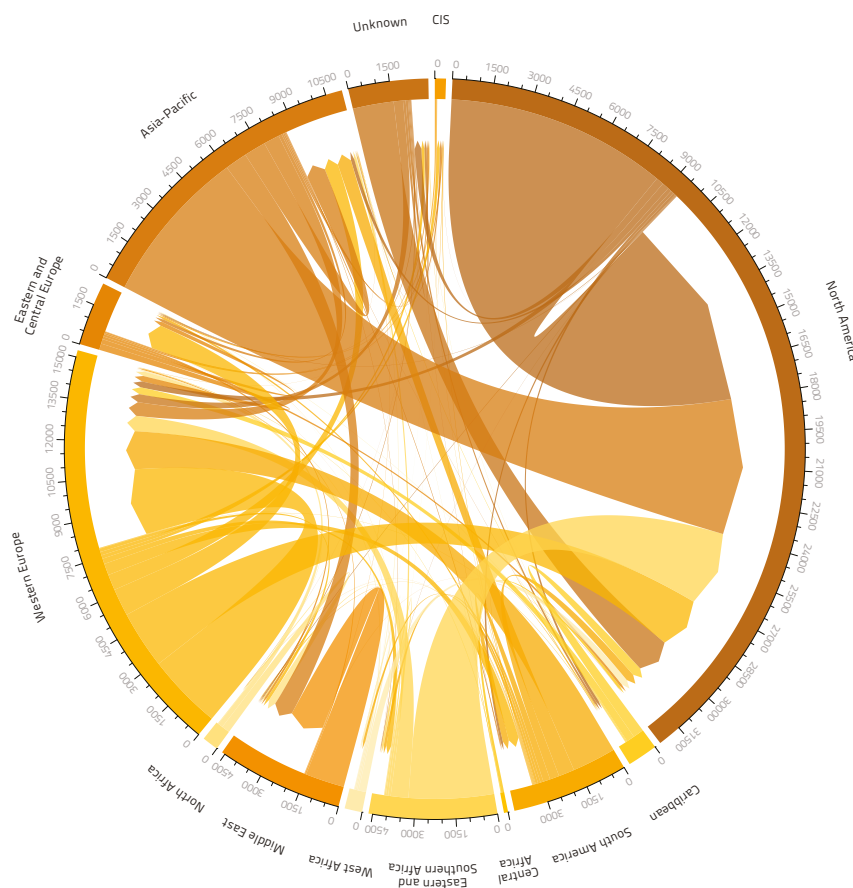


Figure 8 displays intended drug trafficking flows from, to, and within reporting regions for 2017, regardless of where a given shipment was seized. Figure 8 only shows trafficking routes that appeared in five or more trafficking instances. North America again emerges as the world's top destination for smuggled narcotics. The Commonwealth of Independent States (CIS) and North Africa are the only regions without reported exports to North America. Of 22,819 trafficking instances bound for North America, 37.1% of cases originated in North America, most often flowing between Mexico and the United States. Just under a third of reported cases (26.3%) originated in the Asia-Pacific region, making it the second most frequent point of origin for North American imports. Conversely, drugs originating in North America were shipped to Asia-Pacific, the Caribbean, the CIS, Eastern and Central Europe, Eastern and Southern Africa, and the Middle East. As in 2016, drug

trafficking in the Middle East is largely an intraregional problem, with 49.4% of cases involving drugs destined for the Middle East originating within the region itself (as compared to 50.0% in 2016). Western Europe demonstrated a similar pattern, with 36.6% of imports originating in other Western European countries. Eastern and Southern Africa, West Africa, Central Africa, and North Africa, collectively, appear as import regions in 624 cases, or 1.5% of all cases. Finally, South America is a major export region, with 49.5% of cases that originated from the region eventually flowing toward Western Europe.

FIGURE 9: HEAT MAP OF TRAFFICKING INSTANCES BY COUNTRY, 2017

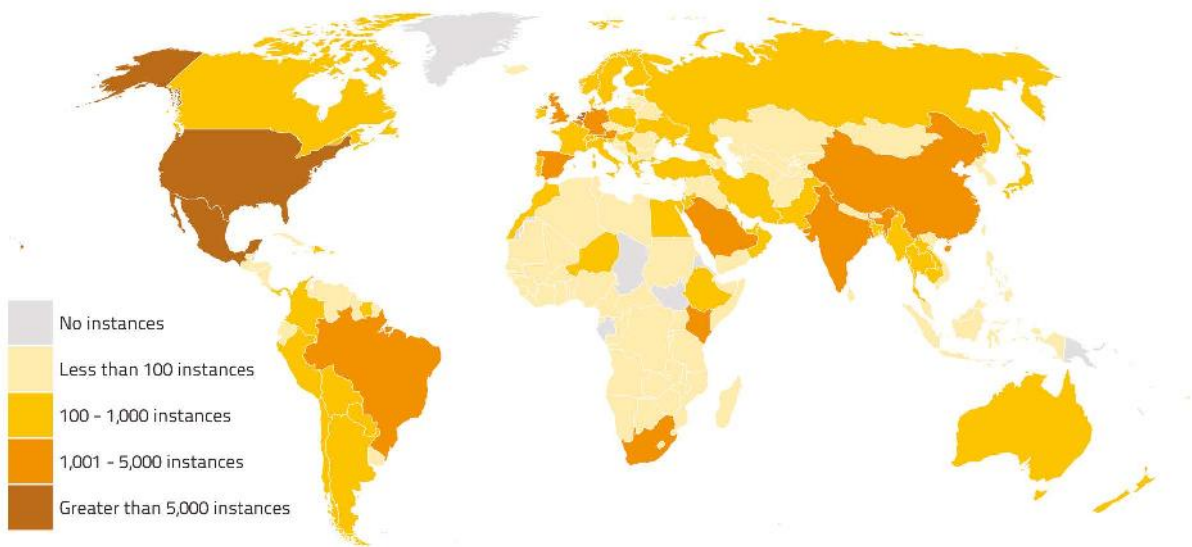


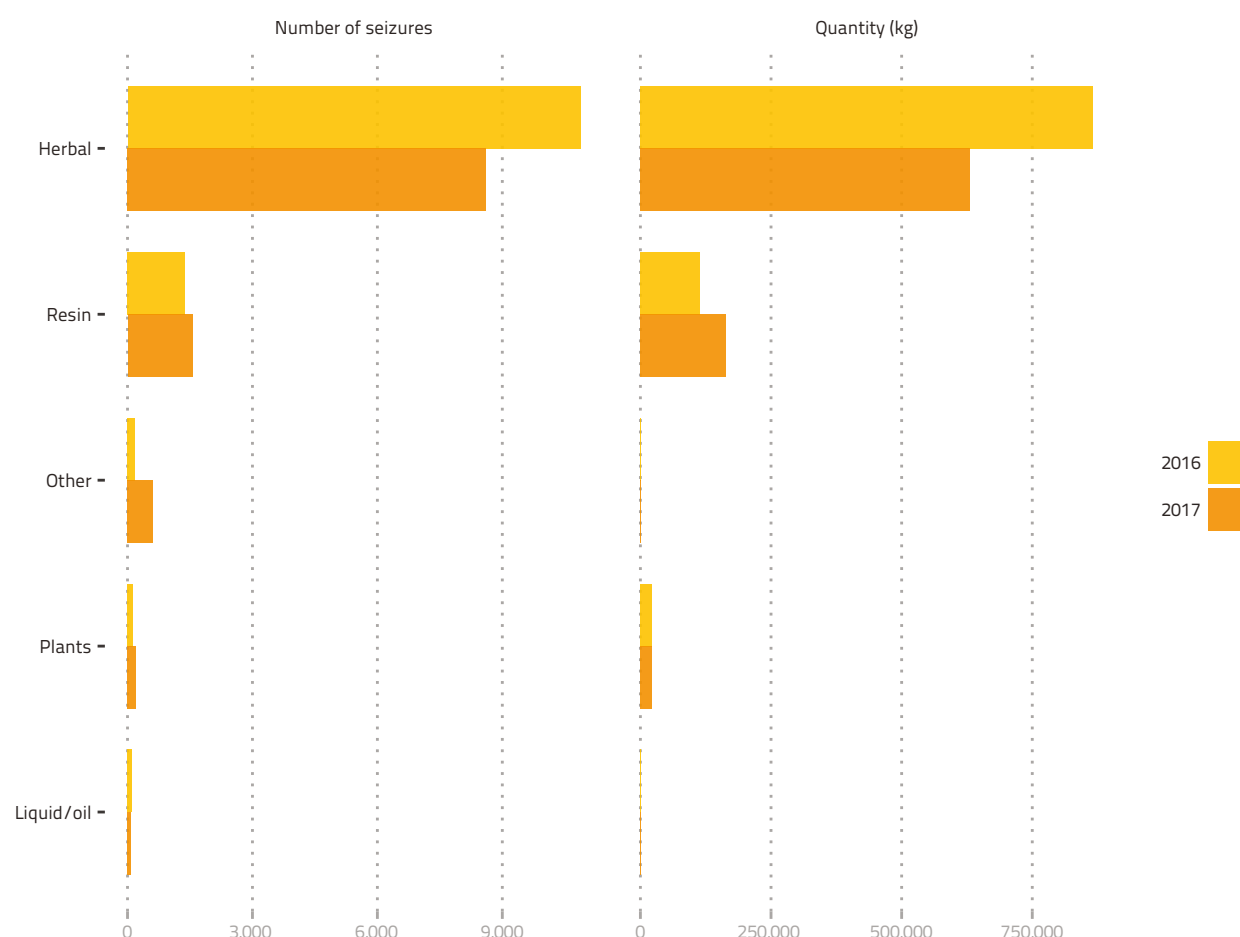
Figure 9 is a heat map of drug trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination or a transit point for one or more seized narcotics shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 9 indicates all countries through which drugs are known to have been trafficked, or were intended to be trafficked, in 2017.

In 2017, 196 countries were implicated in drug trafficking cases, an increase from the previous year when 189 countries were involved. As in 2016, the United States was the most commonly implicated

country, reported as an origin, destination or transit point in 24,549 instances of drug trafficking in 2017. It should be noted that this is largely because the majority of instances involving the United States were reported by U.S. Customs officials. In Western Europe, the number of instances implicating the Netherlands increased significantly, from 3,663 in 2016 to 5,205 in 2017. The number of instances involving Germany remained steady, with the country appearing in 3,623 instances in 2017. In addition to the three countries above, the following seven countries or jurisdictions are seen in over 2,000 instances (listed in decreasing order): Mexico (8,062), Kenya (2,720), India (2,675), Spain (2,407), Brazil (2,378), Hong Kong, China (2,372), and China (2,195).

## 2. THE DRUGS TRADE BY CATEGORY

FIGURE 10: NUMBER OF CANNABIS SEIZURES AND QUANTITY BY TYPE, 2016–2017



### 2.1 - Cannabis

Figure 10 compares the number of seizures and the quantity seized for each type of cannabis between 2016 and 2017. Of 11,067 cannabis seizures reported in 2017, 8,601 involved herbal cannabis, 1,560 were of resin and 615 fell into the “other” category, a classification including seeds, confectionery and other cannabis products. Herbal, resin, and other cannabis were the three most common categories. Figure 10 suggests an overall decline in cannabis seizures, with reported seizures falling by 12.7% (or 1,609 seizures) from the previous year. This drop corresponds to a similar decline in the amount of cannabis seized – 18.5% less – between 2016 and 2017, regardless of type. These trends are primarily due to a 27.1% decrease in the quantity of herbal

cannabis seized, as well as a 20.9% reduction in the number of herbal seizures reported in 2017. Compared to 2016, 235,347 fewer kilogrammes of herbal cannabis were seized in 2017, and 2,276 fewer seizures were carried out. Contrary to these declines, however, the number of seizures and the total seized quantity of resin, plants and other forms of cannabis all rose. The most significant of these increases came in the number of seizures involving other cannabis substances, amounting to only 184 instances in 2016. Increases in plant and resin seizures were more modest, at 63.3% (or 81) and 13.0% (or 179), respectively. Finally, a 22.6% overall decrease in the seizure of liquid/oil cannabis (from 106 seizures to 82 seizures) was somewhat offset by a 258.8 kilogramme increase in the total quantity seized.

FIGURE 11: NUMBER OF CANNABIS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017

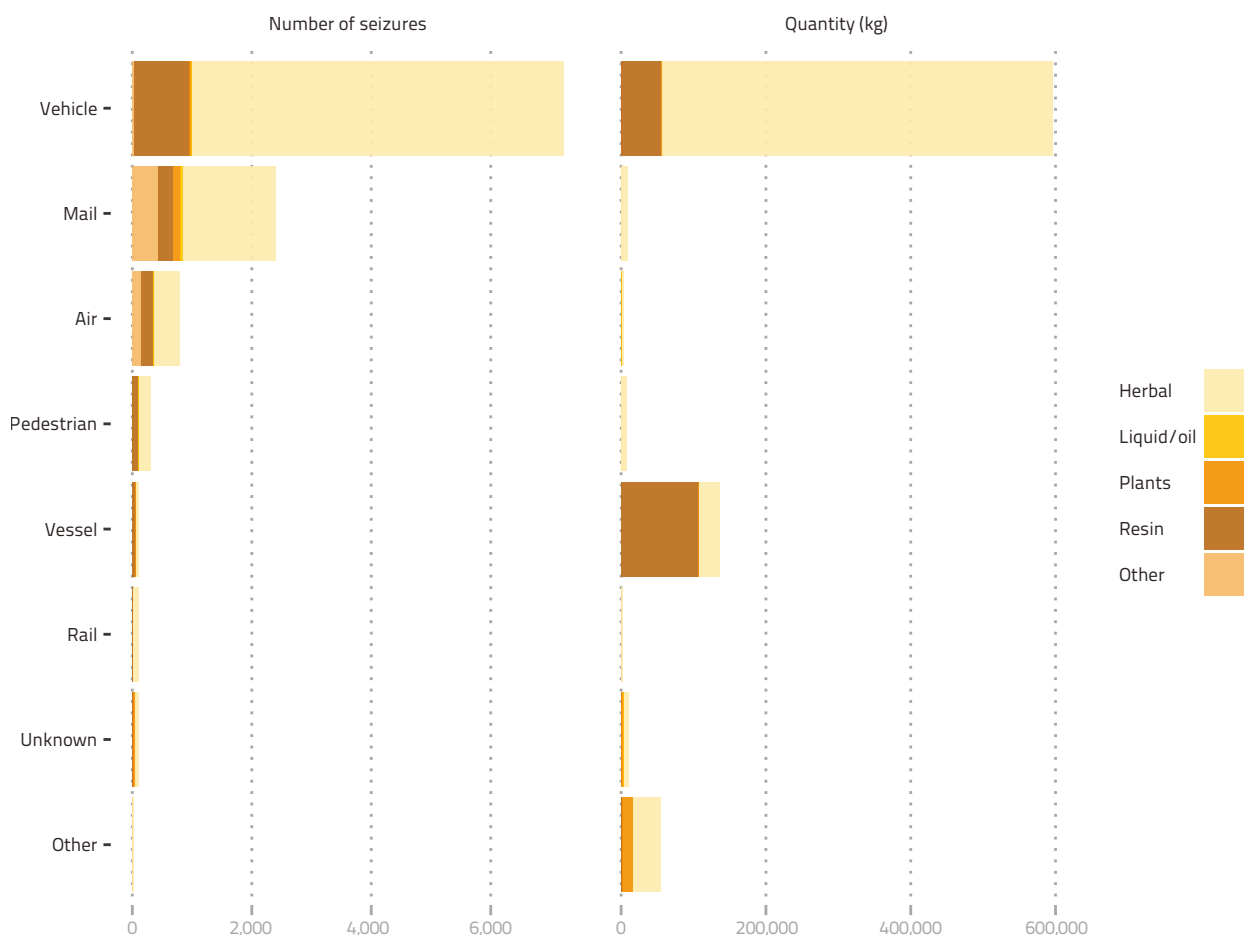


Figure 11 shows the number of seizures and the quantity of cannabis seized by type and conveyance method. Here, too, the herbal form accounts for the greatest proportion of cannabis seized, representing 77.1% of the 818,781.4 kilograms confiscated. The overwhelming majority of all cannabis seizures were made from vehicles, including motorcycles, cars, vans, and lorries. Vehicle seizures accounted for 65.2% (or 7,216) of all cannabis seizures and 72.7% (595,420.5 kilograms) of the total quantity of cannabis seized in 2017, regardless of category. Interestingly, just 1% of all seizures (or 110) involved cannabis found aboard vessels, although these seizures still accounted for 16.6% of the total quantity seized. In particular, large quantities of cannabis resin were seized from vessels, accounting for 65.1% of the total quantity of cannabis resin seized (106,511

kilogrammes). While a higher percentage of seizures involved cannabis moving through the mail (21.7%), these comprised only 1.1% (9,333.6 kilograms) of seizures by quantity. Unlike vessel consignments, which allow for massive shipments, contraband transported by mail is typically small-scale, involving an average of just 3.9 kilograms per seizure. That said, the two largest mail seizures were quite significant, yielding 499 and 256 kilograms, respectively<sup>1</sup>. The "other" conveyance method was implicated in only 33 seizures, including internal seizures, as well as three seizures from bicycles and two from animals. Out of the 54,915.4 kilograms reported for this conveyance method, the largest case was reported by the Paraguayan anti-drugs agency, SENAD (Sectaría Nacional Antidrogas) with 52,212 kilograms of different cannabis plants and leaves seized in premises as a result of the investigation.

<sup>1</sup> The mail category typically includes regular, express mail and parcels.

## Case study 1. Eighteen tonnes of cannabis seized on barges in Paraguay

On 13 June 2017, 18 tonnes of cannabis was seized from a fleet of barges along the Paraná River in Paraguay, en route to Uruguay and bound for markets in Argentina. The seizure, valued at approximately 9 billion USD and containing 670 – 740 packages of cannabis, was confiscated in the second largest drug bust in Paraguay in the last five years. The largest seizure was made in 2015, in which 18.9 tonnes of marijuana were impounded.

The Public Prosecutor's Office of Paraguay launched an investigation into a group of traffickers in April 2017, using wiretaps as part of an operation to disrupt a gang known to use barges to traffic cocaine. A phone conversation between the smugglers and the shipping crew on 9 June 2017 was flagged via the wiretapping effort and, ultimately, the shipment was seized. Thirteen implicated individuals, including the captain and crew members, were arrested.

Law enforcement authorities intercepted the tugboat and found the cannabis aboard one of the barges, nestled among agricultural products. According to the Paraguayan authorities, illicit cargo is often commingled with legal shipments to elude detection. 18 tonnes of cannabis seized on barges along



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- WCO data.

FIGURE 12: PROPORTION OF CANNABIS SEIZURES BY TYPE AND COUNTRY, 2017

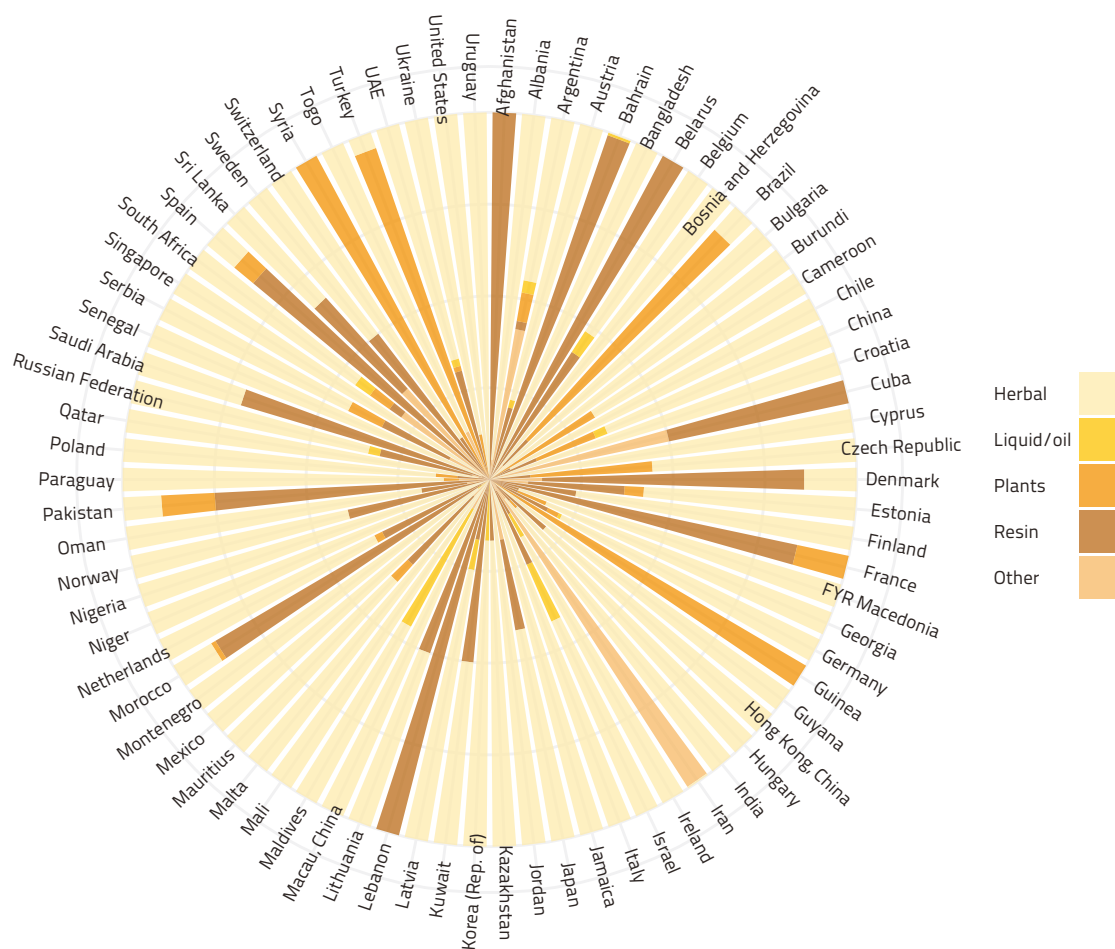


Figure 12 depicts the proportion of seizures for each category of cannabis, as reported by each country recording at least one such seizure. In keeping with the year before, herbal cannabis was, in 2017, the predominant substance seized, accounting for 77.7% of all cannabis seizures. Only seven of 78 countries had no reports of herbal cannabis trafficking, and only four countries reported seizures of all five types. These four countries were, in decreasing order of seizure totals, the United States (6,754), South Africa (384), Germany (333) and Argentina (89), and the average proportion

of herbal cannabis seizures to total reported seizures in these countries was 69.2%. Four countries, Afghanistan, Bahrain, Belarus and Lebanon, reported cannabis resin as the substance seized in greater than 90% of cannabis seizures, although Bahrain was the only country with more than two total reported seizures. Resin seizures comprised 99.1% of Bahrain's 581 seizures, and only Iran reported a majority (99.5% of its 424 seizures) involving other cannabis forms.

**FIGURE 13: NUMBER OF CANNABIS CASES BY COUNTRY, 2016–2017**

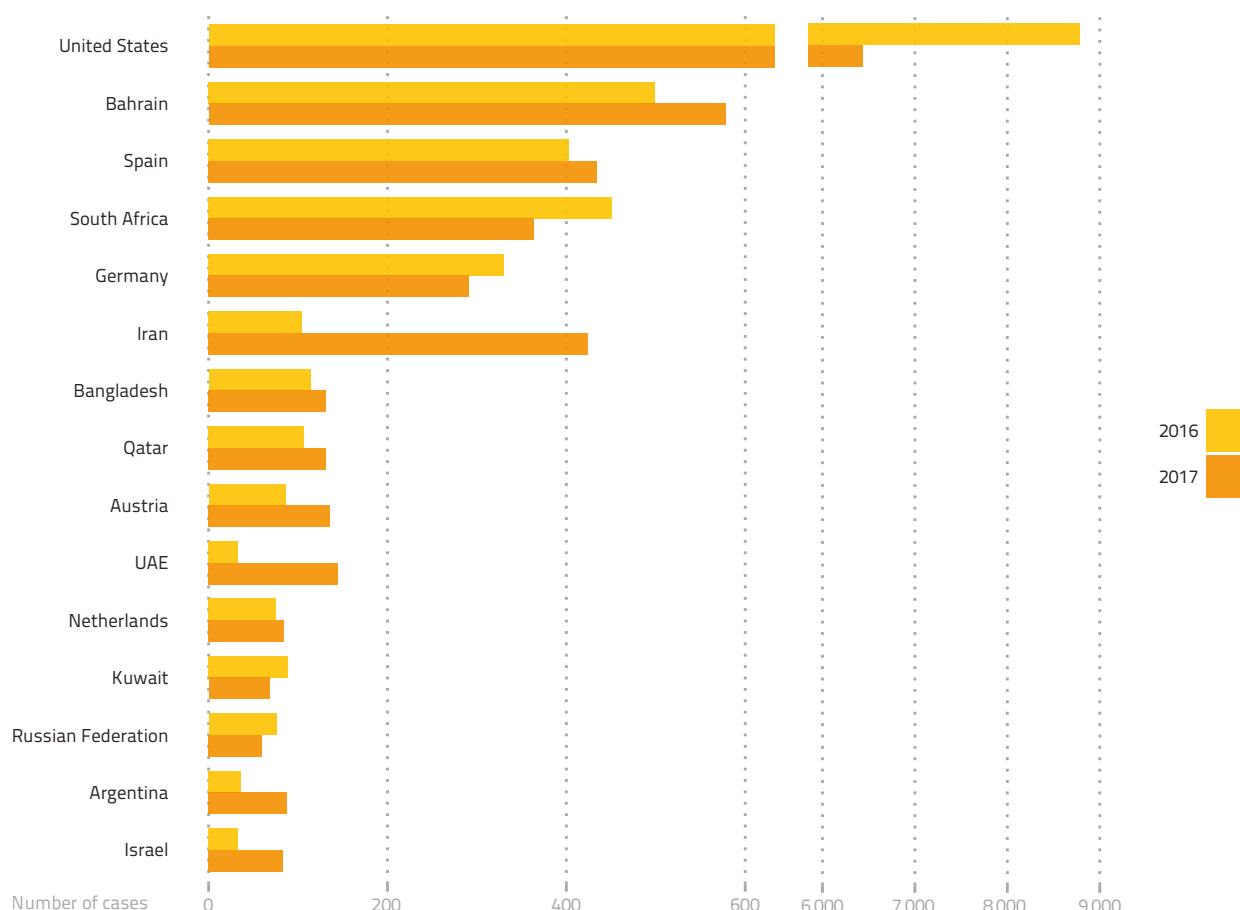
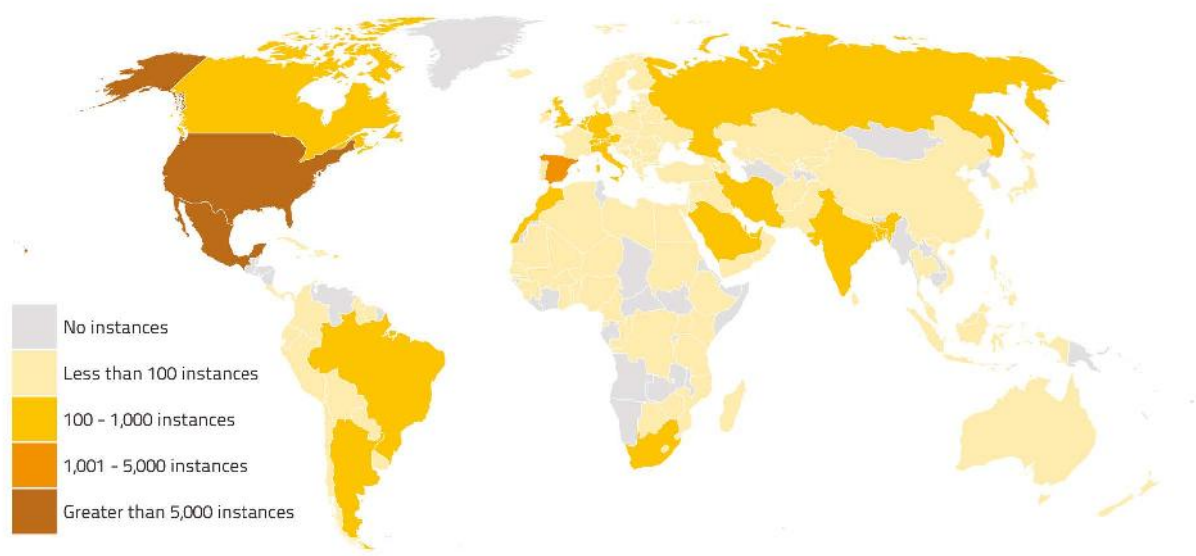


Figure 13 compares the number of cannabis cases submitted by the top 15 reporting countries in 2016 and 2017. Overall, ten of the top 15 reporting countries recorded more cannabis cases in 2017 than in 2016, seemingly contradicting the previous observation (see Figure 4) that global seizures in drugs is in decline. On average, these countries reported an increase of 74.4 cases. Iran and the United Arab Emirates reported by far the largest growth in the number of cases, handling 320 and 112 more cases, respectively, in 2017. Still, the overall trend is downward, with 1,315 fewer cases reported in 2017 than in 2016. This is due to the information provided by the United States, South Africa and Germany, three of the most frequent reporters of drug data during these two years. All three countries recorded significantly fewer cases in 2017, with the United States noting a decrease of 26.7% (6,430 cases), South

Africa dipping 19.3% (364 cases), and Germany dropping 11.8% (291 cases). Thus, the declining trend of cannabis cases (which comprised more than a quarter of the overall narcotics trade in 2017) found in these three countries helps explain the global decline in drug seizures noted earlier.

Figure 14 is a heat map of cannabis trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination, or a transit point for one or more seized narcotics shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 14 indicates all countries through which cannabis is known to have been trafficked, or was intended to be trafficked, in 2017.

FIGURE 14: HEAT MAP OF CANNABIS TRAFFICKING INSTANCES BY COUNTRY, 2017

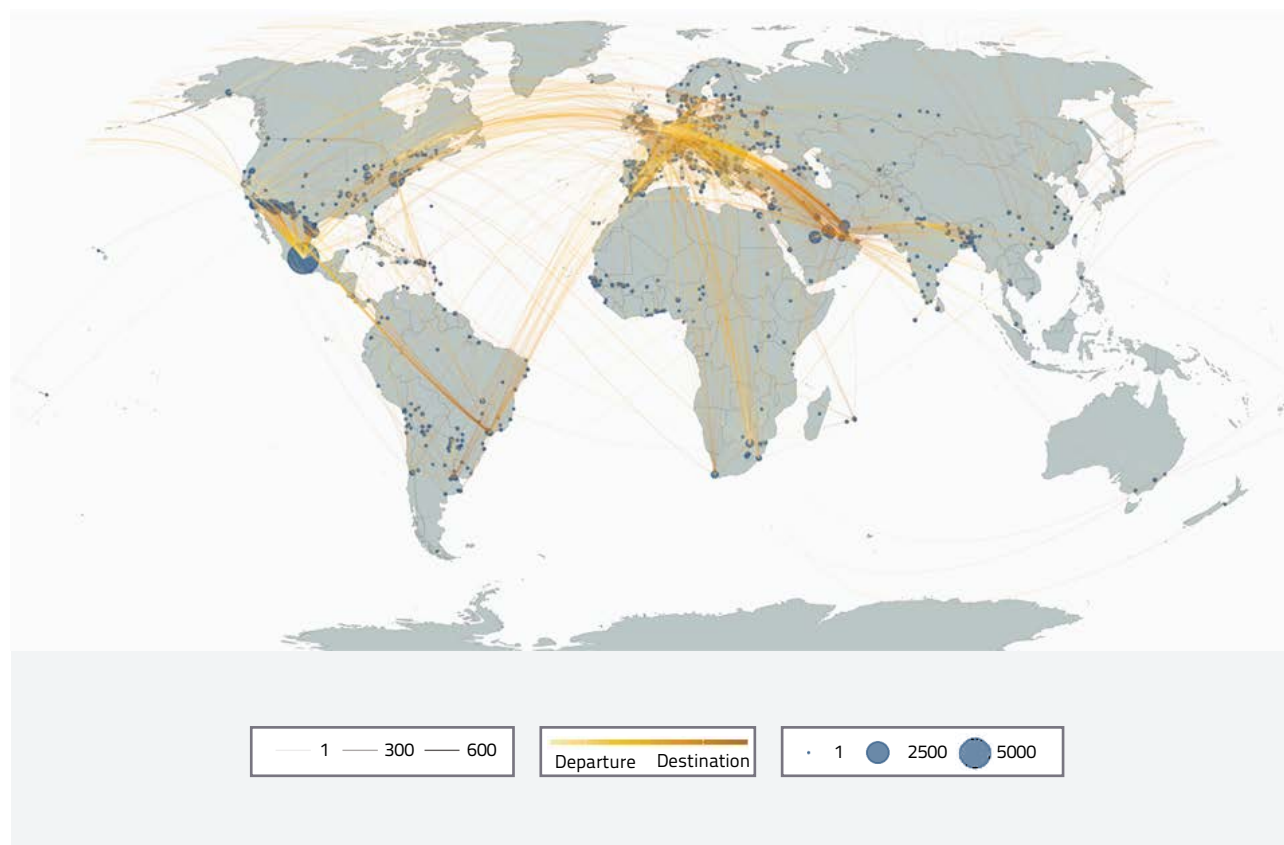


One hundred and fifty-one countries were implicated in the illicit cannabis trade in 2017, with each country averaging 147 trafficking instances. Only two countries were implicated in over 5,000 instances, the United States (7,108) and Mexico (5,226). Spain was the third most frequently associated country, appearing in 1,431 instances. Germany, Saudi Arabia, Bahrain and the United Kingdom all appeared in over 500 trafficking instances. Examining the direction of cannabis trafficking, 82.4% of instances involving the United States were inbound to American destinations. Twenty-six countries exclusively appeared as destinations, all but three of which were involved in fewer than ten instances. The Maldives, Japan and Israel appeared in ten, 13, and 86 import-trafficking instances, respectively. Thirty countries exclusively appeared as export locations, with Lesotho and Gambia exhibiting

the greatest number of incidents, at 25 and 20 instances, respectively.

Figure 15 details the illicit flows of cannabis, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in colour at their origins, becoming orange as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit.

**FIGURE 15:** CANNABIS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017



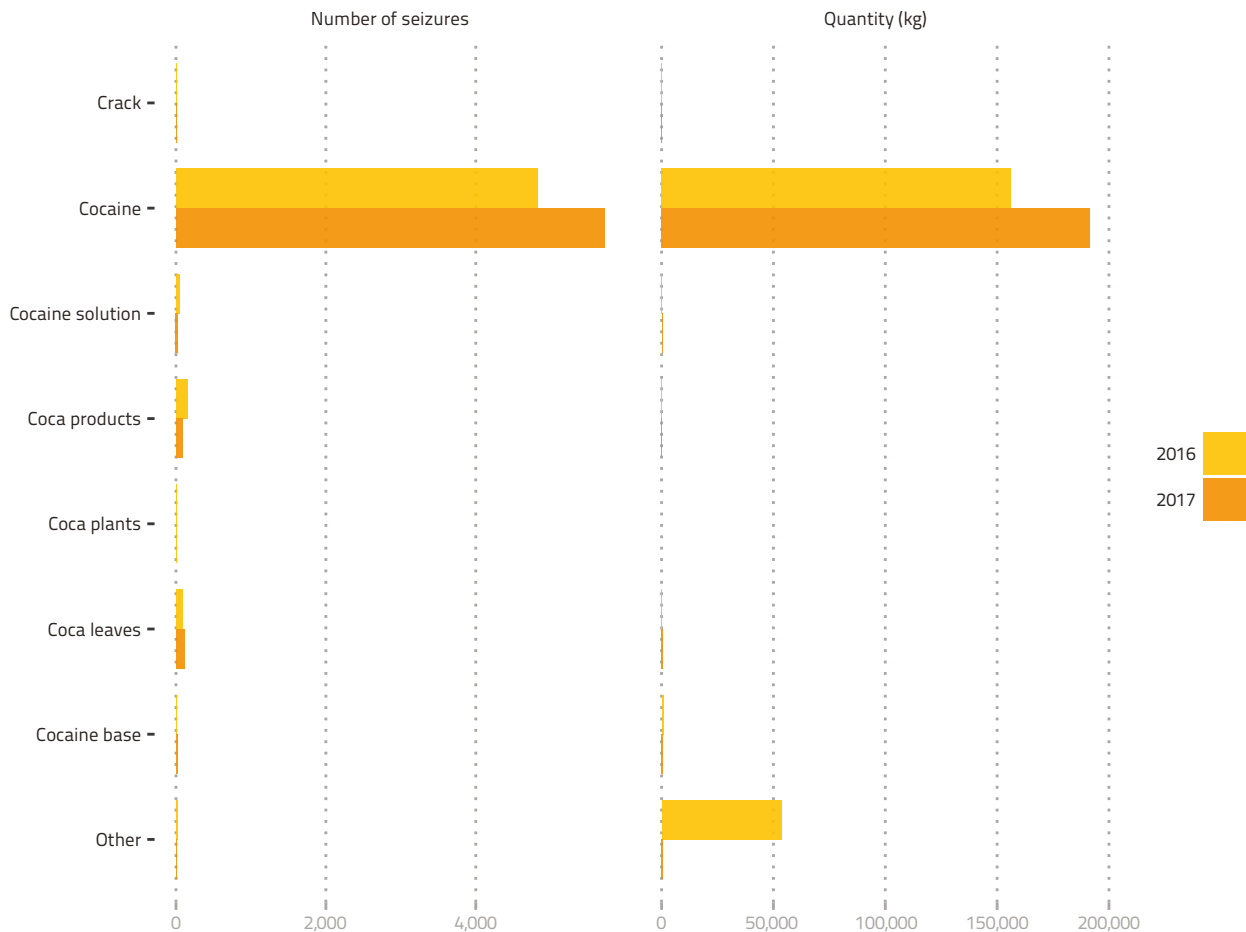
Nevertheless, **Figure 15** shows the entire intended trade route from origin to destination.

At first glance, Western Europe may seem to be the predominant trafficking hub for cannabis, with countries appearing as both origins and destinations for trade. Of 1,108 trafficking routes involving Western Europe, 904 were outbound and 832 were inbound, with 628 both originating and terminating within the region. Of the 1,456 instances of outbound trafficking within the region, the most common recipients were Spain (513) and Germany (375), whereas, concerning inbound trafficking to Western Europe from outside the region, 29.9% of 633 total instances came from Morocco. This notwithstanding, flows into Europe were not the most common routes. Of the top three routes, the first and third most frequent ones departed Mexico City for destinations in the United States, specifically Tucson, Arizona (679 instances), and

Why, Arizona (501 instances). The second most prominent route was seen in 513 instances, beginning in Riyadh, Saudi Arabia, and proceeding to Manama, Bahrain.

In terms of the total number of routes, the United States was the primary hub for cannabis trafficking, albeit based largely on data submitted by the United States itself. The United States was implicated in 7,108 trafficking instances, more than any other country, as seen in **Figure 14**. The overwhelming majority of these instances (87.1%) with known route information were inbound from Mexico. Another relatively prominent trade flow exists between Bangladesh and India. Cannabis was trafficked from India to Comilla, Bangladesh, in 48 instances. Of 61 unique routes flowing into Tehran, Iran, 21 came from the United Kingdom and 16 stemmed from the Netherlands, corresponding to 283 and 72 trafficking instances, respectively.

FIGURE 16: NUMBER OF COCAINE SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017



## 2.2 - Cocaine

Figure 16 compares the number of seizures and the quantity seized for each type of cocaine between 2016 and 2017. Powdered cocaine, as opposed to derived and related products, was the most common cocaine product seized in 2017, accounting for 95.6% of 5,975 seizures and 98.9% of the 193,573.5 kilogrammes seized. In terms of the number of seizures carried out overall, the cocaine trade grew in 2017. Customs officials reported 5,144 seizures in 2016 and 831 more the following year, an increase of

16.2%. In terms of the total quantity seized, cocaine trafficking actually contracted by 8.4%, falling from 211,217.1 kilogrammes to 193,573.5 kilogrammes. This is, however, due to an anomaly in the quantity of “other” cocaine substances seized in 2016. Customs officials reported just 20 such seizures in 2016, totalling 53,594.9 kilogrammes. Lacking similarly large seizures of other cocaine substances in 2017, the data suggest an overall decline in the quantities trafficked. Excluding this finding, the number of cocaine seizures grew in terms of quantity by 22.4%, or 35,355.3 kilogrammes.

**FIGURE 17: NUMBER OF COCAINE SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017**

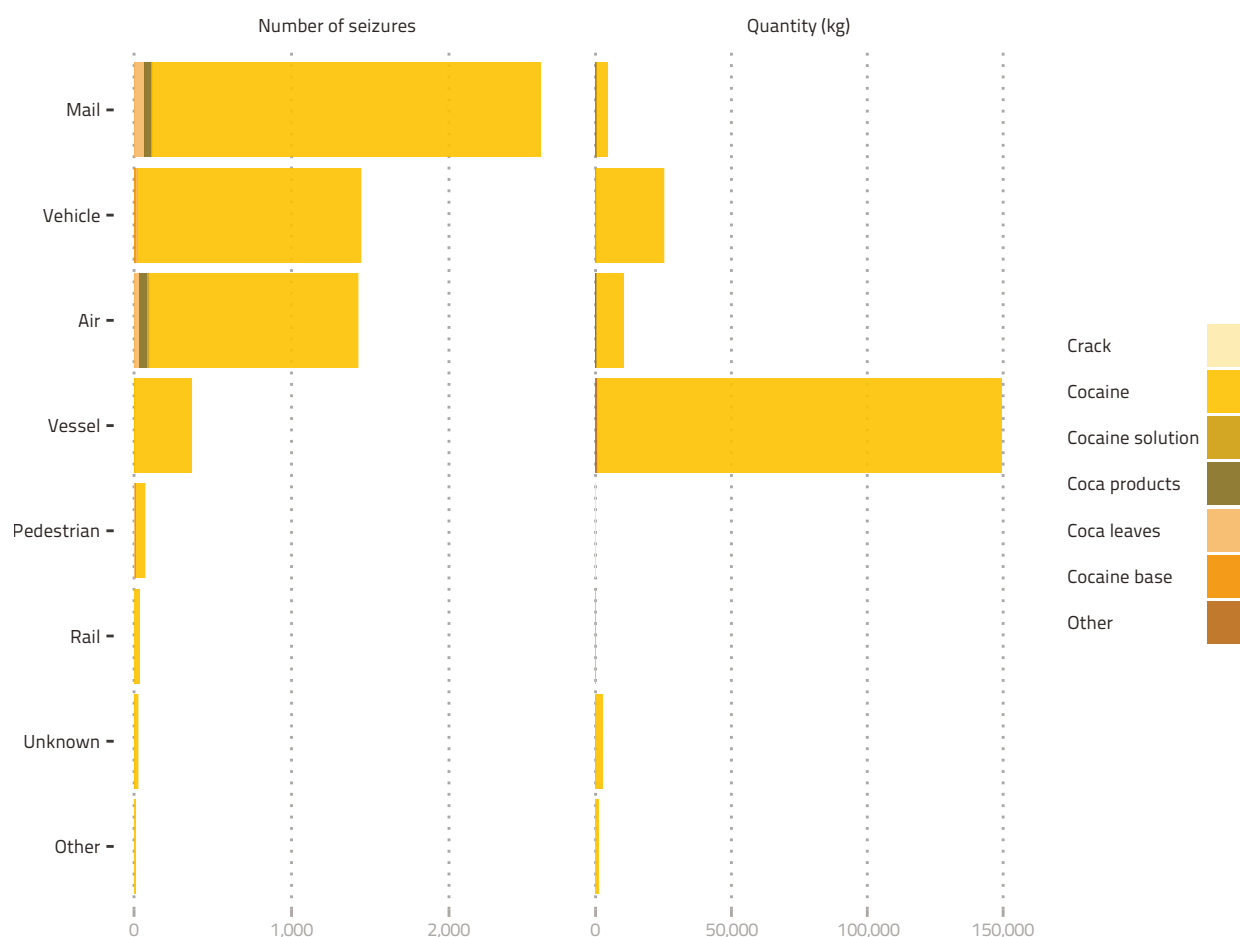


Figure 17 shows the number of seizures and the quantity of cocaine seized by type and conveyance method. As with some other drugs, including khat and new psychoactive substances, small-scale cocaine seizures were most frequently made from mail parcels, accounting for 43.2% of the 5,975 cocaine seizures reported in 2017. The average quantity confiscated in these seizures was 1.7 kilogrammes. The second and third most common conveyance methods associated with seizures were vehicles and air, including passenger luggage. These methods comprised 24.1% (1,443) and

23.9% (1,429) of the total number of seizures, respectively. On average, seizures from vehicles netted 17.5 kilogrammes, and air seizures saw the confiscation of 7.2 kilogrammes. Vessel seizures, by contrast, yielded a total of 25,234.5 kilogrammes, for an average of 404.1 kilogrammes across the 370 reported instances. These trends are evident, for the most part, only with respect to cocaine itself, as opposed to its related and derivative substances. Indeed, cocaine powder accounted for 95.6% of all seizures and 98.9% of all seizures by weight.

## Case study 2. One hundred seventy seven kilogrammes of cocaine seized in the port of Lázaro Cárdenas

On 5 June 2017, Mexican authorities from both the Navy and the Attorney General's office seized 177 kilogrammes of cocaine on board a container ship owned by a well-known global shipping firm. The vessel, carrying 2.8 million USD's worth of cargo, was en route from Lázaro Cárdenas, Mexico, with scheduled stops in the ports of Manzanillo, Mexico and Busan, Republic of Korea.

The operation was jointly conducted by multiple federal agencies using naval intelligence combined with broader risk analysis to identify target vessels. During the raid, the cocaine was found hidden in three metal cylinders attached to the exterior underwater hull of the container ship. The three cylinders were filled with a total 177 packages, each weighing approximately one kilogramme. Once the vessel was docked in the port of Lázaro Cárdenas, navy divers removed the cylinders from the vessel's hull.



A few months later, the Mexican Navy seized another cocaine shipment in the port of Lázaro Cárdenas, this one weighing 97.9 kilogrammes. In this instance, the drugs were stored in a container hidden beneath copper waste on board a ship owned by the same shipping company seen in the previous seizure, in preparation for a journey to the ports of Manzanillo, Mexico and Yokohama, Japan.



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- WCO data.

**FIGURE 18: NUMBER OF COCAINE CASES BY COUNTRY, 2016–2017**

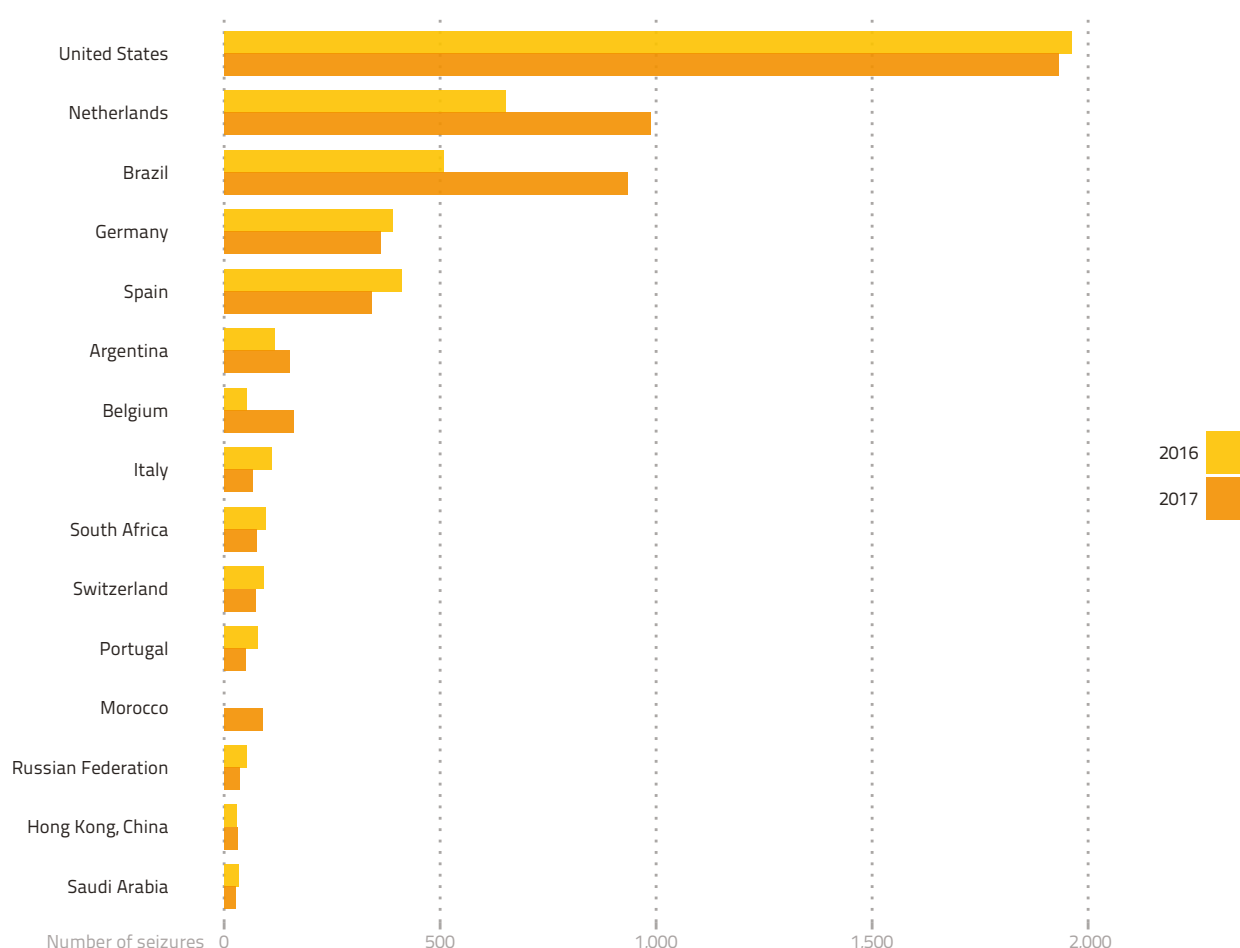
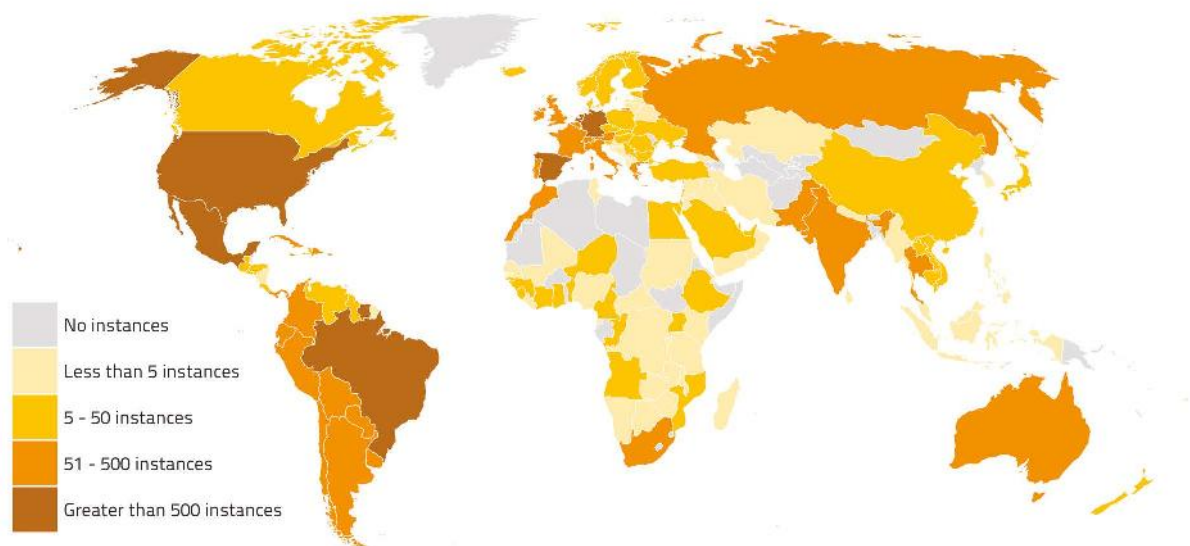


Figure 18 depicts the proportion of cocaine seizures, as reported by each country recording at least one such seizure. The overall trend is upwards, with countries reporting, on average, 805 more cases in 2017 than in 2016. This is largely because the Netherlands, Brazil and Belgium recorded sharp upticks in activity, with Customs officers noting increases of 987, 934, and 162 cases, respectively. In percentage-terms, this amounted to 51.4%, 84.2%, and 217.6% more cases, respectively, in 2017 versus 2016. Morocco, which reported no cocaine cases in 2016, submitted 88 cases in 2017, moving it into the top 15 countries in terms of quantity of cases. By contrast, nine of the top 15 reporting countries showed fewer cases. Though implicated in 518 trafficking instances (see Figure 19), for example, Germany reported a slight (7.4%) decline in cases, with just 362 cases in 2017. Cases reported by the United States also fell, from 1,961 cases in 2016 to 1,931 in 2017.

Figure 19 is a heat map of cocaine trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination, or a transit point for one or more seized narcotics shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 19 indicates all countries through which cocaine is known to have been trafficked, or was intended to be trafficked, in 2017.

Figure 19 reveals that cocaine trafficking is a global phenomenon. In 2017, 161 countries were implicated in cocaine trafficking instances, with only 65 of them associated with fewer than five instances. Meanwhile, seven countries appear in over 500 instances, including Brazil (2,005), the United States (1,985), the

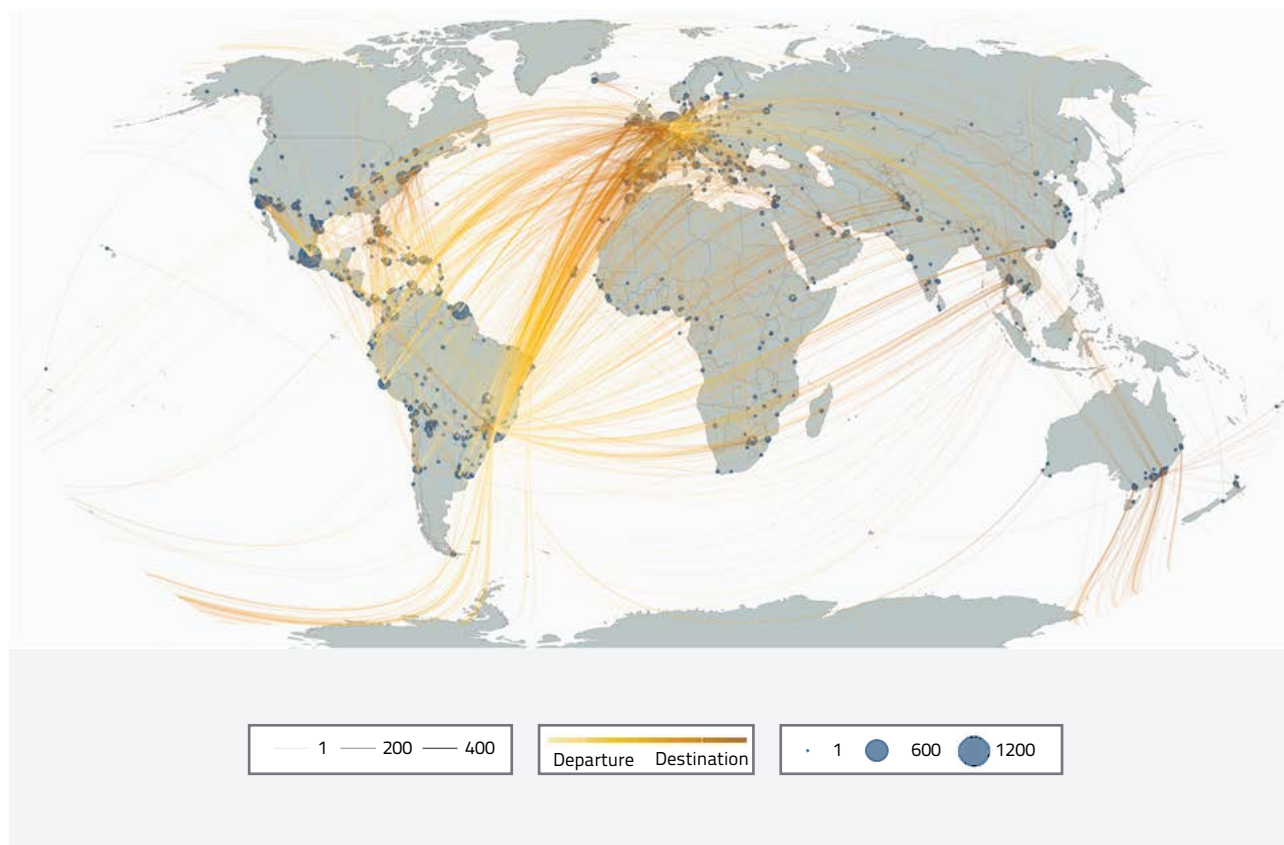
FIGURE 19: HEAT MAP OF COCAINE TRAFFICKING INSTANCES BY COUNTRY, 2017



Netherlands (1,474), Mexico (997), Suriname (701), Spain (601), and Germany (518). With respect to these seven countries, 41.9% were outbound instances, 40% were inbound instances, and 18.1% were transit instances. The United States was the most common destination, inbound instances totalling 1,711 or 86.2% of all instances involving the United States. South America recorded the most instances of any region, with 3,945 - 76.1% of which were departing instances. This was followed closely by the 3,804 instances for Western Europe, 62.5% of which were destination cases and 23.9% of which were transit cases. Considering the Asia-Pacific region, Australia, Hong Kong (China) and India appeared in the greatest number of instances, recording 210, 151, and 100, respectively.

Figure 20 details the illicit flows of cocaine, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in colour at their origins, becoming orange as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 20 shows the entire intended trade route from origin to destination.

FIGURE 20: COCAINE TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017



Western Europe was the primary destination for cocaine trafficking in 2017, comprising 2,851 (41.7%) of 6,835 total trafficking instances. Figure 20 reveals that the vast majority (53.3%) of these trafficking instances originated in South America, specifically Paramaribo, Suriname and São Paulo, Brazil. These two cities were, in fact, the points of origin for four and 71 unique trafficking routes to Western Europe, respectively, accounting for 488 and 322 total trafficking instances. And, of all trafficking instances destined for Western Europe, 28.8% originated in one of these two cities. South America also serves as a prominent point of origin for drugs being trafficked into North America, with 69 unique routes and 251 total instances. However, South America has neither the most unique trafficking routes nor the greatest number of trafficking instances flowing into its northern

counterpart. The Caribbean records the most trafficking routes to North America, with 113 unique routes emerging out of 414 total instances. In terms of the number of trafficking instances, countries in North America are the greatest source of drugs flowing into other North America countries, with most cases involving a route from Mexico to the United States. One hundred and six unique routes were utilized to traffic cocaine between North American locations across 1,053 total trafficking instances, and, of all the routes presented in Figure 20, 951 instances (13.9%) originated in Mexico and terminated in the United States.

## Member highlights: The use of 'rip-off' technique to smuggle cocaine

As part of the cooperation between the French Police Services (Central Office for the Suppression of Illicit Traffic in Narcotic Drugs – OCRTIS) and French Customs (National Directorate of Intelligence and Customs Investigations – DNRED), a container registered in Cyprus, departing from Colombia and bound for Spain, was put under control in Guadeloupe on 7 January 2017. By intercepting several containers, authorities discovered about thirty sports bags deposited in addition to the declared goods and concealed by the “rip-off” technique. These bags were found to have contained more than 791 kilogrammes of cocaine, valued at more than 31 million euros.

Source: French Customs.



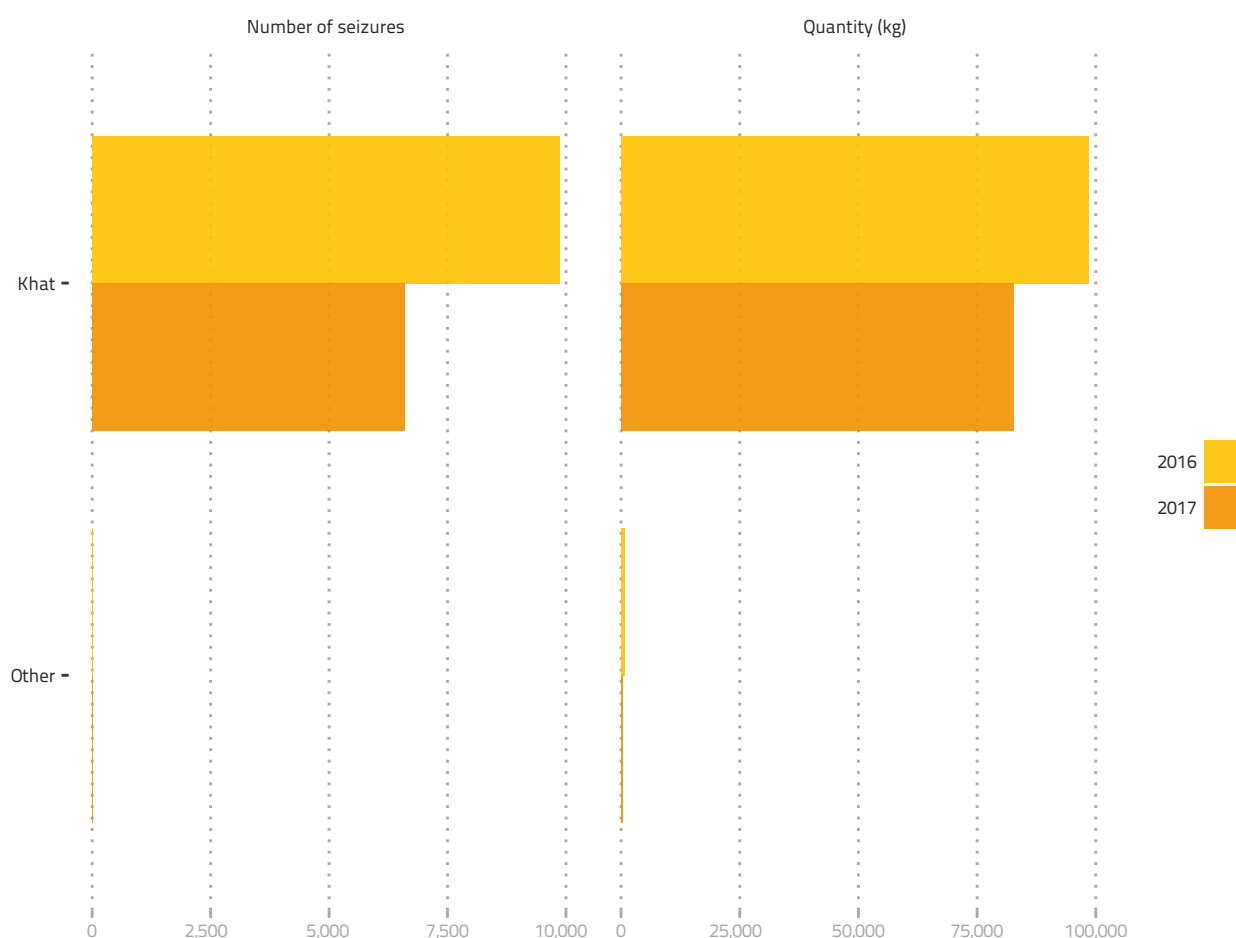
## Data analytics to identify cocaine shipments

The Canada Border Services Agency (CBSA) National Targeting Centre (NTC) uses data analytics to support its mandate to conduct pre-arrival risk assessments of shipments to Canada. For example, by leveraging historical data, the NTC uses data-mining and advanced analytics to develop predictive models that can identify shipments at greater risk of transporting cocaine. After undergoing extensive refinement and analysis, a predictive model recently flagged a shipment for examination by a targeting officer, resulting in a seizure of liquid cocaine disguised as fruit juice and valued at over 13 million USD.

Source: Canada Border Services Agency (CBSA).



**FIGURE 21:** NUMBER OF KHAT SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017



## 2.3 - Khat

Figure 21 compares the number of seizures and the quantity seized for each subtype of khat between 2016 and 2017. Khat seizures declined in terms of both the number of seizures conducted in 2017 and the quantity of khat seized. The number of seizures fell by 3,268, a 33.1% decrease across countries reporting seizures in 2016. The total quantity of khat confiscated in 2017 also fell, but only by 7.3% (7,250.1 kilogrammes). Although the large decline in

the number of seizures is primarily explained by fewer instances reported by the United States, as discussed in Figure 23, the data suggest that, while the overall trade has contracted slightly, khat is being trafficked in larger amounts per shipment. In 2017, one seizure of khat averaged a total of 13.9 kilogrammes, up from 10.1 in 2016.

FIGURE 22: NUMBER OF KHAT SEIZURES AND QUANTITY SEIZED BY CONVEYANCE METHOD, 2017

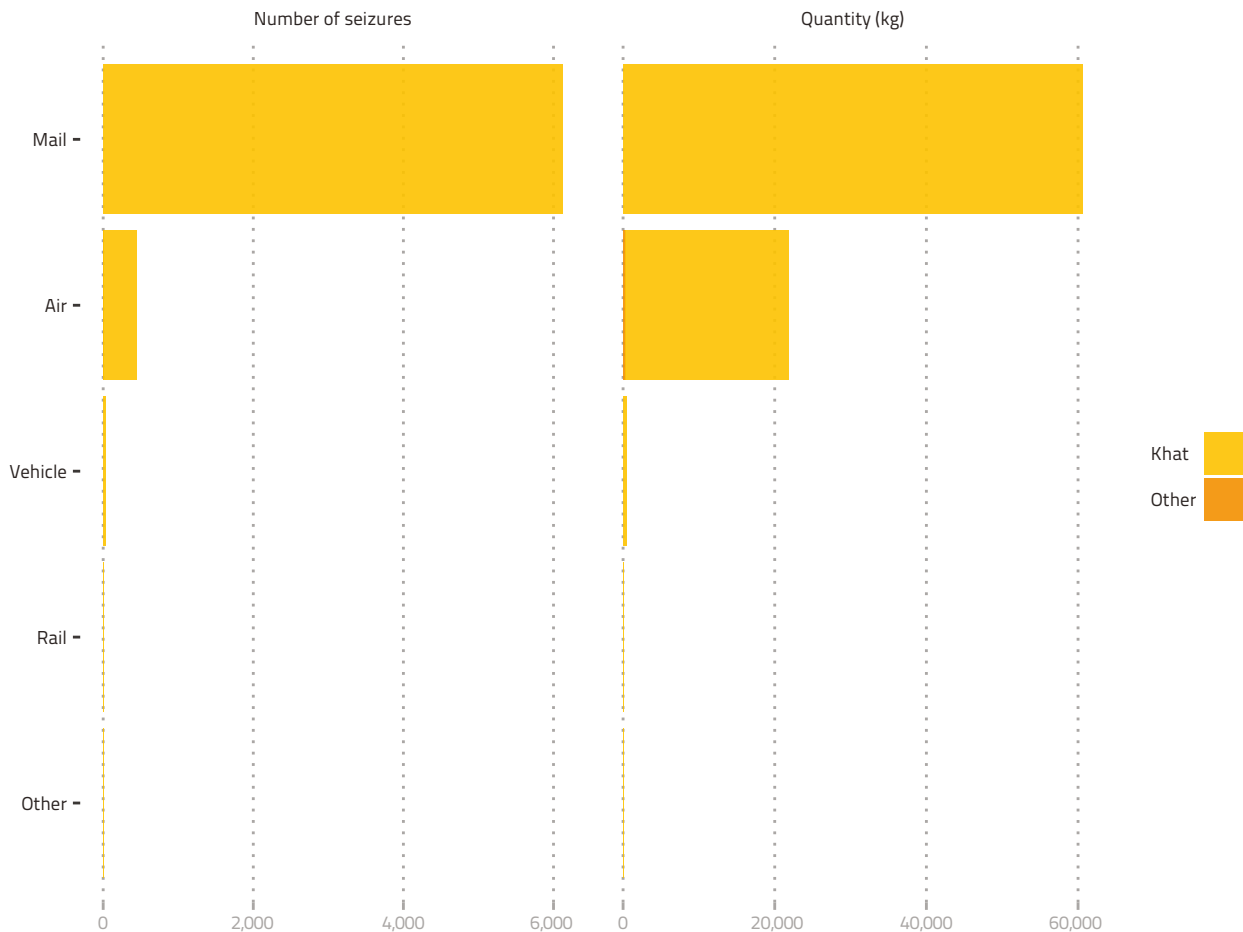


Figure 22 shows the number of seizures and the quantity of khat seized by conveyance method. Khat intercepted in the mailed accounted for 92.7% of the 6,604 reported seizures in 2017 and 75.7% (69,685.9 kilogrammes) of the total quantity of khat seized. The single largest mail-based seizure of khat weighed just 9,120 kilogrammes. Khat discovered in the air transport sector, which includes commercial air travel, comprised the remainder of khat seizures by number and quantity: 445 seizures were made from the air sector (6.7% of the total) and 21,505.4 kilogrammes were

confiscated (23.4% of the total). All other conveyance methods were negligible, with a combined seizure and weight percentage of less than 1% of the total trade.

**FIGURE 23: NUMBER OF KHAT CASES BY COUNTRY, 2016–2017**

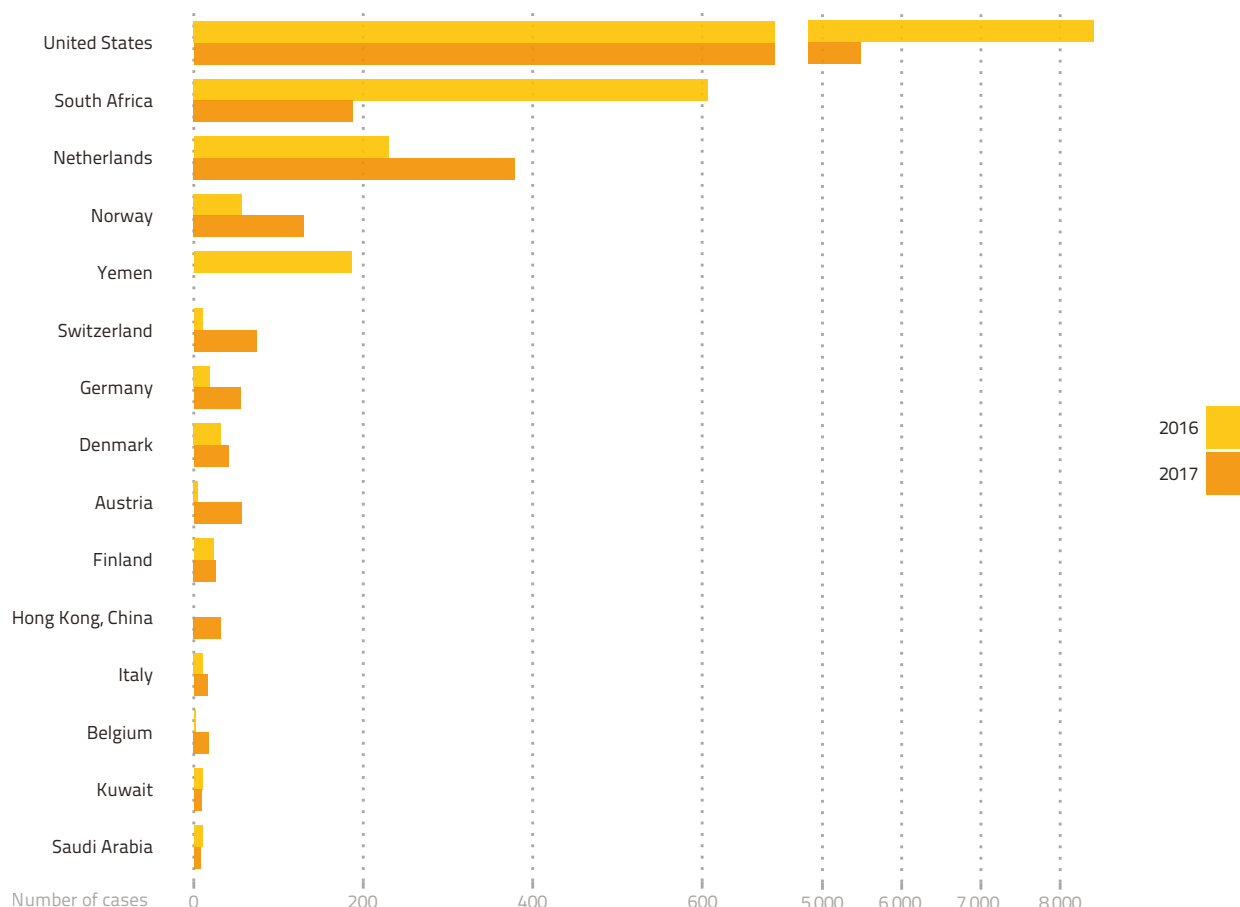


Figure 23 compares the number of khat cases submitted by the top 15 reporting countries in 2016 and 2017. Overall, the number of khat cases recorded by the top 15 reporting countries fell by 32.3%, from 9,626 cases in 2016 to 6,513 cases in 2017. This is primarily due to a 34.9% decrease in the number of cases reported by the United States, which alone reported 5,481 cases in 2017. Excluding the United States, the reduction in khat cases is a modest 14.1%. Although the overall trend for 2017 is downward, only five of the top 15 reporting countries submitted fewer cases in 2017 versus 2016. Ten countries reported an increase, including the Netherlands, Norway, Switzerland, Germany, Denmark, Austria, Finland, Hong Kong (China), Italy, and Belgium. On average, these ten countries recorded 43.8 more cases in 2017 than in 2016. The largest percentage increase was reported by

Hong Kong, China whose number of cases rose from zero to 32, though this likely only reflects a change in Hong Kong, China's reporting protocols rather than a shift in trade. The Netherlands reported the largest increase in cases, in absolute terms, with 149 more in 2017 than in 2016. Case data from Yemen explain the apparent contradiction between an overall downward trend and many rising caseloads. Yemen submitted 186 cases in 2016 but no cases in 2017. Excluding both Yemen and the United States, the number of reported khat cases actually rose by 1.6% among the top 15 reporting countries, although, considering all reporting countries besides the United States (not just the top 15 reporters), the number of khat cases reported between 2016 and 2017 still fell by 14.7%, from 1,286 to 1,097.

### Case study 3. Thirty thousand USD of khat seized at Pittsburgh International Airport

On 6 February 2017, United States Customs and Border Protection (CBP) officers discovered over 50 kilogrammes of khat concealed in a parcel of wigs and hair extension products. The shipment, appraised at approximately 30,000 USD, was addressed to the fictitious town of McKees, Pennsylvania, United States. The Kenyan shipment, declared at import as “general products”, arrived at the Pittsburgh International Airport, where it was flagged by Customs personnel. CBP Field Operations officers examined the parcel and discovered multiple bags of khat.

Khat is commonly shipped from East African countries, especially Kenya, Ethiopia and Somalia, where it is grown and traded legally. While seizures of khat are generally not prosecuted, the fresh leaf form of the substance remains classified as a Schedule 1 (or Class I) drug in the United States. Schedule 1 drugs are defined by the CBP as substances with no accepted medical use and a high potential for abuse. The identity of the consignee is not known, and an investigation is underway to determine whether there was any criminal intent behind the shipment.

A few months later, the Mexican Navy seized another cocaine shipment in the port of Lázaro Cárdenas, this one weighing 97.9 kilogrammes. In this instance, the drugs were stored in a container hidden beneath copper waste on board a ship owned by the same shipping company seen in the previous seizure, in preparation for a journey to the ports of Manzanillo, Mexico and Yokohama, Japan.

One week later, on 15 February 2017, CBP officers discovered a second shipment of khat at Philadelphia International Airport. Like the previous parcel, this batch was concealed amongst hair products and was labelled HERBAL HAIR DYE. This parcel contained approximately 45 kilogrammes of khat, appraised at 25,000 USD, and was en route to Georgia, United States. Both seizures are under investigation and, as of now, no linkage between the cases has been confirmed.



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**FIGURE 24:** HEAT MAP OF KHAT TRAFFICKING INSTANCES BY COUNTRY, 2017

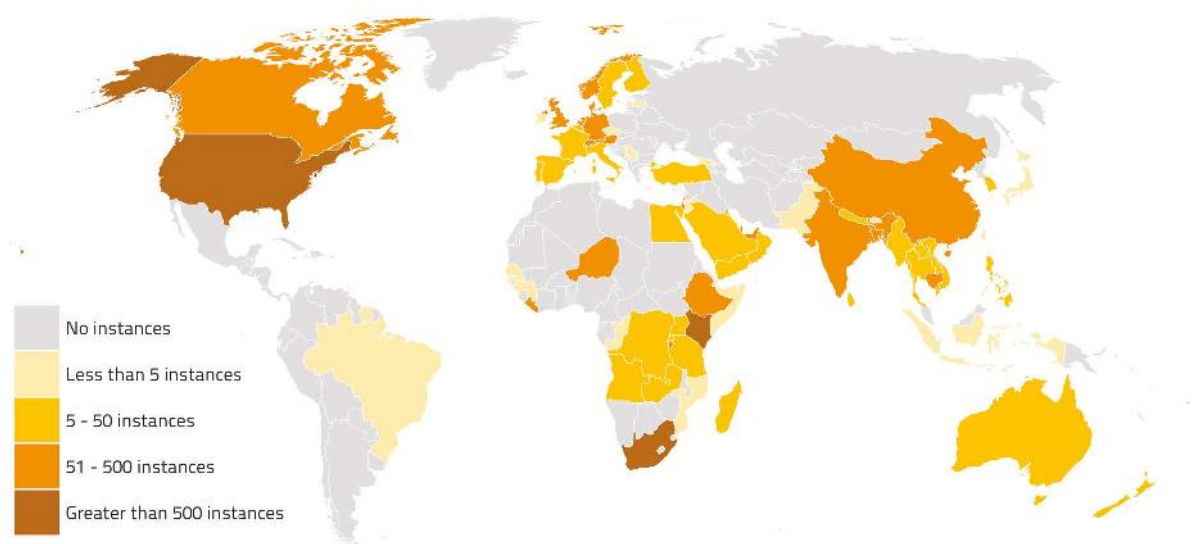


Figure 24 is a heat map of khat trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination or a transit point for one or more seized narcotics shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 24 indicates all countries through which khat is known to have been trafficked, or was intended to be trafficked, in 2017.

As opposed to the trade of other drug substances, khat trafficking instances seem relatively concentrated, with only 75 countries appearing in available data. Four countries registered more than 500 instances, including the United States (5,658), Kenya (2,681), Hong Kong, China (1,008), and South Africa (848). In 2017, these

four countries together comprised 74.9% of the worldwide total of 13,619 instances. The United States was the most prevalent country in this regard, accounting for 41.5% of all khat trafficking instances. Fifteen countries primarily appeared as import destinations, with more than 85% of trafficking instances being inbound instances. The largest of the destination countries included the United States (5,600 instances), the Netherlands (206 instances) and Norway (145 instances). As to origin points, 61 countries were implicated as exporters in at least one trafficking instance, with the largest being Kenya (2,680), Hong Kong, China (976), South Africa (837), and India (268). The prevalence of African countries as exporters is explained by the fact that khat is a legal export in many of these countries.

FIGURE 25: KHAT TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017

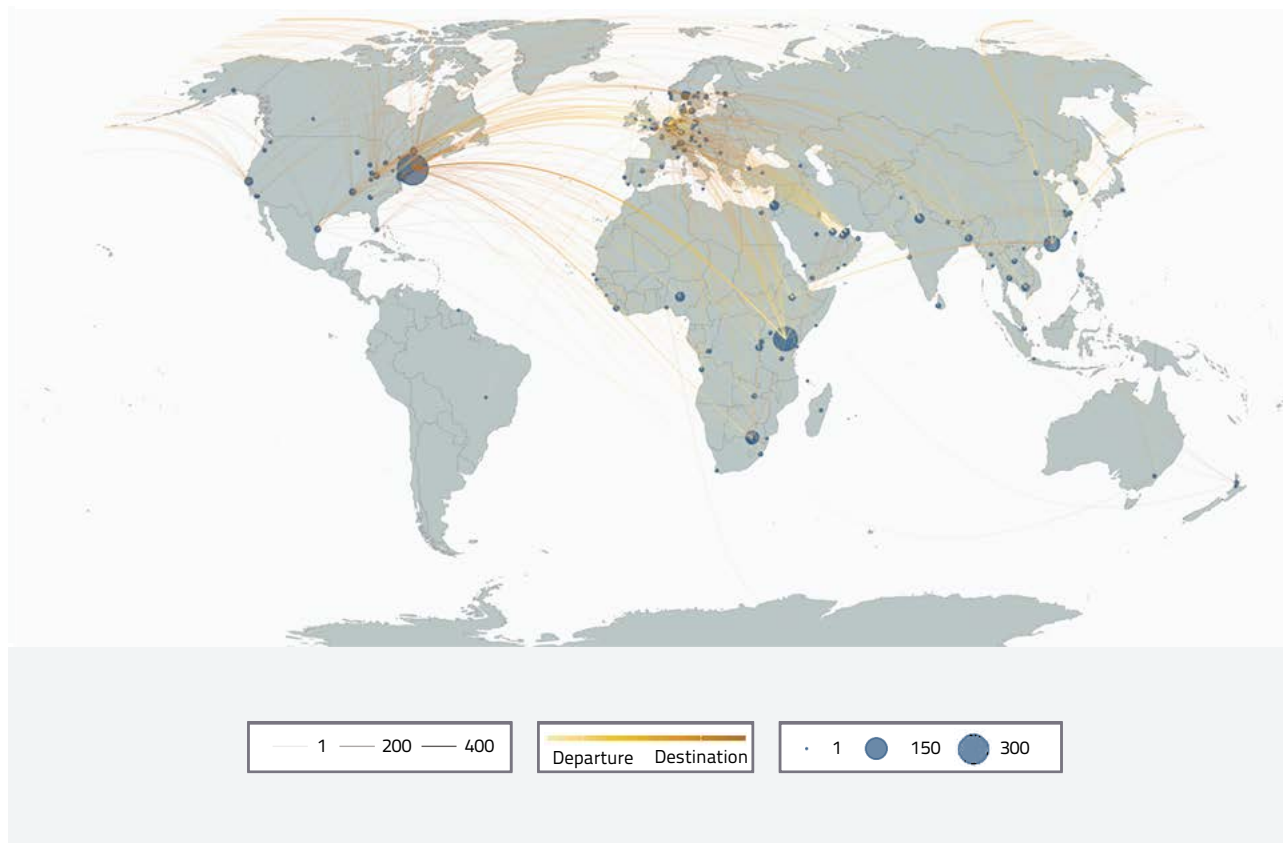
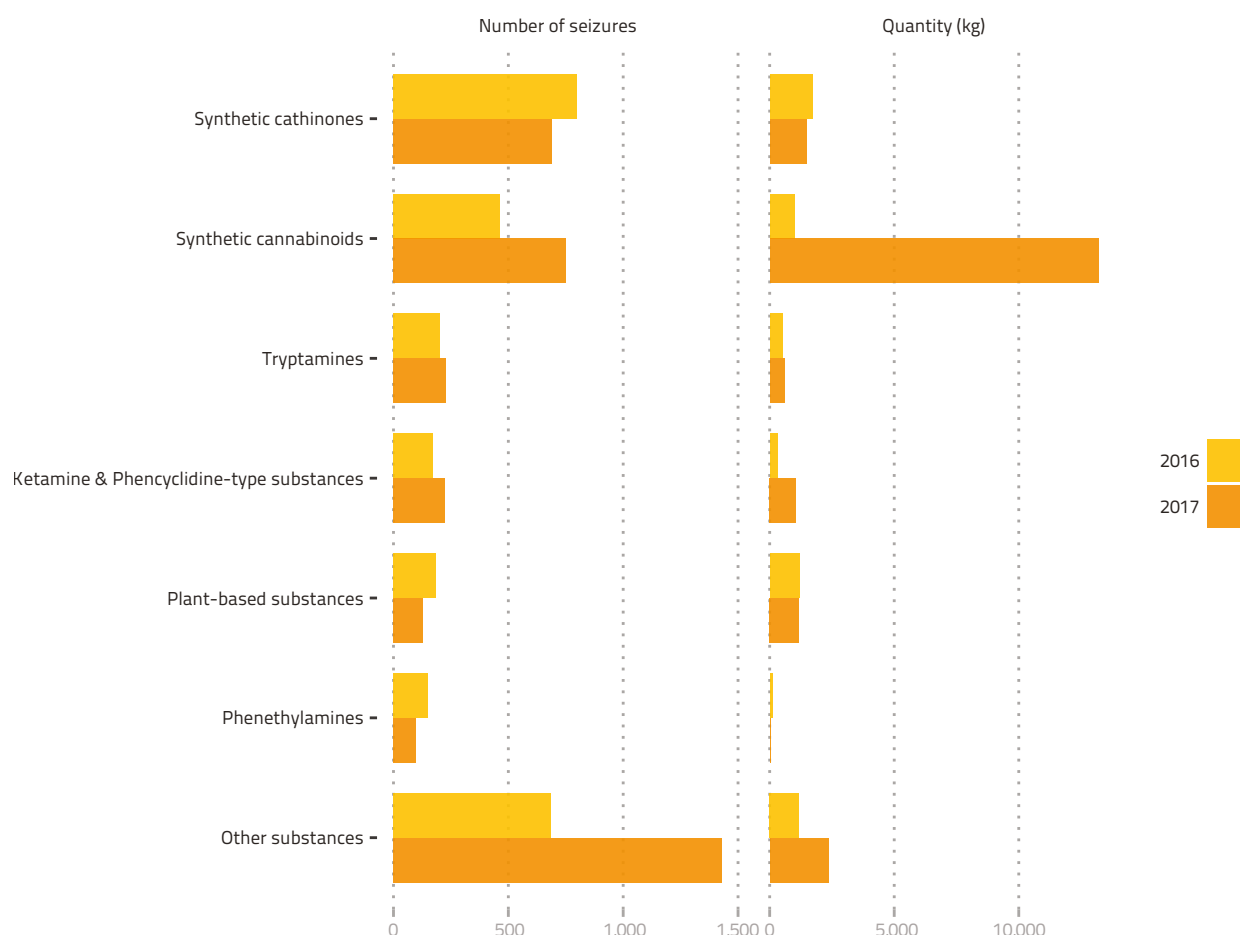


Figure 25 details the illicit flows of khat, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in colour at their origins, becoming orange as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 25 shows the entire intended trade route from origin to destination.



J: Courtesy: Italian Guardia di Finanza.

FIGURE 26: NUMBER OF NPS SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017



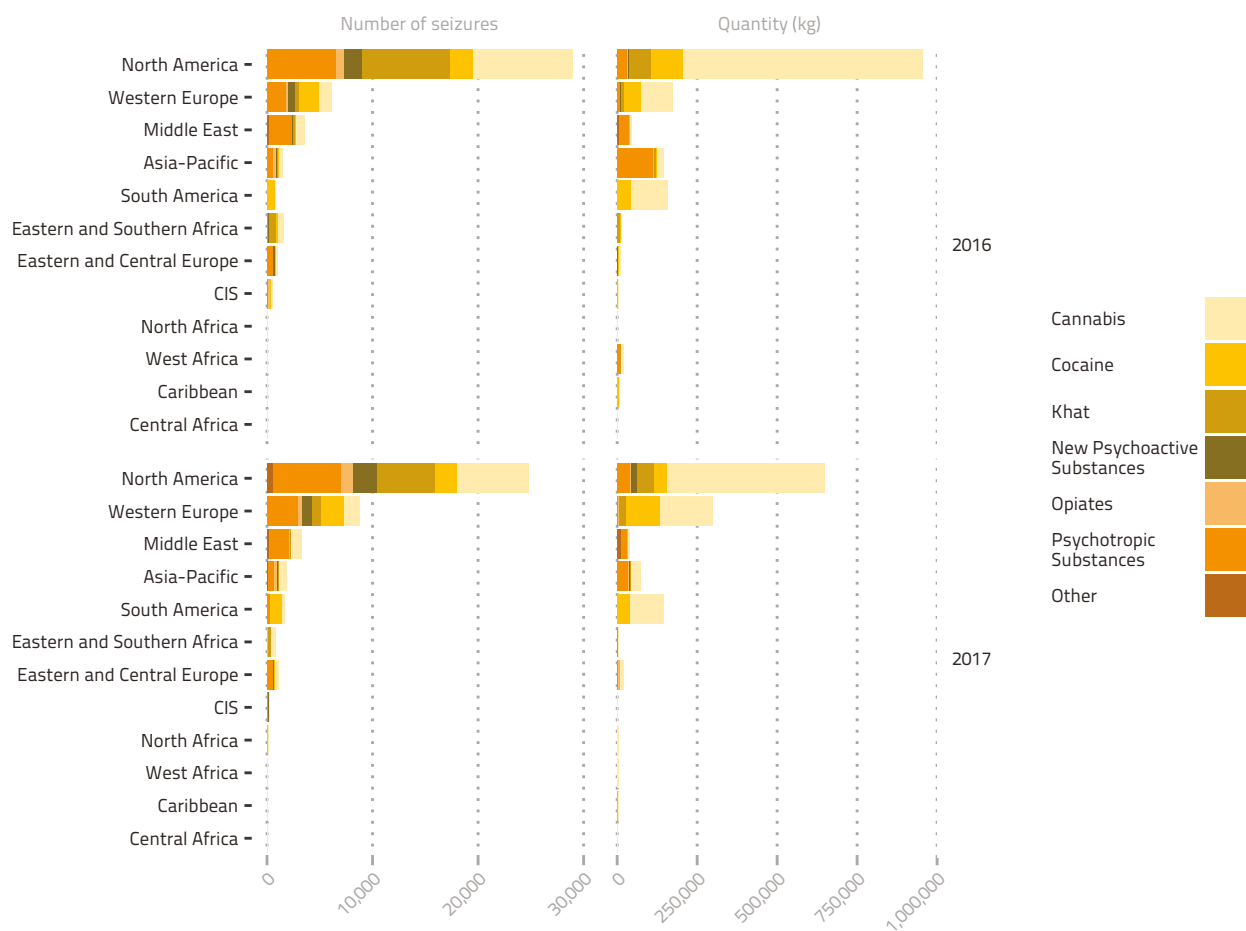
As noted in Figure 24, and according to available data, the United States was the primary destination for khat in 2017. Of the 468 unique trafficking routes used by smugglers in 2017, 29.9% terminated in American cities, accounting for 78.6% of total trafficking instances. New York City, in particular, stands out as a major recipient of khat shipments, appearing in 86.9% of all shipments to the United States. Other major import countries included Norway, the Netherlands and Germany, in which 10%, 7.7% and 7.7% of routes terminated, respectively – even though these countries still only accounted for 9.4% of the total number of trafficking instances. Germany, Kenya and South Africa, for their part, were the points of origin for 10%, 8.8% and 5.1%, of trafficking routes, respectively, accounting for 52.2% of all export trafficking instances. Interestingly, the data suggest that Hong

Kong, China is the second largest departure location by volume, owing, presumably, to the 818 instances of khat being transhipped from there to New York City. Overall, Hong Kong, China is the third largest city for the movement of khat, with 1,010 total instances of transshipments in the city – a number putting it just behind New York City, with 4,766 instances, and Nairobi, with 2,668 instances.

## 2.4 - New psychoactive substances (NPS)

Figure 26 compares the number of seizures and the quantity seized for each type of NPS between 2016 and 2017. This Figure suggests a slight increase in the NPS trade, with a greater total number of NPS seizures in 2017 (3,550 versus 2,663 seizures in 2016). The most significant rise was in seizures of other

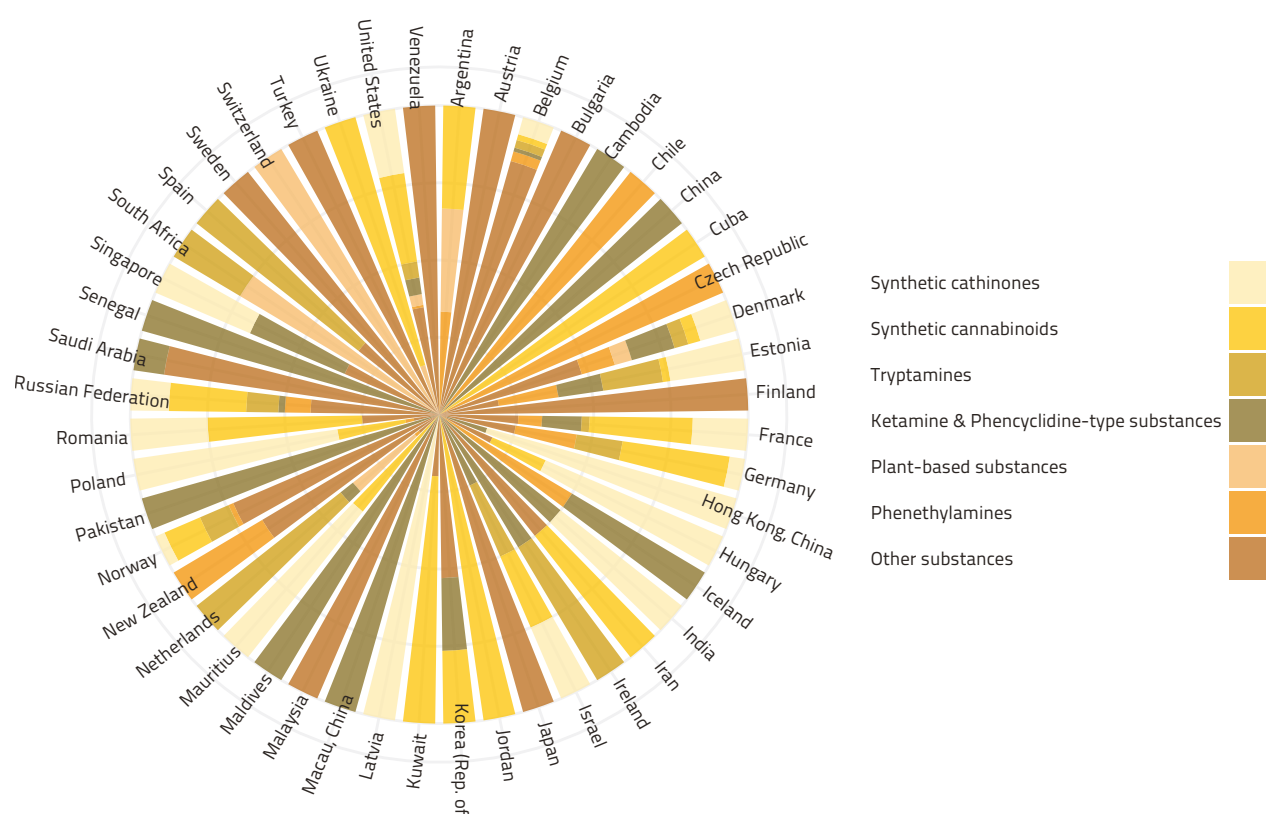
FIGURE 27: NUMBER OF NPS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017



substances, climbing from 686 in 2016 to 1,431 in 2017. Thus, the category "other substances" surpassed synthetic cathinones, which were the most common NPS in terms of seizures in 2016. However, in terms of quantity seized, other substances is only the second most common after synthetic cannabinoids. In 2017, 13,196.5 kilogrammes of synthetic cannabinoids were seized, though 94.7% of this total came in just four seizures, each more than 2,900 kilogrammes. Consistent with a rise in the number of NPS seizures, only three types were seized in smaller quantities: phenethylamines, plant-based substances, and synthetic cathinones – quantities of which fell by 71.1%, 1.1%, and 13.9% to 31.9, 1,188.6, and 1,484.9 kilogrammes, respectively. These were also the only categories for which the number of seizures fell.

Figure 27 shows the number of seizures and the quantity of NPS seized by type and conveyance method. In 2017, NPS were most commonly discovered as they moved through postal systems, with 90.5% of a total reported 3,550 NPS seizures made from mail parcels. All seven of the most prominent NPS categories were trafficked by mail, with other substances comprising 37.3% of all mail seizures. The category "other" include acetyl fentanyl, carisoprodol, hydrocodone, dihydrocodeine, and isobutyl nitrite. Synthetic cannabinoids and synthetic cathinones were the second and third most common types of NPS seized while moving through the mail, accounting for 22.7% (729) and 21% (676) of mail seizures. Still, even when combined, all 3,213 mail seizures only netted 3,657.1 kilogrammes of NPS contraband. By quantity,

FIGURE 28: PROPORTION OF NPS SEIZURES BY TYPE AND COUNTRY, 2017



most of the seized NPS (71%) in 2017 were transported by vessel, despite there being only 17 vessel seizures reported in 2017. Four seizures, each weighing roughly 3,000 kilogrammes, comprised 88.4% of NPS vessel seizures. These were all seizures of a single substance – synthetic cannabinoids. Synthetic cannabinoids comprised 66.3% of all NPS seizures by quantity.

Figure 28 depicts the proportion of seizures for each type of NPS, as reported by each country recording at least one such seizure. Although NPS is a highly diversified category, and many countries have markets for several types of substances, only two of the countries, the United States and Denmark, reported seizures of all seven NPS types. In the United States, seizures of

other substances and synthetic cannabinoids comprised 64% of domestic seizures, whereas, in Denmark, the most common types seized were other substances and ketamine and phencyclidine-type substances, which represented 62.3% of all reported seizures. Four other countries, Belgium, Estonia, France and the Russian Federation, reported seizures of six of the seven types, the only exclusion being plant-based NPS, a relatively rare subtype. Plant-based NPS seizures were reported by just seven countries – only three of which recorded more than ten such seizures, including the United States (77), Denmark (21) and the Netherlands (15).

## Case study 4. Mephedrone manufacturer busted in India

On 4 August 2017, the Indian Directorate of Revenue Intelligence (DRI) arrested four individuals for allegedly manufacturing mephedrone at an industrial facility in Tarapur, Palghar. The arrests accompanied the seizure of 882.2 litres of liquid mephedrone, valued at more than 1.7 million USD.

The arrestees included a mephedrone producer, his wife and brother, and a chemist who had been overseeing the drug's production. The drug producer had been arrested and jailed two years prior for possessing 13 kilogrammes of mephedrone but, even as he is currently in his third year of imprisonment, the producer has been advising his wife on how to maintain the business while his brother serves as acting manager. Written information regarding the manufacture of mephedrone was also seized during the raid, and ongoing investigations have worked to identify the distribution network he developed.

Mephedrone, colloquially known as meow-meow, was banned in India in February 2016 by the Narcotic Drugs and Psychotropic Substances Act. This Act, initially passed by Parliament in 1985, seeks to stymie the propagation of narcotics within the Republic of India.

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- WCO data.



K, L: Searches resulted in the recovery of liquid Mephedrone, Indian currency and other incriminating documents. Drying of liquid Mephedrone of 882.20 litres would have resulted in approximately 110 kilogrammes of pure Mephedrone in powder form. Courtesy: Indian Customs.

FIGURE 29: NUMBER OF NPS CASES BY COUNTRY, 2016–2017

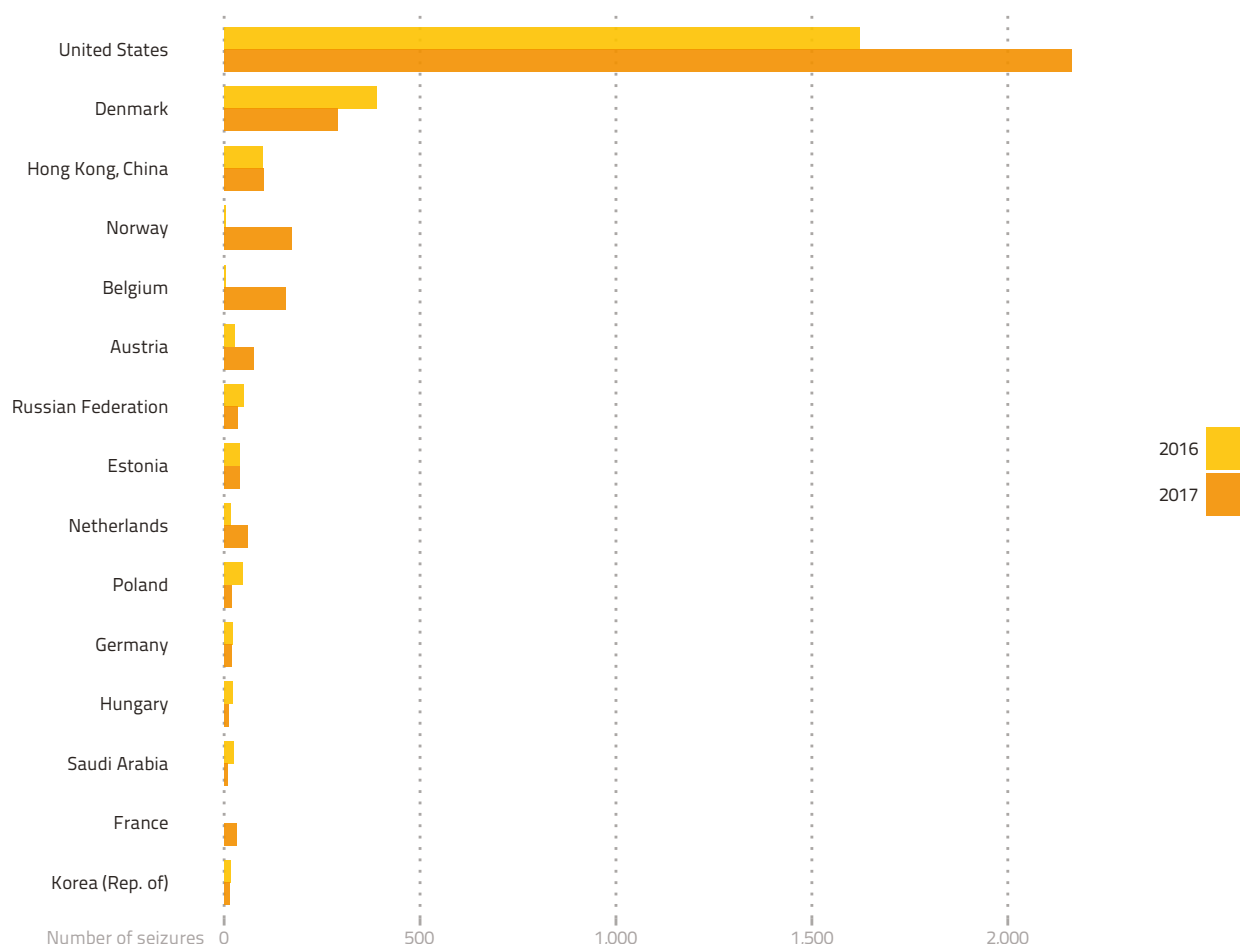


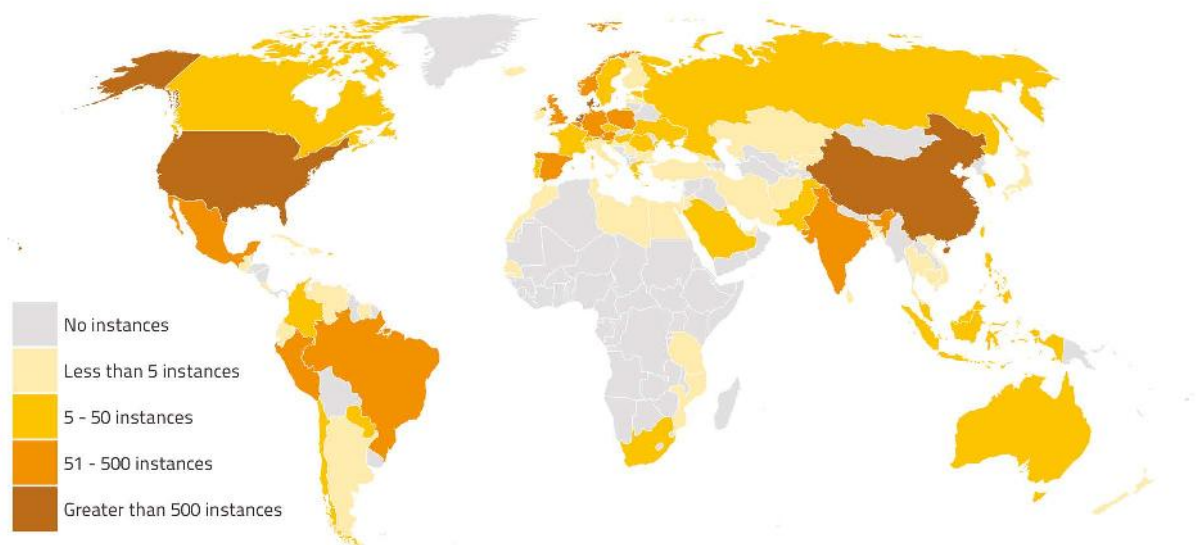
Figure 29 compares the number of NPS cases submitted by the top 15 reporting countries in 2016 and 2017. Overall, the number of reported NPS cases increased by 797 in 2017, averaging 68.6 cases across 48 reporting countries. This trend is significantly influenced by including the United States, which alone reported a 33.3% increase in the number of NPS cases between these years, climbing from 1,622 cases in 2016 to 2,162 in 2017, although the trend is upward even without considering the United States.

Participating countries still reported an average of 4.6 more cases in 2017 than in the previous year. The two most drastic increases occurred in Belgium and Norway, whose caseloads rose from four to 156 and from three to 171 cases, respectively. All the countries that saw an increase in seizures were in Western Europe, with just two exceptions – the United States and Hong Kong, China.

Notably, Denmark, which, as Figure 30 indicates, was implicated in 586 NPS trafficking instances, submitted 25.3%, or 98, fewer cases in 2017. Similar discrepancies show up in China's data. While Figure 30 shows China to be one of the most frequently implicated countries (with 933 trafficking instances), Chinese Customs officials only submitted three NPS cases in 2017.

Figure 30 is a heat map of NPS trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination or a transit point for one or more seized narcotics shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 30 indicates all countries through which NPS are known to have been trafficked, or were intended to be trafficked, in 2017.

FIGURE 30: HEAT MAP OF NPS TRAFFICKING INSTANCES BY COUNTRY, 2017

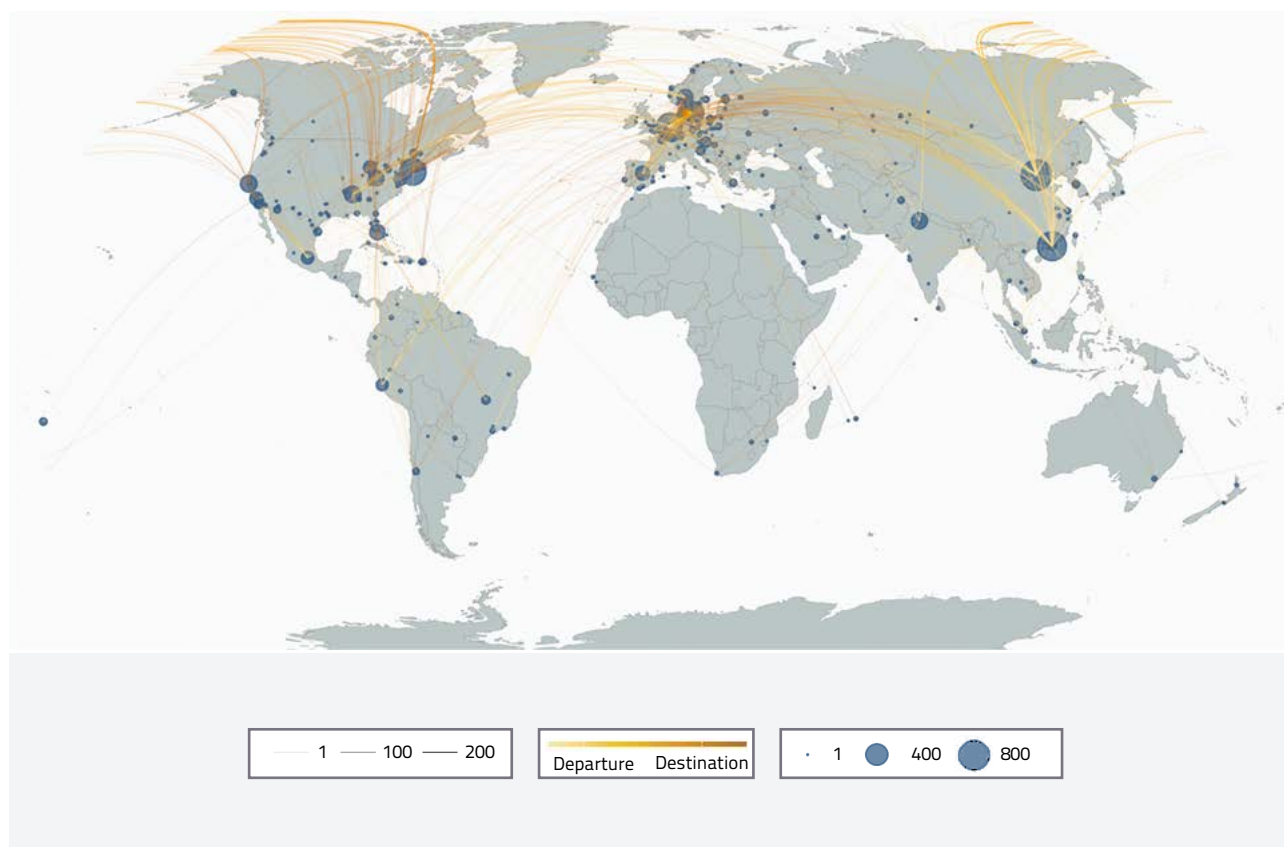


Of the 7,044 total NPS trafficking instances recorded in 2017, the United States was implicated in 32.3% and was the only country to emerge from the available data with involvement in more than 1,000 instances. Of instances touching the United States (2,275 instances), 94% were reported by U.S. Customs officials and 96.4% were instances of imported NPS. Globally, the average number of trafficking instances among all implicated countries (not including the United States) was 51.3 instances. Four countries, however, appeared in over 500 trafficking instances, skewing the average. In decreasing order of total instances, these four countries were China (933), Hong Kong, China (687), the Netherlands (603) and Denmark (586). Also skewing the average, but in the other direction, a slight majority of implicated countries (51%) appeared in fewer than five instances. Besides North America, Western

Europe showed the greatest density of NPS trafficking, with the highest average number of regional trafficking instances (113.8). In 34.4% of Western European instances, NPS were being smuggled into the region. Meanwhile, in South America, Brazil and Peru appeared in 58 and 115 trafficking instances, respectively.

Figure 31 details the illicit flows of NPS, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in colour at their origins, becoming orange as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route

FIGURE 31: NPS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017



appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 31 shows the entire intended trade route from origin to destination.

According to the available data from 2017, Western Europe is the primary destination for NPS. Just over half (50.6%) of the 721 unique trafficking routes displayed in Figure 31 terminated in Western European countries. New York and Kastrup/Copenhagen, Denmark, were the most frequent destinations, with 17 and 61 unique routes ending in these locations, respectively, and together representing 24.6% of the total number of trafficking instances (3,722). A large portion (38.4%) of trafficking routes both

departed from and terminated in Western European countries, possibly suggesting a thriving intraregional trade. North America emerged as the second most common destination, with 23.9% of all trafficking routes bound for the continent. The United States was the destination for 97.7% of the 172 trafficking routes moving into the region, constituting 54.9% of total flows for NPS in 2017. Canada was the destination for the remaining four seizures. The Asia-Pacific region is the predominant origin for flows into North America, with 79.1% of all flows into the region from Asia. China and Hong Kong, China collectively accounted for 83% of all flows from Asia into North America, and China is reportedly the origin of 72 unique trafficking routes to destinations around the world, accounting for 24.9% of all trafficking instances.

**Member highlights:**  
Fighting NPS smuggling by post and express cargo

Synthetic cathinones, commonly referred to as "bath salts", are one rapidly emerging NPS. In 2017, Hong Kong Customs seized a total of 372.2 kilogrammes of synthetic cathinones, as compared to 123.5 kilogrammes in 2015 and 175.7 kilogrammes in 2016. The drugs were smuggled from mainland China to Hong Kong, China by means of express cargo or air parcels. Most of the drugs were destined for the United States. Other destinations included Australia, Canada, New Zealand and the United Kingdom.

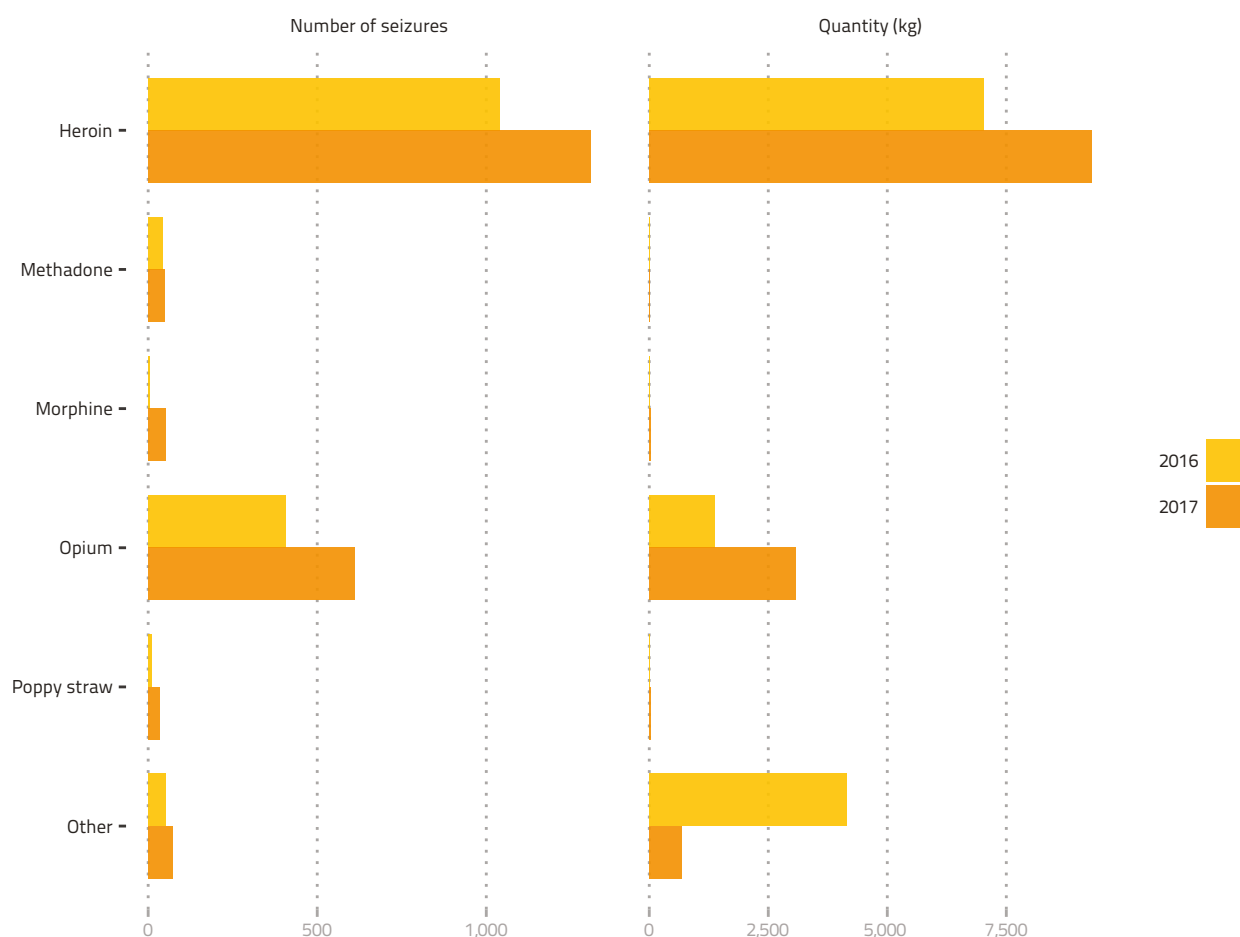
Source: Hong Kong Customs.

In 2017, Kazakhstan Customs, working with the Federal Customs Service of the Russian Federation, conducted an international controlled delivery, during which three "EMS" postal items sent from Peru to Almaty, Kazakhstan, through Moscow, Russian Federation, were seized. According to the forensic examination, the seized substances were found to contain 7.8 kilogrammes of Dimethyltryptamine (DMT).

Source: Kazakhstan Customs.



**FIGURE 32: NUMBER OF OPIATES SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017**



## 2.5 - OPIATES

Figure 32 compares the number of seizures and the quantity seized for each type of opiates between 2016 and 2017. The available data suggest seizures of opiates are increasing in frequency. The number of seizures among all six opiate types grew from 1,552 in 2016 to 2,126 in 2017. The total quantity of opiates seized also rose across each category except for “other”, an aberration caused by an uncommonly large poppy seeds seizure of 2,400 kilograms reported by Pakistan in 2016, for which there

was no equivalent in 2017. The number of heroin seizures rose by 25.9%, the sharpest increase across types in terms of the number of seizures, with 1,308 seizures yielding 9,289.9 kilograms in 2017. The opium trade underwent similar growth, climbing from 406 seizures and 1,366.3 kilograms in 2016 to 610 seizure.

FIGURE 33: NUMBER OF OPIATES SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017

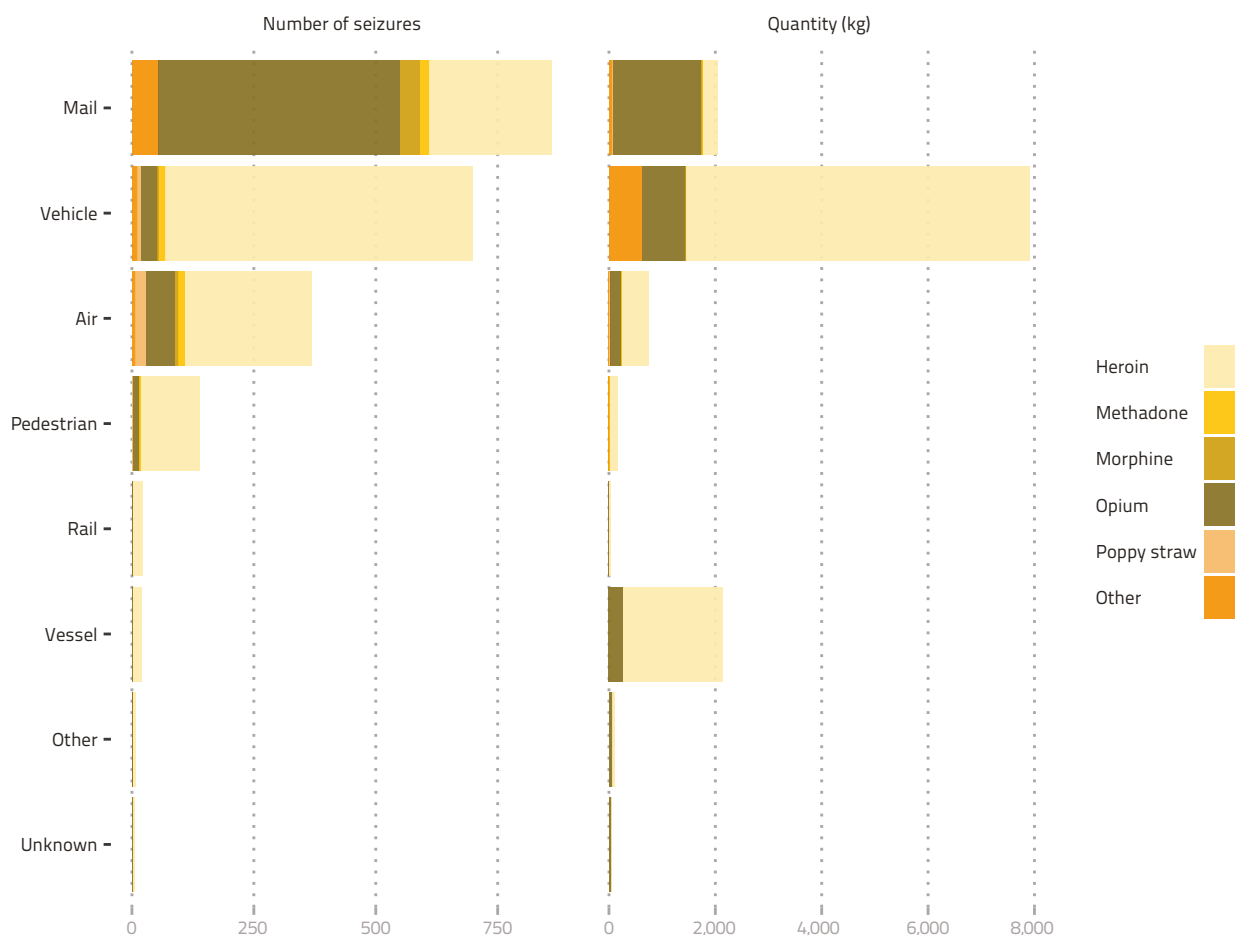


Figure 33 shows the number of seizures and the quantity of opiates seized by type and conveyance method. Just over one-third of all opiates seizures in 2017 (40.5%) came from mail parcels, while vehicle seizures constituted another third (33.8%) of reported seizures. The remaining 25.7% primarily comprised seizures from the air transport sector, including opiates found in passenger luggage and on pedestrians. By examining opiate types, a fairly clear distinction between opium and heroin trafficking is seen. The data indicate that opium is most commonly smuggled in smaller quantities and via mail. In fact, 57.4% of the 495 mail seizures and 81% of the 1,652.3 kilogrammes of opiates discovered moving

through the mail was opium. By contrast, heroin – part of a larger drug market – was much more likely to be trafficked by vehicle. A total of 6,450.7 kilogrammes of heroin was found throughout 631 vehicle seizures, meaning 81.6% of the total quantity of opiates seized from vehicles was heroin. Overall, heroin accounted for 61.5% of all opiates seizures. Interestingly, seizures of opiates aboard vessels did not constitute the largest quantities of opiates seized, as was the case with other substances. Only 19 vessel seizures were reported in 2017, yielding an average of 112.2 kilogrammes per seizure, for a total of 2,131.6 kilogrammes.

FIGURE 34: PROPORTION OF OPIATES SEIZURES BY TYPE AND COUNTRY, 2017

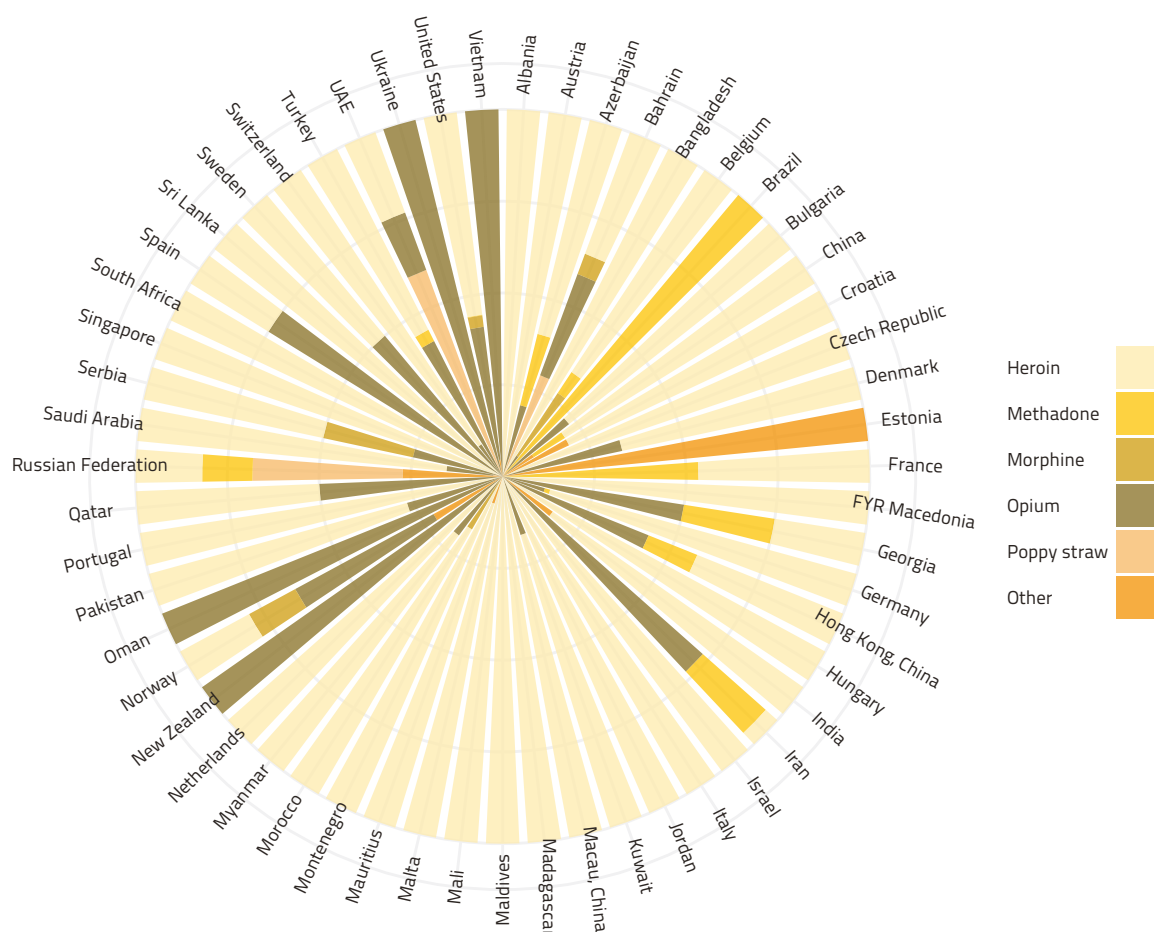


Figure 34 depicts the proportion of seizures for each type of opiates, as reported by each country recording at least one such seizure. This Figure indicates that heroin is the primary opiate substance traded around the world. Of 106 countries that reported opiates seizures in 2017, 49 reported at least one heroin seizure, 41 reported a majority of heroin seizures, and 20 reported exclusively heroin seizures. The top five reporting countries for heroin seizures, in decreasing order of their totals, were the United States (670), Italy (97), South Africa (82), Germany (58), and the Netherlands (50). Opium emerged as the second most frequently traded opiate in the world, with 26 countries reporting

at least one opium seizure and four countries – Vietnam, Ukraine, Oman and New Zealand – reporting exclusively opium seizures. Brazil reported only a single seizure of methadone, which, Figure 37 shows, originated from Spain. Estonia was the only country to report a majority of other opiate substances, having submitted data on three seizures of fentanyl, amphetamine, and methylphenidate.

FIGURE 35: NUMBER OF OPIATES CASES BY COUNTRY, 2016–2017

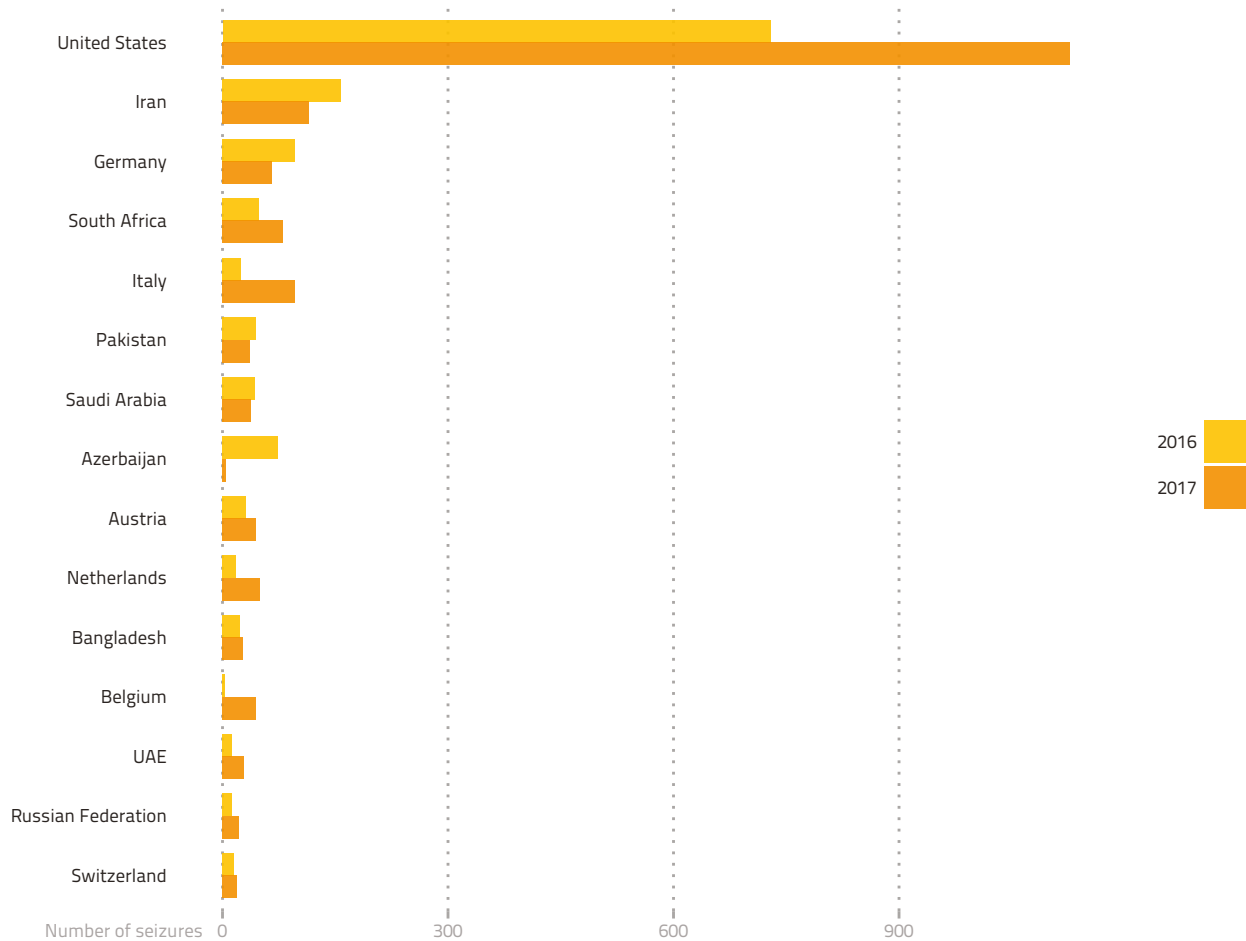


Figure 35 compares the number of opiates cases submitted by the top 15 reporting countries in 2016 and 2017. The opiates trade appears to have increased by 35.1% in 2017, as the number of submitted cases from the top 15 reporting countries rose from 1,332 in 2016 to 1,800 in 2017. This is due in part to a 54.6% increase in the number of cases (from 729 to 1,127) submitted by the United States. If the United States is excluded, the overall trend remains upward, but with a more modest increase of 11.6%. The second and third largest increases in case volume were seen in Italy and Belgium, where the number of reported cases

grew from 25 to 97 and from three to 44, respectively. Just five countries reported a decreased caseload. Azerbaijan showed the steepest decline, with cases falling from 74 in 2016 to four in 2017. Notably, the United Kingdom and Mexico, which Figure 36 reveals were two of the most frequently implicated countries in terms of trafficking instances, were not among the top 15 reporting countries, having one case in 2016 and zero in 2017.

## Case study 5. One tonne of heroin seized in joint operation by Turkey and the United Kingdom

On 2 June 2017, Turkish Naval Forces Command, Coast Guard Command, and police seized 1,071 kilogrammes of heroin from a Congo-flagged cargo vessel. The seizure was the result of a months-long collaborative effort between Turkish and British agencies. The vessel had been raided two years before under suspicion of carrying illicit cargo, but nothing was found on board at the time, despite the ship being suspected of regularly transporting drugs from Latin America to Europe.

This time, while the vessel was anchored just beyond Pakistan – India territorial waters, the Turkish Interior Minister requested information on it from the Foreign and Justice Ministries of the Democratic Republic of Congo (DRC). Although bearing a DRC flag, DRC authorities confirmed the vessel was not registered to their country. Turkish and British authorities believed the vessel had evaded in-port inspections by anchoring at sea, possibly relying on small boats to resupply and load its illicit cargo. After the ship passed through the Suez Canal and began navigating the Mediterranean, en route to Greece, its positioning signal was lost.

The Turkish Defence Ministry initiated the seizure operation, with support from Underwater Attack (SAT), the Coast Guard and Navy Special Operations units. Naval units detained the crew while Coast Guard officers searched the vessel, all within 26 minutes. Naval authorities found over one thousand packets of heroin stamped with machine gun emblems and arrested nine Turkish nationals. Officials

later determined the heroin to be Afghani in origin and likely produced by the Taliban. At 1,071 kilogrammes, and with a market value of approximately 57 million USD, this was the single largest heroin seizure in Turkish history.

According to studies conducted by the United Nations Office of Drugs and Crime, Africa is the largest producer of cannabis after the Americas. Data provided to the WCO by the Malian Customs authorities demonstrates that 54% of all drug seizures made by Malian Customs in 2016 contained cannabis. Additionally, within the RILO West Africa Region, Customs authorities reported to the WCO that almost 58% of all drug seizures made in the region contained cannabis.

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FIGURE 36: HEAT MAP OF OPIATES TRAFFICKING INSTANCES BY COUNTRY, 2017

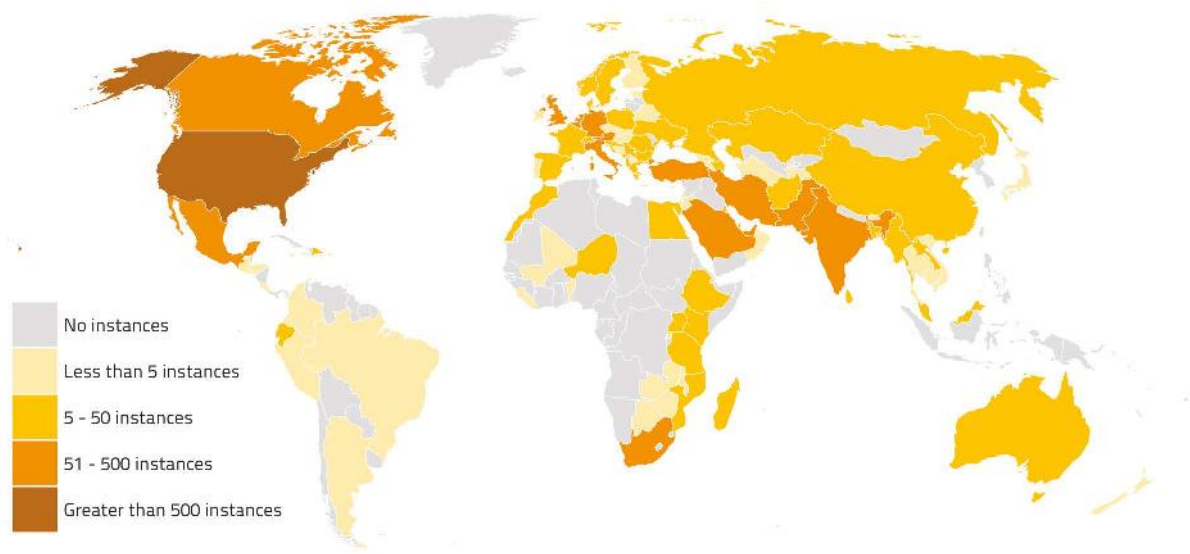


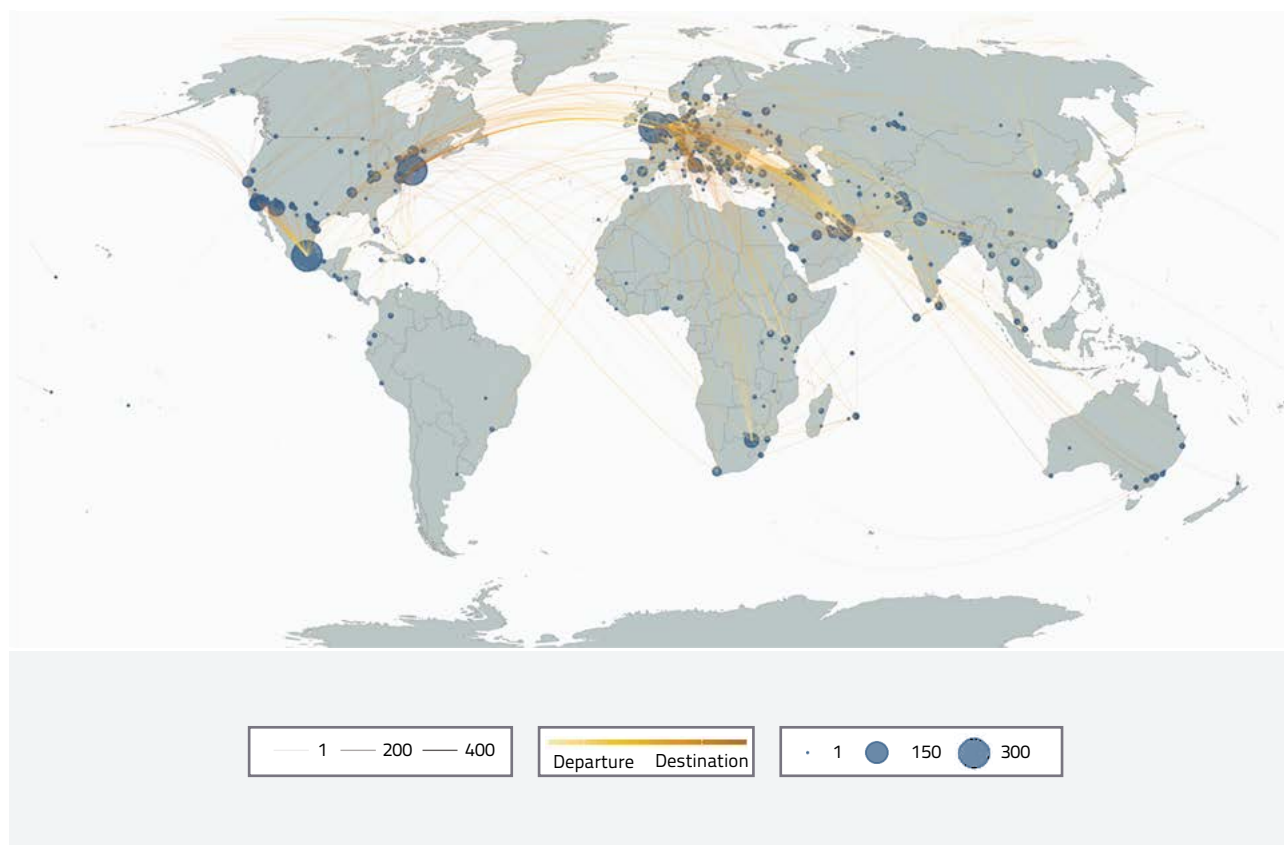
Figure 36 is a heat map of opiates trafficking instances by country and frequency in 2017. Each country indicated was either, the origin, destination or a transit point for one or more seized narcotics shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 36 indicates all countries through which opiates are known to have been trafficked, or were intended to be trafficked, in 2017.

The pervasiveness of opiates trafficking is relatively limited compared to some drugs, such as cocaine. Only the United States was implicated in more than 500 instances of opiates trafficking in 2017, appearing in a total of 1,188 instances. Moreover, the United States was the destination for 57.5% of the 1,998 recorded destination-trafficking instances for all countries. Fifteen

countries were implicated in 50–500 instances, although only two of them recorded more than 400: the United Kingdom (487) and Mexico (471). In decreasing order of total instances, the following five countries were most frequently implicated: the Netherlands (195), Iran (158), Italy (134), South Africa (122), and Pakistan (117). So too did five countries emerge from the data as a point of origin in over 100 instance of opiates trafficking – Mexico, the United Kingdom, Iran, Pakistan and the Netherlands – together accounting for 66.9% of the 1,913 total departure instances. Finally, Germany appears to serve as a transit hub for opiates trafficking, showing the most transit instances (57) in the available data.

Figure 37 details the illicit flows of opiates, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed

**FIGURE 37: OPIATES TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017**



from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in colour at their origins, becoming orange as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, **Figure 37** shows the entire intended trade route from origin to destination.

A total of 733 unique routes were used in 2,171 trafficking instances for opiates in 2017. London, United Kingdom, emerges as the most at-risk city in 2017, having been implicated in 471 trafficking instances, though only 28 of them terminated in the

city. The remaining instances originated in London, suggesting the city's prominent role as a source of opiates. The second most at-risk city was Mexico City, appearing in 467 instances of trafficking – 466 of which (21.5% of all the instances depicted) were departure-instances primarily bound for the most common destinations for opiates in the southwestern United States, Nogales (108 instances) and San Ysidro, a district of San Diego, California (105 instances). New York was the world's most popular destination for opiate trafficking in 2017. Twenty-seven unique routes, used in 437 trafficking instances, terminated in New York City, accounting for 20.1% of the total instances shown in **Figure 37**. Finally, 369 of these trafficking instances (84.6%) originated in London, United Kingdom.

## Member highlight: A large haul of heroin by Turkish Customs

In May 2017, at Hamzabeyli Border Crossing Point, Turkish Customs stopped a lorry loaded with polyvinyl chloride (PVC) and initiated x-ray scanning. The lorry, originating from Iran and bound for Bulgaria, via Turkey, earned attention from the x-ray operator due to the anxious and indecisive behaviour of its drivers, and the vehicle was directed toward the searching shed. The freight was unloaded and inspected with the help of Zeus, a narcotics detector dog. Zeus alerted Customs officials and a number of PVC bags

were opened for a more comprehensive search. In some bags, brown powder material, later found to be heroin, was found next to white coloured PVC powder. After a complete search of the legal goods and the trailer, 774.7 kilogrammes of heroin were seized, hidden in 31 pieces of PVC bags. In terms of the quantity seized, this was the largest haul by Turkish Customs Enforcement units in 2017.

Source: Turkish Customs.



R: 774.7 kilogrammes of heroin seized at Hamzabeyli Border Crossing Point by Turkish Customs. Courtesy: Turkish Customs.

**FIGURE 38: NUMBER OF PSYCHOTROPIC SUBSTANCES SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017**

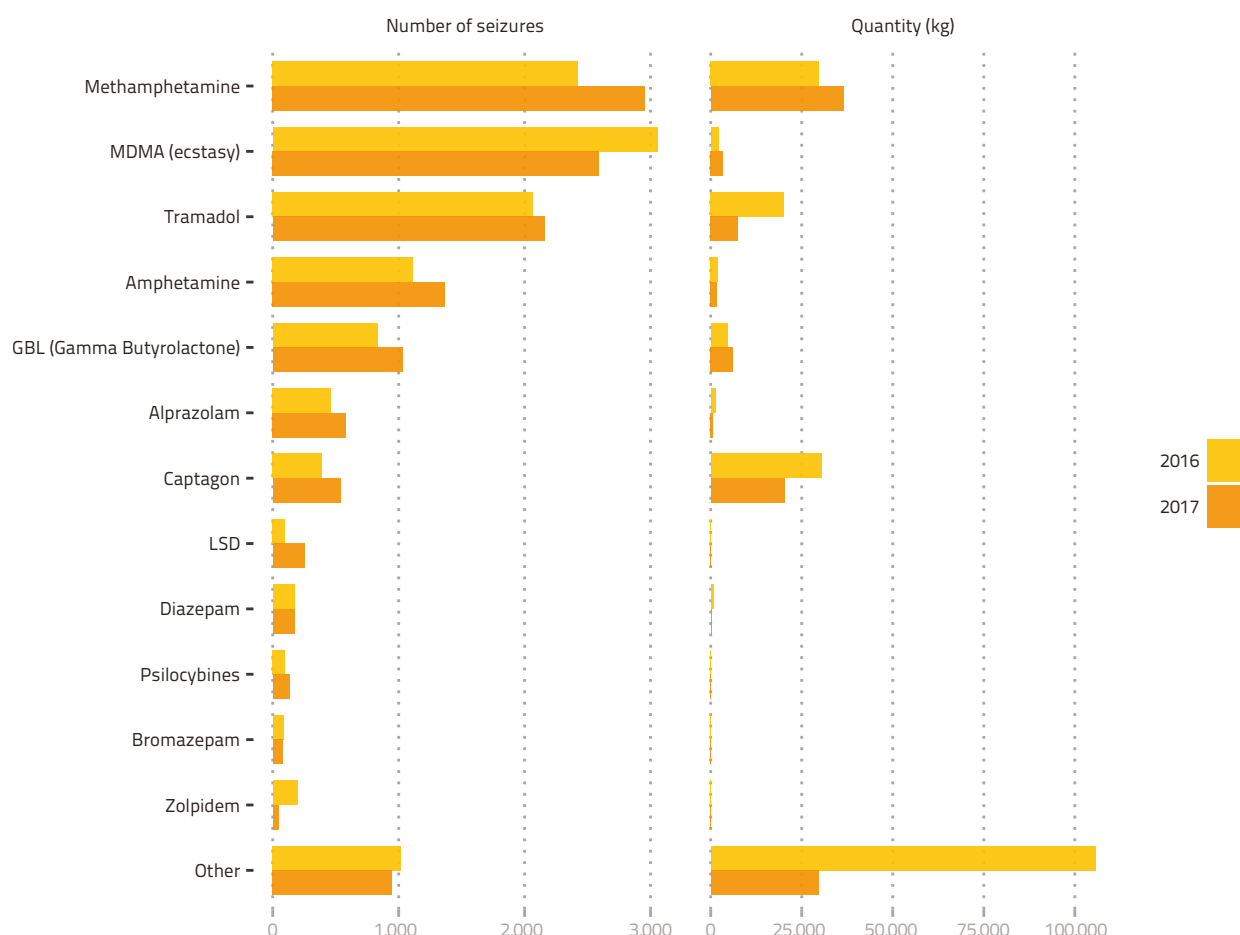


Figure 38 compares the number of seizures and the quantity seized for each type of psychotropic substances between 2016 and 2017. The total number of seizures of psychotropic substances increased in 2017, rising 7%, from 12,007 in 2016 to 12,851. However, the total quantity seized fell significantly, decreasing 46.3% and amounting to only 91,293.3 kilogrammes. This suggests the average weight being trafficked is decreasing while trafficking activity, overall, may be on the rise. The average quantity per seizure in 2016 was 16.4 kilogrammes, while in 2017 it was half that much – just 8.2 kilogrammes. Seizures of

methamphetamine saw the single greatest increase, rising from 2,422 to 2,956 in 2017. The rise in amphetamine and GBL seizures were more modest in 2017, climbing by 20.9%, to 1,368 seizures, and by 23.9%, to 1,032 seizures, respectively. Conversely, the “other” type saw an enormous drop in the quantity confiscated: falling from 105,698.1 kilogrammes in 2016 to 29,619 kilogrammes a year later. Nevertheless, the quantity of “other” psychotropic substances still comprised over a quarter (28%) of the reported total weight.

FIGURE 39: NUMBER OF PSYCHOTROPIC SUBSTANCES SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017

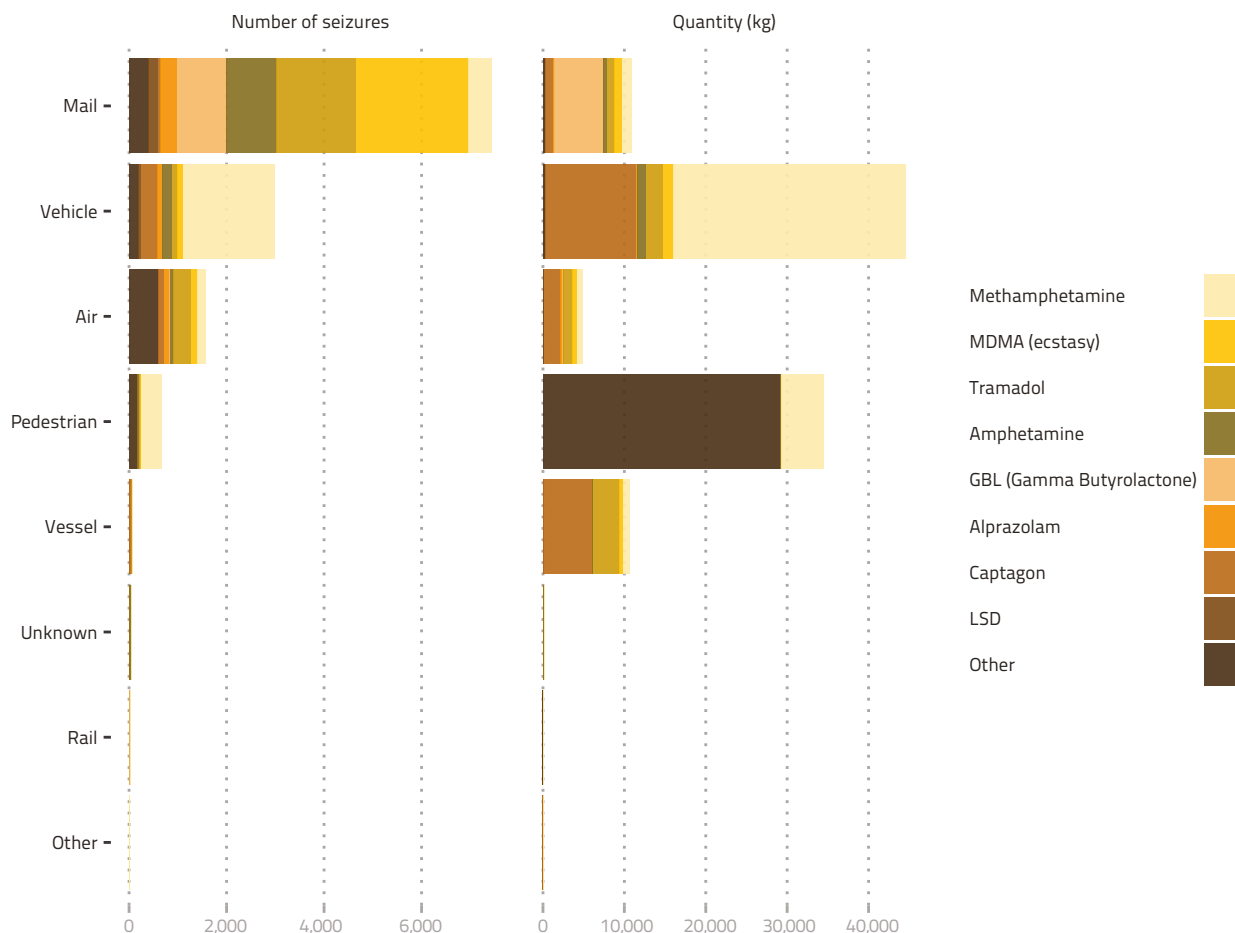


Figure 39 shows the number of seizures and the quantity of psychotropic substances seized by type and conveyance method. Mail remains the most common method of conveyance in terms of the number of seizures: of the 12,851 psychotropic substance seizures in 2017, 57.9% stemmed from mail parcels, including seizures of all nine categories of psychotropic substances. In terms of the quantity of contraband seized, however, vehicle seizures were far more “successful,” yielding 44,595.7 kilogrammes of psychotropic substances and comprising 42.2% of the total quantity seized in 2017. Surprisingly, seizures from pedestrians

were a close second, accounting for 32.6% of the total amount confiscated and equalling 34,441.5 kilogrammes. While vehicle seizures predominantly involved methamphetamine, of which 36,464.6 kilogrammes were seized in 2017, pedestrian seizures primarily constituted recovery of “other” products, including clonazepam, pregabalin, phensedyl, phentermine, and oxycodone. The single largest pedestrian seizure netted 1,875 kilogrammes of a liquid psychoactive substance that had been concealed in baggage.

FIGURE 40: PROPORTION OF PSYCHOTROPIC SUBSTANCES SEIZURES BY TYPE AND COUNTRY, 2017

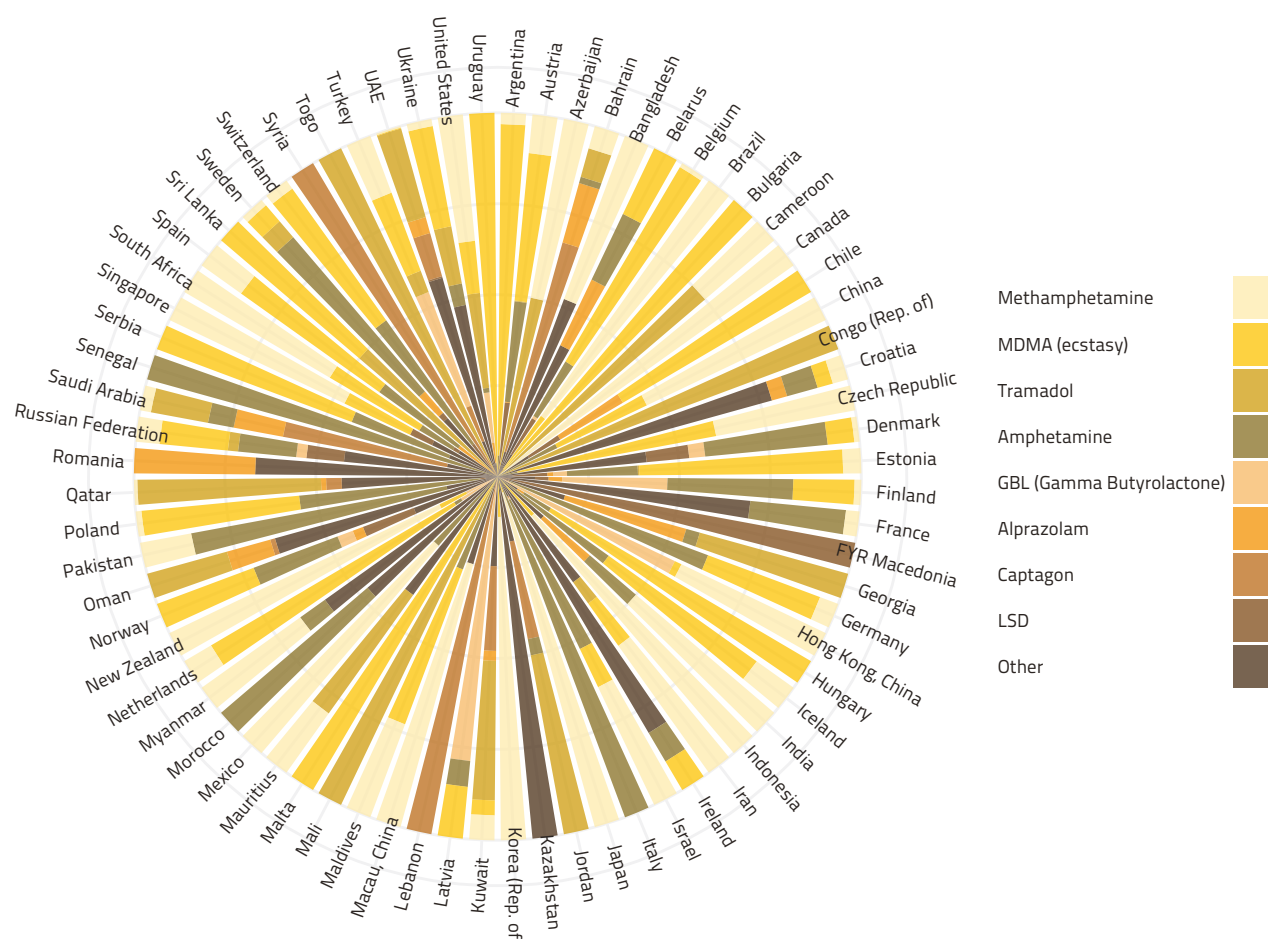


Figure 40 depicts the proportion of seizures for each type of psychotropic substances, as reported by each country recording at least one such seizure. Consistent with the information presented in Figure 38, methamphetamine is the predominant subtype of the psychotropic substances trade. Participating countries reported 2,956 seizures of methamphetamine in 2017. Out of the 72 countries that submitted at least one case, methamphetamine seizures were reported by 47 countries. MDMA, also known as ecstasy, was the second most prominent type, with 44 countries reporting a total of 2,590 seizures and confiscating 3,298.5

kilogrammes. Most countries (49 of 72) reported cases involving at least three types, with only 23 reporting two or fewer categories. No countries reported seizures of all nine types, but two, Estonia and the United States, reported seizures of eight.

## Case study 6. Seven hundred fifty thousand Captagon pills seized in France

French authorities seized two linked shipments of fenethylamine pills at Charles de Gaulle airport in Roissy. Often referred to as Captagon, fenethylamine is a combination of amphetamine (a stimulant) and theophylline (a bronchodilator). The inclusion of theophylline significantly magnifies the stimulant effects of amphetamine, yielding a highly addictive and tremendously potent drug.

Fenethylamine is no longer commonly produced, but counterfeit variations have been heavily manufactured in the Middle East, particularly in Syria and Lebanon. Production has been abetted by the war in Syria, and the drug has been known to be mixed with caffeine and amphetamines trafficked from Southeastern Europe. The drug's production and use by ISIS fighters has earned it the moniker "Jihadi Pill," although consumption of Captagon began long before the Syrian conflict and its trade extends well beyond the country's borders.



The first seizure, on 4 January 2017, resulted in the confiscation of 350,000 Captagon pills (70 kilogrammes). The drugs were hidden in heavy steel industrial moulds that originated in Lebanon and that were en route to the Czech Republic. Heavy industrial tools, as well as an endoscope, were required to locate the pills within the walls of the 700 kilogramme moulds. After an investigation was launched in cooperation with German and Czech officials, authorities determined the shipment was likely bound for Saudi Arabia, via Turkey.

The second shipment, also concealed inside moulds from Lebanon, was intercepted on 22 February 2017. The Captagon confiscated in this seizure weighed 67 kilogrammes and was destined for an unspecified African country. Combined, these seizures netted more than 750,000 tablets, an amount valued at 1.7 million USD. For a sense of perspective on this law enforcement achievement, throughout the whole of 2016, French authorities seized only 71 kilogrammes of methamphetamine.



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**FIGURE 41: NUMBER OF PSYCHOTROPIC SUBSTANCES CASES BY COUNTRY, 2016–2017**

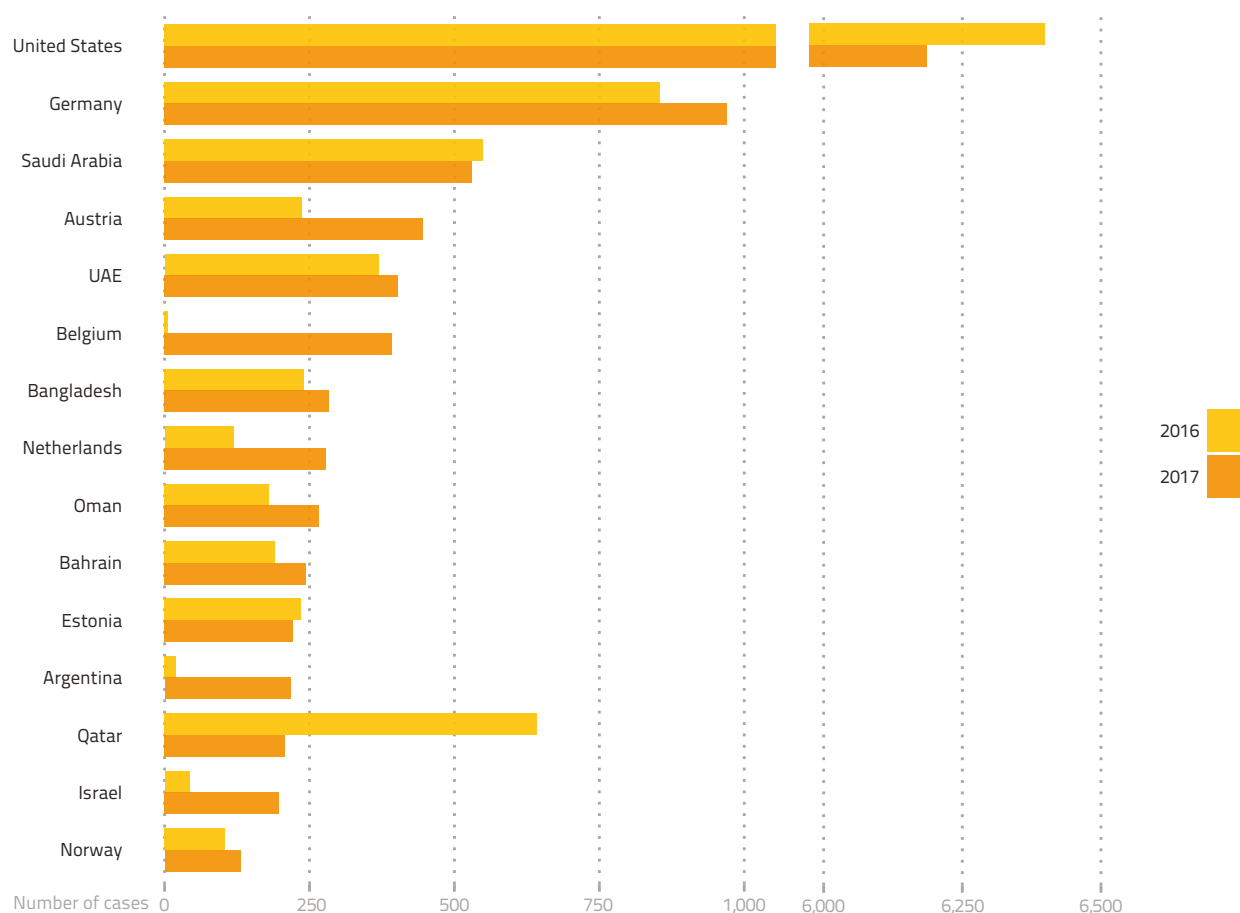


Figure 41 compares the number of psychotropic substances cases submitted by the top 15 reporting countries in 2016 and 2017. Among all countries that reported at least one psychotropic substances seizure in 2017, the number of these reported cases rose by 6.2% in 2017, suggesting a slight increase in the trade. Among the top 15 reporting countries, this increase is slightly more pronounced. While 10,188 cases were reported by the top 15 reporting countries in 2016, 10,977 cases were submitted in 2017, an increase of 7.7%. Belgium and Austria experienced a dramatic uptick in the number of cases, with increases of 386 (up from six cases) and 209 (up from 237), respectively, although these surges were offset by notable declines in the number of cases submitted by Qatar and the United States. Qatar's caseload fell from 642 cases in 2016 to 208 in 2017, and the cases reported

by the United States fell by 3.3%, from 6,399 cases to 6,186. Interestingly, increases or decreases seem to be somewhat determined by region, suggesting the trade may be shifting. Every country in Western Europe handled more cases in 2017 than in 2016, while the only countries to show decreased caseloads were in the Middle East (Qatar and Saudi Arabia), Eastern and Central Europe (Estonia), and North America (United States). Figure 41 further reveals that, although Saudi Arabia is one the most involved countries in terms of total trafficking instances, as shown in Figure 42, Customs agents handled 3.5% fewer cases there in 2017.

**FIGURE 42:** HEAT MAP OF PSYCHOTROPIC SUBSTANCES TRAFFICKING INSTANCES BY COUNTRY, 2017

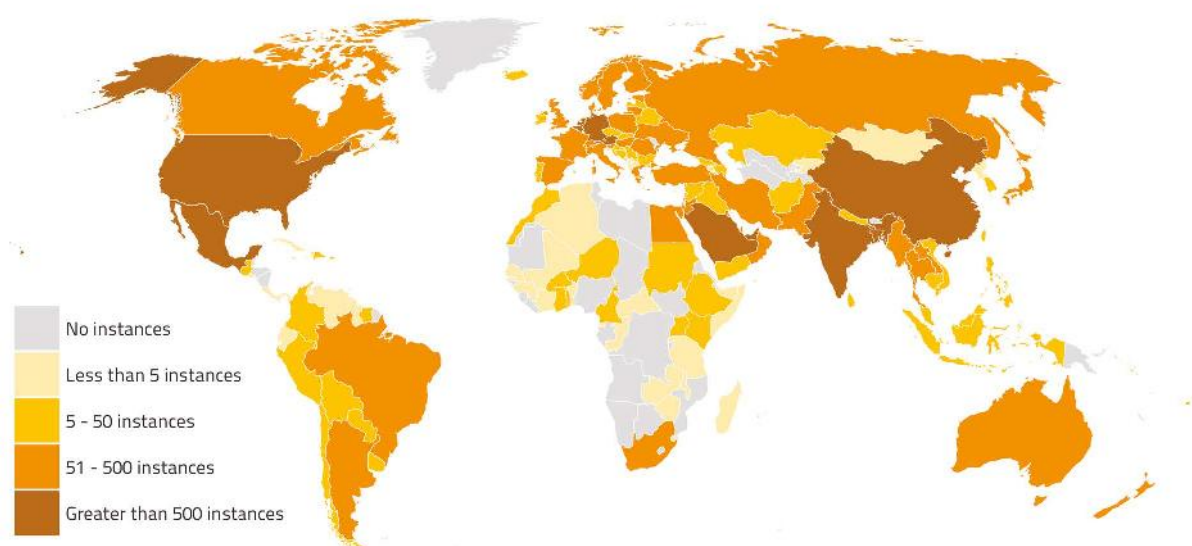


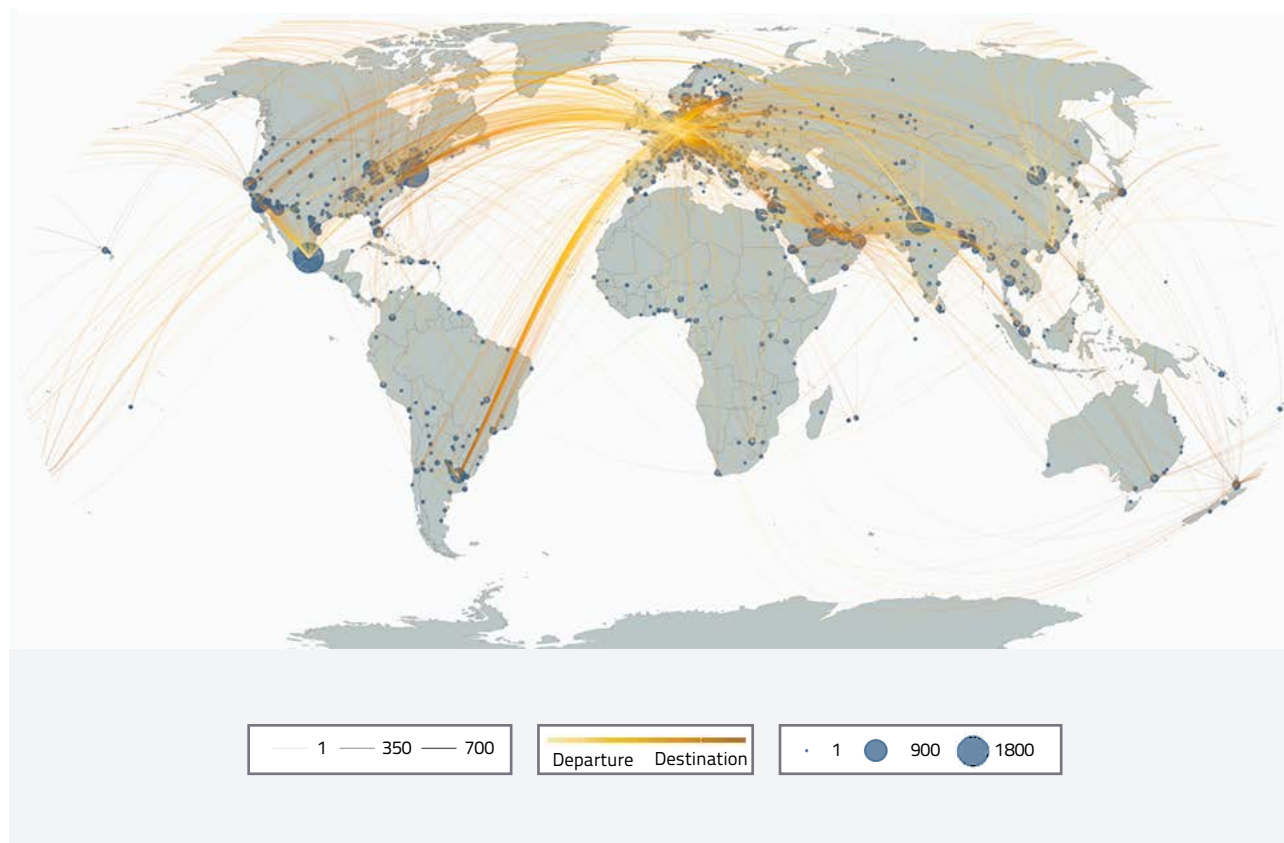
Figure 42 is a heat map of psychotropic substances trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination or a transit point for one or more seized narcotics shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 42 indicates all countries through which psychotropic substances are known to have been trafficked, or were intended to be trafficked, in 2017.

The trade in psychotropic substances is pervasive, touching 149 countries or territories in the world. Moreover, the number of trafficking instances of psychotropic substances is among the highest of all drugs types for which data were collected in 2017. Eleven countries, for example, appeared in more than

500 instances of psychotropic substances trafficking, and five countries were implicated in over 1,500, including the United States (6,490), Germany (2,419), the Netherlands (2,136), Mexico (1,848), and India (1,686). Of the top eleven countries implicated in trafficking, three were indicated as destinations in over 70% of instances for a given country, with 96.8% (6,284) associated with the United States, 99.1% (627) involving Austria, and 77.4% (403) implicating the United Arab Emirates. Germany, again, emerged as the primary transit country for these substances, accounting for 43.7% of the 940 instances of contraband in transit.

Figure 43 details the illicit flows of psychotropic substances, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases

**FIGURE 43: PSYCHOTROPIC SUBSTANCES TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017**



that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in colour at their origins, becoming orange as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 43 shows the entire intended trade route from origin to destination.

Included in Figure 43 are the 2,601 unique trafficking routes identified in 2017. The most common route in terms of reported trafficking instances was New Delhi to New York City, which

appeared 799 times and accounted for 6.1% of all trafficking instances. Mexico City to San Ysidro in San Diego, California, was the second most frequently identified route, totalling 405 trafficking instances and representing 3.1% of the overall count. Five cities emerged as trafficking hubs for psychotropic substances, exceeding 1,500 instances, including Frankfurt (1,517), New Delhi (1,566), Mexico City (1,834), New York (1,839), and Amsterdam (1,988). Indeed, Amsterdam alone comprised 23.5% of trafficking instances involving Western Europe, emerging as a primary trade hub. Eighty-five percent of the 167 unique routes depart from the city accounting for 96.8% of all 1,933 trafficking instances associated with it, with the most frequently used routes bound for Vienna, Austria (20.7%), Liege, Belgium (15.1%) and Buenos Aires, Argentina (6.5%).

## Member highlight: Unusual concealment method

Acting on intelligence from its agents, the Korea Customs Service, in cooperation with the Seoul District Prosecutor's Office and the National Intelligence Service, detected a total of 8.6 kilogrammes of methamphetamine smuggled from China on 19 October 2017 at a property in Gangnam, Seoul. One Japanese and two Taiwanese nationals were arrested on the same day. The Taiwanese syndicate was planning to sell the drugs to the

Japanese national, who intended to smuggle them to Japan. As a result of the follow-up investigation, the agents discovered the drugs had been smuggled from China by the Taiwanese syndicate via sea freight (less-than-container-load - LCL). The contraband had been concealed in furniture.

Source: Korea Customs Service.



## 3. OPERATIONS

### Project AIRCOP activities in 2017

Project AIRCOP was initiated in 2010 with European Union funding. Enjoying assistance from the UNODC, INTERPOL and the WCO, AIRCOP's primary objective is to combat cocaine trafficking by enhancing national inter-service coordination between selected international airports. It does this by, among other things, establishing Joint Airport Interdiction Task Forces (JAITFs) and by sharing information and intelligence. With increased crime involving airports, and given the diversity of skills demonstrated by authorities working on and with these task forces, JAITFs have seen their mandates extended to cover other areas of

enforcement associated with air transport. As a rule, JAITFs check passengers, freight and postal and express shipments in cooperation with appropriate sovereign authorities. For example, the WCO CENcomm provides the platform for sharing information and intelligence in real time, and INTERPOL databases provide the opportunity to look into the criminal background of suspicious passengers as well as fraudulent documents.

In late 2017, Project AIRCOP comprised a total of 24 operational JAITFs, established in 20 countries in the Caribbean, Latin America, Africa and the Middle East. Three new JAITFs are currently being established and five countries are associated with the project. Discussions are underway to add an additional ten countries (see table below).

U, V: Korea Customs Service seized 8.6 kilogrammes of methamphetamine concealed in wooden furniture from China. Courtesy: Korea Customs Service.

9 JAIFs in Latin America and the Caribbean	14 JAIFs in Africa	1 JAIF in the Middle East	3 JAIFs being established	5 associated countries	10 countries where discussions are under way
Argentina	Benin	Jordan	Ethiopia	South Africa	Algeria
Barbados	Burkina Faso		Kenya	Brazil	Antigua and
Bolivia	Cape Verde		Mozambique	Colombia	Barbuda
Dominican Republic (Santo Domingo and Punta Cana)	Cameroon (Douala and Yaoundé)			Morocco	Chile
El Salvador	Gambia				Cuba
Jamaica	Guinea-Bissau				Guatemala
(Montego Bay and Kingston)	Mali				Lebanon
Panama	Niger				Mexico
	Nigeria (Abuja and Lagos)				Trinidad and Tobago
	Senegal				Tunisia
	Togo				Turkey

In 2017, Project AIRCOP developments focused largely on Operation COCAIR VI, an effort involving heightened controls for about 10 days at all airports hosting a JAIF but that also extended enforcement authority to other airports, even some not covered by the Project, due to the involvement of the WCO's RILO network. The COCAIR Operations established under Project AIRCOP present an opportunity to involve airport enforcement services throughout the drug trafficking route (from production through delivery), encouraging collaboration in joint efforts to tackle transnational crime in air transport.

The UNODC, responsible for managing Project AIRCOP, hosts annual evaluation meetings with its WCO and INTERPOL partner organizations and with donors, including the European Union,

Canada, Norway, Japan, and the United States. The 12th AIRCOP Steering Committee Meeting was held from 7 to 9 June 2018 at UNODC headquarters in Vienna, and the objective was to take stock of the activities conducted in 2017, including the results of Operation COCAIR VI (see table below).

## Results of Operation COCAIR VI

Products	Quantity			Number of seizure	Arrests
	Kg	Pieces	USD		
Cocaine	1,094.09			62	48
Khat	149.52			3	3
Medication	95			1	1
Benzocaine	95			1	1
Heroin	32.63			9	5
Cannabis	26			3	2
Methamphetamine	12.46			5	4
MDMA (ecstasy)	4.4			1	
Amphetamine	1.43			2	2
LSD	0.18			1	
Cigarettes		131,180		4	4
Parrots		250		1	1
Currency			768,101	5	5
<b>Total</b>	<b>1,465.73</b>	<b>131,430</b>	<b>768,101</b>	<b>98</b>	<b>76</b>

The UNODC's achievements with regard to its targets for establishing, training and equipping the JAITFs are worthy of note. Further success is reflected in the excellent operational results obtained relating to seizures of prohibited products in 2017, some of which prompted investigations by the national judicial authorities. The effective use of the WCO CENcomm as the primary tool for communicating and sharing operational

information, as well as consultation with INTERPOL databases, contributed significantly to meeting those operational objectives. Lastly, the proportion of women among those arrested for carrying illegal products has risen to half the total number of arrests. The final report of this Operation, available on the CEN website, sets out in detail all the trends noted above, as well as the lessons emerging from these findings.

## Project AIRCOP seizures in 2017

Products	Quantity			Number of seizure	Arrests
	Kg	Pieces	USD		
Cocaine	3,697.68			484	431
Tramadol	939.63			4	4
Canabis	563.34			44	34
Ephedrine	413.15			17	16
Methamphetamine	170.47			30	25
Khat	149.52			3	2
Heroin	120.86			34	31
Medication	95			1	1
Benzocaine	50			1	
Amphetamine	44.9			3	3
MDMA (ecstasy)	12.7			3	2
Methadone	6			1	1
Rohypnol	2.98			1	1
Swinol	0.4			1	1
LSD	0.22			1	
Cigarettes		6,735,980		7	6
Parrots		250		1	
Travellers Cheques		233		2	2
Bank cards		55		2	2
Passports		15		3	2
Reptiles hides		7		1	
Pistols		2		1	1
Currency			999,610	12	11
<b>Total</b>	<b>6,266.88</b>	<b>6,736,542</b>	<b>999,610</b>	<b>657</b>	<b>576</b>

The rise of airport crime has steered JAITF objectives towards increasingly complex areas of enforcement. In light of the seizures made by the JAITFs, and their diversification as illustrated in the above table, these joint units seem capable of adapting to the continuously changing movements of illegal goods, while also assisting in the global campaign against terrorism. As such, the European Union will maintain financial support for the project through 2019. Similarly, Canada, Norway, the United States and

Japan will also continue to make financial contributions to support specific, thematic, and/or regional actions. Other countries have also shown an interest in Project AIRCOP and are exploring ways to finance its expansion into other regions of the world. Overall, the global and integrated approach to combating organized crime, relying on cooperation and partnership as proposed by Project AIRCOP and its JAITFs, can provide a tailored response, nationally and internationally, in the fight against organized crime.

## The UNODC – WCO Container Control Programme

The WCO-UNODC Container Control Programme (CCP) was established to address the needs of the global enforcement community to monitor the movement of containerised cargo in a more effective and efficient way. With more than 600 million global container movements reported annually<sup>2</sup>, of which an estimated 2% are inspected, CCP plays an important role in addressing the risks related to the low inspection rates and facilitating legitimate trade. The increase in legitimate containerised maritime trade is threatened, more than ever, by international organised crime operating along legal maritime trade supply chains. Web-based secure information exchange systems, developed and continuously enhanced by the WCO, have played a crucial role in supporting the global CCP to intercept illicit goods in the trade supply chain and to enhance global cooperation and information exchange.

The Programme launches Port Control Units (PCUs) in selected sea and dry ports by integrating the representatives of various enforcement agencies in a single working body. To be able to identify the high-risk containers, the officers receive training in profiling and targeting using modern risk-based working methodologies. They are also trained in the areas of drugs and precursor chemicals, counterfeit goods, smuggling of strategic goods, nuclear materials, weapons and CITES-related infringements.

The UNODC-WCO Container Control Programme (CCP) expanded to include ten geographical regions in which more than 70 PCUs are fully operational in fifty countries. In another seven countries, the Programme is engaging with relevant authorities to establish Port Control Units and deliver tailor-made training based on the identification of regional threats and needs.

The CCP – Air Cargo segment was launched in 2015. Building on the established CCP infrastructure and concept, this new segment of the CCP seeks to install dedicated Air Cargo Control Units. Such units have been established in Jordan, Georgia, Pakistan, Cuba; a total of currently 16 countries will benefit from the specialized CCP training in the air cargo area.

A pivotal component of CCP continues to be the phased training approach, from basic theoretical and practical modules, to advanced specialised training. In 2017, more than 150 training workshops, study tours and mentorships took place; in total, nearly 1600 officials were trained. Officials are required to serve their respective PCUs for a minimum of three years to ensure continuity and sustainability.

Throughout the reporting period, the international donor community continued to support the CCP with contributions to further enhance the success of the programme. Forging partnerships with donors is also important at a technical level, as it provides CCP with additional technical know-how. Several donor countries and WCO Member Customs administrations have provided law enforcement experts as trainers.

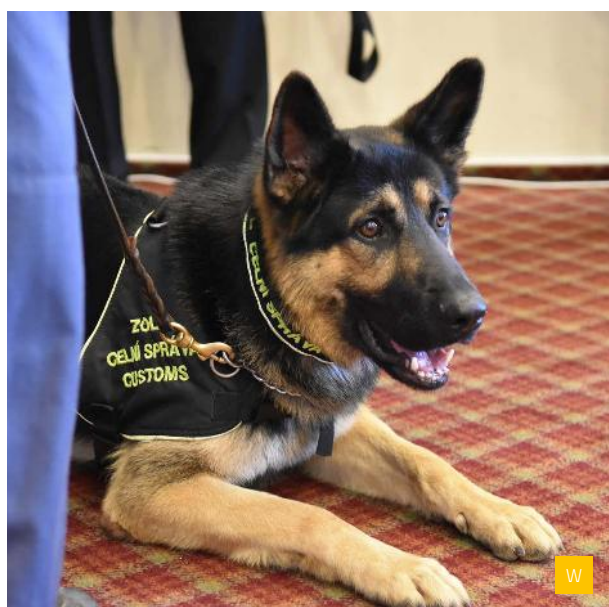
2017 marked another successful year for the activities of the Container Control Programme. It resulted in seizures of 48,220 kilogrammes of cocaine, 2,033 kilogrammes of cannabis, 162 kilogrammes of heroin, 800 kilogrammes of New Psychoactive Substances (NPS) and 170,002 kilogrammes of precursor chemicals for illicit drug production. In addition, large quantities of counterfeit goods (79 containers), medicines, more than 214 million cigarettes, spirits, ozone depleting substances, weapons, military grade electronic equipment, protected wood, stolen vehicles and a large number of falsely declared goods were detected in 2017. Throughout the years, due to the expansion of the CCP and trainings provided, the quantities of seized commodities have been growing steadily.

<sup>2</sup> Review of Maritime Transport 2013, UNCTAD, United Nations, 2013, pg. xiv. For further information please see: [http://unctad.org/en/publicationslibrary/rmt2013\\_en.pdf](http://unctad.org/en/publicationslibrary/rmt2013_en.pdf)

## Fourth WCO Global Canine Forum in the Czech Republic

The traditional role of detector dogs, focusing on anti-drug trafficking activities, has grown to encompass other areas of enforcement, such as ensuring security, combatting trafficking in currency, protecting intellectual property rights, and fighting against endangered-species smuggling. Detector dogs and handler teams have now been utilized more broadly in global risk-management programmes established by Customs services.

Following the success of the first Forum, in 2011, the Global Canine Forum continues to be held biennially with the aim of bringing together experts from Member countries and sharing experiences with others. The Fourth Global Canine Forum was organized by the WCO from 2 to 4 October 2017 in Prague, Czech Republic, with the support of the Czech Customs Administration and with funding from the Customs Cooperation Fund (CCF) Japan. This edition of the Global Canine Forum provided an open platform for over 120 experts from 44 countries, allowing them to share best practices and experiences in detector-dog training and techniques for handlers. Mrs. Alena Schillerova, Deputy Minister of Finance of the Czech Republic, and Mr. Kunio Mikuriya, Secretary General of the WCO, opened the Forum by recognizing the long history of using dogs to detect contraband and to protect society, and they stressed to the participants the importance of sharing their expertise and professionalism to fight criminal organizations around the world.



W

On the first day of the Forum, the delegates visited the canine facility at Prague Airport and enjoyed a detector dog demonstration arranged by Czech Customs, including searches for various objects, such as narcotics, firearms, tobacco, alcohol, CITES items, and the recently developed area of currency detection. During the next two days of the Forum, participants exchanged knowledge and shared experience regarding various aspects pertaining to detector dogs, dog breeding, management of canine centres, challenges in the use of canines, and capacity building. They welcomed the virtual-expert group, "CENcomm Global K9 Forum," set up by the WCO, and some countries also showed interest in having their canine centres accredited by the WCO as Regional Dog Training Centres (RDTCs). During the closing remarks, emphasis was placed on the importance of regular meetings between experts adept at dog training, handling, breeding, and research – interactions that could both facilitate the sharing of expertise and promote a network for multilateral collaboration among Members.



X



Y

W, X, Y: The Fourth Global Canine Forum, held in Prague from 2 to 4 October 2017. Courtesy: Czech Customs.



## SECTION 3.

# ENVIRONMENT

### INTRODUCTION

Environmental crime may be a lesser known form of illegal trade, but it is a particularly pernicious one. Not only does it destroy the environment with irreversible consequences, it deprives people of their livelihood and sources of revenue, while also endangering the health of humans, animals and plants.

Millions of specimens from all species of fauna and flora are massacred each year for a profit estimated at \$91 - 258 billion USD per year, an amount that is, according to the United Nations Environment Programme (UNEP), growing at 2-3 times the pace of the global economy. This makes environmental crime the fourth largest criminal endeavor in the world, following drug trafficking, counterfeiting and trafficking in human beings. Environmental crime, like many forms of illicit trade, is considered a low-risk, high-reward business. The combination of its low rate of detection and limited number of arrests invites criminal entrepreneurs into its illegal market, where, in many countries, criminal penalties are too weak to offset the growing rewards of the enterprise. Indeed, of the countries surveyed, nearly one third imposed only a fine for trafficking in endangered species (UNODC, 2016). Of note as



well, with regard to conditions abetting these activities, a UNODC study of 131 countries found that 72% of respondents did not even consider wildlife trafficking to be a serious crime. Finally, recent increases in e-commerce have further decreased the likelihood of detection when it comes to illegal wildlife trafficking<sup>1</sup>, making it more enticing for global criminal networks to use poaching as a way to fund other criminal activities.

The WCO seizure data on environmental trafficking in 2017 includes 2,205 reported cases involving 2,303 individual seizures of contraband. Customs officers from participating countries around the world seized over 123,654 pieces and more than 442,135 kilograms of prohibited flora and fauna that had been transported illicitly between and within countries. According to the available

data, 155 different countries play different roles - some being source, some being transit and some being destination countries.

In 2017, 2,310 cases of illicit environmental product trafficking were reported by Customs administrations in 46 countries, totaling 2,419 individual seizures of flora, fauna and waste products. Traffickers were discovered smuggling 123,661 pieces and 478,030.9 kilogrammes of various CITES designated flora and fauna products, as well as 277,659 pieces and 221,122,510 kilogrammes of various waste products between airports, over national and international roadways, along maritime passages and among other conveyance methods. As in 2016, nearly all countries were implicated in at least one known instance of illicit environmental product trafficking.

<sup>1</sup> Europol, 2017  
**B:** Upon inspection of luggage revealed by the x-ray to be of suspicious density, Turkish Customs officers at Istanbul Ataturk Airport seized 99 tanned snake skins and three tanned alligator skins. Courtesy: Turkish Customs.

FIGURE 1: PERCENTAGE OF SEIZURES BY CATEGORY, 2017

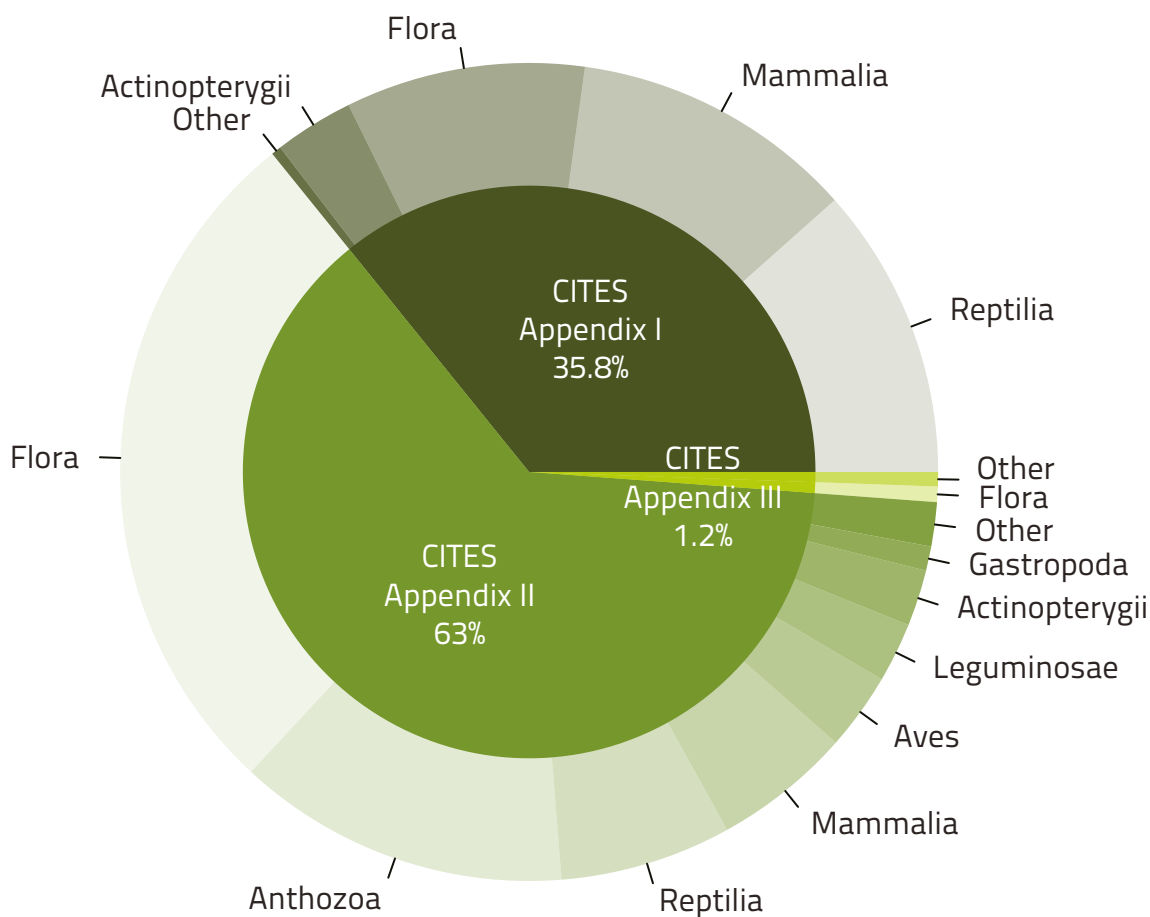
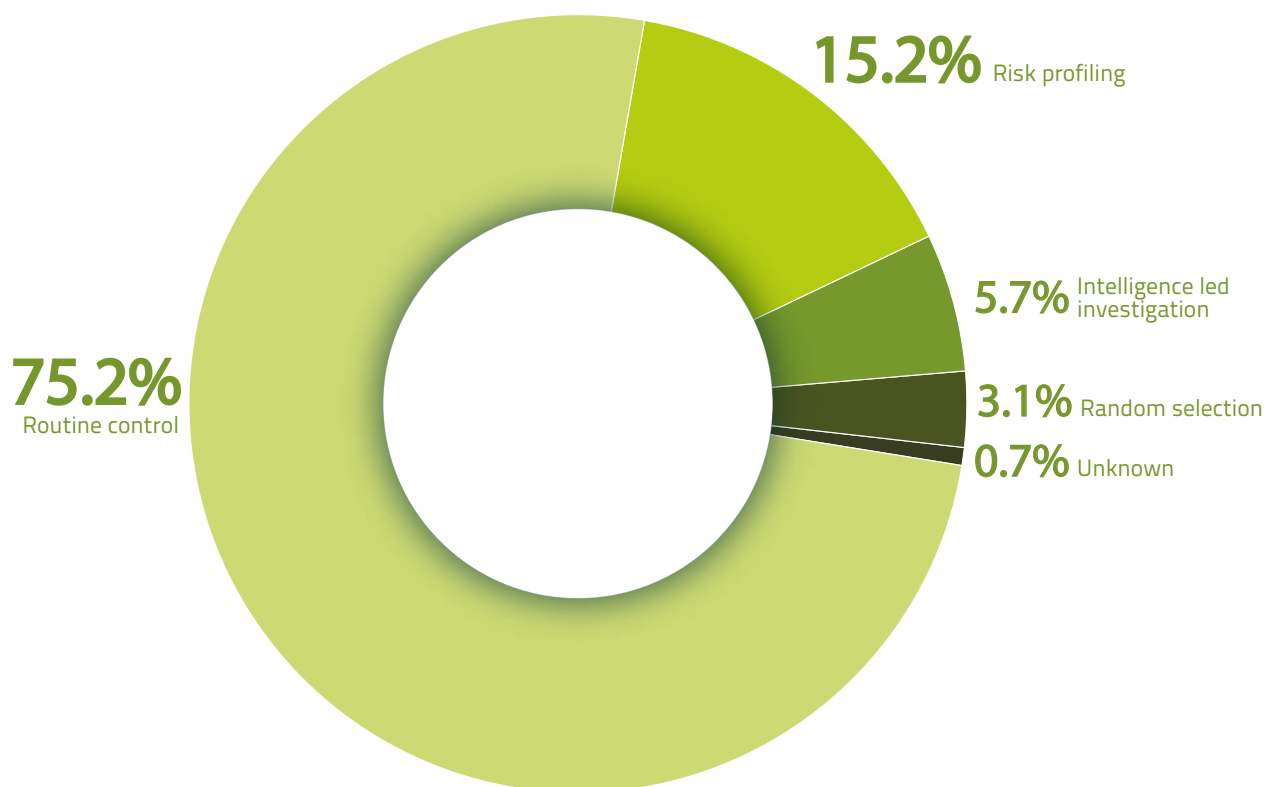


Figure 1 arranges seizure percentages by category of product seized, according to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Flora and fauna species listed in Appendix I are currently facing potential extinction, and those in Appendix II are in danger of facing extinction if trade remains uncontrolled. CITES prohibits trade in Appendix I species for any purpose other than scientific study. The majority of seizures reported in 2017 (63%) were of Appendix II products, with species of fauna comprising 43.3% of that total. In order of prevalence, anthozoa, reptilia and mammalia products were most at risk of being seized and were confiscated in 20.9%, 10.7% and 8.7% of the 1,445 Appendix II seizures. Appendix I reptilia were, however, the most frequently trafficked class of environmental products in 2017, having been seized in 32.3%

of the 821 Appendix I seizures. Appendix I mammalia products comprised another one third of seizures (31.4%), followed by flora (26.4%). Only 1.2% of 2017 seizures were Appendix III, with flora as the largest category, comprising 51.8% of the 27 total Appendix III seizures.

Figure 2 depicts percentages of environmental product seizures (CITES and waste) according to the detection method Customs officers employed in making those seizures. Routine controls at the world's border crossings, security checkpoints, ports and airports yielded the vast majority of seizures (75.2%), accounting for 1,819 of the 2,419 seizures reported. Routine controls facilitated the confiscation of 375,233 pieces and 73,950,363.2 kilogrammes of illicit products in 2017. Risk profiling was the

FIGURE 2: PERCENTAGE OF SEIZURES BY DETECTION METHOD, 2017



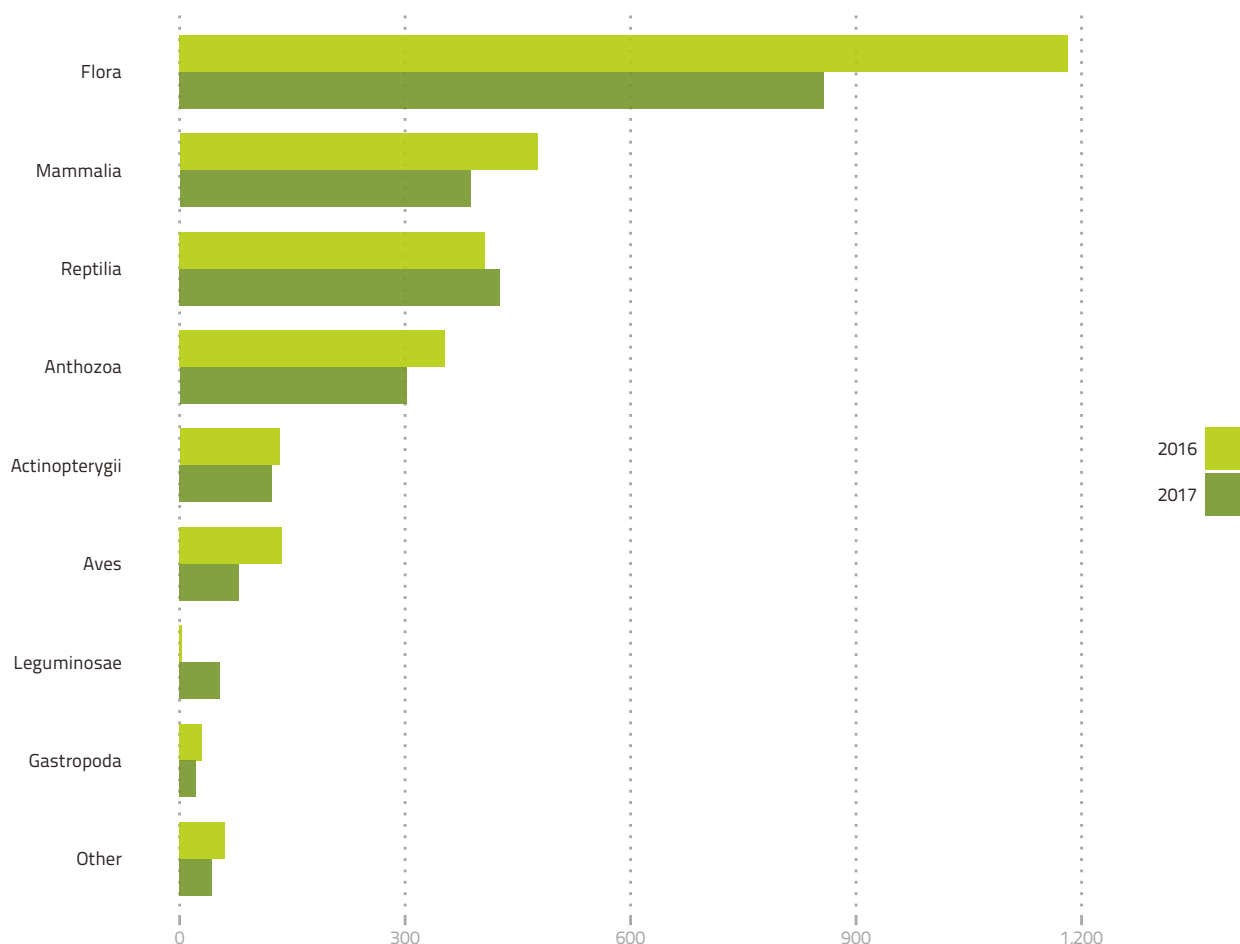
second most successful method of detection, resulting in the apprehension of 10,332 pieces and 8,294,742.4 kilogrammes across 367 seizures. Intelligence led investigations (5.7% of all seizures) and random selection (3.1% of all seizures) were the third and fourth most effective methods, together yielding 15,363 pieces and 136,455,702.2 kilogrammes of contraband, although, on average, intelligence led investigations led to larger seizures.

Of seizures reported in 2017, 60.3% involved species of fauna, referred to, as [Figure 1](#) and the Figures in this Section demonstrate, by the following scientific classifications: mammalia, reptilia, aves, anthozoa, actinopterygii, gastropoda and leguminosae. The first three of these species – mammals, reptiles and birds – need no introduction, but the remaining classes require some explanation.

Anthozoa refers to marine invertebrates and a variety of coral species. Actinopterygii refers to ray-finned fishes, including European eels, seahorses and pipefish, as well as a variety of sturgeon. Gastropoda (gastropods) refer – for purposes of this Report – to seizures of Queen Conchs, a species of edible snail. When the “other” category appears in the figures for this Section, it refers to species such as arachnids, sharks, swallows and sea cucumbers, among other products. Lastly, leguminosae (legumes) refers to a species of flowering plant and is the only species of flora presented outside the flora category.

This Section’s analyses of trends requires a few caveats. First, all conclusions are drawn from case and seizure data voluntarily submitted at the discretion of WCO Members. There are many

FIGURE 3: NUMBER OF SEIZURES AND QUANTITY BY CATEGORY, 2015-2016



reasons a particular Customs administration may choose not to report certain elements of their data, including the need to maintain secrecy over ongoing investigations. The figures in this Section, therefore, may not necessarily depict a comprehensive view of trends in the global illicit trade in environmental products. Second, apparent increases in certain trades may reveal the increasing efficacy of Customs officers, rather than a genuine uptick in flora and fauna trafficking activity.

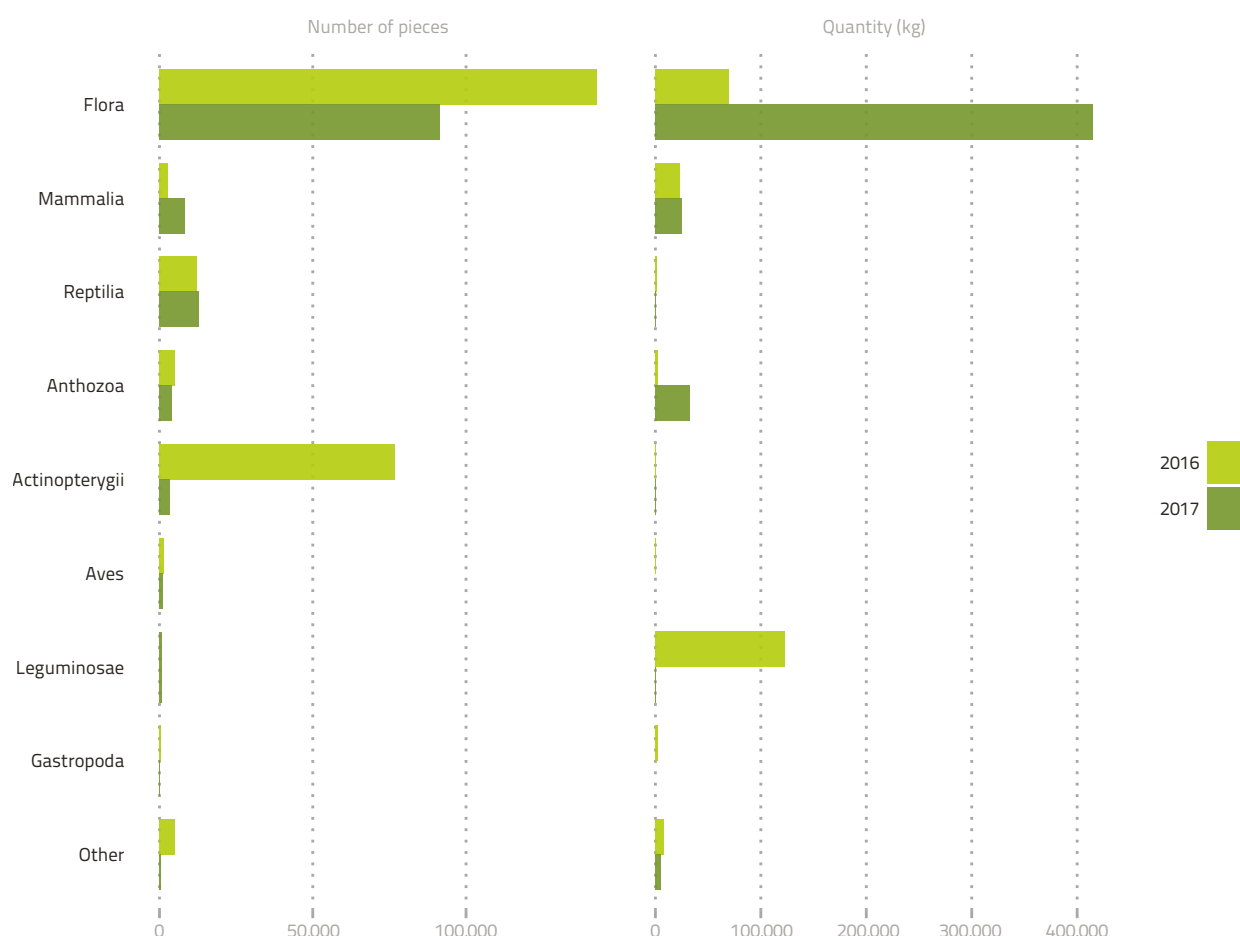
This Section is organized in the following manner:

1. Overall trends in trafficking of environmental products.
2. Projects and Operations.

## 1. OVERALL TRENDS IN TRAFFICKING OF ENVIRONMENTAL PRODUCTS

Figure 3 compares the number of seizures for each type of environmental product between 2016 and 2017. Across all but two categories, recorded seizures decreased in 2017. While 2,780 CITES designated seizures were recorded in 2016, 2,302 seizures were made in the following year, representing a 17.2% lower seizure rate. Seizures of flora decreased most significantly, dropping from 1,182 to 857. With respect to fauna, seizures of mammalia and aves decreased the most, with only 387 and 79 reported seizures in 2017, compared to 476 and 136 in 2016, comprising a decrease of 18.7% and 41.9%, respectively. Reptilia and leguminosae were the only two classes for which seizures increased: reptilia seizures

FIGURE 4: NUMBER OF CITES SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017

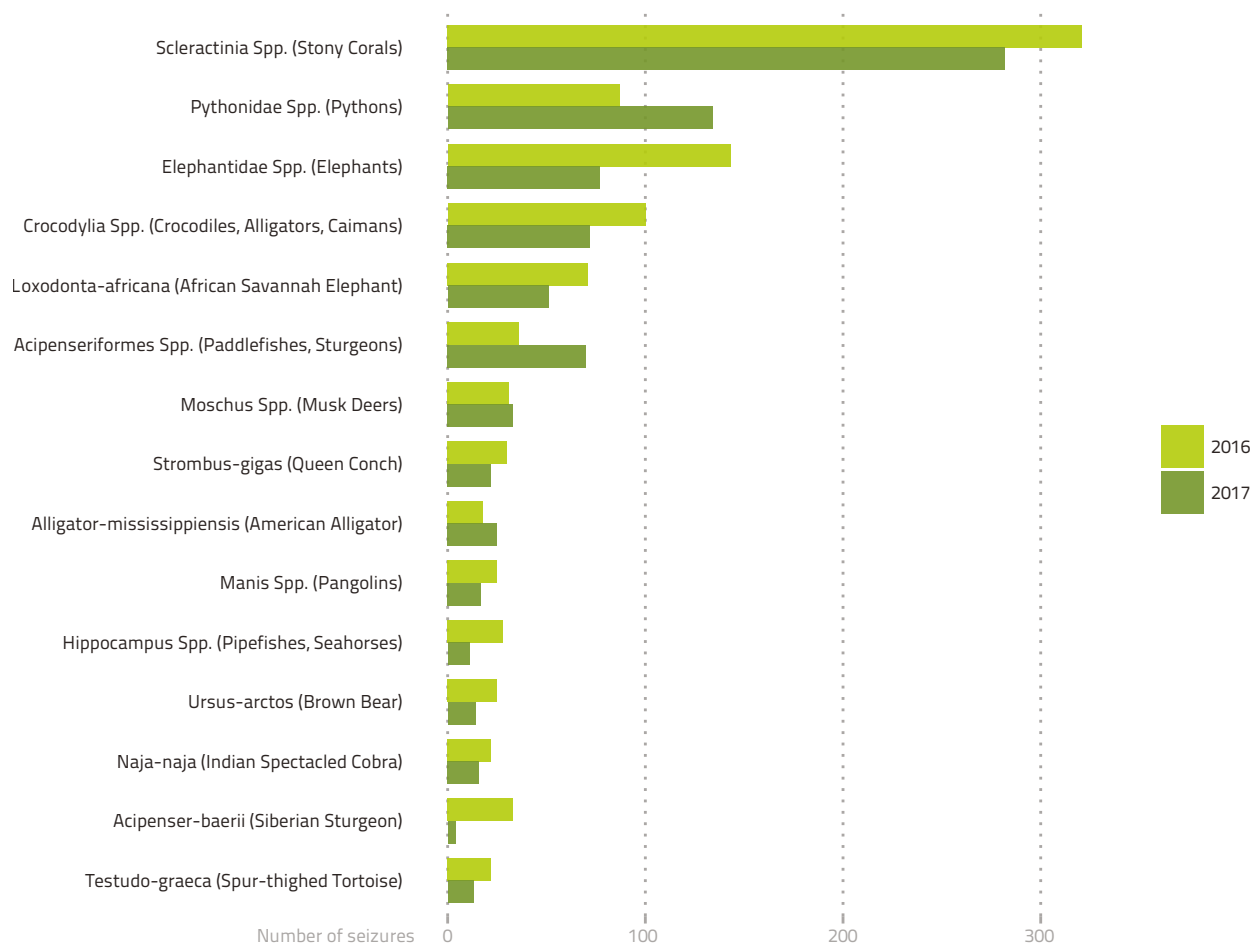


rose from 406 to 426, while leguminosae seizures went up significantly, jumping from three to 54 seizures.

Figure 4 compares the quantity seized (in pieces and kilogrammes) for each type of environmental product between 2016 and 2017. As seen in Figure 3, seized contraband (in terms of pieces) decreased in all but three categories, from 246,492 to 122,787 pieces, resulting in an overall decline of 50.2%. This was primarily due to a 95.4% decline in the number of pieces of actinopterygii seized in 2017 (3,509), as compared to the 76,692 pieces seized in 2016. Seizure rates for flora also decreased in 2017, with the number of pieces falling from 142,731 to 91,523. At the same time, and despite lower kilogramme totals associated with seizures in six of the nine categories in Figure 4, the overall

quantity of seized products, in terms of cumulative kilogrammes, increased by 106.5%, going from 231,637.8 to 478,278.9. This uptick was mostly due to a significant increase in the quantity of kilogrammes of seized flora. In 2016, 69,816.2 kilogrammes of flora were seized, compared to 414,978.4 kilogrammes seized the following year. Notably, just 15 large seizures, all exceeding 10,000 kilogrammes, were the reason for this trend. Indeed, a single seizure of African Cherry (*Prunus africana*) in France (inland) netted 183,540 kilogrammes. Conversely, the quantity of leguminosae declined, particularly in terms of kilogrammes, falling from 122,991 to 25 between 2016 and 2017, despite the substantial increase in the number of seizures presented in Figure 3. Seizure weights of fauna, including live animals, climbed from 38,830.6 to 63,275.6, in terms of kilogrammes, but declined from

FIGURE 5: NUMBER OF FAUNA SEIZURES BY TYPE, 2016–2017



103,761 to 30,511, in terms of pieces. The seizure quantity of mammalia also rose, going up by 190.5% in terms of pieces and growing 5.5% in terms of kilogrammes. In 2017, 8,231 pieces and 24,858.1 kilogrammes of mammalia products were apprehended. Interestingly, the quantity of actinopterygii recovered in 2017, following a pattern similar to that of leguminosae. Although seizures of these products declined by only 7.5%, dropping to 123 in 2017, Figure 3 shows that the number of pieces went down dramatically, falling from 76,692 pieces in 2016 to 3,509 pieces the following year.

Figure 5 compares the top 15 seized types of fauna between 2016 and 2017. On average, seizures of the top 15 species decreased by 16%, with the total number of seizures falling from 992 to 841. Figure 5 also presents data on rates of trade in unclassified elephants and Savanna elephants. In 2017, a combined total of 128 seizures of these elephants were reported, 60.2% of which included the former and 39.8% of which included the latter. Although seizures of both types declined in 2017, seizures of unclassified elephants declined more than those of Savanna elephants, falling 46.2% from the 143 seizures of 2016. Siberian sturgeon, however, showed the greatest rate of decline, falling to a mere four seizures in 2017, a reduction of 87.9%. Regarding pangolins, often referred to as the “most trafficked animal in the world,” seizures fell from 25 in 2016 to 17 in 2017, a drop of 32%. The two species whose seizure

totals went up the most were unclassified pythons (*pythonidae* spp.) and paddlefishes and sturgeons (*acipenseriformes* spp.), of which 134 and 70 seizures were reported, respectively, amounting to increases of 54% and 94.4%.

### Case study 1. Twenty-one rhinoceros horns seized in Bangkok, Thailand

During a random check at Suvarnabhumi Airport in Bangkok, Thailand, on 10 March 2017, Thai Customs officers intercepted 21 rhinoceros horns, weighing a combined 49.4 kilogrammes. Media reporting suggests the horns arrived on a flight from Nairobi, Kenya, while the Asia-based traffickers were located in Cambodia and Vietnam.

The rhinoceros horns were trafficked from Kenya to Thailand in a hard-shell suitcase by two Thai women, one of whom flew to Bangkok from Phnom Penh, Cambodia (Ms. Ta) and the other of whom flew in from Vietnam (Ms. Ka). The pair operated a clothing-export business and, as Ms. Ta (who turned herself in) explained, Ms. Ka called her to pick up a suitcase of inventory. Ms. Ta was seen in CCTV footage going to the specified conveyor belt to pick up the luggage before meeting Ms. Ka. CCTV footage also showed the two women being escorted through the baggage claim area by police, while trying to discourage Customs officers from inspecting the suitcase. When their bag was inspected by the X-ray machine, both women fled the scene, and warrants were then issued for their arrest on charges of smuggling and wildlife trafficking in violation of the Customs Act and Wildlife Conservation and Protection Act.



As indicated above, Ms. Ta later turned herself in, while the police officers and the Deputy State Prosecutor are, themselves, being investigated to determine the extent of their role in the affair.

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**C:** Rhino horns are displayed during a news conference at the Suvarnabhumi International Airport in Bangkok. Copyright: Athit Perawongmetha/Reuters.  
**D, E:** Images from the surveillance camera at Suvarnabhumi airport of a woman collecting a suitcase later found to contain rhinoceros horns. Copyright: Bangkok Post.

FIGURE 6: NUMBER OF FLORA SEIZURES BY TYPE, 2016–2017

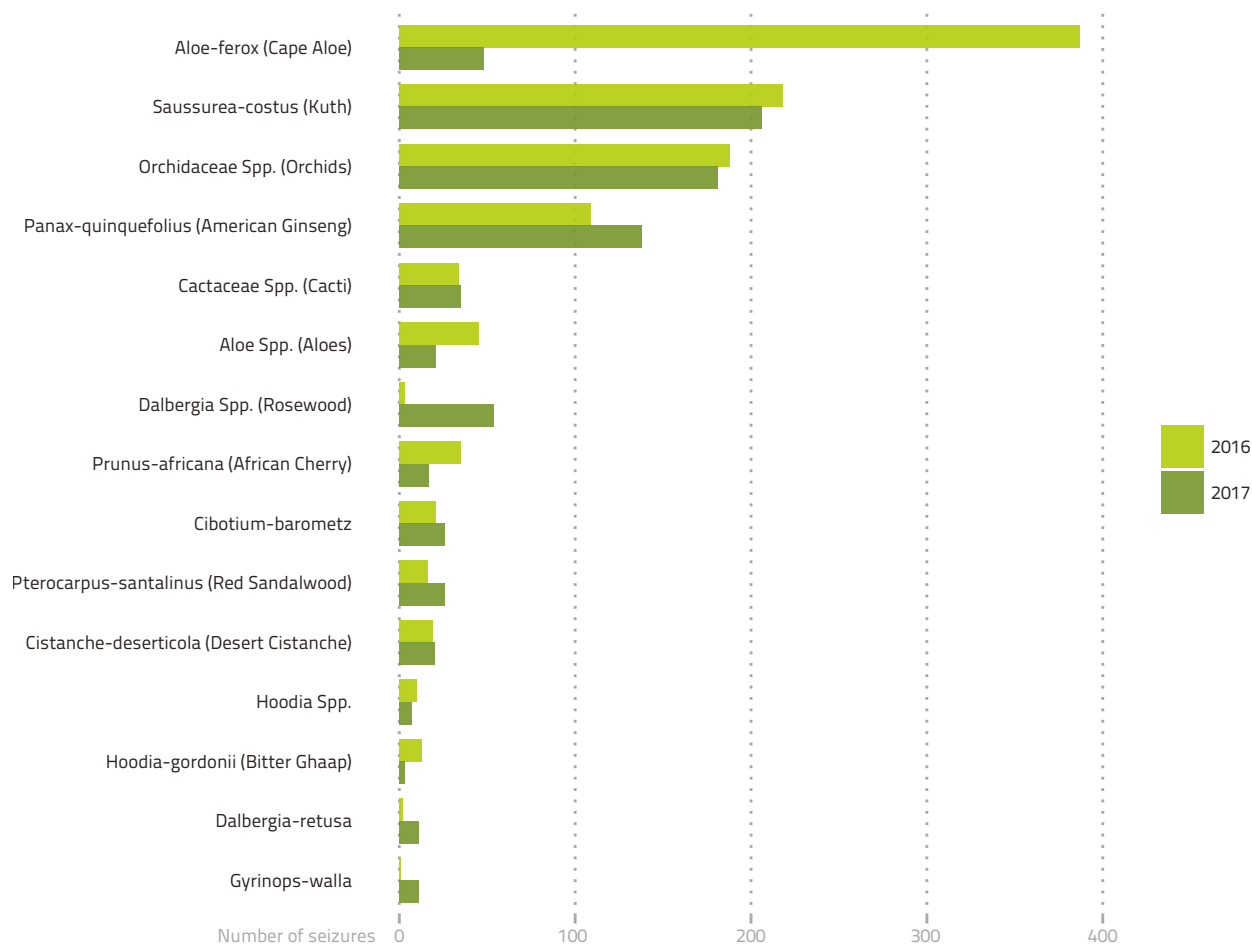


Figure 6 compares the top 15 seized types of flora between 2016 and 2017. As with fauna, seizures of flora decreased across several categories, dropping from 1,101 to 804 over this period. While there were, on average, 19.8 fewer seizures among the top 15 flora products overall, seizures of eight of the 15 types increased slightly. The overall decline among the top 15 types was largely driven by the significant decline in aloe-ferox (cape aloe), which fell from 387 seizures in 2016 to just 48 in 2017, constituting an 87.6% decrease. In addition to aloe-forex, other species for which seizures declined included general aloe (from 45 to 21 seizures, a 53.3% decline), Bitter Ghaap (from 13 to three seizures, a 76.9%

decline) and African Cherry (from 35 to 17 seizures, a 51.4% decline). As noted in Figure 4, however, one seizure of African Cherry was among the largest of all flora seizures reported in 2017 (183,540 kilogrammes), reinforcing the notion that increases and decreases in seizure numbers do not always correspond to seizure quantities. Among the most prominent increases in 2017 were seizures of rosewood (54), red sandalwood (26) and American ginseng (138), representing 1,700%, 62.5% and 26.6% rates of increase over 2016 totals.

**FIGURE 7: NUMBER OF WASTE SEIZURES AND QUANTITY SEIZED, 2016–2017**

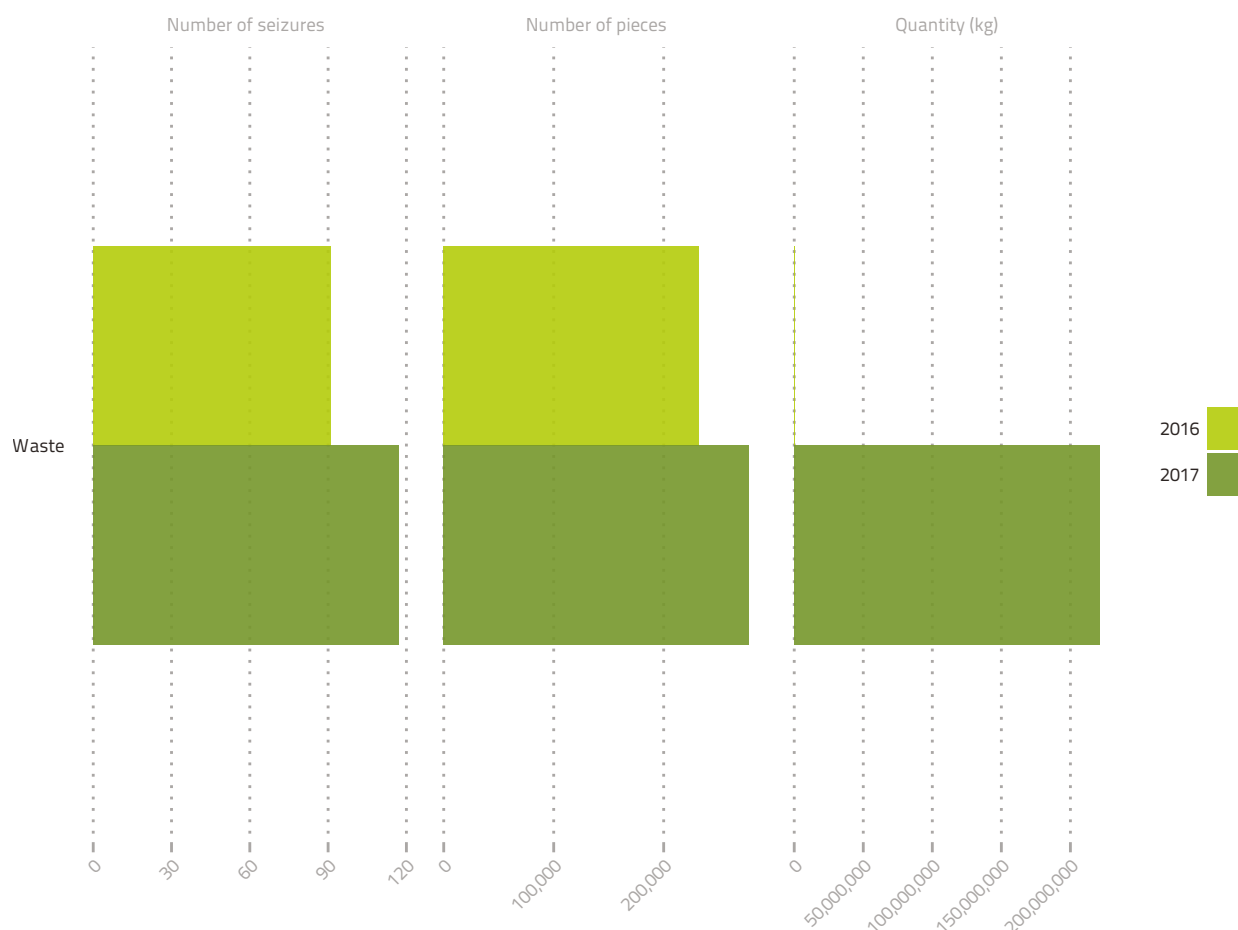


Figure 7 compares the number of seizures and the quantity seized (in pieces and kilogrammes) of environmental waste products between 2016 and 2017. For 2017, the “waste” category includes, for example, waste plastics, metal, cloth and hazardous chemicals. The total number of waste seizures increased by 28.6%, rising from 91 in 2016 to 117 in 2017. The total number of pieces seized also increased during this period, going up 19.6%, from 232,249 to 277,659 pieces. All 117 waste seizures submitted in 2017 were reported either by China or Hong Kong (China). The total kilogrammes seized in 2017 surged by 52,535.7%, jumping from 420,099.5 in 2016 to 221,122,510 the following year, although such a spike may be indicative of reporting levels rather than a true change in the levels of waste originating in, transiting through or

destined for China and Hong Kong (China). The three largest waste seizures were all reported by China, and they involved 85,000,000 kilogrammes of waste plastic and metal in one instance and 40,000,000 and 30,000,000 kilogrammes of waste cloth in the other two instances.

FIGURE 8: NUMBER OF CITES SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017

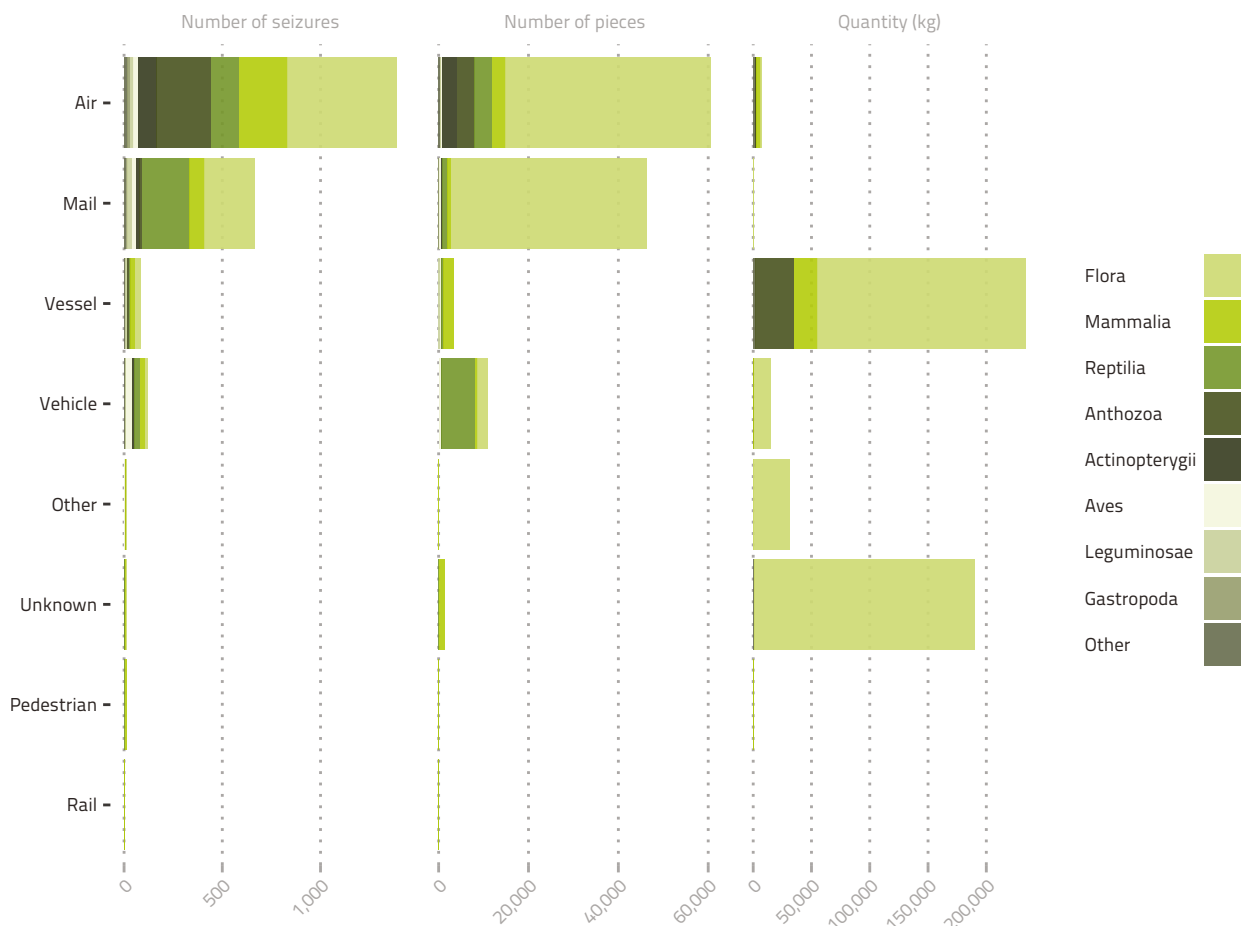


Figure 8 shows the number of seizures and the quantity seized (in pieces and kilograms) of environmental products, according to both type and conveyance method. Of the 2,302 environmental product seizures reported in 2017, the majority (60.5%) were made as contraband was smuggled via the air transport sector, which accounted for 1,388 seizures. Of these seizures, 40.1% involved flora, yielding 45,803 pieces. Anthozoa was the most commonly seized class of fauna conveyed by air, with 3,837 pieces recovered from 279 air seizures. Mail seizures comprised nearly one third (29%) of reported seizures, 241 of which netted 11,135 pieces of reptilia. Meanwhile, 844 pieces of mammalia products were confiscated in 77 mail seizures. Although the number of mail seizures involving flora (256) was less than air seizures involving

flora, the number of pieces was comparable: 43,461 pieces of flora were recovered from mail. The only conveyance method for which flora products were not the primary contraband seized in terms of quantity was vehicles, which were used to move large quantities of reptilia products in 2017. Indeed, 7,397 pieces were discovered in just 27 seizures. Consistent with trafficking trends for other types of contraband, the number of vessel seizures was often lower in number even as such seizures yielded larger quantities. For environmental products, 82 vessel seizures resulted in 233,953.3 kilograms seized, an amount that was 48.9% of the total weight seized in 2017. Of this weight, shipments of flora accounted for 76.4%.

FIGURE 9: PROPORTION OF CITES SEIZURES BY TYPE AND COUNTRY, 2017

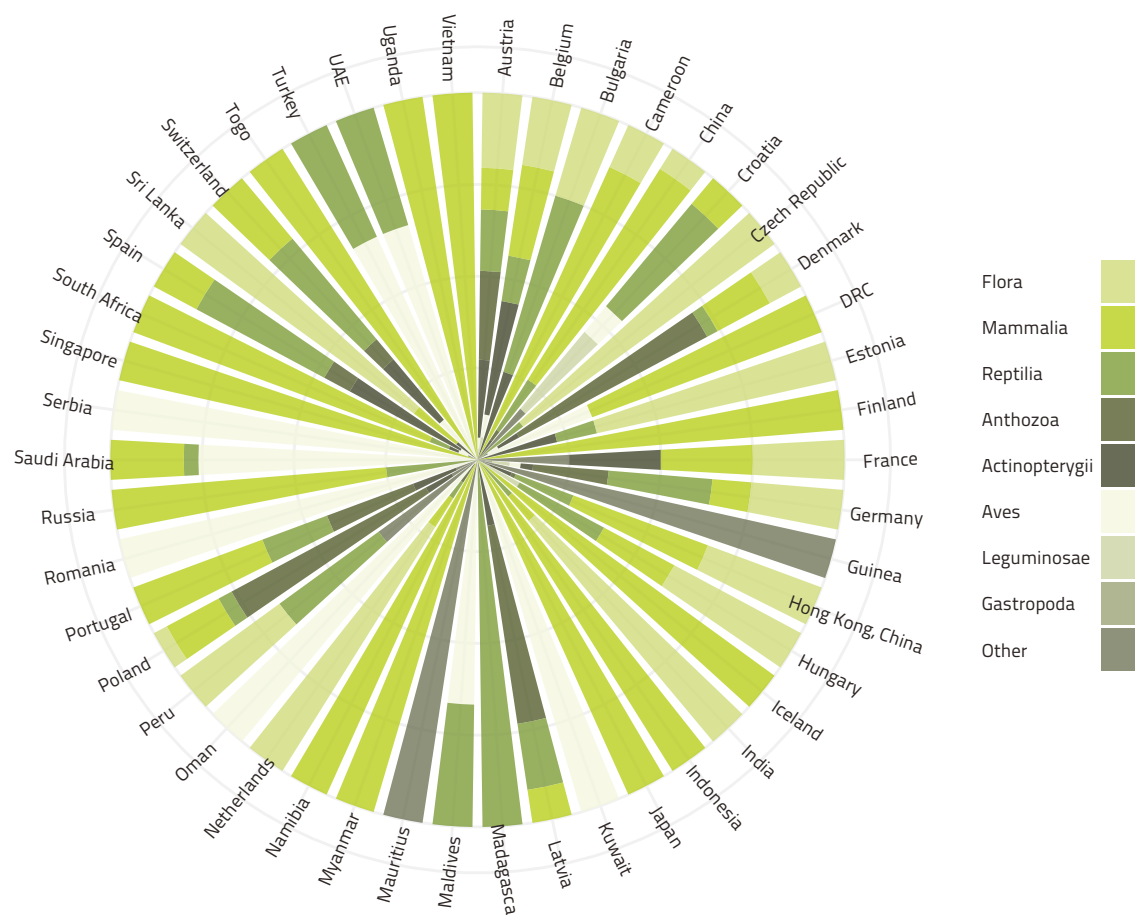


Figure 9 depicts the proportion of seizures for each type of environmental product, as reported by countries recording at least one such seizure. Trafficking of mammalia products was the most diverse and widespread, with 32 of 46 participating countries reporting at least one seizure of this type. The ten countries that exclusively reported mammalia seizures were Finland, Iceland, Indonesia, Japan, Myanmar, Namibia, Singapore, Togo, Uganda and Vietnam. Reptilia products were slightly less diverse, being reported by 26 countries (or 56.5%). Despite flora being seized in over one third of all seizures (35.4%), Figure 3 demonstrated that the

trade in flora products was much narrower, with flora seizures reported by only 17 countries in 2017 and with no country reporting exclusively flora seizures. The trade in aves was similarly narrow, with only 18 countries reporting at least one bird seizure in 2017; four countries, meanwhile, exclusively reported aves seizures, including Kuwait with five, Romania with two, Oman with one and Serbia with one. The least commonly seized class of product was gastropoda, which was confiscated in only three countries and across only 22 seizures, 18 of which were carried out by Germany.

FIGURE 10: NUMBER OF CASES BY COUNTRY, 2016–2017

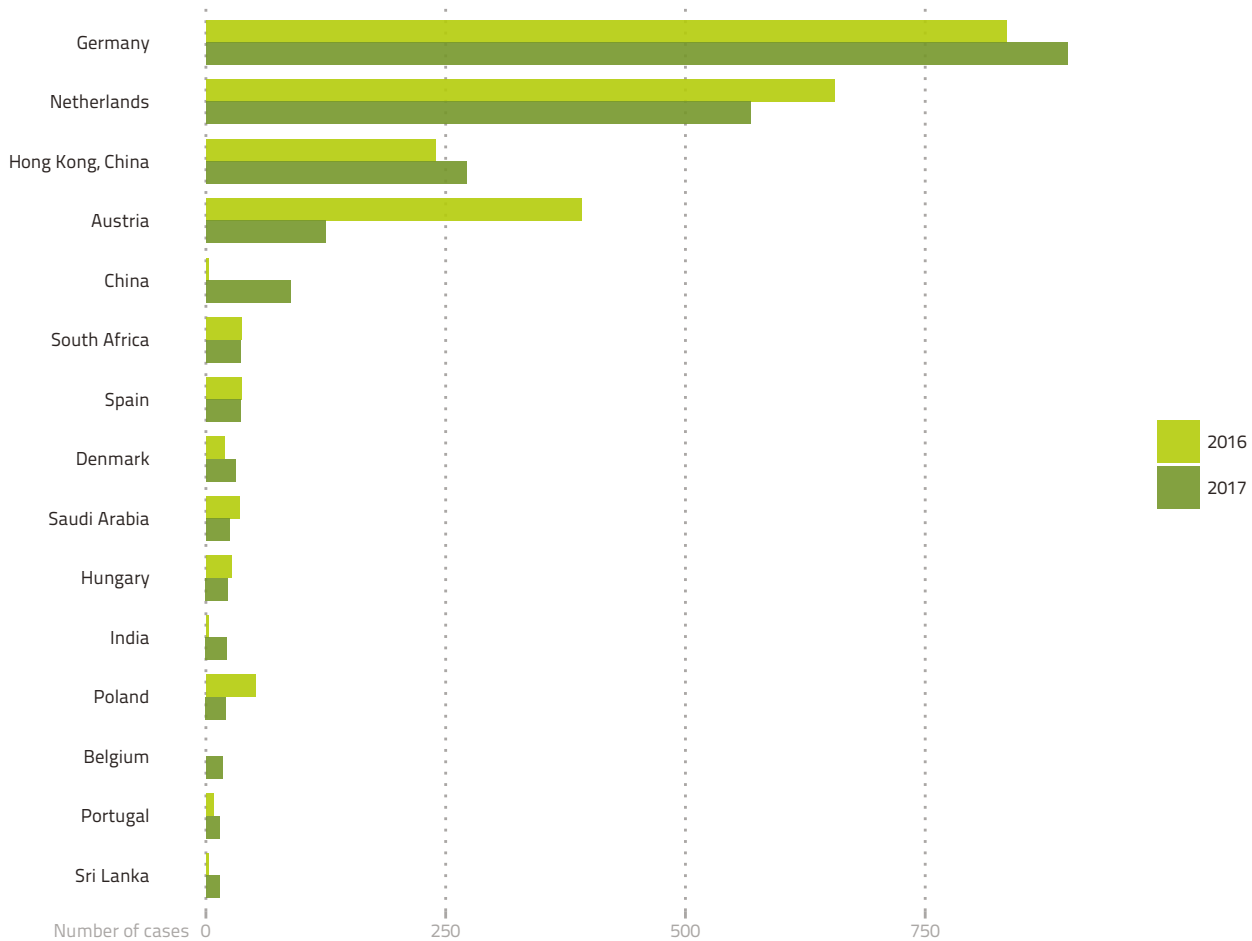


Figure 10 compares the number of environmental products cases (CITES and waste) submitted by the top 15 reporting countries in 2016 and 2017, revealing that the number of cases in these countries decreased by 6.6%. While 2,345 cases were reported in 2016, 2,190 were reported the following year. This dip is explained, primarily, by decreases seen in Austria and the Netherlands, who reported 125 and 568 cases, respectively, in 2017, representing declines of 68.1% and 13.3%. Five other countries also reported fewer cases in 2017: Poland (31 fewer), Saudi Arabia (ten fewer), Hungary (four fewer), South Africa (one fewer) and Spain (one fewer).

That said, eight countries reported increased caseloads, including Germany, which was at 898 in 2017 as opposed to 835 the previous year. Hong Kong (China) also reported more cases in 2017, going up 13.8%, to 272, as did China, which jumped from three cases in 2016 to 88 in 2017. Do note, however, that this is likely due to a change in China's reporting behavior rather than a true reflection of a new trend in trafficking of environmental products. Overall, when considering all countries reporting at least one case in 2017, the trend is downward, with a total of 2,310 cases reported in 2017 (a 13.5% decrease).

FIGURE 11: NUMBER OF CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2017

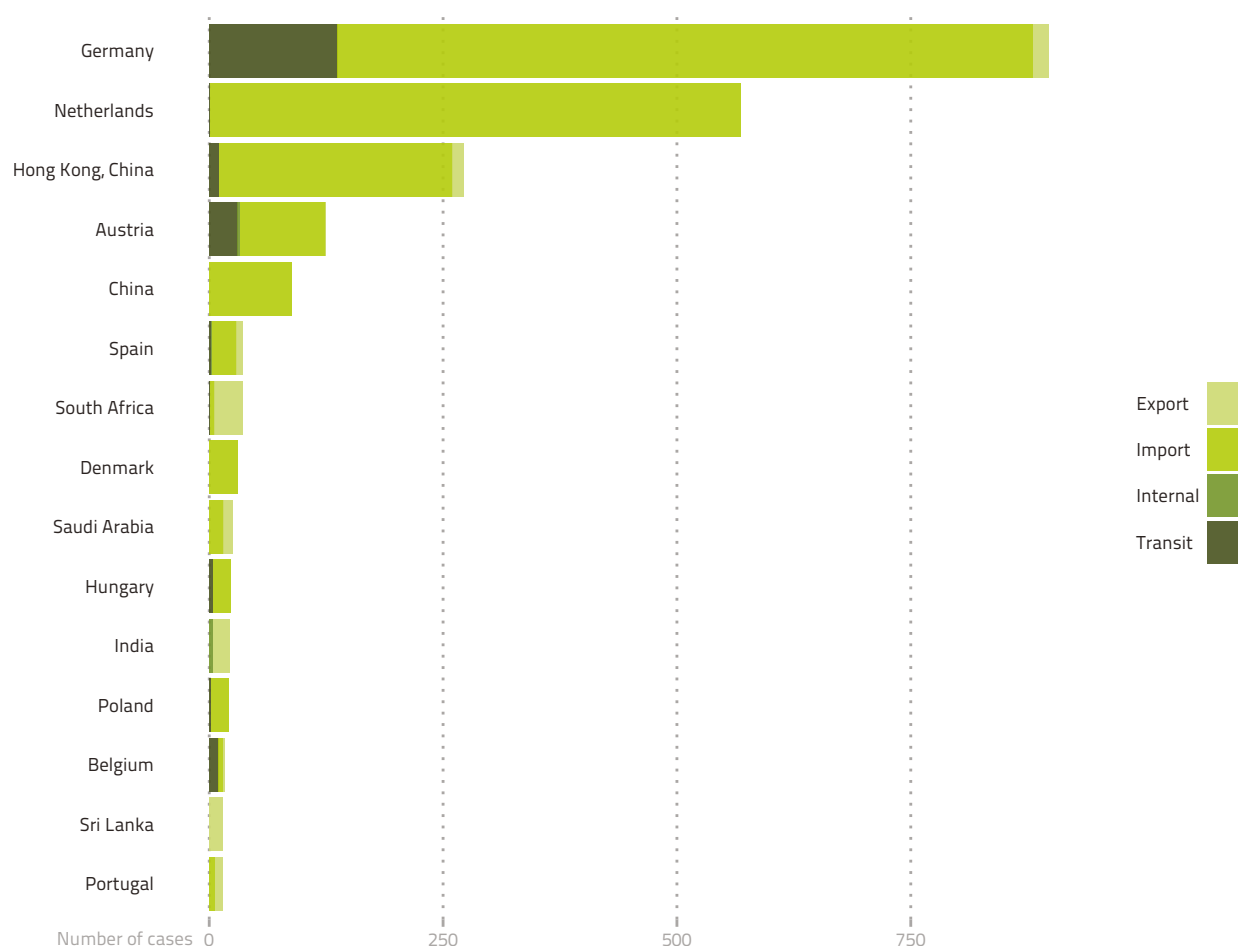


Figure 11 displays the top 15 countries that reported environmental products cases (CITES and waste) in 2017, and it indicates the direction in which target shipments were moving when confiscated. As with other categories of contraband, the vast majority of cases were identified at import, with 84.2% (1,944) of the 2,310 cases involving contraband entering the reporting country. Cases involving contraband in transit to other international destinations were the next most common type (205 cases, or 8.9%), and, of

these, Germany reported 66.8% of the total (137 cases), while only Belgium reported a majority of transit cases (ten of 17). Export cases were rare; in fact, only ten of the top 15 reporting countries submitted export cases, with the largest numbers recorded by Sri Lanka (14), Germany (17), India (18) and South Africa (30). Sri Lanka was the only country to exclusively report export cases. Internal cases, involving movement within a country, represented only 0.8% (19 cases) of the total number of cases reported in 2017.

## Member highlight: Using DNA analysis to detect and stop smuggling of CITES species

Through the use of DNA analysis, Korea Customs Service (KCS) detected 13 tonnes of white-tip shark body parts (*Carcharhinus longimanus*) that had been smuggled across its border. The white-tip shark is in danger of extinction. White-tip sharks have larger fins than other sharks and are thus sought after by criminal organizations and those engaged in the wider illegal market for shark-fin soup. On account of this demand, the population of white-tip sharks has declined sharply, and, as of 14 April 2014, the species was listed as a CITES Appendix II species.

Sharks within the Carcharhininae species look similar, making it very difficult for Customs officers and the general public to distinguish the two. Unless one is a shark expert, it is almost impossible to detect a white-tip with the naked eye. Smugglers exploit this potential for confusion and commonly label white-tip sharks as "black-tip sharks" (*Carcharias limbatus*), a type that is not listed as a CITES Appendix II species.

With regard to the seizures referenced above, Korean Customs officers could not tell whether the sharks were black-tips, which is what was written on the import declaration, so they conducted two DNA analyses to determine the actual species. The test results revealed that the imported items were mislabeled and were actually white-tips, and the sharks were seized.

This case is a good example of how DNA analysis can thwart the smuggling of CITES species. It is very difficult to identify the species/items, especially when the original shape has been changed. Criminal organizations commonly cut, shred or pulverize the things they are smuggling - or they put them through a manufacturing process to disguise their true form - which is why DNA analysis is perhaps the best weapon to combat this type of illicit activity.

Source: Korea Customs Service.



F, G: Seizure of 13 tonnes of white-tip shark body parts. Courtesy: Korea Customs Service.

**FIGURE 12: NUMBER OF CITES SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2016–2017**

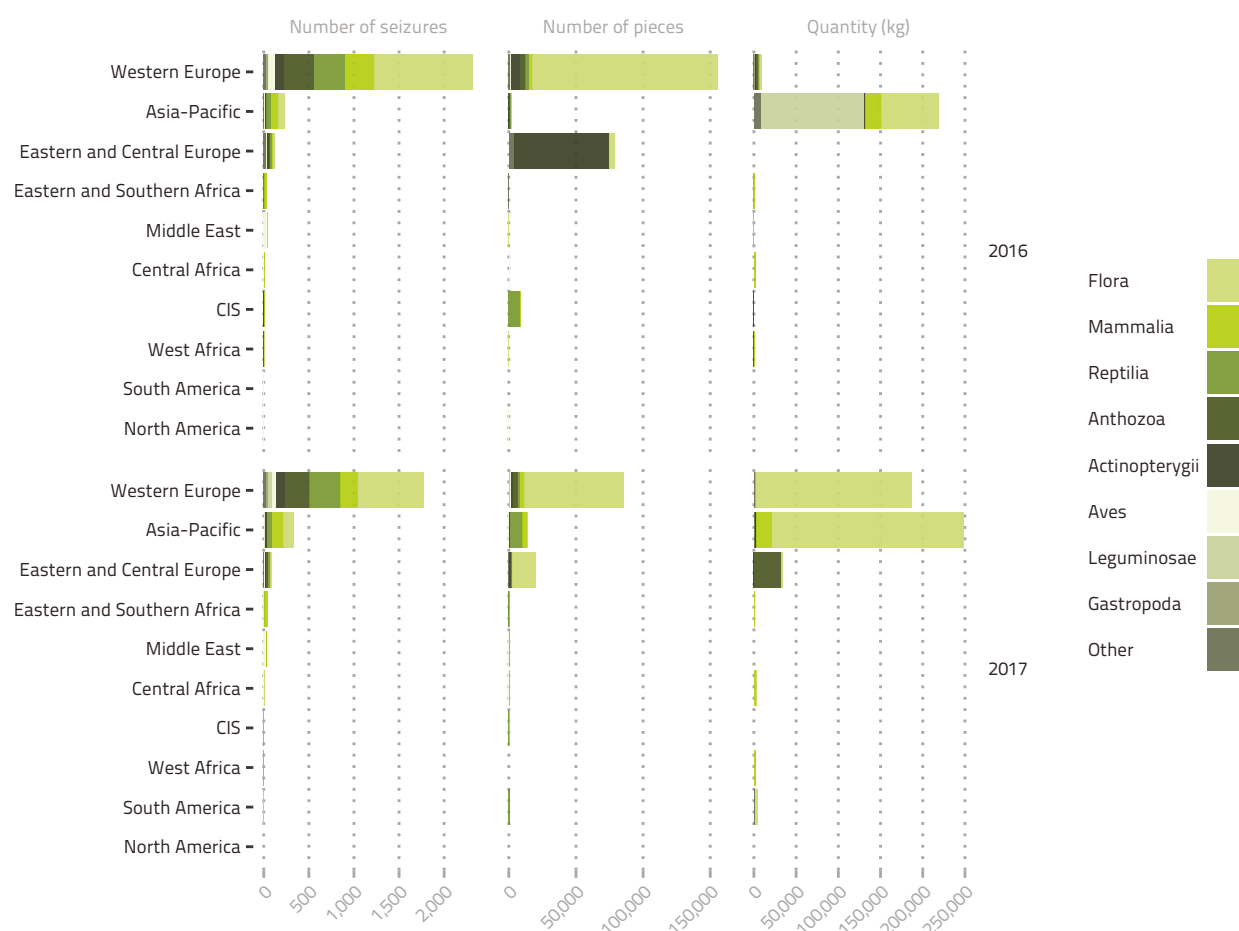


Figure 12 compares, for each type within a reporting region, the number of seizures and the total quantity seized (in pieces and kilogrammes) of environmental products, while also comparing these metrics between 2016 and 2017. Figure 12 builds on previous Figures that suggested a decrease in environmental products trafficking to reveal that the majority of reported seizures and quantities confiscated were recorded by countries in Western Europe, a region that, by itself, accounted for 77.2% of all seizures. Between 2016 and 2017, Western Europe reported 552 fewer seizures (a fall of 23.7%) and 70,426 fewer pieces (a 45.1% decrease); but, during the same time period, it also reported 177,465.6 more kilogrammes of contraband (a spike of 1,994 %). Seizures in the Asia-Pacific region also increased, growing by 42.7%, from 232

to 331. This uptick was accompanied by a significant rise in the quantities confiscated: 14,118 pieces and 248,193.2 kilogrammes in 2017, as compared to 2,320 pieces and 219,085.3 kilogrammes in 2016. Interestingly, no leguminosae were confiscated in this region in 2017, despite 122,991 kilogrammes having been seized in 2016. Eastern and Central Europe reported a 74.5% percent contraction in the number of pieces seized, falling to 20,069 in 2017. Specifically, 68,687 fewer pieces of Actinopterygii were reported. This was offset by a 33,667.4 kilogramme increase in the amount of anthozoa seized in Eastern and Central Europe. No single type was seized across all ten regions, though aves were seized by nine regions, with West Africa being the only exception.

## Case study 2. Hong Kong Customs seize numerous large shipments of pangolin scales

Between May and December 2017, Customs officials in Hong Kong apprehended over 7.5 tonnes of pangolin scales. The first seizure came on 29 May 2017, when Hong Kong Customs seized 7.2 tonnes of pangolin scales after inspecting a flagged container at the Kwai Chung Customhouse Cargo Examination Compound – the largest Hong Kong pangolin seizure in the last decade. The 20-foot container, declaring its contents as “charcoal”, arrived from Nigeria and was en route to China. The confiscated scales were valued at approximately \$4.6 million HKD.

Several months later, on 12 December 2017, Customs officers raided a house in Tai Po district, where they found men loading a speedboat with suspected contraband. The men fled in the boat, only to be intercepted later. In a false bottom of the speedboat, as well as in two vehicles on the premises of the Tai Po house, Customs officials ultimately discovered 313 kilogrammes of pangolin scales along with thousands of smartphones and hundreds of computer parts.

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- Press Release (2017), *Hong Kong Customs seizes suspected smuggled electronic products and suspected pangolin scales (with photo)*, Customs and Excise Department, The Government of the Hong Kong Special Administrative Region, available at [https://www.customs.gov.hk/en/publication\\_press/press/index\\_id\\_2057.html](https://www.customs.gov.hk/en/publication_press/press/index_id_2057.html), accessed on 13 August 2018.
- WCO data.



FIGURE 13: TRAFFICKING FLOWS BY REGION, 2017

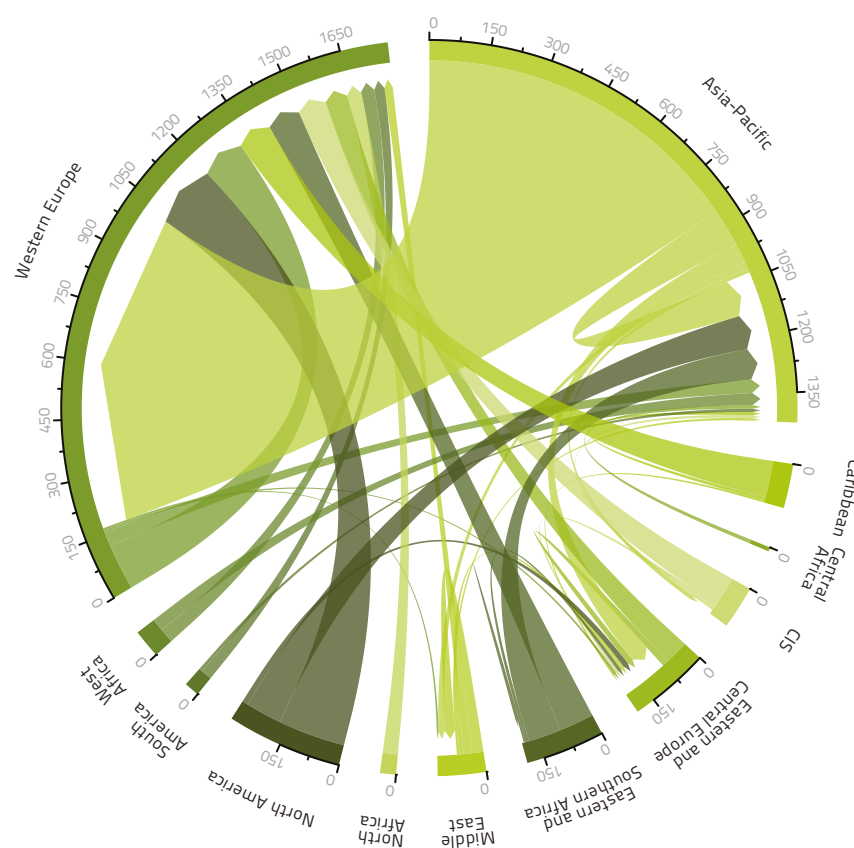


Figure 13 displays intended environmental product (CITES and waste) trafficking flows from, to, and within reporting regions for 2017, regardless of where a given shipment was seized. Figure 13 only shows trafficking routes that appeared in five or more trafficking instances, but it suggests that Western Europe is a major destination for environmental product trafficking. Of 2,216 cases shown in Figure 13, 1,603 (or 72.3%) were bound for the region, 53.4% (856 cases) of which originated in the Asia-Pacific region. In order of prominence, other primary points of origin for cases bound for Western Europe included North America (174 cases), the Caribbean (94 cases) and Eastern and Southern Africa (90 cases). Additionally, 7.4% of cases destined for Western Europe also originated in the region. Conversely, Western Europe exported to eight regions, with 20.8% of export cases (37) destined for the

Asia-Pacific region. Of 1,334 cases either originating or terminating in Asia-Pacific, 1,038 were outbound and 398 were inbound, coming predominantly from North America (93) and Eastern and Southern Africa (84). South America and the Caribbean exclusively appeared as origin regions, appearing in 37 and 108 cases, respectively.

Note that while Figure 13 makes it seem as if environmental products were overwhelmingly bound for Western Europe, this was largely because, in 2017, Western European countries reported the majority of seizures, and the majority of those seizures occurred as contraband entered the reporting country. Thus, Figure 13 may not accurately reflect the global trade in environmental products.

## Member highlight: Russian Federal Customs' efforts to save smuggled wildlife.

Customs authorities of the Russian Federation reported 29 criminal cases and 143 administrative cases involving contraband of animals and plants covered by CITES, as well as substances harmful to the environment.

Russian Customs analyzed smuggling patterns of CITES commodities, and the primary methods were non-declaration with concealment, understating value at Customs and submission of fake documents to Customs authorities.

The analysis also showed that CITES commodities were exported mainly to China and the Republic of Korea, while being imported from European countries. Russian Customs used forensic examinations to see if the commodities seized were species recorded under CITES. When live animals were seized, Customs authorities transferred the animals to various rehabilitation centers for wild animals while awaiting the forensic results identifying the species.

In 2017, the Russian Federation's Customs administration made two outstanding seizures of live animals. On 18 October 2017, Russian Customs stopped an attempted smuggling of 14 falcons at the Customs border checkpoints Vladikavkazsky and Verkhniy Lars, leading to the initiation of two criminal cases under art. 226.1 of the Criminal Code.

On 9 August 2017, following the inspection of luggage and hand luggage at Yekaterinburg airport, Customs officers of the Koltsovo Customs house seized live reptiles weighing a total of 3.6 kilogrammes. The value of the seized goods amounted to 1,176,659.22 rubles, and officials thus initiated an administrative case under Part 1 of Art. 16.2 of the Code of Administrative Offenses of Russia. Confiscation of the commodity is the administrative punishment imposed.

**Source:** Russian Federal Customs Service.



I, J: Courtesy: Russian Federal Customs Service.

**FIGURE 14:** HEAT MAP OF TRAFFICKING INSTANCES BY COUNTRY, 2017

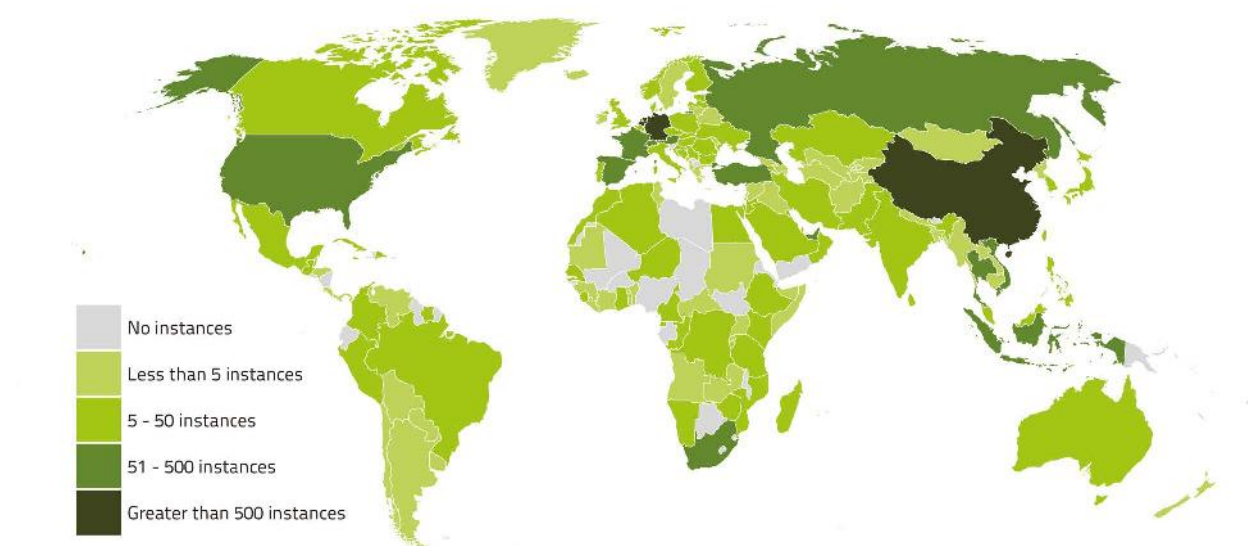


Figure 14 is a heat map of instances of environmental products (CITES and waste) trafficking in 2017, by country and frequency. Each country indicated was the origin, destination, or a transit point for one or more seized shipments of environmental products, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 14 indicates all countries through which environmental products were known to have been trafficked, or were intended to be trafficked, in 2017.

On average, each country registered 35.8 trafficking instances, with 69 implicated countries noting fewer than five instances, and with 71 countries implicated in between five and 50 instances. Three countries – Germany, the Netherlands, and China – raised the average, appearing in 1,408, 605, and 551 instances, respectively; and one or more of these countries appeared in 45.9% of all trafficking instances recorded in 2017. In accordance with data presented in various Figures above, all nine countries implicated in over 100 instances are in either Western Europe or the Asia-Pacific region, with the United States as the only exception.

Collectively, countries in South America appeared in 43 instances of environmental products trafficking, countries of North Africa appeared in 51 instances, Eastern and Southern African countries appeared in 251 instances and those in the Middle East were implicated in 190 instances. Four countries were implicated in more than 100 departure instances: Hong Kong (China) (103), Indonesia (129), the United States (222) and China (415). Germany recorded the most transit and destination instances in the data, with 638 and 750 instances, respectively. Nineteen countries were

implicated in more than ten destination instances, of which ten were in Western Europe and two were in the Asia-Pacific region. Western European countries implicated in more than ten destination instances comprised 69.4% of that category's total, whereas the two Asia-Pacific countries, China and Hong Kong (China), comprised 5.8% and 12.2% of all destination instances. Germany was the top destination, with 32.7% of destination instances (750), and it also led with 60% of transit instances (638).

## Member highlight: A new record for the largest ivory seizure

In July 2017, Hong Kong Customs seized 7,031 kilogrammes of raw ivory tusks in a sea container arriving from Malaysia that was declared to contain frozen fish. The seizure, valued at over \$9 million USD and occurring as Customs found the tusks under piles of frozen fish, ranks, according to the Elephant Trade Information System (ETIS) database, as the new world record for raw ivory tusks seized during a single case.

With respect to the smuggling of ivory tusks and ivory products into Hong Kong (China), air passenger and air postal/express

parcel channels remained the most common modus operandi. Such items were mainly concealed by air passengers in personal baggage or were smuggled by postal/express parcels with false declarations. Those who were smuggling with help from air passengers mainly came from African countries such as Zimbabwe, Nigeria, Mozambique, Côte d'Ivoire and South Africa, while ivory and tusks smuggled through air cargo mainly originated in Portugal and South Africa.

**TABLE 1:** Statistics of ivory and ivory products smuggling detected by Hong Kong Customs from 2015 to 2017.

Year	No. of cases	Quantity (kg)	Estimated seizure value (USD, million)
2015	105	1,600	1.92
2016	41	530	0.68
2017	64	7,570	10.28

**FIGURE 15:** TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017

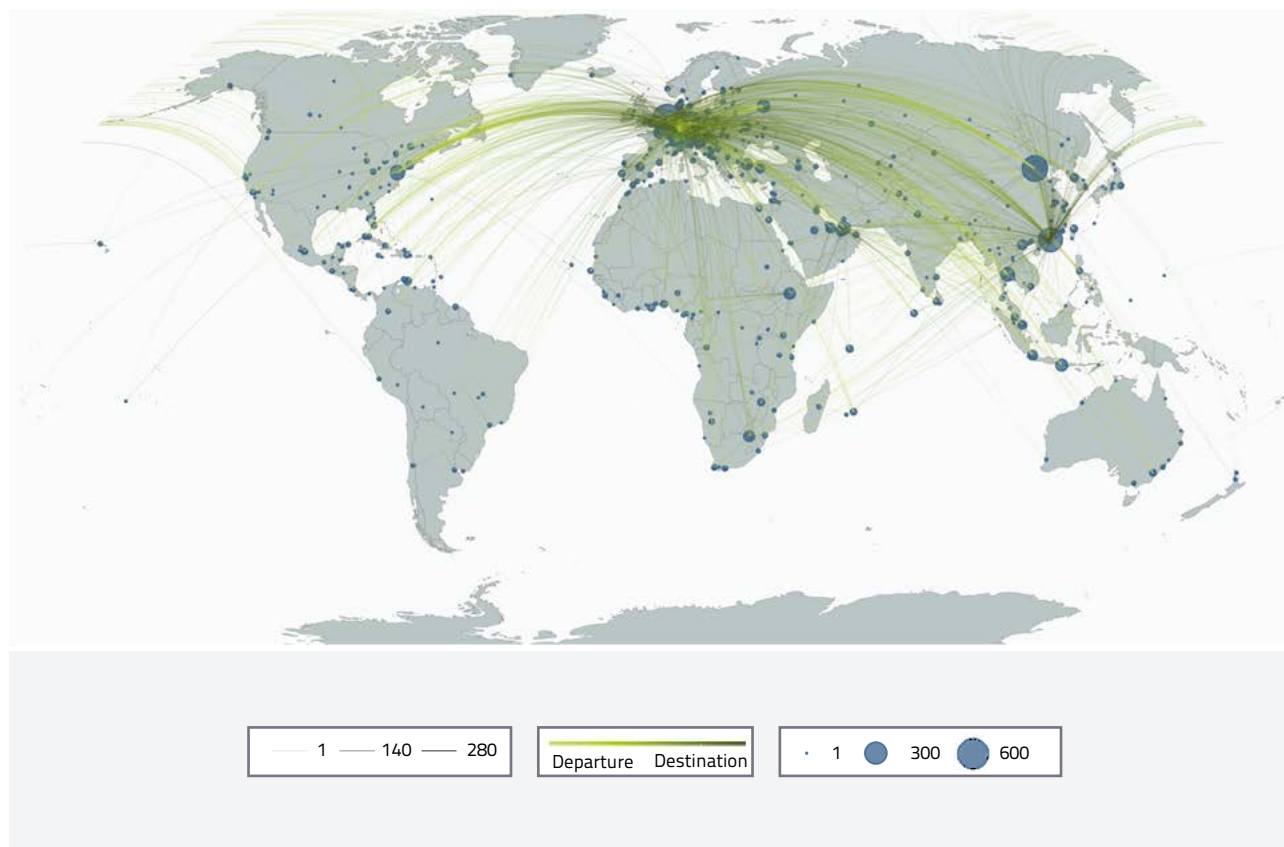


Figure 15 details the illicit flows of environmental products (CITES and waste), from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are light green in color at their origins, becoming darker as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 15 shows the entire intended trade route from origin to destination.

Figure 15 depicts 1,506 unique trafficking routes used across 3,229 instances of environmental product trafficking in 2017.

Consistent with the information presented in Figure 14, Western Europe was by far the most common destination for trafficking routes, accounting for 66.6% of recorded routes (1,003). Of the 557 routes originating in Western Europe, 85.1% (474) were destined for other Western European locations. The top two routes most frequently appearing in the available data originated in Beijing or Hong Kong and terminated in Amsterdam. Beijing - Amsterdam was the predominant trafficking route, appearing in 289 instances (9%), followed by Hong Kong - Amsterdam, which traffickers used in 77 instances (2.4%). The third most common route also originated in China (Beijing - Frankfurt) and was seen in 62 trafficking instances. Likewise, Frankfurt and Amsterdam emerged as the most at-risk cities for environmental product trafficking, implicated in 661 and 607 instances, respectively, with Beijing (439) and Hong Kong (383) just behind.

## 2. PROJECTS AND OPERATIONS

### WCO INAMA PROJECT

Customs have a critical role to play in the fight against the illegal trade in wildlife. The WCO Inama Project, planned and implemented with the support of key development and technical partners, is a response to this global threat. The Project focuses on strengthening the enforcement capacity of targeted Customs administrations in Sub-Saharan African and Asian countries, and it constitutes the follow-up to the two preceding Projects, Great APes and Integrity (GAPIN I and II).

The Project was incorporated within the WCO Compliance and Facilitation Directorate in 2017, under its Environment Programme, thus allowing it to benefit from key technical expertise. It was then extended to September 2019, with funding from the United States Department of State, Sweden and the German Agency for international cooperation (GIZ).

The Project's overall objective is to help diminish the illegal trade in endangered species by enhancing the capacity of Customs administrations, and its expected outcomes include the following: improved enforcement capacity related to CITES within the beneficiary administrations; strengthened efficiency and effectiveness in enforcement of CITES; increased capacity to collect, process and disseminate intelligence on CITES matters; and improved awareness, knowledge and competencies on enforcement of CITES, mainly in terms of conducting Enforcement Operations.

In 2017, the Inama Project maintained the momentum gained in previous years and implemented the following activities:

- Seven scoping missions were conducted to targeted Customs administrations in Sub-Saharan Africa: Burkina Faso, Cameroon, Kenya, Mozambique, Tanzania, Togo and Uganda. These countries were selected through a specific methodology; and, under the Project, they benefitted from tailor-made support at the national level. Each mission resulted in a report shared with each of the Directors General and Commissioners of these countries, providing a diagnostic (an assessment) of the Enforcement Capacity of CITES and a work plan for further support to be received by each administration under the auspices of the

Project. Uganda was the first country to host a national support mission in 2017, whereas the remaining missions will take place throughout 2018. These activities were funded by Sweden.

- Missions where experts deliver trainings on specific subjects (known as "subject-matter expert missions") to help set up or enhance Intelligence Units attendant to CITES were held in Malawi and Zambia and were funded by GIZ.
- The training material on Operations Planning was revised by an external expert, and two follow up trainings were organized: one in Namibia, for English and Portuguese-speaking Sub-Saharan African countries, and one in Gabon, for French-speaking Sub-Saharan African countries. Forty-eight Customs officers from 22 African and Asian countries attended the trainings, along with wildlife authorities, NGOs and civil society representatives. These trainings were funded by the US Department of State.
- Most of the countries that attended the Operations Planning trainings in Gabon and Namibia conducted the operation Save REP/Sauver REP (Rhino, Elephant Pangolins). During the WCO Operational Planning Workshop, participating Customs administrations designed their individual national Operation Plans to support the broader regional effort. According to the Customs experts, the results were "depressingly good", leading to the seizure of over 650 kilogrammes of ivory, 193 kilogrammes of rhinoceros horns, three pangolin hides and 70 kilogrammes of pangolin scales. In addition, 59 radiated tortoises from Madagascar, 34 panther claws and three panther teeth were seized, along with other illicit goods not related to wildlife. The operations were funded by the United States Department of State, with the active participation of the RILOs for both West and Central Africa and East and Southern Africa. Debriefing sessions were conducted as well.
- As a follow-up to the operations, Angola, Namibia and Uganda received strategic advice on conducting operations during subject-matter expert missions.

- The WCO, in cooperation with INTERPOL and under the umbrella of the International Consortium on Combating Wildlife Crime (ICCW), conducted a training on Controlled Deliveries for a group of French-speaking countries from Central Africa (namely Cameroon, Democratic Republic of the Congo, Gabon, Republic of the Congo, plus RILO Central Africa) in Yaoundé, Cameroon. More than 30 delegates from Police, Gendarmerie, wildlife authorities and Customs attended the event, thereby fostering inter-agency cooperation. This training was funded by the United States Department of State.

In summary, in 2017, more than ten administrations received tailor-made support under the auspices of the Inama Project. Two regional operations were held and more than 100 officers were trained in various aspects of the fight against the trade in illegal wildlife. The inter-agency cooperation was further strengthened in 2017, thereby creating synergies between enforcement agencies.





A

## SECTION 4.

# IPR, HEALTH AND SAFETY

## INTRODUCTION

Customs administrations are responsible for facilitating the flow of legal goods between countries and for securing global trade against the many threats posed by diverse forms of illicit trade, including the trade in counterfeit and pirated goods. The high volumes and increasingly sophisticated nature of trade for counterfeit and pirated goods are serious concerns, and organized criminal groups are heavily involved in disseminating and selling such products. Trade in counterfeit items is not only illegal, it further finances other criminal activities, seriously harming a country's national production.

Thus, the WCO prioritizes combating infringements of intellectual property rights (IPR) on its agenda. Indeed, the heart of the WCO IPR, Health and Safety Programme involves capturing the attention of Customs officers and industries worldwide and ensuring sufficient vigilance in efforts to combat counterfeiting and piracy.

Concerted and effective international cooperation is the best approach for dealing with this global challenge, by disrupting the activities of criminals involved in these illegal trades. Accordingly, in the fight against counterfeiting, the WCO is more committed than ever to enhancing cooperation with its longstanding public and private partners.

The IPR, Health and Safety Section of this Report examines the global illicit trade in counterfeit goods and medical goods in 2017.

A: Courtesy: Sri Lanka Customs.

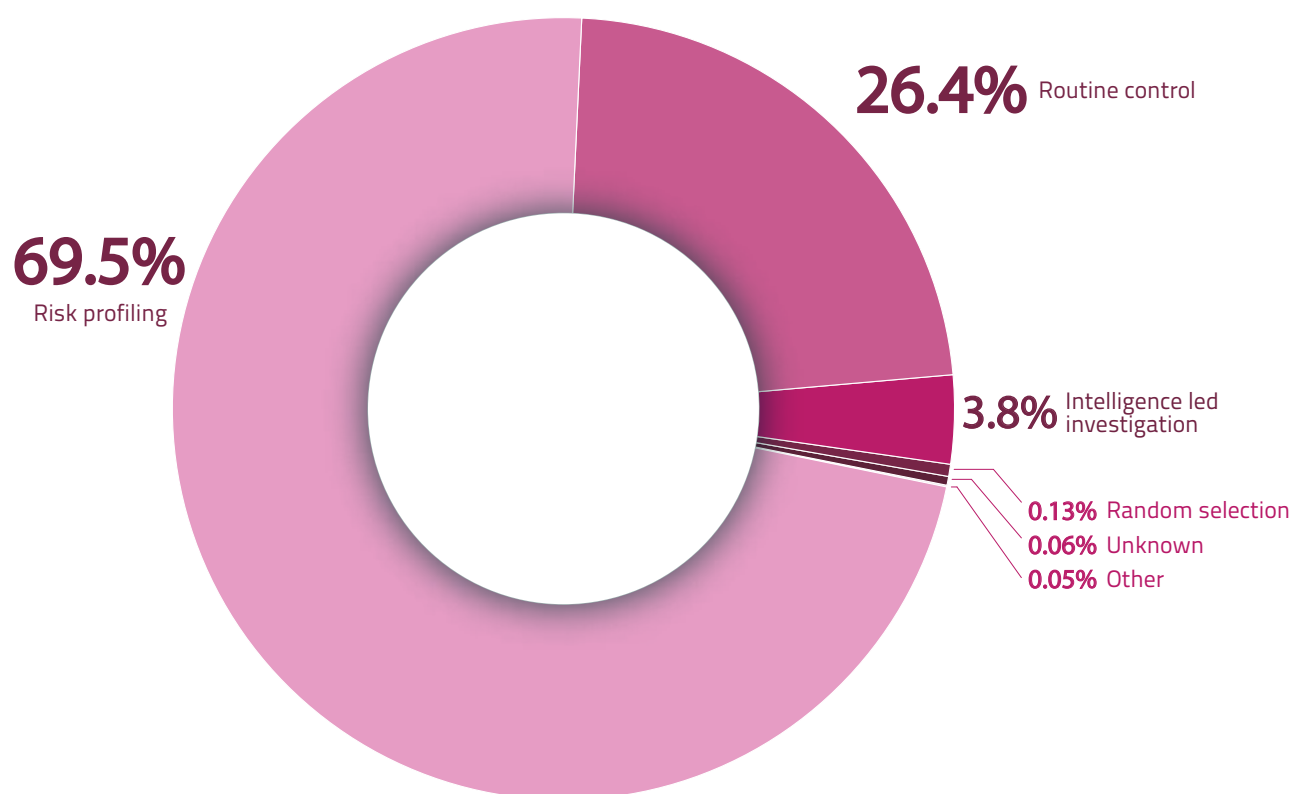


As such, the Section is divided into two broad categories. The first category discusses counterfeit non-medical goods, including clothing and accessories, cosmetics and electronic appliances, referred to as “IPR products”. The second category looks at all illicitly traded and smuggled medical goods – such as medicines, pharmaceutical products and medical technology – including products that are counterfeit, genuine products that lack either the appropriate authorization or licences, and products that are undeclared. Collectively, this category is referred to as “Medical products.”

In 2017, the WCO received reports documenting 20,058 cases involving IPR products in 61 countries and comprised of 27,267 seizures yielding 368,679,433 pieces. Meanwhile, medical products (principally medicines) were identified in 6,051 cases reported across 67 countries in 2017, accounting for 7,629 seizures and the confiscation of 270,870,885 pieces and 283,155.2 kilogrammes of medical contraband.

According to WCO CEN data, 2017 has recorded fewer seizures of IPR products. Although the overall quantity of IPR products increased by 22.7% in 2017, rising from 300,457,040 to 368,679,433 pieces, the data show that this is largely attributable to a relatively small number of large seizures of just two product types and that the overall trend is downward when these seizures are excluded. At the same time, the number of reported IPR seizures fell by 38.2%, dropping from 44,254 in 2016 to 27,267 the following year. Medical products seizures are, by contrast, increasing, with countries reporting a greater number of seizures in 2017 (7,629) than in 2016 (2,862). This accompanies a 45.4% growth in pieces confiscated, climbing from 186,276,729 to 270,870,885 between 2016 and 2017. That said, the quantity of kilogrammes seized fell, going from 1,263,781.3 to 283,155.2.

**FIGURE 1: PERCENTAGE OF SEIZURES BY DETECTION METHOD, 2017**

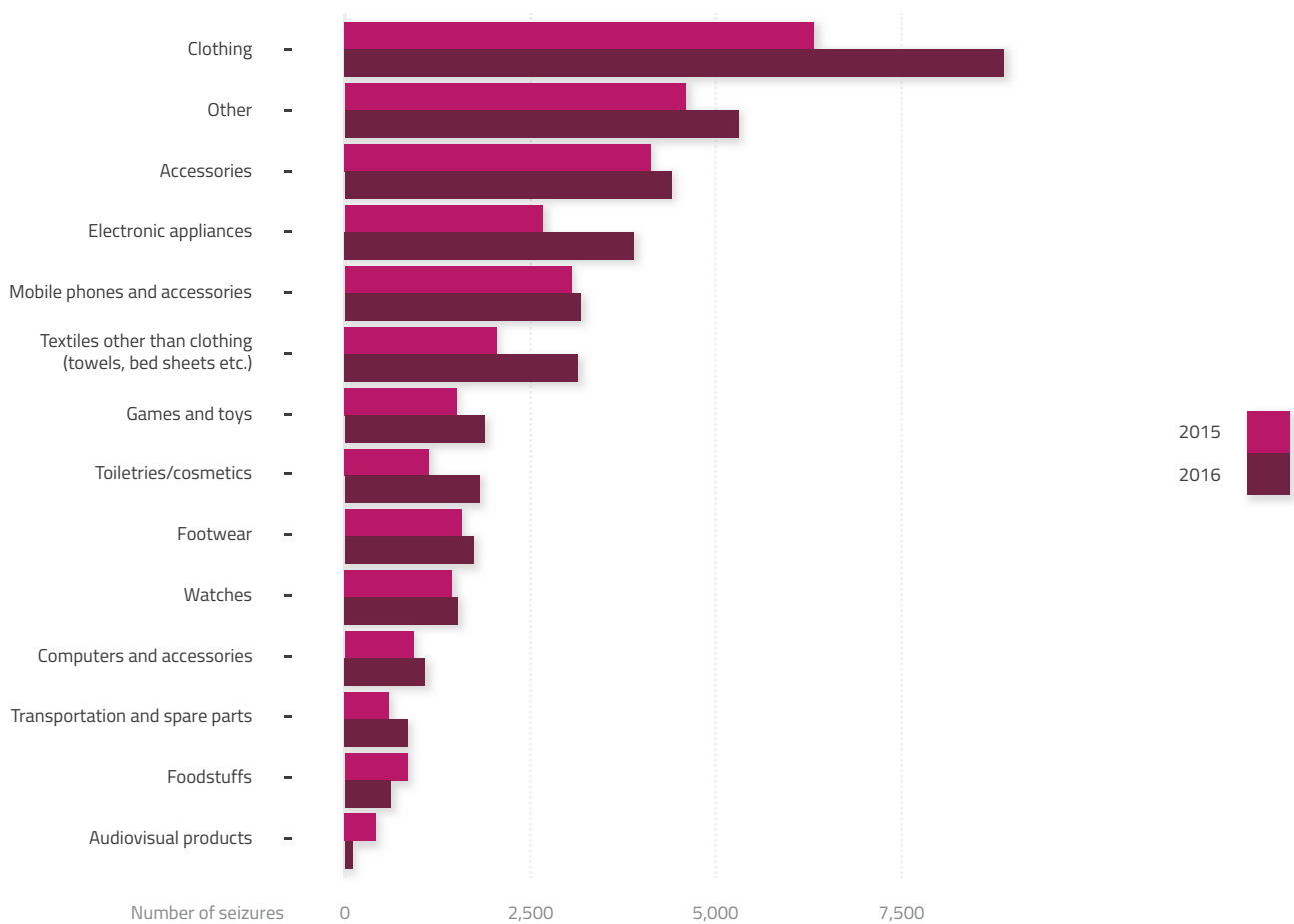


**Figure 1** reveals the method of detection Customs officers employed to make all IPR and medical products seizures in 2017. Based on the available data, risk profiling was the most effective method of detection, facilitating 18,958 IPR seizures and 6,356 medical products seizures, yielding 32,145,995 and 243,181,000 pieces, respectively, as well as 12,280.6 kilogrammes of IPR products and 268,516 kilogrammes of medical products. Routine controls were successful in 26.4% of all IPR seizures, netting 143,581,401 pieces and 53,147 kilogrammes. Routine controls were also employed in 10.1% of medical products seizures, resulting in the confiscation of 20,988,306 pieces and 12,295.2 kilogrammes of such contraband. Intelligence led investigations contributed to 1,033 IPR products seizures and 244 seizures of medical products, accounting for 192,905,085 and 6,529,854 pieces and amounting

to 913,846 and 2,342 kilogrammes, respectively. While this method was used less frequently, intelligence led investigations often yielded relatively larger quantities of contraband, averaging 177,276 pieces and 6,027.6 kilogrammes per seizure.

This Section's trend analyses requires a few caveats. First, all conclusions are drawn from case and seizure data voluntarily submitted at the discretion of WCO Members. There are many reasons a particular Customs administration may choose not to report certain elements of their data, including the need to maintain secrecy over ongoing investigations. The figures in this Section, therefore, may not necessarily depict a comprehensive view of trends in the global illicit trading of IPR products and medical products. Second, apparent increases in certain trades

**FIGURE 2:** NUMBER OF IPR PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017



may reveal the increasing efficacy of Customs officers, rather than a genuine uptick in IPR and medical products smuggling activity.

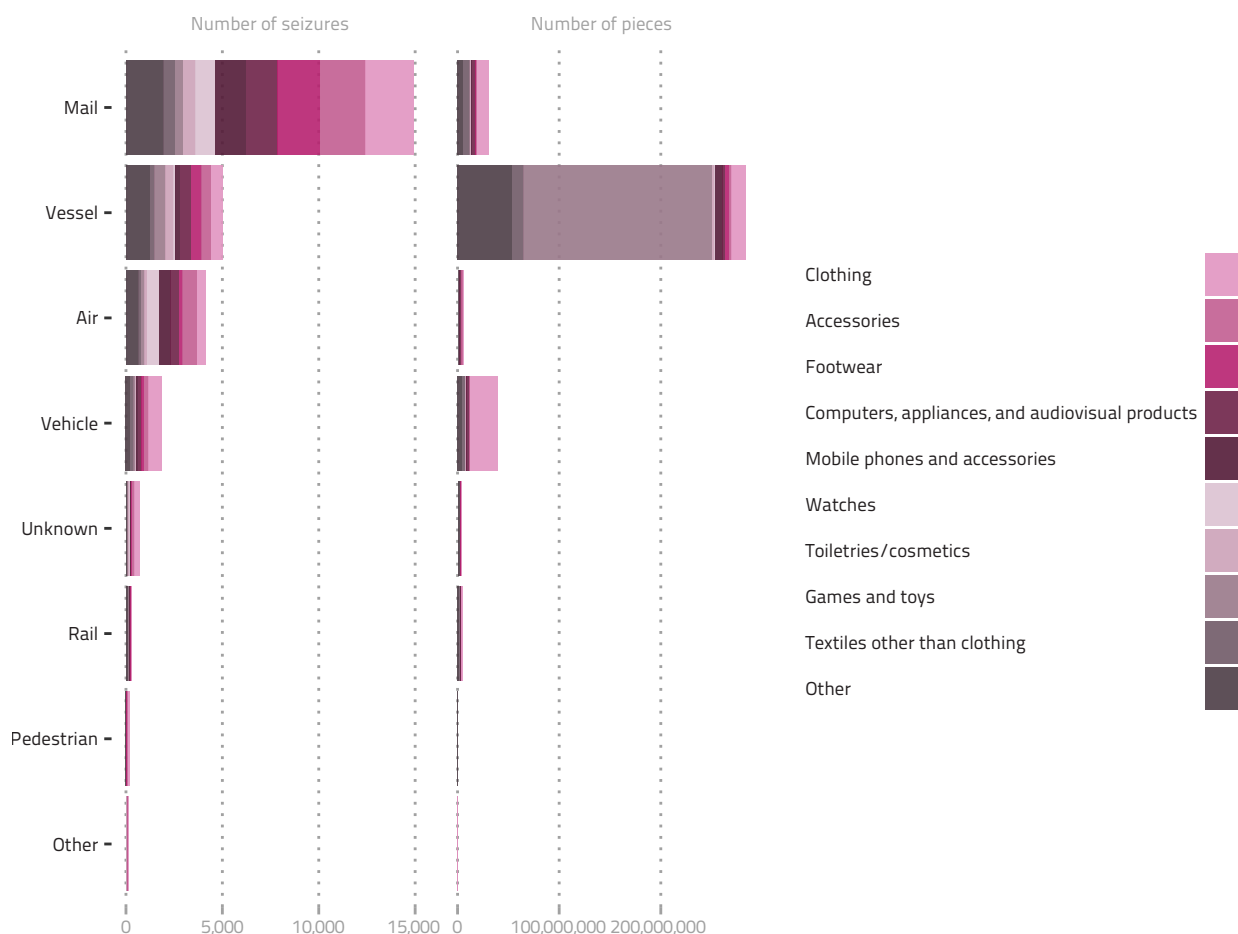
This Section is organized in the following manner:

1. Overall trends in trafficking of IPR products.
2. Overall trends in trafficking of medical products.
3. Operations.

## 1. OVERALL TRENDS IN TRAFFICKING OF IPR PRODUCTS

**Figure 2** compares the number of seizures reported in 2016 and 2017 for each category of IPR products. The total number of seized IPR products increased by 22.7%, from 300,457,040 to 368,679,433 pieces, in 2017, despite an overall decline of 38.4% in the number of seizures, a total which fell from 44,254 in 2016 to 27,267 the following year. Such a decline appears across all IPR product types, with an average rate of decline of 40% (1,213 fewer seizures). Notably, the seized quantity of all but two product types also decreased, with the 22.7% overall increase in quantity confiscated attributable to just these two product categories: computers and accessories and games and toys.

**FIGURE 3: NUMBER OF IPR PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017**



In 2017, 610 seizures of computers and accessories yielded 1,915,981 pieces, representing a 3.7% increase over 2016's total computers and accessories quantity of 1,848,531. Seizure quantity for games and toys spiked by 1,153.4%, rising from 14,936,876 to 187,219,807 pieces in 2017, although this was largely due to a single seizure of 183,070,000 Pokémon pieces and other toys at the seaport in Montevideo, Uruguay. Excluding product types with increasing seizure quantities, the average decline was 44.3% - meaning that 8,677,332 fewer pieces were confiscated. The category with the greatest decline in seizures was clothing, which fell from 9,716 in 2016 to 4,679 (a reduction of 51.8%). Audiovisual products were, in terms of total quantity, the least common contraband seized, accounting for only 81,851 pieces (0.02% of the overall IPR total).

Figure 3 shows the number of seizures and the quantity of IPR products seized by type and conveyance method between 2016 and 2017. Of the 27,267 seizures executed in 2017, 54.8% (14,947) were of contraband discovered in mail parcels. Such seizures accounted for 30,393,685 pieces, 38.4% of which involved clothing and 20.9% of which involved textiles other than clothing. In terms of quantity seized, the great majority of pieces were identified aboard vessels. Vessel seizures yielded 76.9% of all IPR contraband pieces seized in 2017 (283,575,361) - and, of that total, nearly two thirds (65.3%) were of games and toys. However, a single large seizure in this category (described in Figure 2) constituted 64.6% of the games and toys seized from vessels. Clothing and the "other" products category accounted for 23.9% of the remaining number of pieces seized on board ships, accounting for 14,226,469 and

## Member highlight: Hong Kong Customs fights transnational crime

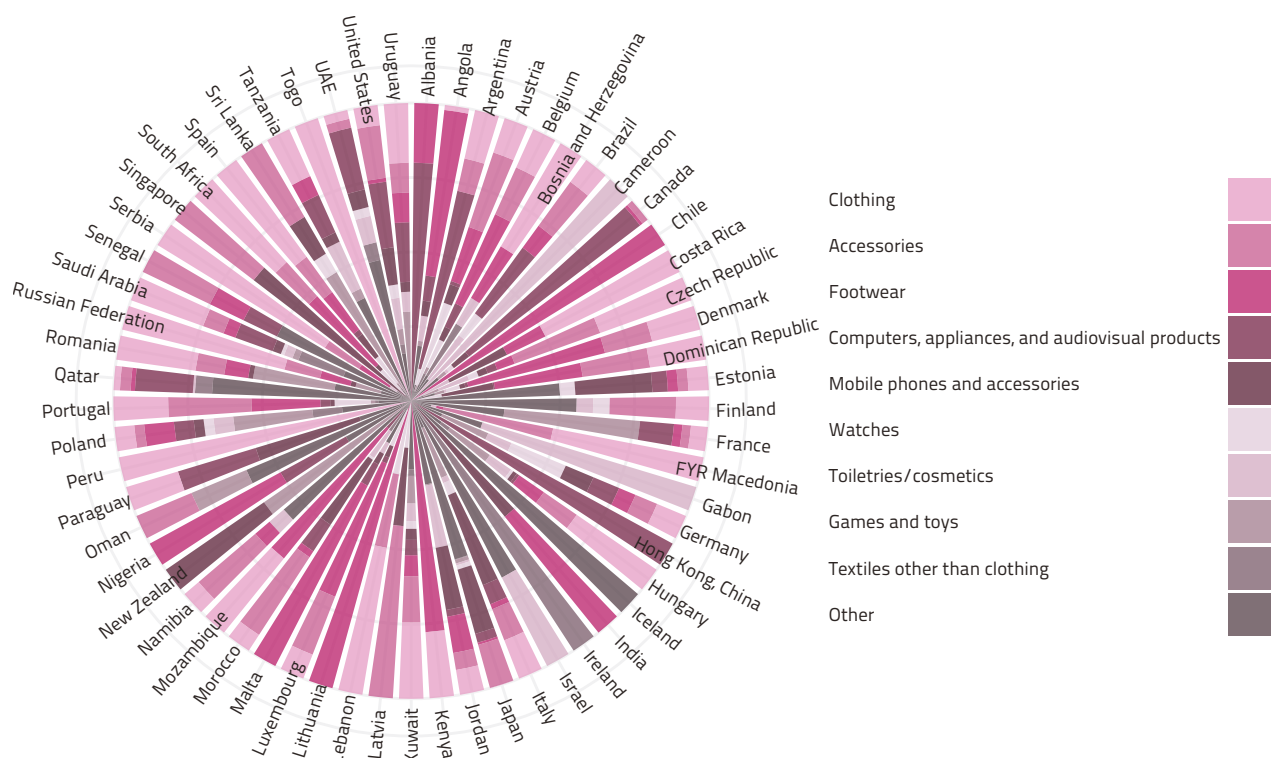
From April to June 2017, Hong Kong Customs conducted a joint operation with the U.S. Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP) to pursue a transnational criminal syndicate that was exporting counterfeit batteries from Hong Kong for sale in the United States. As a result, ten individuals were arrested in Hong Kong, including the heads of the syndicate and key associates. Authorities searched the offices, storage units, residences and vehicles associated with the syndicate, seizing over 20,000 batteries, adapters, chargers, earphones and mobile phones with suspected false trademarks and with a total value of about 2 million HKD. On the American side of the effort, CBP intercepted and seized 9,180 pieces of counterfeit phone batteries and USB chargers from consignments referred by Hong Kong Customs in February and April 2017, goods with a value of about 284,000 USD.

Source: Hong Kong Customs.



**C, D:** Joint operation leads to the seizure of over 20,000 pieces of various electronic appliances, mobile phones and accessories. Courtesy: Hong Kong Customs.  
**E:** Interception of counterfeit shoes during WCO Operation ACIM 2. Courtesy: Mozambique Customs.

FIGURE 4: PROPORTION OF IPR PRODUCTS SEIZURES BY TYPE AND COUNTRY, 2017



across all seven of the eight conveyance methods described, and only seizures from pedestrians failed to yield at least a portion of contraband from all ten product types. (Games and toys, textiles other than clothing, and toiletries and cosmetics were not recovered from pedestrians in 2017.)

Figure 4 depicts the proportion of seizures for each type of IPR product, as reported by each country recording at least one such seizure. The distribution of illicit IPR products is notable: on average, each of the 61 countries reporting at least one IPR seizure in 2017 confiscated 5.7 types of IPR products, and 27 countries reported seizing seven or more. The United States and Saudi Arabia reported seizing the widest variety of product types in the greatest quantities, recording at least 97 and 57

seizures, respectively, for each product type. Only eight countries exclusively reported apprehending a single product type, albeit infrequently, including Cameroon, Chile, Hong Kong (China), Iceland, Lithuania, Peru, Togo and Ireland - but note that Ireland was the only country to report more than ten seizures (54 seizures of textiles other than clothing). The diffuse trafficking of clothing is especially salient in these data, considering that only 19 countries failed to report a single clothing seizure. The top three seizure categories by number of reporting countries, and with reference to the quantity of those goods that were seized, were other products (45), footwear (43) and clothing (42). Textiles other than clothing, games and toys and watches saw the smallest trading footprint, having been confiscated in only 19, 27 and 27 countries, respectively.

## Member highlight: Seizures of counterfeit and pirated goods made by Polish Customs in 2017

Polish Customs officials seized over 180,000 pieces of clothing labels bearing the logos of well-known sporting goods brands. The materials were being exported to Ukraine, where it is suspected the labels were going to be used to mark clothes on a large scale.



Control activities were carried out in the open market in Wólka Kosowska, in central Poland, in November and December 2017. Goods were being offered for sale on 200 stands or directly from vehicles. In this operation, three hundred Customs officers of the National Revenue Administration seized 206,035 pieces of various counterfeit goods with a total value of approximately 20,000,000 Euros.

Source: Polish Customs.



**F, G:** Seizure of clothes labels bearing logos of well-known sporting-goods brands. Courtesy: Polish Customs.  
**H, I:** Goods seized during an operation in a market in Poland. Courtesy: Polish Customs.

FIGURE 5: NUMBER OF IPR PRODUCTS CASES BY COUNTRY, 2016–2017

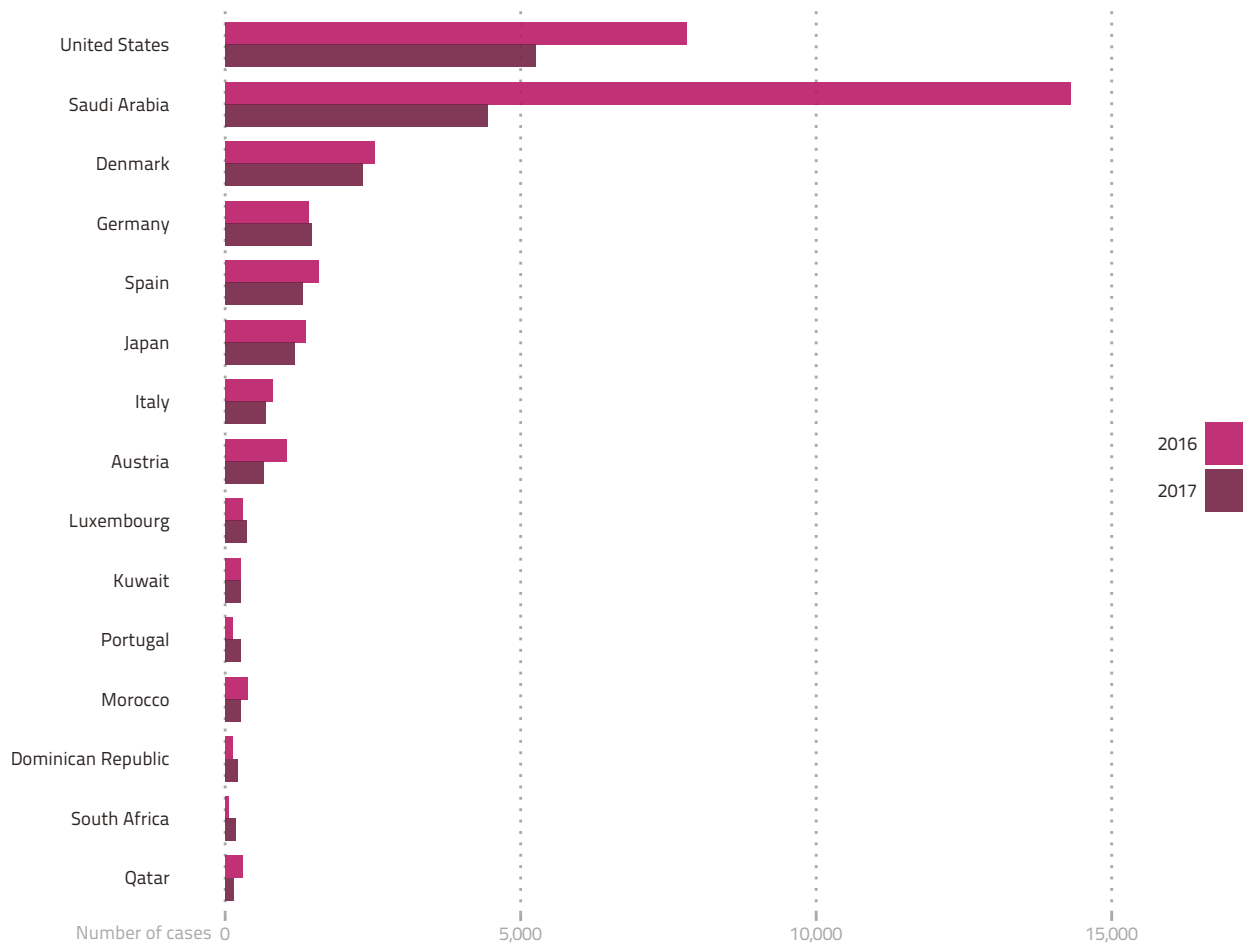


Figure 5 compares the number of IPR products cases submitted by the top 15 reporting countries in 2016 and 2017. Overall, these countries submitted 41.4% fewer cases in 2017 as compared to the previous year, with caseloads falling, on average, by 894.5 cases per country and with the cumulative case total decreasing from 32,384 to 18,966 between these years. Only six countries reported more cases, including Germany (from 1,415 to 1,458), Luxembourg (from 295 to 363), Kuwait (from 262 to 268), Portugal (from 134 to

256), Dominican Republic (from 119 to 205) and South Africa (from 58 to 182). Nevertheless, these upward trends were offset by decreasing cases elsewhere, with declines seen in data reported by Saudi Arabia and Qatar. These countries reported 68.9% and 51.7% fewer cases in 2017, dropping from 14,299 to 4,449 and from 288 to 139 cases, respectively. In 2017, the United States became the most frequent reporter, counting 5,246 cases despite a 32.7% decrease since 2016.

**FIGURE 6:** NUMBER OF IPR PRODUCTS CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2017

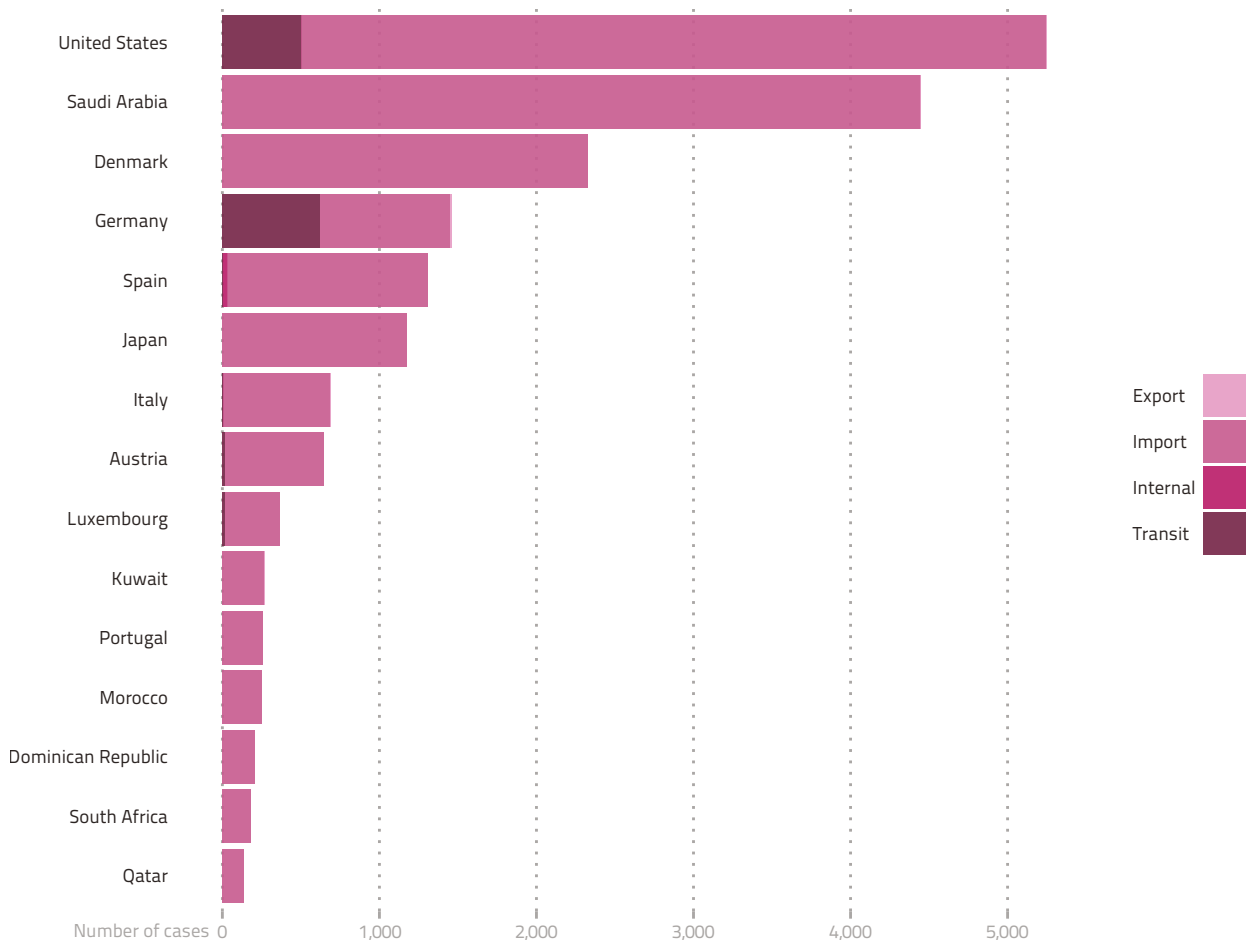


Figure 6 displays the top 15 countries reporting IPR cases in 2017, and it indicates the direction in which target shipments were moving when confiscated. The overwhelming majority of reported cases were executed upon the import of illicit goods: 93.6% of all 18,966 cases submitted by the top 15 countries involved goods entering the reporting country. Indeed, six countries exclusively reported such cases (i.e. goods entering the country), including Saudi Arabia, which reported 25.1% of all import cases (4,447). Denmark, the third most frequent reporting country, accounted for 13.1% of all import cases (2,328). The United States, which reported cases of three procedural types, accounted for 26.7% of import cases (4,738), while also claiming 43.1% of the 1,171 total transit

cases in 2017, making it the second most common Customs procedure recorded among IPR cases. The only country among the top 15 to report more transit cases than the United States was Germany, which contributed 624 cases, while also reporting 827 import cases and seven export cases. Export cases were reported by only four other countries: Kuwait (one), Saudi Arabia (two), the United States (three), and Italy (six). Internal cases, those involving goods trafficked domestically, were seen in just two countries: Italy (one) and Spain (27). Italy was the only country to report cases involving all four Customs procedures, with 681 import, six export, five transit cases, and one internal case mentioned above.

**FIGURE 7: NUMBER OF IPR PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2016–2017**

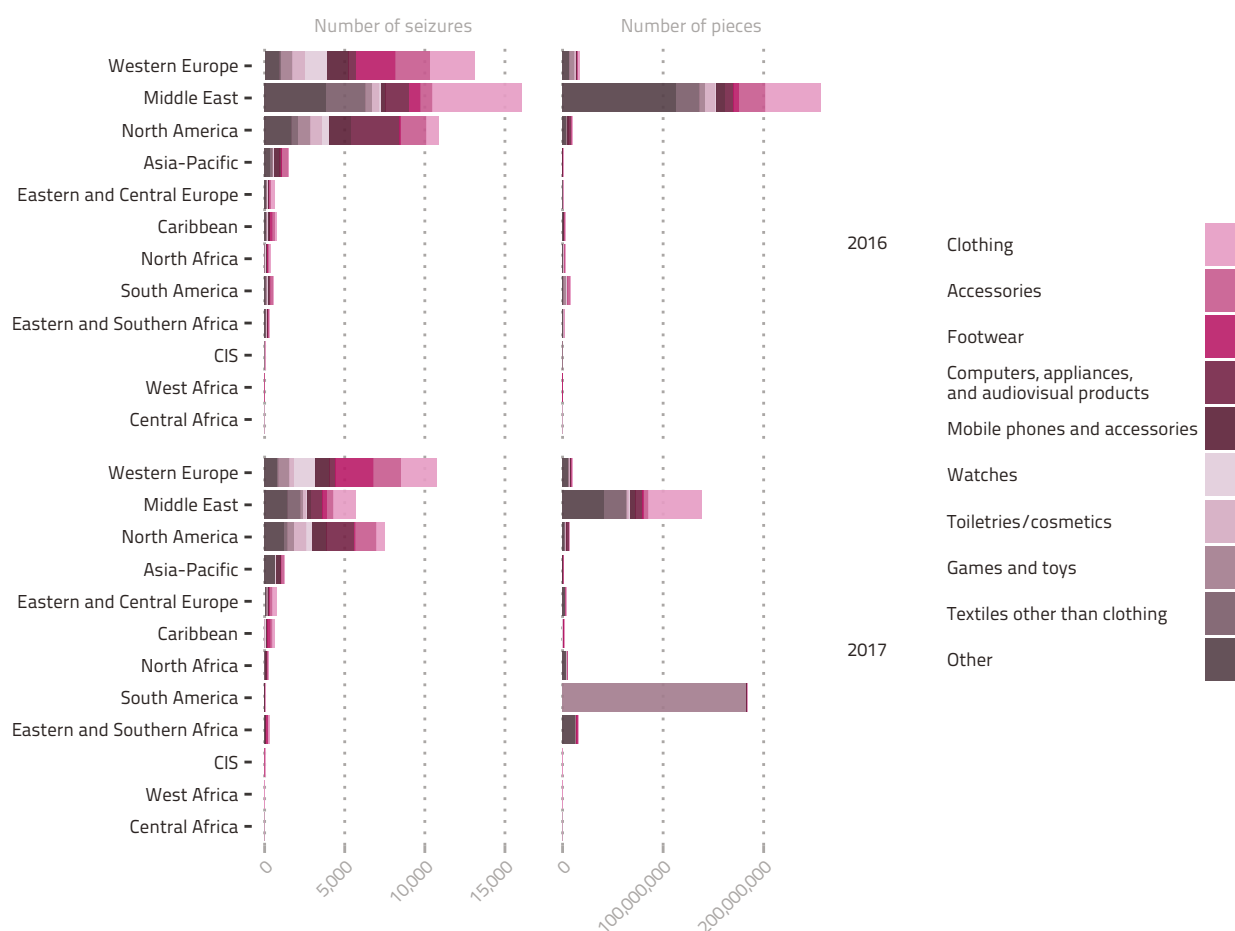


Figure 7 compares the number of seizures and the total quantity of IPR products seized by reporting region between 2016 and 2017. As with Figure 2, Figure 7 shows a clear reduction in the number of seizures reported across regions in 2017. Only three regions executed more seizures in 2017 as compared to the previous year: the Commonwealth of Independent States (CIS) reported a 103.6% rise, going from 28 to 57 seizures; Eastern and Central Europe reported a 21.1% rise, going from 635 to 769; and Eastern and Southern Africa reported a 4.9% rise, going from 305 to 320. The greatest decrease in the number of seizures occurred in the Middle East, where 16,078 were reported in 2016 compared with 5,676 in 2017 (a 64.7% decline). So too did the number of pieces seized in the Middle East decrease, dropping from 256,183,060

to 138,627,003 (a 45.9% decline). This trend appears to conflict with an overall increase in the number of pieces seized in 2017 (368,679,433), a total that was 22.7% more than the 300,457,040 pieces seized in 2016; but note that 49.7% of all pieces seized were accounted for by the aforementioned seizure of toys and games in Uruguay. Excluding that seizure, and when compared to 2016, the number of pieces seized declined 38.2%, falling to 185,609,433. Beyond the Middle East, the region with the most significant decrease was Western Europe, which reported seizing 41.2% fewer pieces in 2017 (9,944,159). Nine of the twelve regions saw seizures of all ten IPR product types, with CIS, Central Africa and West Africa as the exceptions. Only one product type, “other” products, was seized by all twelve regions.

## Member highlight: Close interagency collaboration to fight IPR infringements.

As the authority responsible for border enforcement of IPR, Singapore Customs works closely with the Singapore Police Force (SPF) and the Immigration & Checkpoints Authority (ICA) to ensure the efficacy of Singapore's IPR enforcement regime. In 2017, Singapore Customs detected multiple cases of IPR-infringing goods that were smuggled in for trade or sale. Some of these goods included counterfeit mobile phones, bags, toy scooters and watches.

### Counterfeit watches

During the inspection of a 45-foot container in an industrial building on 27 October 2017, authorities discovered 25,543 watches that had been imported to Singapore for re-export. The watches were suspected of violating the trademarks of several renowned brands and were, therefore, turned over to SPF for further investigation.



### Counterfeit mobile phones

On 12 October 2017, at the Airport Logistics Park of Singapore, Singapore Customs officers intercepted six consignments of 180 counterfeit mobile phones and referred the case to the SPF.

Four men, between the ages of 30 and 41, were arrested for their suspected involvement in the possession of counterfeit mobile phones for the purpose of trade.



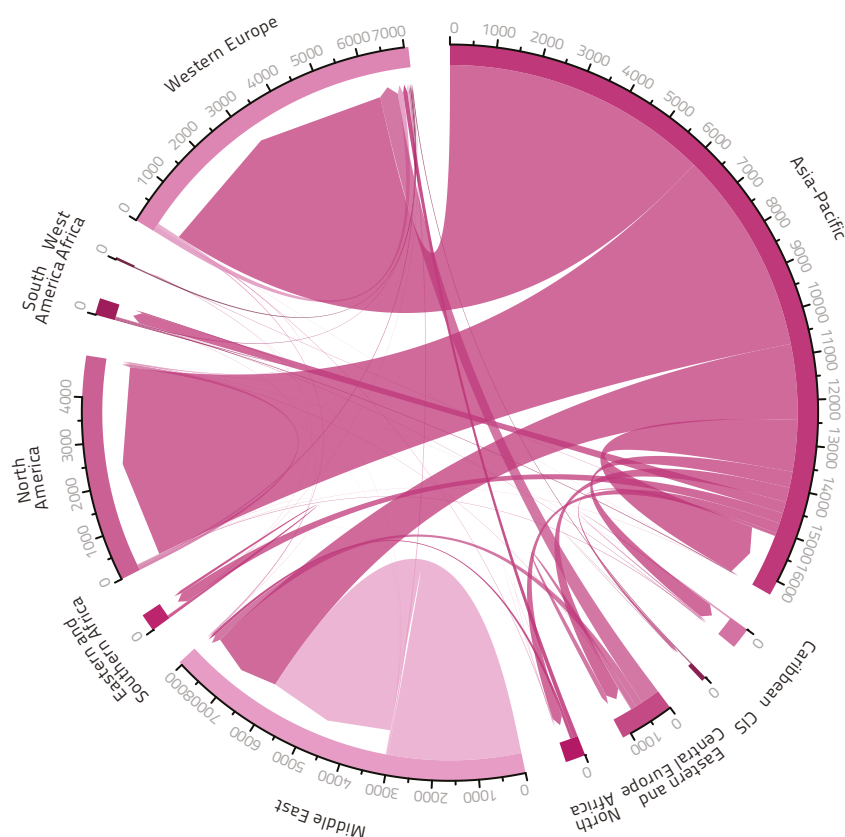
### Counterfeit bags

Following a six-hour operation on 18 September 2017, a 43-year-old man was arrested by the SPF for his suspected involvement in importing counterfeit bags for the purpose of trade. Singapore Customs officers inspected a consignment believed to contain trademark-infringing goods. A total of 218 bags and pieces of luggage were detained after the rights holders confirmed that the items were counterfeit. Singapore Customs referred the matter to the SPF for further investigation, leading to the arrest of the 43-year-old man.



During an inspection of a container on 2 September 2016, Singapore Customs officers found an assortment of wallets, purses and bags suspected of being counterfeit versions of various popular brands. Over 1,300 pieces of these suspect goods were detained, and Singapore Customs alerted the SPF, who then seized the items pending further investigation.

**FIGURE 8:** IPR PRODUCTS TRAFFICKING FLOWS BY REGION, 2017



**Figure 8** displays intended IPR product trafficking flows from, to, and within reporting regions for 2017, regardless of where a given shipment was seized. **Figure 8** only shows trafficking routes that appeared in five or more trafficking instances. Of the 19,730 IPR cases with known route information submitted in 2017, 76.6% (15,122) originated in the Asia-Pacific region, accounting for 99.8% of all cases touching the region. An additional 1,207 cases were bound for the Asia-Pacific region, including 1,174 cases that both originated and terminated there. The bulk of cases originating in Asia-Pacific were destined for either Western Europe (6,084) or North America (4,640 cases), with another 1,718 cases headed for the Middle East. Cases to and from Western Europe totalled 6,971, comprising 35.3% of all cases in 2017. This amount was followed by the Middle East, which includes countries appearing in 25.7% of all cases (5,072). As with other categories of contraband

in this report, the Middle East exhibited a relatively high degree of intraregional trade. In fact, 97.9% of cases originating in the Middle East also terminated there. Of the 200 export cases from Western Europe, 64% were bound for other Western European locations, with the remainder headed for the Middle East (26), North America (19), North Africa (18), and Asia-Pacific (5).

**Figure 9** is a heat map of IPR trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination, or a transit point for one or more seized IPR products shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, **Figure 9** indicates all countries through which IPR products are known to have been trafficked, or were intended to be trafficked, in 2017.

## Case study 1. Counterfeiting ring selling up to \$25 Million in luxury items thwarted in New York State

After a six-month investigation, authorities detained a father and his two sons for the illegal import and sale of counterfeit luxury items from China and Hong Kong (China). Thousands of counterfeit designer watches, belts, purses and other apparel were seized in December 2017 in Floral Park, Nassau County, from a series of warehouse locations. Authorities estimate that had the counterfeit items been authentic, the market value would exceed 25 million USD.

The investigation was carried out by agents from the Nassau County Police Department, the United States Department of Homeland Security, U.S. Customs and Border Protection (CBP), and the New York Police Department. Ultimately, three men were detained. The individuals imported the items from China and Hong Kong through their family-owned business based in New York. The goods, which included counterfeit versions of brand names such as Rolex, Louis Vuitton and Gucci, generally arrived at John F. Kennedy Airport and were accompanied by forged authentication

paperwork with falsified serial numbers. The shipments were then transferred and stored at assorted warehouses and rental storage units before being distributed to street peddlers, flea markets and other vendors.

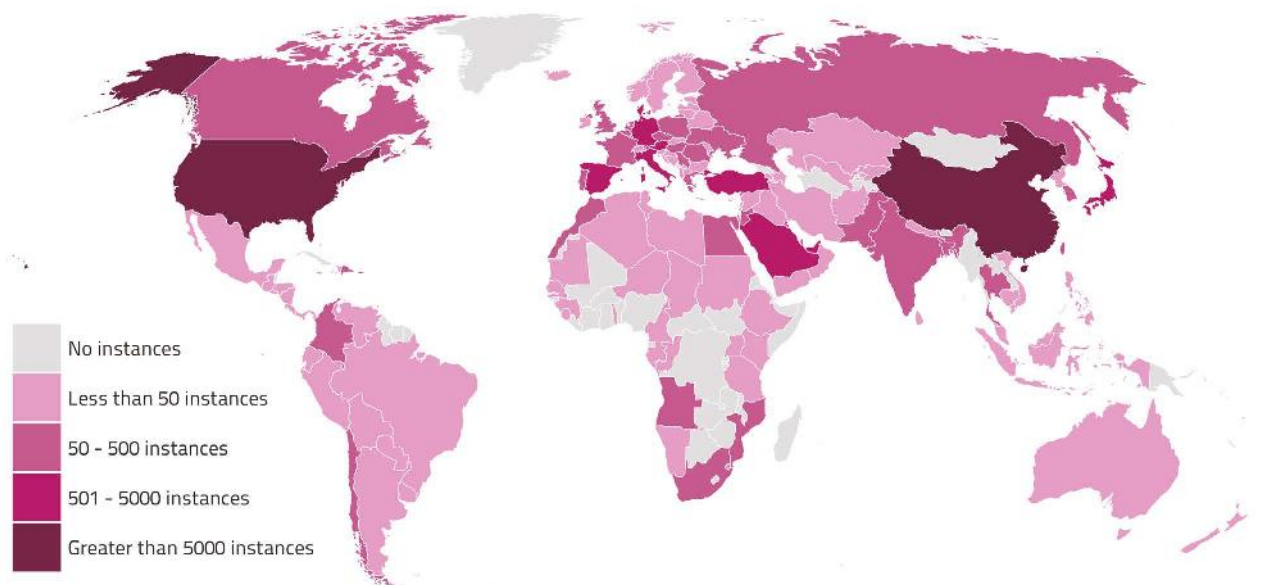
In 2017, U.S. CBP intercepted more than 8,600 shipments of goods found to be violating IPR in New York alone. The demand for counterfeit goods in the United States continues to rise, posing a threat to American economic and national security interests.

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**FIGURE 9:** HEAT MAP OF IPR PRODUCTS TRAFFICKING INSTANCES BY COUNTRY, 2017

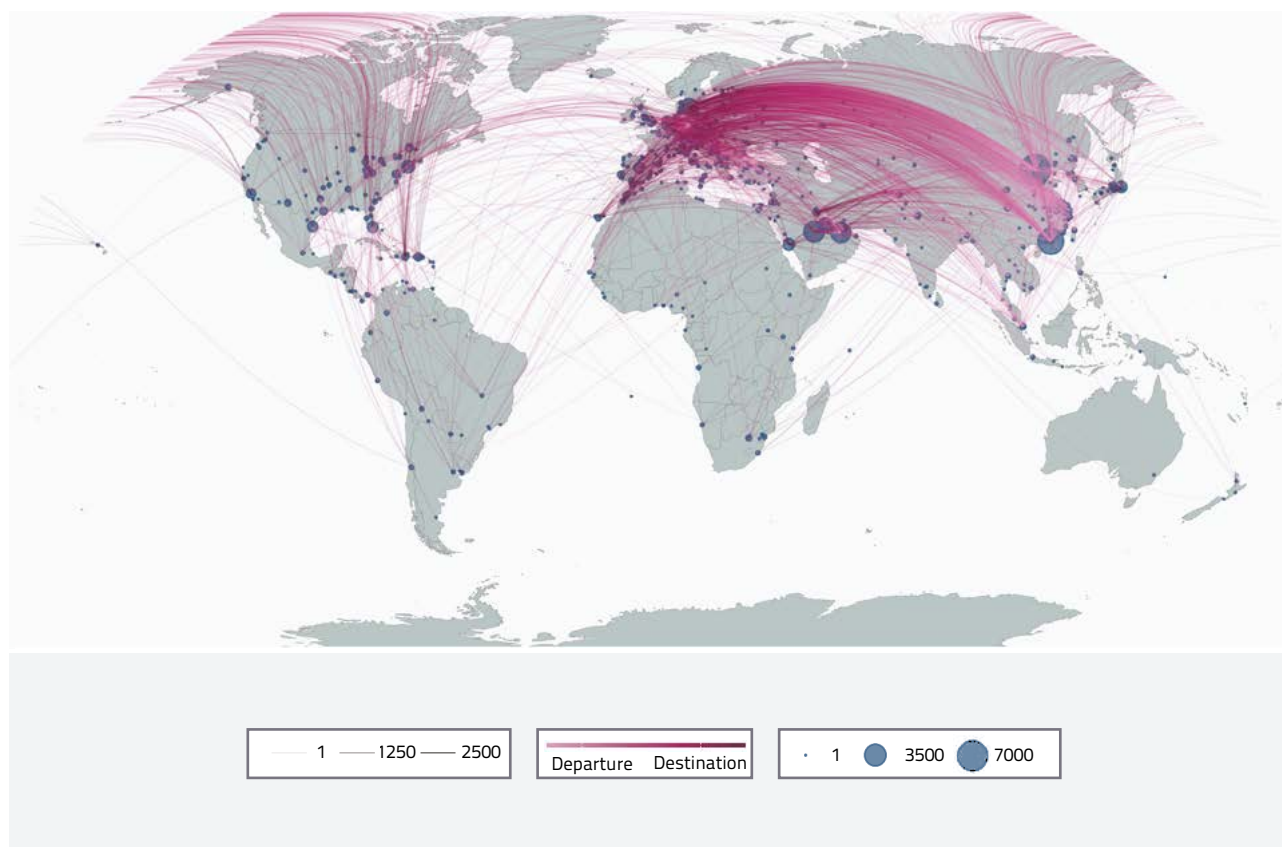


Over the course of 43,787 individual trafficking instances, 140 countries were implicated in the global illicit IPR trade, with nine countries implicated in over 1,000 instances, including Japan (1,224), Spain (1,432), Denmark (2,379), Germany (2,686), the United Arab Emirates (2,910), Saudi Arabia (4,985), Hong Kong, China (5,044), the United States (5,271) and China (9,220). Together, these nine countries comprised 80.3% of all known trafficking instances in 2017. China and Hong Kong alone comprised 32.6% of known trafficking instances, although China did not self-report a single IPR case in 2017, and Hong Kong reported only nine. The United Arab Emirates, Hong Kong (China), and China were the top three countries for departure instances, implicated in 2,864, 4,926 and 9,180 instances, respectively. Together, these jurisdictions accounted for 85.9% of the 19,752 IPR departure instances.

Conversely, Denmark, Saudi Arabia and the United States were the top three destination locations, with 2,333, 4,447 and 4,806 instances, respectively, collectively comprising 57.8% of the 20,028 total destination instances. Consistent with the findings presented in [Figure 6](#), Germany emerged as a transit hub: 45.9% of the 4,007 total instances of IPR goods in transit passed through Germany, while Saudi Arabia was the second most common transit location, recording 494 instances.

[Figure 10](#) details the illicit flows of IPR products, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the

FIGURE 10: IPR PRODUCTS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017



data. The flows connecting points on the map are pink in colour at their origins, becoming darker as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, **Figure 10** shows the entire intended trade route from origin to destination.

In 2017, IPR products were smuggled through 2,413 unique trafficking routes. These routes touched 1,102 cities across 22,930 trafficking instances with known transit information. Sixty-one cities appeared in more than 100 instances, with six cities counting enough instances to be considered at-risk hubs, including

Dammam, Saudi Arabia (1,163), Copenhagen, Denmark (2,293), Abu Dhabi, United Arab Emirates (2,856), Riyadh, Saudi Arabia (3,022), Hong Kong (4,886) and Beijing, China (7,134). Together, these six cities were implicated in 21,354 instances, accounting for almost half (46.6%) of all global trafficking instances. Of all trafficking routes, only 36 appeared in over 100 instances, with the top three for 2017 being Abu Dhabi, United Arab Emirates to Riyadh, Saudi Arabia (2,539), Beijing, China to Copenhagen, Denmark (1,029) and Hong Kong (China) to New York, United States (868). In Western Europe, 95.8% of all instances touching the region were inbound (8,860), with 67.9% of those instances originating from the Asia-Pacific region (6,013) and 23.9% (2,115) originating from within Western Europe.

## 2. OVERALL TRENDS IN TRAFFICKING OF MEDICAL PRODUCTS

FIGURE 11: NUMBER OF MEDICAL PRODUCTS SEIZURES BY TYPE, 2016–2017

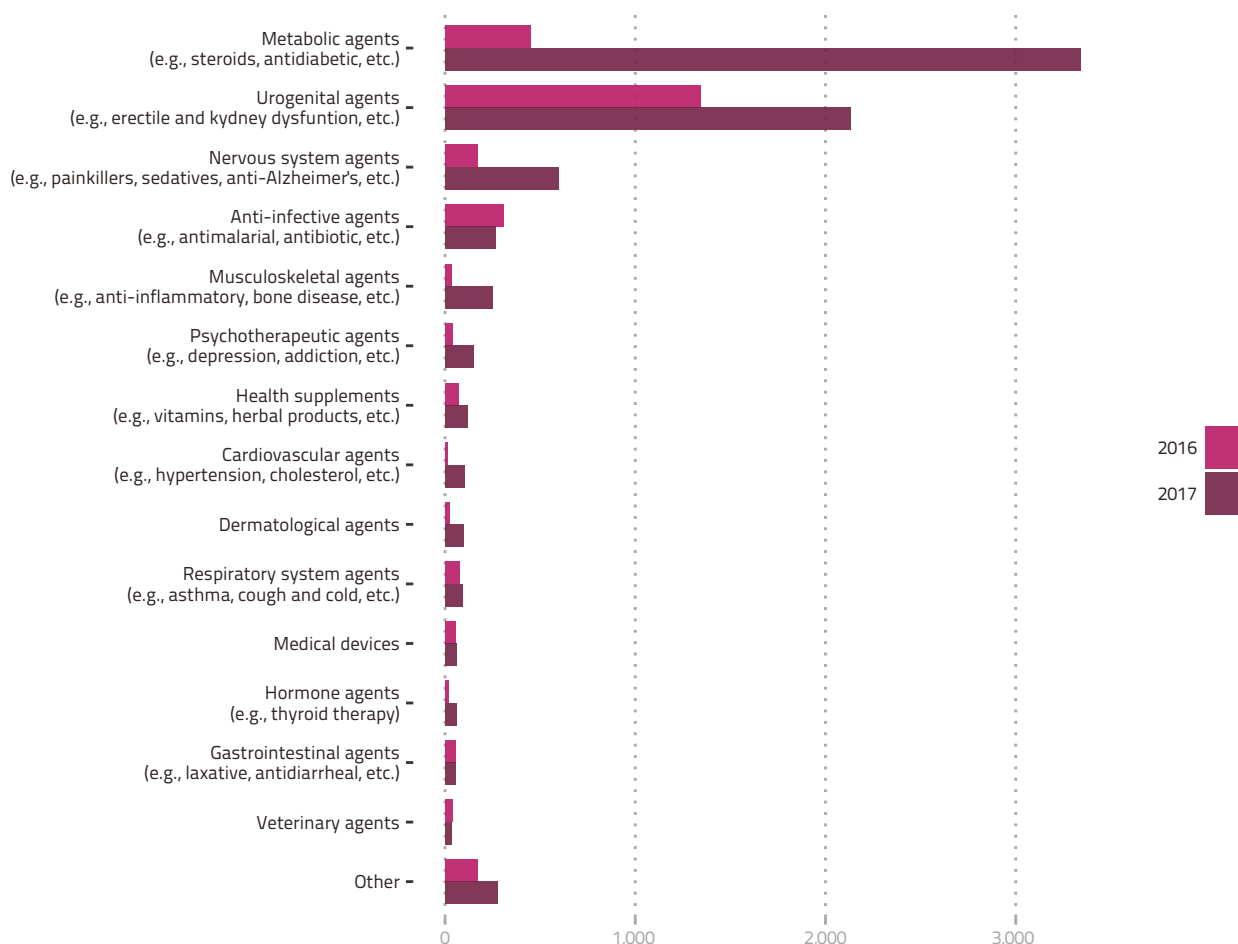


Figure 11 compares the number of seizures of each type of medical product between 2016 and 2017. With the exception of anti-infective agents and veterinary agents, the number of reported medical products seizures increased for all product types, climbing from 2,862 in 2016 to 7,629 in 2017 – an increase of 166.6%. Metabolic agents showed the most significant spike, rising from 450 to 3,341 seizures (an increase of 642.4%) and overtaking urogenital agents as the most frequently confiscated medical product. This was in spite of a 58.8% increase in the number of seizures of urogenital agents, a total that climbed from 1,343 to 2,133. Seizures of nervous system agents, musculoskeletal agents, cardiovascular agents and dermatological agents, among other products, also surged in 2017, increasing by 249.1% (to 597

seizures), 654.5% (to 249 seizures), 809.1% (to 100 seizures) and 321.7% (to 97 seizures), respectively. Anti-infective agents fell from 306 to 42 seizures, and veterinary agents, dropped from 226 to 32 seizures in 2017.

Figure 12 compares the number of seizures and the quantity seized for each type of medical product between 2016 and 2017. Despite a significant increase in the number of seizures in 2017 (see Figure 11), and while the number of pieces of medical products seized rose by 45.4%, jumping from 186,270,839 to 270,815,625, the quantity of kilogrammes seized declined by 77.6%, going from 1,263,781.3 kilogrammes apprehended in 2016 to 283,155.2 in 2017. This reduction in the quantity of kilogrammes seized was

FIGURE 12: QUANTITY OF MEDICAL PRODUCTS SEIZED BY TYPE, 2016–2017



due, primarily, to a significant drop in the quantity of anti-infective agents confiscated, which fell from 531,997.4 kilogrammes seized in 2016 to just 10,218.3 kilogrammes seized in 2017 – a decline of 98.1%. So too were significantly fewer kilogrammes of gastrointestinal agents, veterinary agents and respiratory system agents reported, with kilogramme totals decreasing by 285,602.5 (a drop of 99.9%), 192,595.6 (a drop of 94.9%) and 191,826.2 (a drop of 99.9%), respectively, in 2017. These lower amounts of kilogrammes seized were partially offset by increasing weights of metabolic agents, which, from 2016 to 2017, rose from 605.7 to 127,266.2 kilogrammes seized, and urogenital agents, which rose from 22.4 to 95,636.3 kilogrammes seized.

Regarding trends within the number of pieces seized, the total amount increased for nine of the 15 medical products types shown in Figure 12. The most significant increases were seen in nervous system agents and psychotherapeutic agents, which rose 542.8% and 3,020.2%, respectively, climbing to 122,159,506 and 42,214,541 pieces seized in 2017. However, pieces seized for six types of medical products declined, including the following: hormone agents, which decreased by 96.2%, from 1,024,958 to 38,503 pieces; other medicines, including bronchodilators, stimulants and contraceptives, which decreased by 91.6%, from 24,429,433 to 2,045,779 pieces; and gastrointestinal agents, which decreased by 72.3%, from 29,590,034 to 8,208,945 pieces.

**FIGURE 13: NUMBER OF MEDICAL PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017**

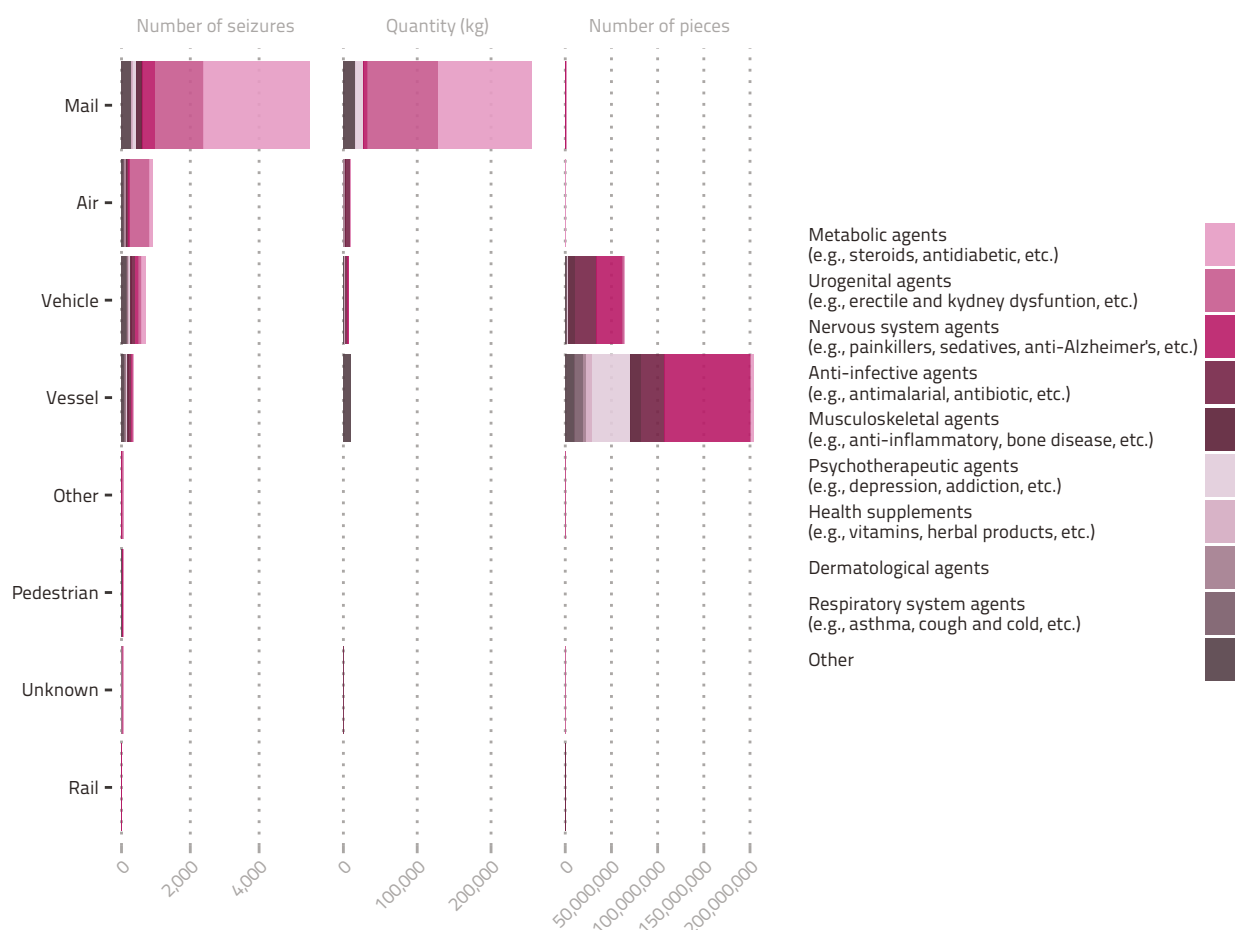


Figure 13 shows the number of seizures and the quantity of medical products seized by type and conveyance method. Of the 7,629 medical products seizures reported in 2017, 71.8% (5,478) were executed on parcels of mail, across which 255,206.6 kilograms and 2,030,034 pieces of contraband from each of the ten product types were apprehended. Metabolic agents were the products most frequently discovered in mail shipments, with 127,090.8 kilograms and 783,821 pieces confiscated across 3,085 seizures. Indeed, 92.3% of all metabolic agents seizures were made from mail. The next most common medical product identified in mail seizures was urogenital agents (1,409 seizures, 95,632.6 kilograms and 586,279 pieces). Beyond mail, urogenital agents were confiscated from the air transport sector in 568 seizures that yielded 3.6 kilograms, netted 147,464 pieces and constituted 61.7% of the 921 air seizures reported in 2017. Although the

quantity of kilograms seized from vehicles and vessels was particularly low in 2017, the number of pieces confiscated in such seizures was substantial. An average of 90,297 pieces were seized across the 709 reported vehicle seizures, with 44.7% of all pieces (28,611,024) being nervous system agents and with 36% being anti-infective agents (23,053,050). Seizures aboard ships were even more successful, yielding 958,189 pieces throughout 343 seizures. Vessels were principally discovered transporting large quantities of nervous system agents (45.6% of the total) and psychotherapeutic agents (20.6% of the total). Overall, each of the top four conveyance methods (mail, air, vehicle and vessel) were used to transport all ten medicine types. Each medicine type was seized across at least six transportation modes, while four types – anti-infective agents, health supplements, nervous system agents and other – were seized across all eight.

## Member highlights: Cooperation between stakeholders leads to important medical products seizure in Hungary

According to data provided by pharmaceutical wholesalers and the National Institute of Pharmacy and Nutrition, the Central Hungarian Criminal Directorate of the National Tax and Customs Administration carried out an operation in January 2017 in connection with two pharmacies. The Criminal Directorate searched ten sites within the Hungarian capital and throughout the country, seizing 513,363 pharmaceuticals pills, as well as empty packaging for pharmaceuticals.

The financial investigators noted that not all of the pharmaceuticals (typically painkillers and tranquilizers such as Rivotril, Tramadol, Frontin and Xanax) were recorded in the system of accountancy. The smugglers likely sold pharmaceuticals for export. In early 2017, Swedish authorities seized more than 14,000 pills (Tramadol, Xanax) that had originated from this set-up.

Since the pharmacies were not authorized to export psychotropic and new psychoactive substances, the suspects in this case committed the felony of unauthorized foreign trade. The value of perpetration was estimated at 108,067.872 HUF (about 360,226 EUR), and the damage recovery was believed to be 8,197.652 - HUF (about 27,325 EUR).

Source: Hungarian Customs.

## Slovakian Customs seize 232 kilogrammes of medicines

In February 2017, Slovakian Customs officers seized two consignments from India, both intended for the Slovak market. The consignments revealed generic medical products not authorized in the EU. The medicines purported to both increase male sexual potency and cure psychiatric disorders. On the illicit market, the value of these non-authorized medicines could exceed 147,000 EURO. This case involved more than 60,000 pieces of medicines.

Customs officers also seized 13,000 pieces of counterfeit accessories ranging from mobile phones and games consoles, to chargers, headphones, and adapters for cars, USB cables and WIFI remote controls. The lost tax revenue associated with these goods was 111,385 Euros.

Source: Slovakian Customs.



O: Courtesy: German Customs.

FIGURE 14: PROPORTION OF MEDICAL PRODUCTS SEIZURES BY TYPE AND COUNTRY, 2017

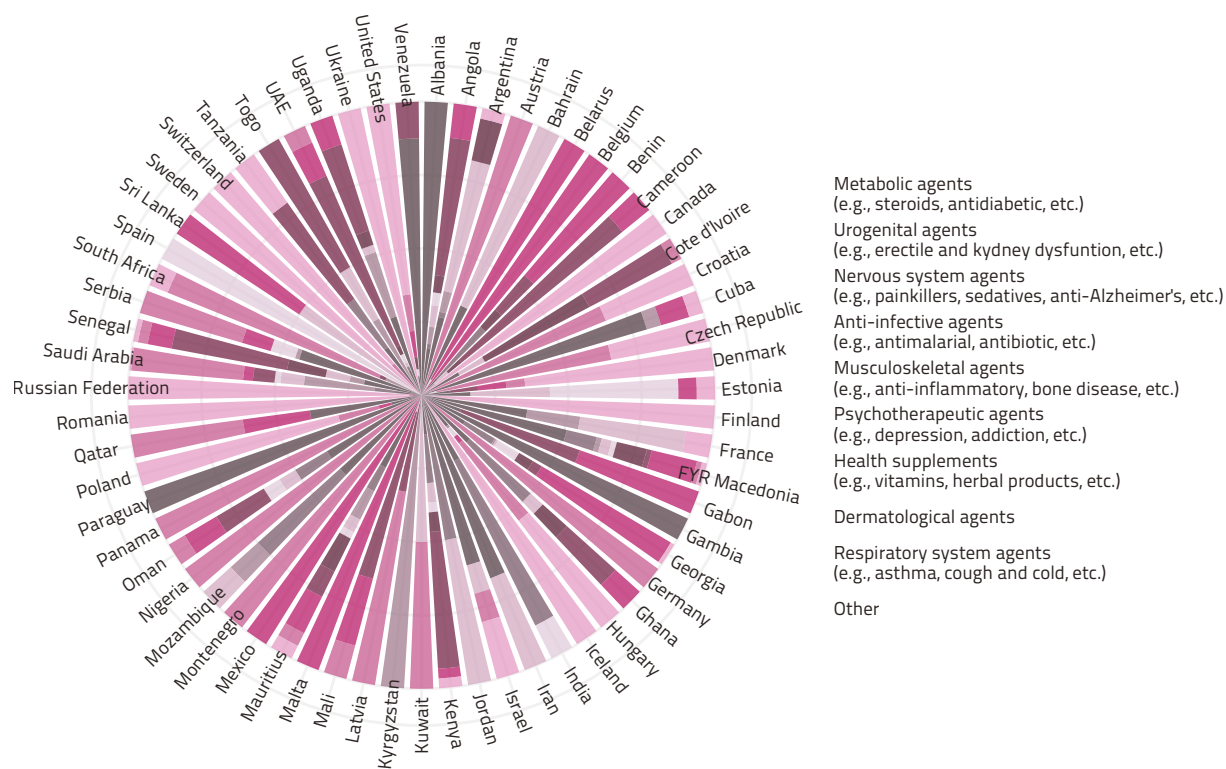


Figure 14 depicts the proportion of seizures for each type of medical product, as reported by each country recording at least one such seizure. Sixty-three countries reported at least one medical product seizure, with each country seizing, on average, more than three types. The "other" medicines category was the most widely seized, however, with 37 countries reporting such seizures and with the largest comprising 5,000,000 pieces of antidiarrheal agents reported by Benin. Nervous system agents were the second most common, seized by 30 countries; metabolic agents and urogenital agents followed, both being apprehended in 27 countries. Musculoskeletal agents saw the narrowest

trade, confiscated by only 14 countries. Of 63 reporting countries, 22.2% confiscated six or more product types, and only the United States, Mauritius and the Former Yugoslav Republic of Macedonia confiscated all ten product types. Seventeen countries reported a seizure of only a single type of medicine, and 11 of those countries reported only a single seizure, while three other countries reported fewer than ten seizures. The remaining three countries reported relatively higher totals, including Belgium (17 seizures of nervous system agents), Sweden (65 seizures of metabolic agents) and Austria (729 seizures of urogenital agents).

## Case study 2. Hong Kong Customs works to curb sale of counterfeit medicines

In early September 2017, Hong Kong Customs officers executed an anti-counterfeiting operation targeting a syndicate suspected of distributing and selling controlled and counterfeit medicines. The operation included raids on seven drug stores throughout Hong Kong, and it culminated in fourteen arrests. More than 2,700 counterfeit pills and nearly 100,000 controlled-substance pills were seized, totalling approximately \$320,000 USD.

The first success in the bust resulted in two arrests: a 59 year old man and a 49 year old woman. The two were arrested on charges of supplying counterfeit medications to a number of drug stores. From these initial arrests, seven drug stores were identified and subsequently raided, leading to twelve arrests on the basis of trafficking in counterfeit, undocumented, and controlled substances – all of which involved men aged 28 – 75 who were later released on bail. Authorities are continuing to investigate and build their cases. As the Hong Kong Trade Descriptions Ordinance puts it, “any individual who sells or possesses for sale any goods with a forged trademark commits an offence...the maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years”.

Two months later, in November 2017, Hong Kong Customs authorities carried out another anti-trafficking raid, in direct cooperation with the trademark owner. This operation led to the confiscation of roughly 58,000 counterfeit pills and an additional 115,000 pills and 9 litres of suspected controlled-substance medications. The total market value of this seizure was approximately \$215,000 USD. The European Union has identified China as the leading producer of counterfeit products in nine out of ten industries, with Hong Kong as a significant dispersion point. As such, Hong Kong authorities have prioritized anti-counterfeit operations.

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FIGURE 15: NUMBER OF MEDICAL PRODUCTS CASES BY COUNTRY, 2016–2017

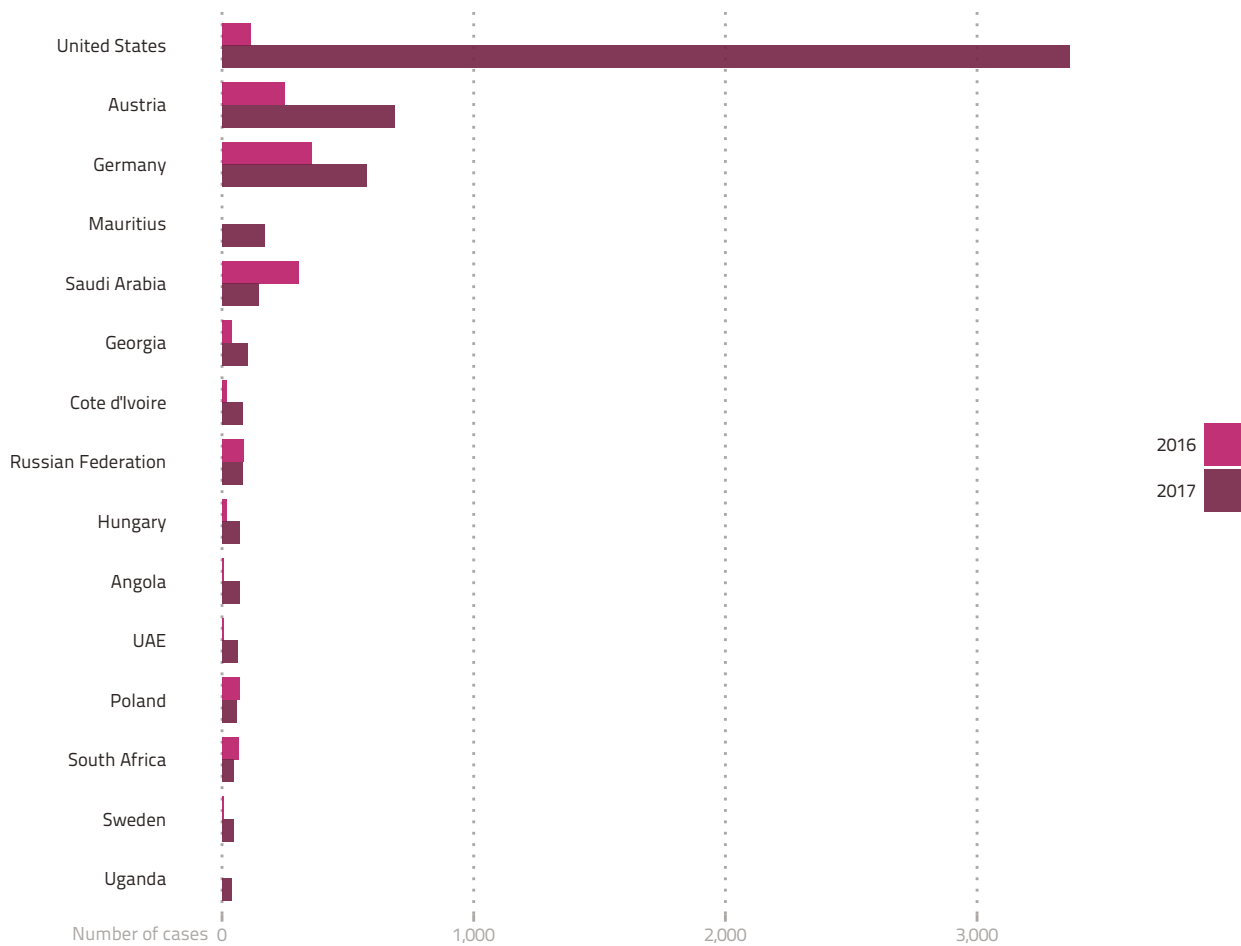
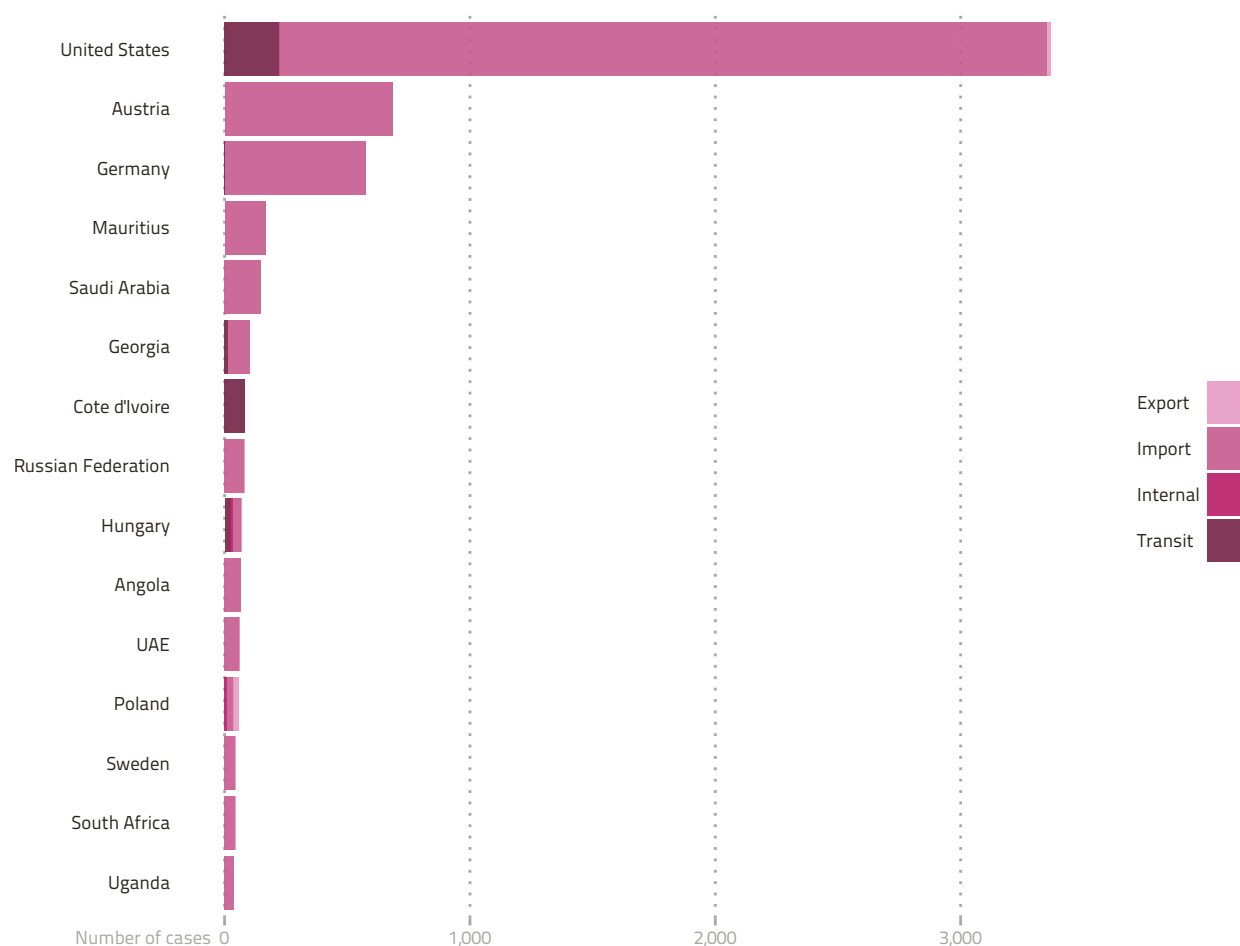


Figure 15 compares the number of medical products cases submitted by the top 15 reporting countries in 2016 and 2017. The top fifteen reporting countries submitted 320.2% more cases in 2017 than in 2016, when the top 15 countries reported 1,330 cases. Only four countries reported a decline in overall caseload, including Saudi Arabia (dropping 51.6%, from 304 to 147), South Africa (dropping 31.8%, from 66 to 45), Poland (dropping 16.2%, from 68 to 57) and Russia (dropping 4.7%, from 85 to 81). Of the 5,589 cases reported by the countries in Figure 15 in 2017, 60.2% were submitted by the United States, where the reported

caseload spiked by 2,852.6%, climbing from 114 to 3,366 cases. Austria and Germany also submitted significantly more cases in 2017, reaching totals of 684 and 574, respectively, and amounting to 176.9% and 62.1% increases. Together, these three countries comprised 80.7% of all cases reported by the top 15 reporting countries. Excluding the United States, the number of cases among the top 15 countries rose by only 82.8%; and, considering all countries reporting at least one case in 2017, the overall number of cases increased by 159.7%.

**FIGURE 16:** NUMBER OF MEDICAL PRODUCTS CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2017



**Figure 16** displays the top 15 countries that reported medical products cases in 2017, and it indicates the direction in which target shipments were moving when confiscated. Of the 5,589 cases submitted by the top 15 reporting countries, 5,179 (92.7%) were made at import, with just 0.8% involving goods at export. Five countries exclusively reported import cases, including Austria and Mauritius, which, as **Figure 15** indicated, accounted for 15.2% of all cases reported by the top 15 countries in 2017. Cases involving

goods in transit comprised 6.1% of all cases included in **Figure 16** (342), with Côte d'Ivoire reporting 24% of this total. Only two other countries reported cases in transit: Hungary, with 34.3% of 70 cases, and the United States, with 6.6% of 3,366 cases. Export and internal cases comprised just 0.8% and 0.4% of the total, or 46 and 22 cases, respectively. Only two countries, the United States and Hungary, reported cases involving all four Customs procedures.

FIGURE 17: NUMBER OF MEDICAL PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2016–2017

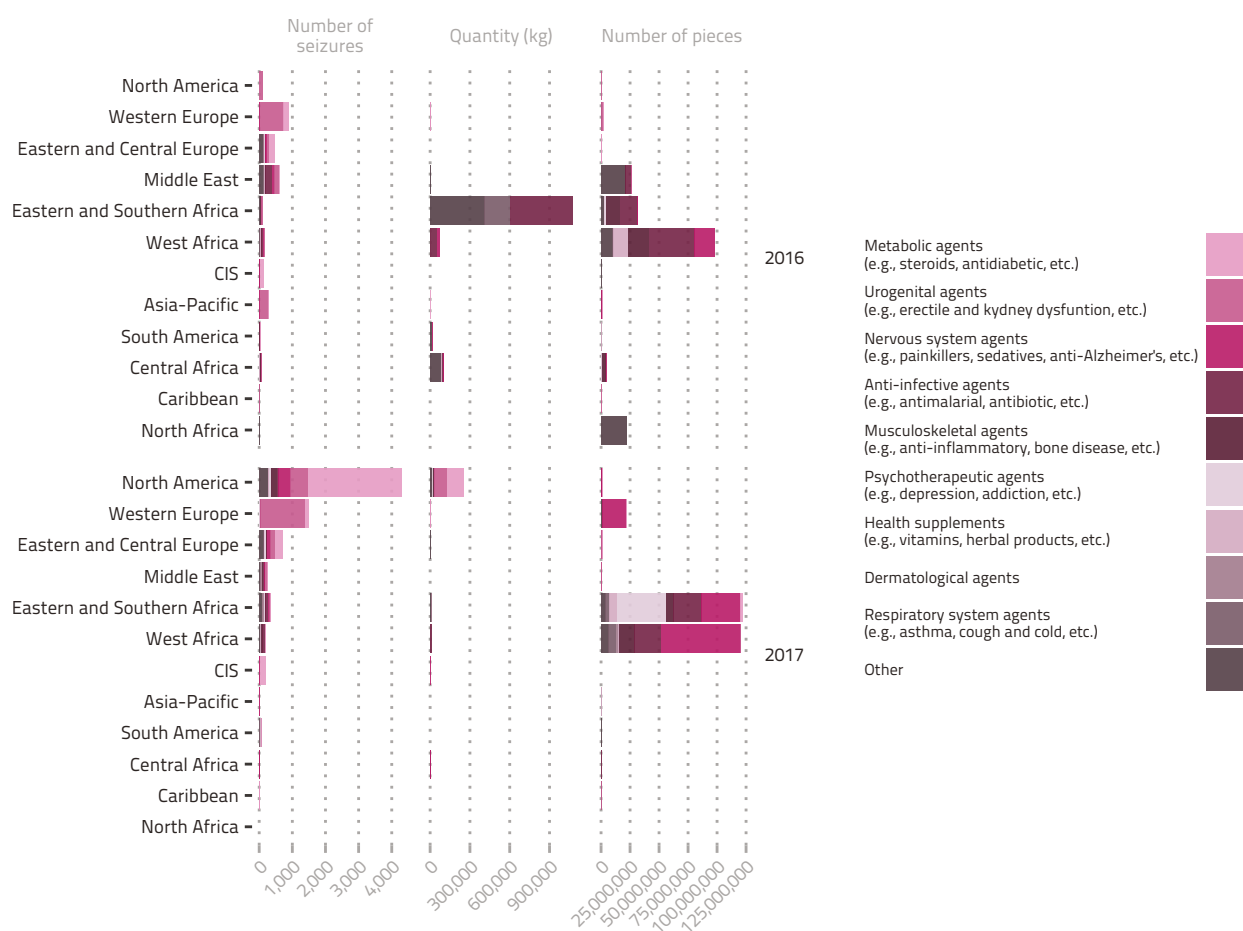
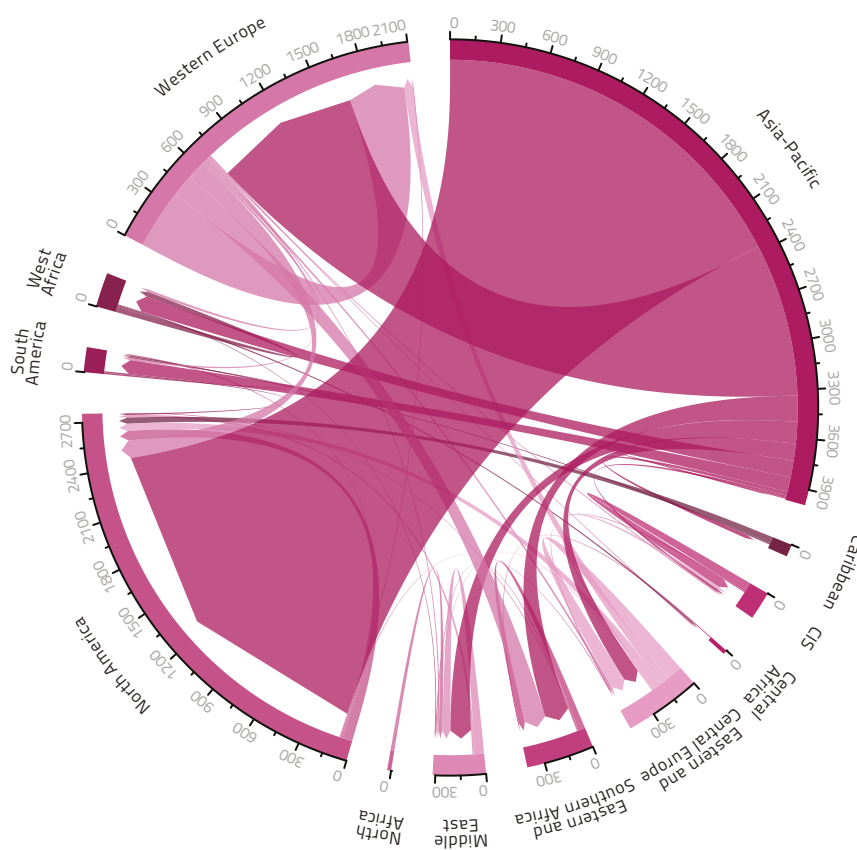


Figure 17 compares the number of seizures and the total quantity of medical products seized by reporting region, while also comparing these metrics between 2016 and 2017. This Figure reveals that the 642.4% surge in the number of seizures of metabolic agents in 2017 (see Figure 11) was largely driven by reporting from North America, where seizures of this type increased from zero in 2016 to 2,807 a year later, and where they yielded 127,173.2 kilogrammes and 850,455 pieces in 2017. Overall, North American seizures rose significantly, though this was mostly due to data from the United States. Behind metabolic agents, urogenital agents were seized most frequently in this region, with 535 seizures resulting in 95,608 kilogrammes and 328,390 pieces; followed by nervous system agents, with 375 seizures netting 5,681.4 kilogrammes and 250,756 pieces.

When considering the number of pieces seized, we see that the trend identified in Figure 12 can be explained by greater seizure quantities in Eastern and Southern Africa and West Africa. In the former, 122,498,581 pieces of medical products were apprehended in 2017, compared to 31,341,018 pieces in 2016. These medical products were, generally, psychotherapeutic agents (34.4%), nervous system agents (26.9%) and anti-infective agents (20%). Notably, this increase is accompanied by a significant decline in seizures of contraband reported in kilogrammes. While 1,071,127 kilogrammes were seized in Eastern and Southern Africa in 2016, only 13,208 kilogrammes were confiscated in 2017, thus accounting for Figure 12's depiction of an overall decline in kilogrammes of medical contraband. In West Africa, the growth in pieces seized was more modest, rising from 97,887,233 in 2016

**FIGURE 18:** MEDICAL PRODUCTS TRAFFICKING FLOWS BY REGION, 2017

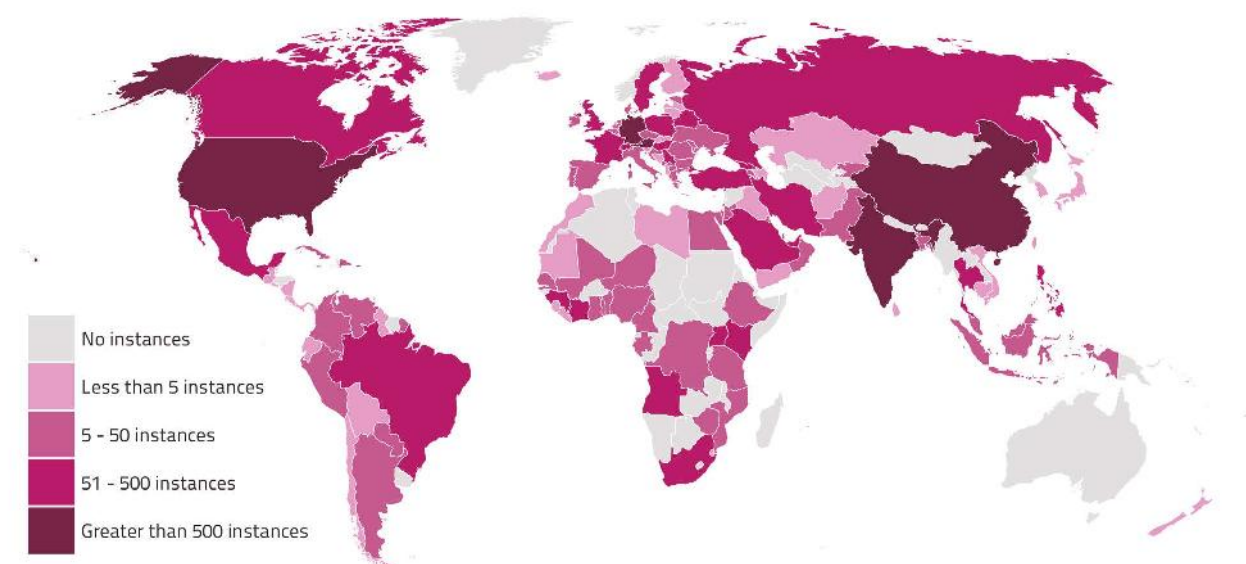


to 120,904,216 in the following year. Of all pieces seized in West Africa in 2017, 56.8% were nervous system agents and 19% were anti-infective agents. On average, each product type was seized in more than nine regions. Only the broad category of “other” medical products was seized across all twelve regions.

**Figure 18** displays intended medical products trafficking flows from, to, and within reporting regions for 2017, regardless of where a given shipment was seized. **Figure 18** only shows trafficking routes that appeared in five or more trafficking instances. It reveals that North America and Western Europe were the top destinations for medical products in 2017, receiving 49.6% (2,674) and 26.1% (1,408) of the 5,393 cases with known trafficking information. The Asia-Pacific region was the point of origin for 88.5% of cases bound

for North America and 68.7% of those bound for Western Europe. According to the available data, 74% of cases included in **Figure 18** originated in Asia-Pacific, including intraregional flows and traffic to all other regions. Following Asia-Pacific, Western Europe was the second most common region of origin, accounting for 13.1% of all cases, with outbound contraband destined for a total of nine regions. Unlike Asia-Pacific, however, the predominant recipient of Western European cases was Western Europe itself; 53% of all cases flowing out of Western Europe (374) also terminated there. Just 96 cases originated in North America, 66.7% of which were destined for other North American locations.

**FIGURE 19:** MEDICAL PRODUCTS HEAT MAP OF TRAFFICKING INSTANCES BY COUNTRY, 2017

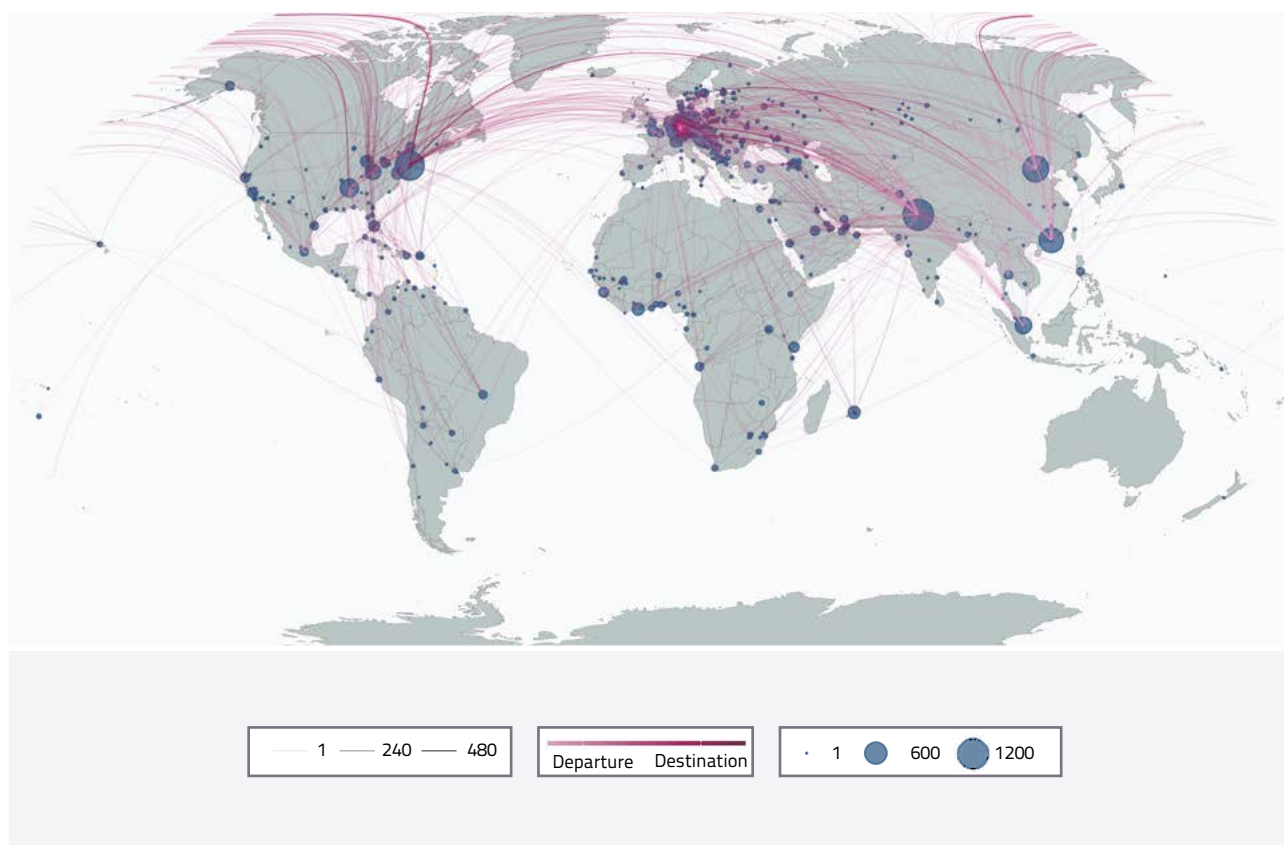


**Figure 19** is a heat map of medical products trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination, or a transit point for one or more seized medical products shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, **Figure 19** indicates all countries through which medical products are known to have been trafficked, or were intended to be trafficked, in 2017.

In 2017, 133 countries were implicated in medical products trafficking across 12,696 trafficking instances, with six appearing in over 700 instances: Austria (707), Hong Kong, China (862), China (981), Germany (1,359), India (1,523) and the United States (3,424).

Of these, and corroborating **Figure 16**, over 90% of those touching Austria and the United States were inbound instances (97.9% and 92.2%, respectively), while over 99% of those involving Hong Kong (China), China and India were departure instances (99.7%, 99.8% and 99.1%, respectively). Germany emerged as a transit hub, with 1,359 total trafficking instances split between transit (41.4%) and destination (42.8%) events. Excluding the top six implicated countries, the average number of trafficking instances was 30.2, with 55 countries implicated in between five and 50 instances and 45 countries implicated in fewer than five instances. In the Middle East, Saudi Arabia appeared most frequently (157 instances); in Africa, the most frequently implicated country was Mauritius (172 instances); and in South America, Brazil appeared in 65 instances.

**FIGURE 20:** MEDICAL PRODUCTS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017



**Figure 20** details the illicit flows of medical products, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are pink in colour at their origins, becoming darker as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, **Figure 20** shows the entire intended trade route from origin to destination.

In 2017, smugglers used 1,264 unique routes to traffic medical products through 874 cities in 6,489 trafficking instances. Four routes emerged as particularly at risk, each appearing in over 300 instances: Beijing, China to Memphis, Tennessee, United States (309); New Delhi, India to Vienna, Austria (334); New Delhi, India to New York, United States (355); and Hong Kong, China to New York, United States (498). Four cities were implicated in over 800 instances: Hong Kong, China (841); Beijing, China (956); Frankfurt, Germany (1,001); New York, United States (1,215); and New Delhi, India (1,385). In Eastern and Southern Africa and West Africa, which, as **Figure 17** indicated, were primary reporters of medical products by quantity, Port Louis, Mauritius and Abidjan, Côte d'Ivoire were the largest trafficking hubs, appearing in 172 and 165 instances, respectively.

### 3. OPERATIONS

WCO's IPR, Health and Safety operations primarily entail applying risk analysis techniques and targeting across an entire region. A significant number of suspect containers are targeted during the pre-operational phase and are subsequently inspected during the operational phase. Operations are also key to strengthening cooperation between Customs administrations, thanks to the sharing of results following each inspection and the provision of real-time training. Operations also serve to enrich cooperation with health authorities, other law enforcement agencies and the private sector, particularly rights holders.

#### Operation ACIM 2

In June 2017, the WCO carried out Operation ACIM 2 - Action against Counterfeit & Illicit Medicines. Following the success of Operation ACIM in 2016, the WCO and IRACM (the International Institute of Research against Counterfeit Medicines) decided to renew their partnership and launch a second Operation, namely ACIM 2.

Operation ACIM 2 mobilized the resources of 18 Customs administrations (Angola, Benin, Burundi, Cameroon, Democratic Republic of the Congo, Gabon, Ghana, Côte d'Ivoire, Kenya, Mauritius, Mozambique, Namibia, Nigeria, Senegal, South Africa, Tanzania, Togo and Uganda) that conducted simultaneous inspections of consignments potentially containing certain types of counterfeit and/or illicit pharmaceutical products. This Operation took place in 18 ports over an eight-day period and was intended to provide a deeper insight into the flow of pharmaceutical goods entering the African mainland. The Operation strengthened cooperation between Customs administrations through the sharing of results following each inspection, and WCO Accredited Experts for IPR offered real-time training on new and practical targeting techniques to enhance administrations' interdiction capabilities.

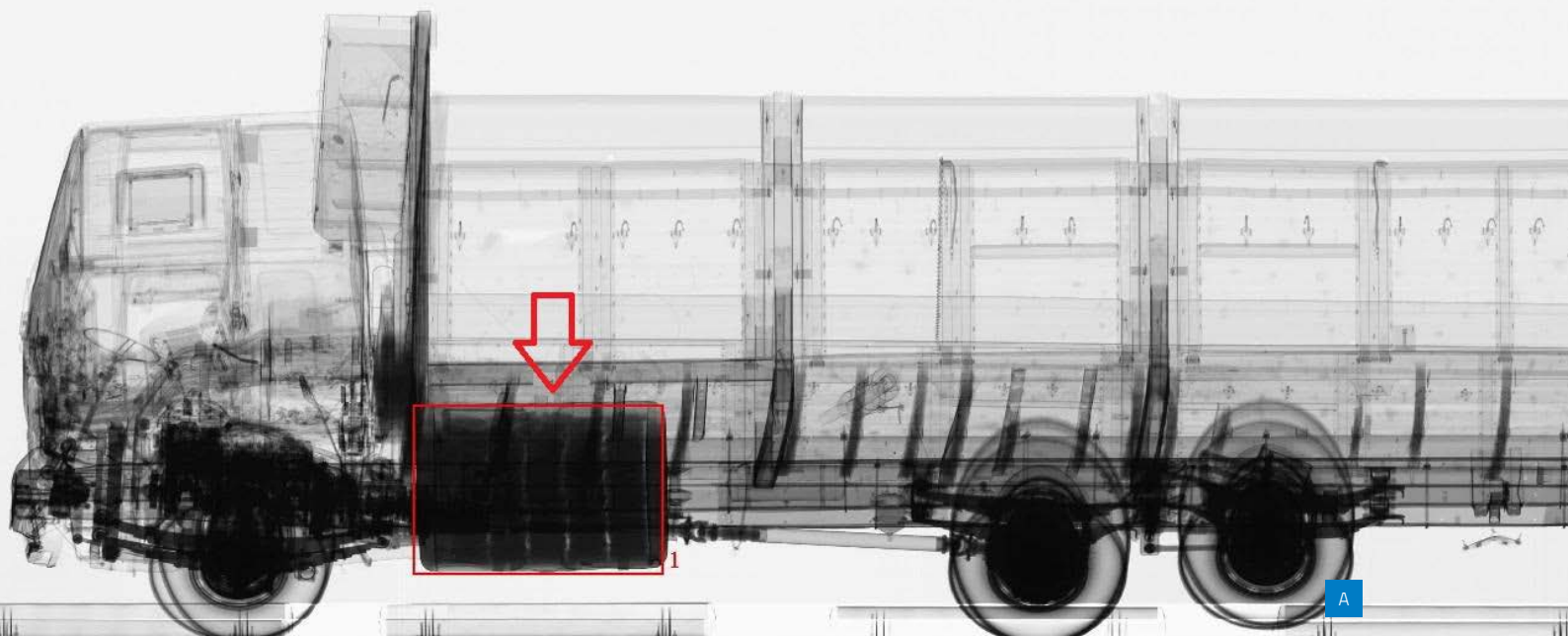
The Operation primarily focused on illicit and counterfeit pharmaceutical products, as well as general coverage of all goods potentially posing a threat to consumer health and safety. All means of transport were covered (land, sea and air), with particular emphasis on Customs controlled areas at the major points of entry, such as ports, airports and dry ports, bonded warehouses and other licensed premises, free zones and mail and express parcel services.

During the operational phase, authorities intercepted some 258,933,104 units of all types of goods across 840 cases. As of 1 July 2017, 187,262,514 units of all types of goods had been seized or stopped (561 cases), and some 130 containers had been intercepted during the course of this Operation. In addition, air consignments, mail consignments and goods in personal luggage were also intercepted. Of the 258,933,104 units intercepted, 238,051,105 were medicines and pharmaceutical products (91.93%).<sup>1</sup>

<sup>1</sup> The complete public Report for Operation ACIM 2 is available at [http://www.wcoomd.org/-/media/meeting-documents/counterfeiting-and-piracy-cap-group/14/acim-2\\_final-report\\_public\\_en.pdf](http://www.wcoomd.org/-/media/meeting-documents/counterfeiting-and-piracy-cap-group/14/acim-2_final-report_public_en.pdf).



R: Uganda Customs and WCO IPR expert intercepting illicit medicines during Operation ACIM 2. Courtesy: Uganda Customs.



## SECTION 5.

# REVENUE

### INTRODUCTION

Criminals use various methods to circumvent excise duties, indirect taxes on the sale or use of specific products, and to generate significant profits by selling a high volume of illicit excise goods at a very low cost, thereby creating revenue risks for countries around the world. Excise duties or taxes are often imposed to limit or reduce the consumption of such products or to protect home markets. The products subject to excise duties or taxes may vary from jurisdiction to jurisdiction, but, in general, alcohol, tobacco, and motor spirits are the primary goods subjected to such taxes.

From a Customs and law enforcement perspective, the focus, with respect to excise fraud, has centered on the smuggling or illegal importation of excise goods, as well as their illegal production and diversion.

Illicit trade in excise goods has a significant impact on governmental efforts to secure global supply chains, while at the same time depriving countries of revenue critical to funding and supporting public services. Another well-founded concern, as with other forms of illicit trade, is that criminal proceeds from these illegal activities will almost inevitably be invested in other illicit activities, thereby further undermining public safety, good governance, and the rule of law. Revenue risks in the Customs context include leakage incurred by the smuggling of highly taxed goods, such as alcohol, tobacco, and motor spirits. Risks also include commercial fraud activities,

**A:** Fuel tank modified to transport sisha tobacco. Courtesy: Turkish Customs.



such as undervaluation, misclassification, misuse of origin and preferential duties, and drawback fraud, among others.

Although some information and analysis are available, it is difficult to accurately estimate the illicit excise market. This is because smuggling and counterfeiting are clandestine activities, and perpetrators are constantly exploring new methods for exploiting multi-modal transportation systems and trade patterns. At the same time, perpetrators are also executing various fraudulent schemes and adapting to avoid detection. Taking into consideration the available seizure data and the fiscal impact of the illicit trade in excise goods on governments, the Revenue Section explores two main categories of products frequently smuggled to avoid excise taxes around the world: alcohol and tobacco.

In 2017, Customs officers from 91 countries provided data on 12,228 cases involving goods being smuggled to avoid excise taxes and in violation of local prohibitions. Primarily, these goods were alcohol products, and tobacco products, including cigarettes. In total, 14,786 seizures of alcohol, cigarettes, and other tobacco products were reported. Compared with the 11,973 seizures reported in 2016, this represents an overall increase of 23.5% across the three main categories of illicitly traded excise goods. As shown in [Figure 1](#) below, 3,659,098.1 litres of alcohol products, 2,379,956,831 cigarette pieces, 468,778 cigars and e-cigarette pieces, and 1,399,381.5 kilogrammes of other tobacco products were recovered in 2017.

**B:** Seizure of 9,250,000 cigarettes. Courtesy: Dominican Customs.

FIGURE 1: PERCENTAGE OF SEIZURES BY PRODUCT, 2017

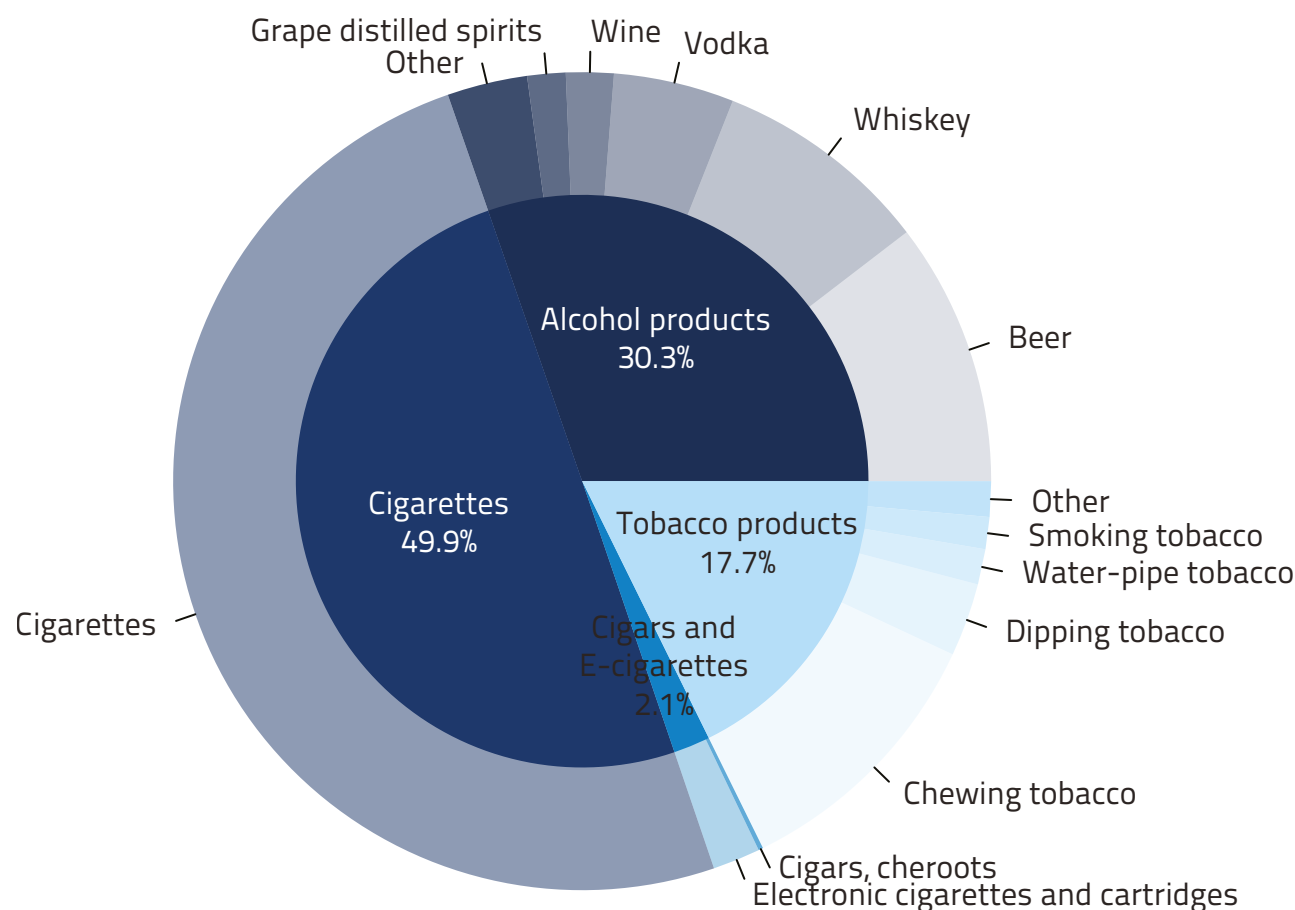
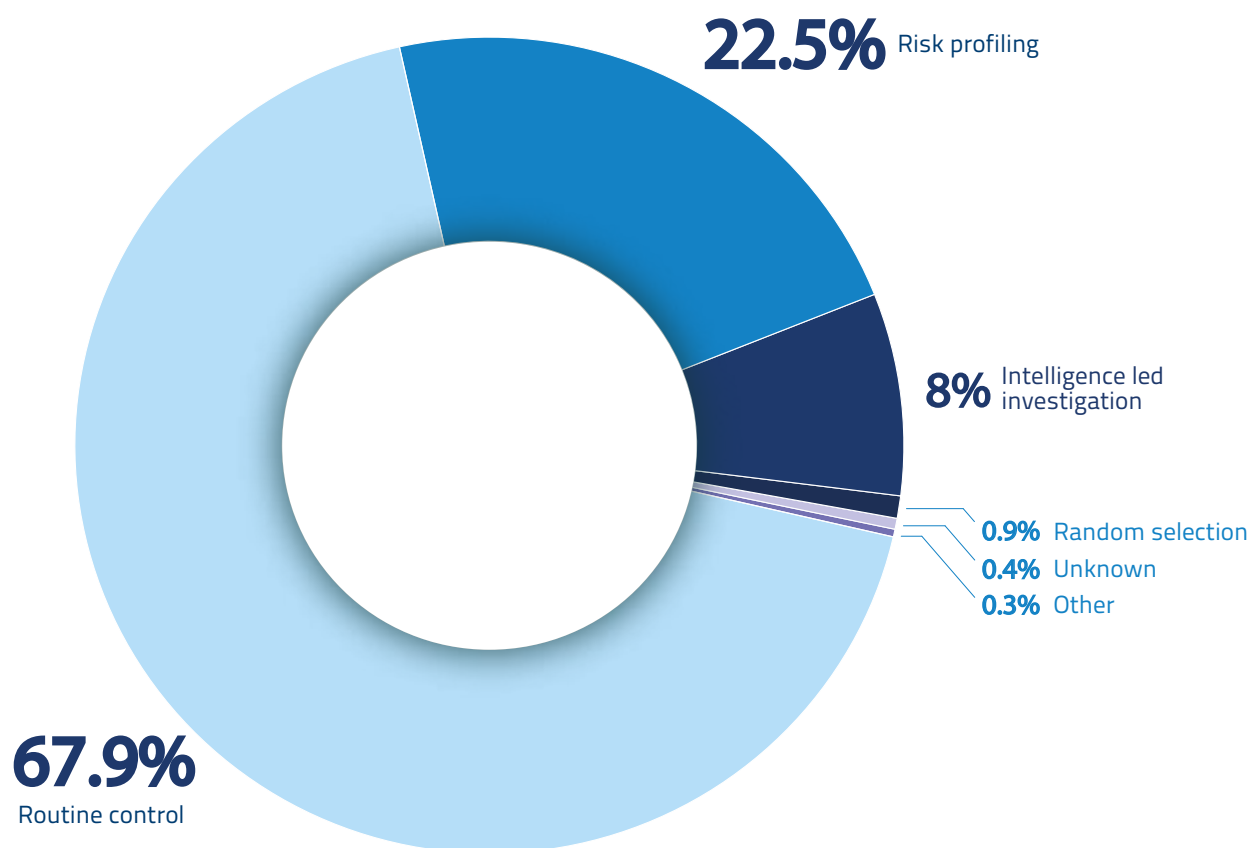


Figure 1 demonstrates that smuggled cigarettes account for nearly half (49.9%) of all reported revenue seizures in 2017. Alcohol products, meanwhile, accounted for just under one third (30.3%) of revenue seizures, with beer emerging as the most commonly seized category, comprising 34.3% of alcohol seizures and 10.4% of all revenue contraband. Whiskey and vodka followed in frequency, being confiscated in 28.3% and 15.7% of alcohol seizures, respectively. The “other” alcohol category, including mead, absinthe, and cider, as well as liqueur and undenatured ethyl alcohol, comprised 10.5% of the alcohol products seized. Examining tobacco products, chewing tobacco was seized in 60.7% of tobacco product seizures and 10.8% of all revenue seizures. Dipping tobacco, making up 16.3% of tobacco product seizures, was the second most common tobacco product seized in 2017.

Figure 2 reveals that Customs officers predominantly relied on routine controls to effectively detect and recover the contraband discussed above. Routine controls, including security inspections at border crossings, airports, and railways, facilitated the confiscation of 750,110.5 litres of alcohol in 3,644 seizures, 763,442,489 cigarette, cigar, and e-cigarette pieces in 4,417 seizures, and 571,298.6 kilogrammes of tobacco products in 1,981 seizures. In total, seizures resulting from routine controls constituted 67.9% of all revenue seizures reported in 2017. Risk profiling and intelligence led investigations, by contrast, accounted for just 22.5% (3,320) and 8% (1,184) of seizures, respectively. As a whole, risk profiling and intelligence led investigations resulted in the apprehension of 1,885,917.3 litres of alcohol, 789,520,632 cigarette pieces, and 352,618.8 kilogrammes of tobacco products.

FIGURE 2: PERCENTAGE OF SEIZURES BY DETECTION METHOD, 2017



Any analysis of such trends requires a few caveats. First, all conclusions rely on voluntarily submitted case and seizure data at the discretion of WCO Members. There are many reasons a particular Customs administration may not report or may under-report their data, including the need to maintain secrecy over ongoing investigations. As a result, the figures in this Section may not necessarily depict a comprehensive view of efforts to avoid taxes or skirt prohibitions. Second, apparent increases in the trades of certain goods may reveal the increasing efficacy of Customs officers rather than a genuine upward trend in the alcohol and tobacco trafficking activity.

This Section is organized in the following manner:

1. Overall trends in trafficking of alcohol products.
2. Overall trends in trafficking of tobacco products.
3. Operations.

## 1. OVERALL TRENDS IN TRAFFICKING OF ALCOHOL PRODUCTS

FIGURE 3: NUMBER OF ALCOHOL PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY, 2016–2017

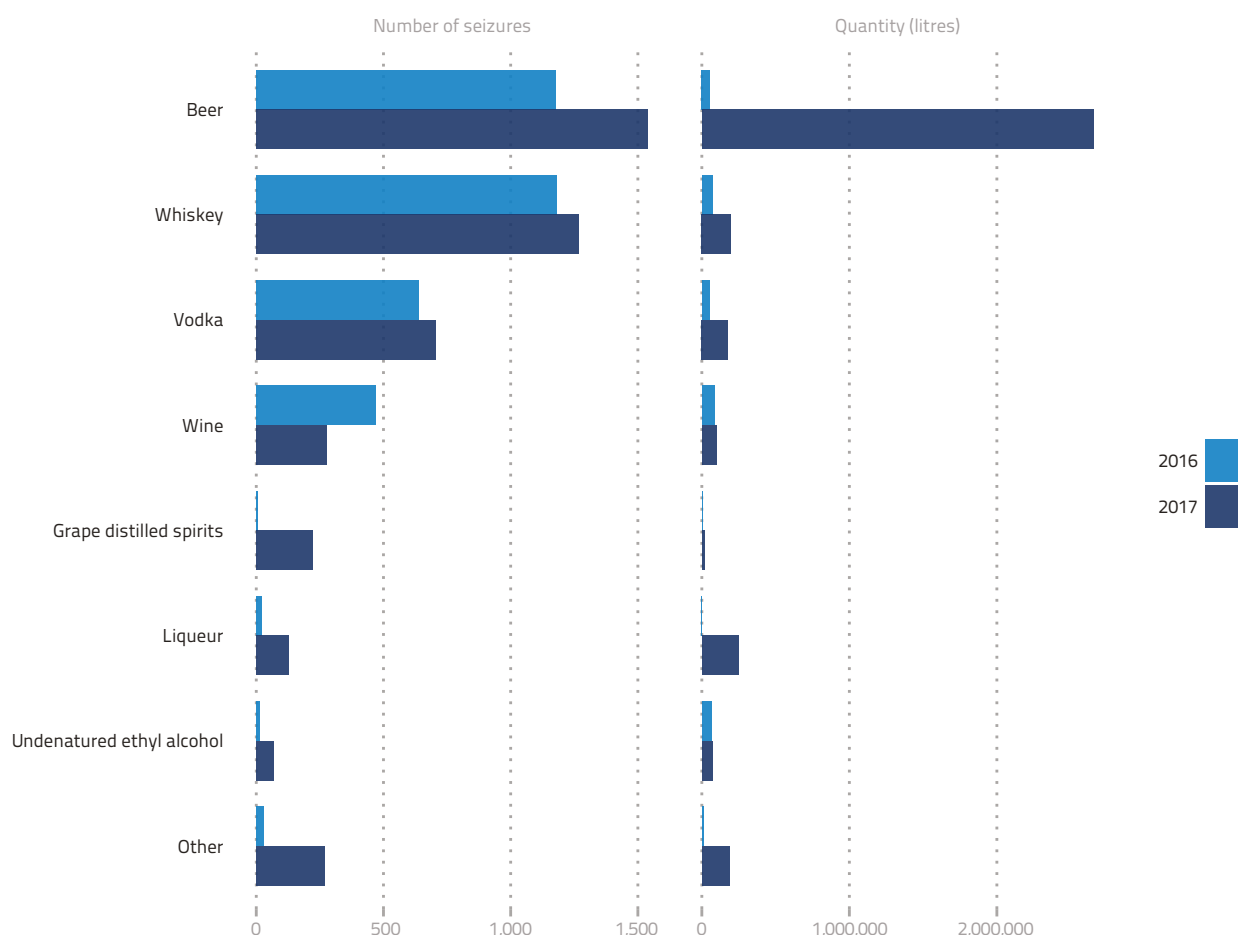


Figure 3 compares the number of seizures and the quantity seized for each type of alcohol product between 2016 and 2017. Seizures of all but one type increased in 2017. This general increase in seizures further corresponded to a greater volume of beverages confiscated, suggesting overall growth in excise-tax-evasion activity. In 2016, 3,541 seizures of alcohol products were made and 347,276.8 litres were seized, while, in 2017, 4,484 seizures and 3,659,132.1 litres were reported. In terms of volume, the average weight seized, per seizure, increased from 98.1 litres in 2016 to 816.0 litres the following year. Beer saw the greatest increase, in terms of both the number of seizures and the quantity seized,

rising to 1,540 seizures and 2,655,782.3 litres confiscated in 2017. This represents a 30.7% climb in seizures and a 4,626.4% increase in volume – trends that are primarily the result of two large seizures in France, one of 712,100 litres and the other of 408,900 litres. By contrast, wine seizures fell sharply, dropping 40.6%, from 468, in 2016, to 278, in 2017. This decline is, however, slightly offset by a small overall increase in the volume of wine intercepted. In 2017, 97,557.6 litres of wine were seized, a rise of 12.1%. Together, these trends suggest wine is being moved in larger quantities per illicit shipment.

**FIGURE 4:** NUMBER OF ALCOHOL PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017

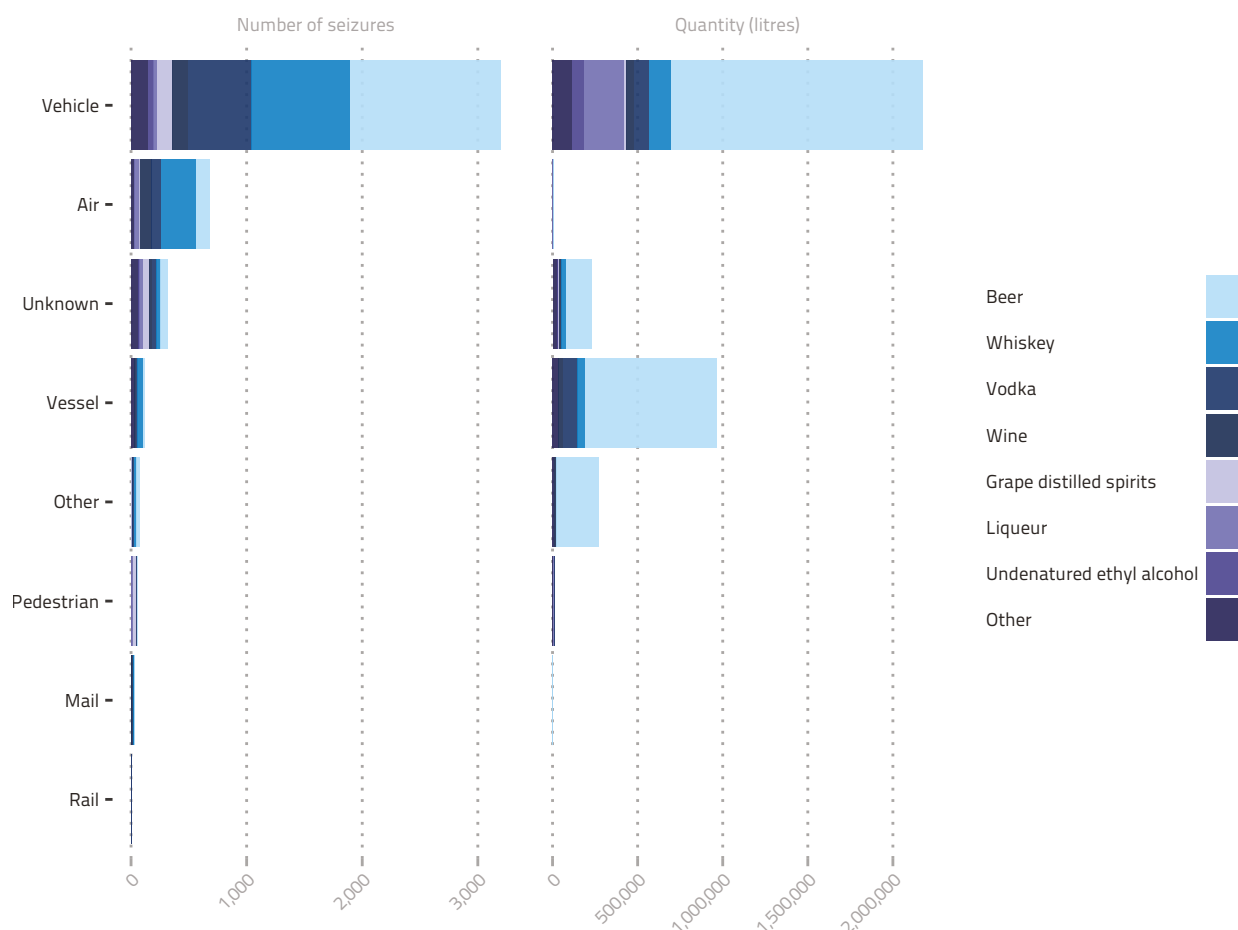


Figure 4 shows the number of seizures and the quantity of alcohol products seized by type and conveyance method. Seizures from vehicles, including contraband stashed in hidden compartments of cars, trucks, and vans, comprised the vast majority of alcohol seizures in 2017. This was the case in terms of both the number of seizures (3,200 from vehicles) and the volume seized (2,173,685.1 litres from vehicles). Of all vehicle seizures, 40.8% involved beer, totalling 1,477,972.9 litres. In terms of the quantity seized, liqueur was the second most common substance recovered from vehicles (234,106.0 litres); yet, in regard to the number of seizures, it was only found in 30 seizures, with whiskey being much more common, totalling 127,971.4 litres recovered across 856 vehicle seizures. The second most common conveyance method of whiskey was by air, including commercial air travel and transportation in

passenger baggage. Cumulatively, air seizures yielded only 707.9 litres of whiskey and 3,747.2 litres of all other types across 680 seizures. Conversely, vessel seizures, although rarer, were typically larger. In 2017, 116 vessel seizures were reported, averaging 8,307.4 litres per seizure. The average was particularly affected by the largest single seizure in this mode of transport reported by France and containing 51,800 litres of beer. Most of the beverages seized from pedestrians were either grape distilled spirits (27 seizures and 656.5 litres) or liqueurs (15 seizures and 10,842.9 litres). Very few seizures were made from mail (37 seizures).

## Case study 1. Chilean authorities conduct the second largest seizure of illegal tequila products ever recorded

In March 2017, a joint operation between Chilean and Mexican authorities led to the seizure of 11,340 litres of undocumented Mexican agave alcohol in the Port of Valparaíso, Chile. The investigation was a collaboration between the Mexican Embassy in Chile, the Mexican Institute of Industrial Property (Instituto Mexicano de la Propiedad Industrial, IMPI), and Chilean Customs authorities. In total, 15,120 750-millilitre bottles were confiscated.

The shipment was flagged for inspection while passing through Valparaíso Customs because it did not bear an appropriate export certificate or accompanying brand code, a certification issued by the Tequila Regulatory Council (Consejo Regulador del Tequila, CRT). The CRT is a professional organization of tequila producers and regulators who certify tequila products in accordance with Mexican regulations. Every tequila brand has its own, unique numerical code assigned and traceable by the CRT and present on export certifications. After the detention, a sample of the shipment was sent to the Customs Chemical Laboratory (Laboratorio Químico de Aduanas) for identification, confirming the illicit substance was an agave-derived alcohol.

At the time, this was the second-largest volume of agave-derived alcohol products ever seized. The largest seizure to date was carried out in 2016, in Hamburg, Germany, involving 30,000 litres. However, in May 2018, a team from the Mexican Attorney General's Office seized 199,000 litres of fake tequila in the El Álamo Industrial Park in Guadalajara, Jalisco, Mexico. This was roughly 17.5 times larger than the seizure in Chile, and it remains by far the largest seizure to date.



### SOURCES

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FIGURE 5: PROPORTION OF ALCOHOL PRODUCTS SEIZURES BY TYPE AND COUNTRY, 2017

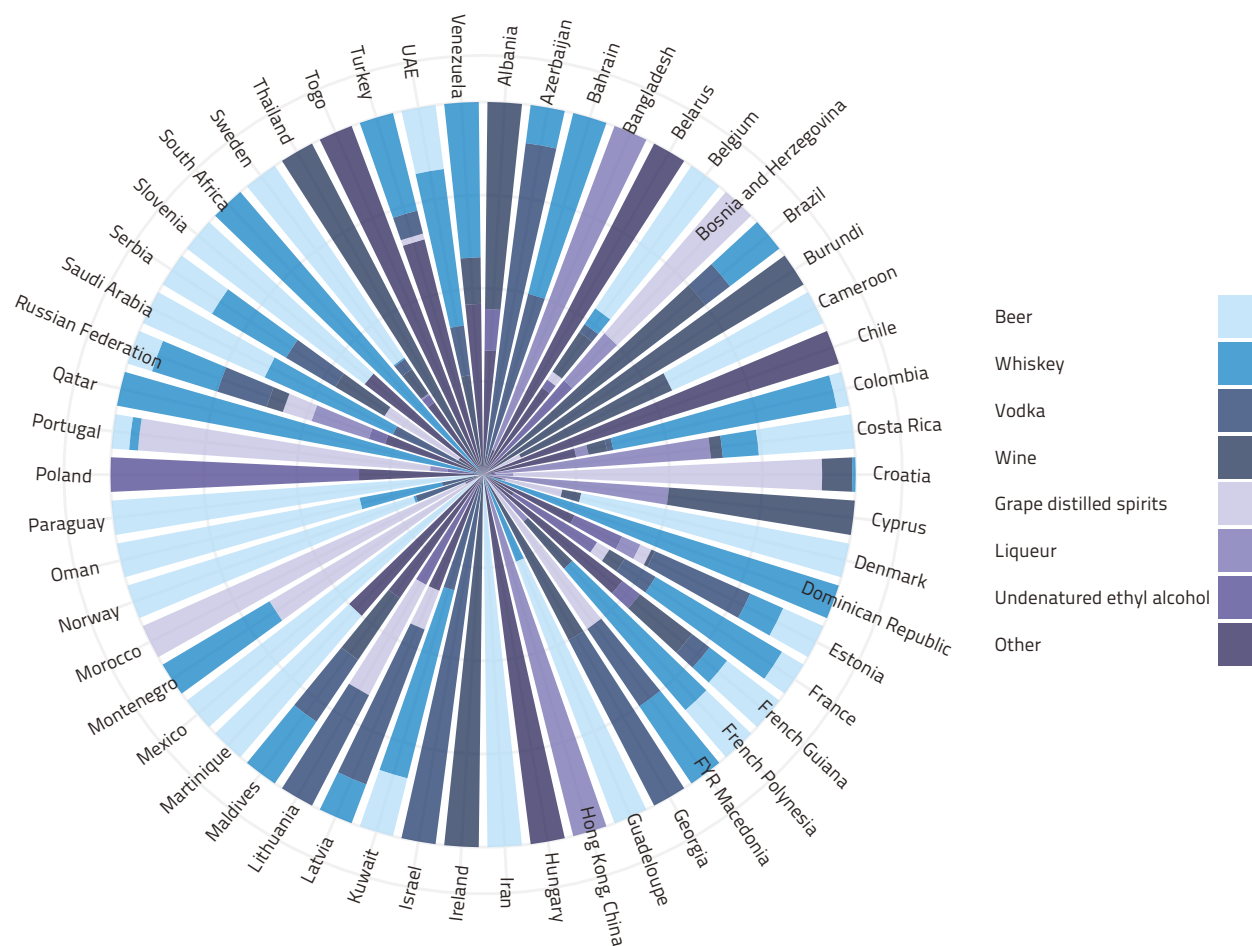


Figure 5 depicts the proportion of seizures for each type of alcohol product, as reported by each country recording at least one such seizure. Figure 5 indicates that the distribution of various illicit products in alcohol beverage smuggling is quite diverse around the globe. Of 54 reporting countries, 14 reported seizures of five or more beverage types. Beer and whiskey comprised the majority of seizures, accounting for 34.3% (1,540) and 28.3% (1,269), respectively, and beer was seized in 24 countries while whiskey was seized in 30. Wine and other beverages were seized by 27 and 29 countries, respectively, but comprised only 6.2% and 6% of

total seizures. Only 15 countries exclusively reported seizing one type of alcohol product, and 13 of the 15 reported fewer than four seizures. Hong Kong (China), with 48 seizures of liqueur, and Qatar, with 12 seizures of whiskey, exclusively reported more than four seizures of a single alcohol product. Among the 13 countries that reported a single alcohol product, several countries exclusively reported other alcohol products: Hungary reported two seizures of palinka and one unknown beverage; Chile reported one seizure of tequila; Belarus reported two seizures of an unknown beverage; and Togo reported one seizure of a local liquor.

FIGURE 6: NUMBER OF ALCOHOL PRODUCTS CASES BY COUNTRY, 2016–2017

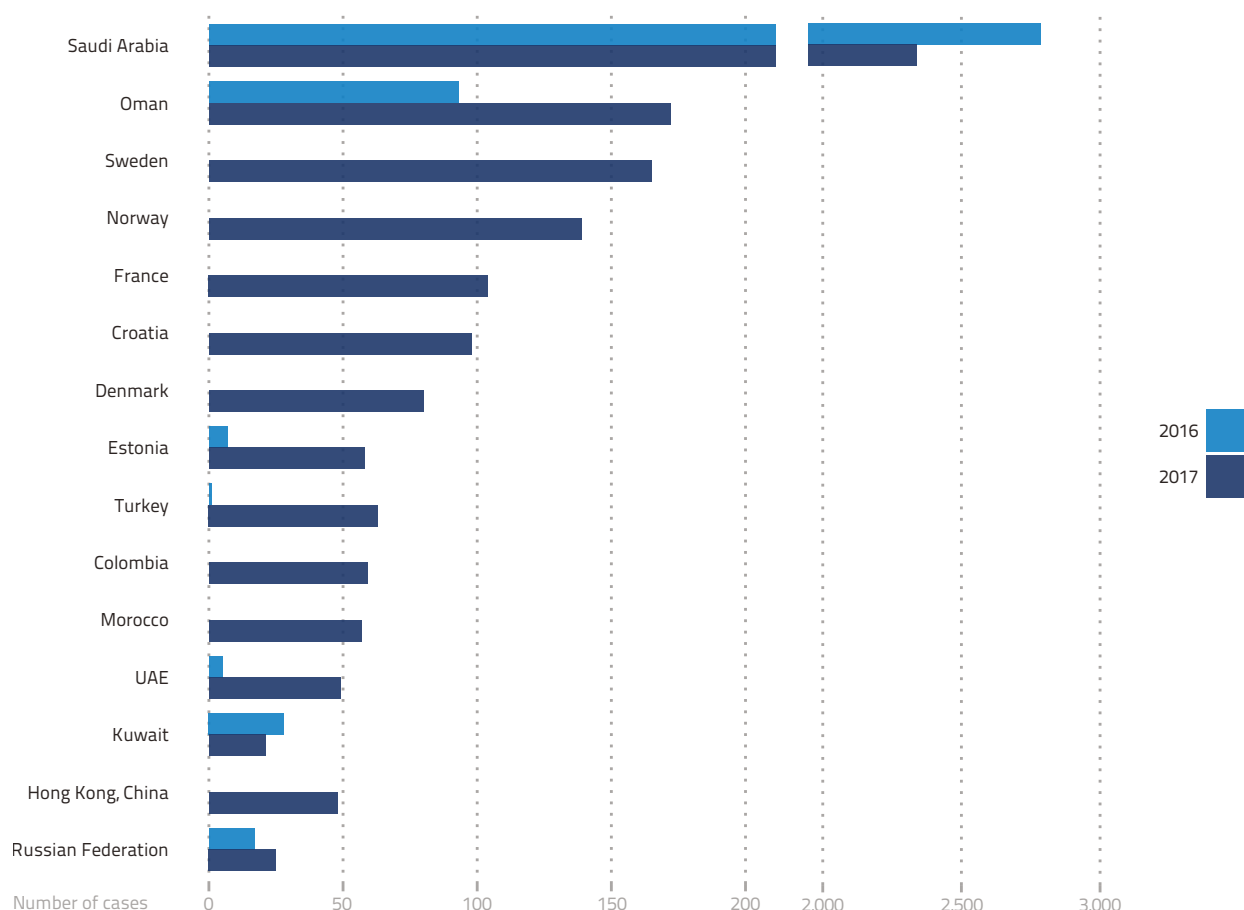


Figure 6 compares the number of alcohol cases submitted by the top 15 reporting countries in 2016 and 2017. A number of countries that had not previously submitted data on alcohol products cases provided seizures records for 2017, meaning that the top 15 reporting countries were populated by eight countries for which WCO had no 2016 information, including Sweden, Norway, France, Croatia, Denmark, Colombia, Morocco, and Hong Kong (China). Therefore, readers should not conclude that alcohol smuggling in these countries is growing precipitously.

The two largest reporters of alcohol beverage cases were Saudi Arabia and Oman, submitting 2,340 and 172 cases, respectively, in 2017. These findings are not surprising given a strict ban on import of alcohol in Saudi Arabia and big restrictions on import of this product in Oman. Interestingly, these countries demonstrate

inverse trends in this respect, with the number of cases submitted by Saudi Arabia falling by 15.7%, from 2,787 cases, in 2016, and with the number submitted by Oman rising by 84.9%, from 93 cases, in 2016. The other five top reporting countries saw an overall increase in the number of cases reported, including Estonia (58), Turkey (63), the United Arab Emirates (49), and the Russian Federation (25). Besides Saudi Arabia, only Kuwait submitted fewer alcohol cases, dropping from 28, in 2016, to 21, in 2017. Examining all countries that reported at least one alcohol product case, a total of 3,751 was reported in 2017. Among all countries that reported at least one case, but excluding countries that did not submit any cases in 2016, the overall trend is downward: the available data includes 3,023 cases from 2016 and 2,808 cases from 2017, representing a 7.1% decrease.

**FIGURE 7:** NUMBER OF ALCOHOL PRODUCTS SEIZURES BY CUSTOMS PROCEDURE AND COUNTRY, 2017

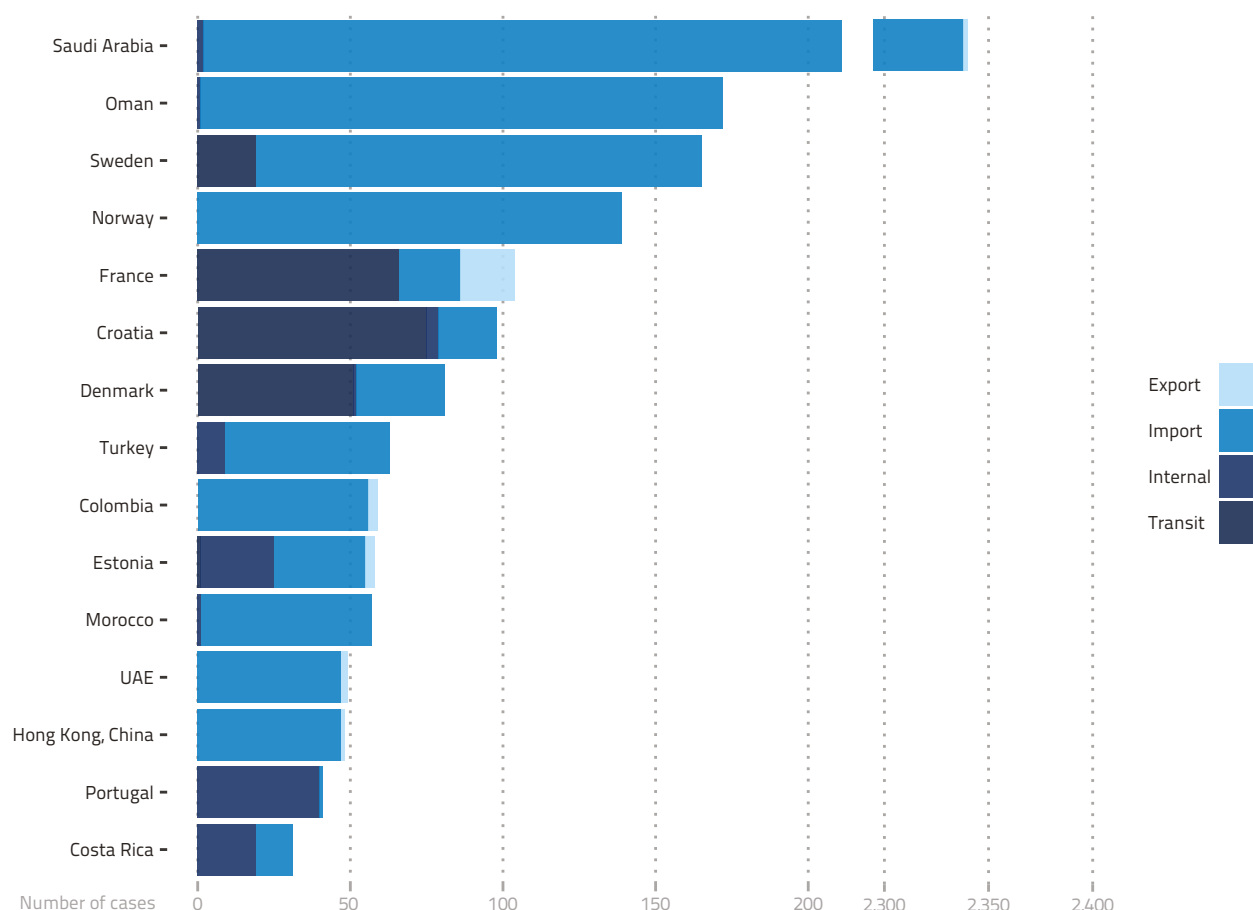


Figure 7 displays the top 15 countries that reported alcohol products cases in 2017, and it indicates the direction in which target shipments were moving when confiscated. The vast majority of cases are made as illicit goods are imported to their destination countries, amounting to 90.2% of the 3,505 cases in the available data. Saudi Arabia, the country which reported the most cases in 2017, as shown in Figure 6, recorded 2,336 import cases, compared to just two export and two transit cases, representing 99.8%, 0.1%, and 0.1%, respectively, of the total number of cases submitted by Saudi Arabia. Norway, which submitted 139 cases in 2017, exclusively reported those involving imports. Croatia, France, and Denmark were exceptions to this trend, primarily reporting cases of alcohol products in transit to international destinations. Of all cases reported by these three countries, 76.5% (75), 63.5%

(66), and 63% (51), respectively, were transit cases; and, together, these three countries comprised 90.6% of the 212 transit cases submitted by the top 15 reporting countries. Alcohol cases made at export were particularly rare, reaching only 29 recorded cases in 2017. France was the only country wherein export cases accounted for greater than 5.5% of the total submitted, with 17.3% of 104 cases involving exports. Portugal, Estonia, and Costa Rica reported the majority of cases involving illicit alcohol products trafficked internally, collectively comprising 82.2% of the 101 internal instances and submitting 40, 24, and 19 internal cases, respectively.

**FIGURE 8:** NUMBER OF ALCOHOL PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2016–2017

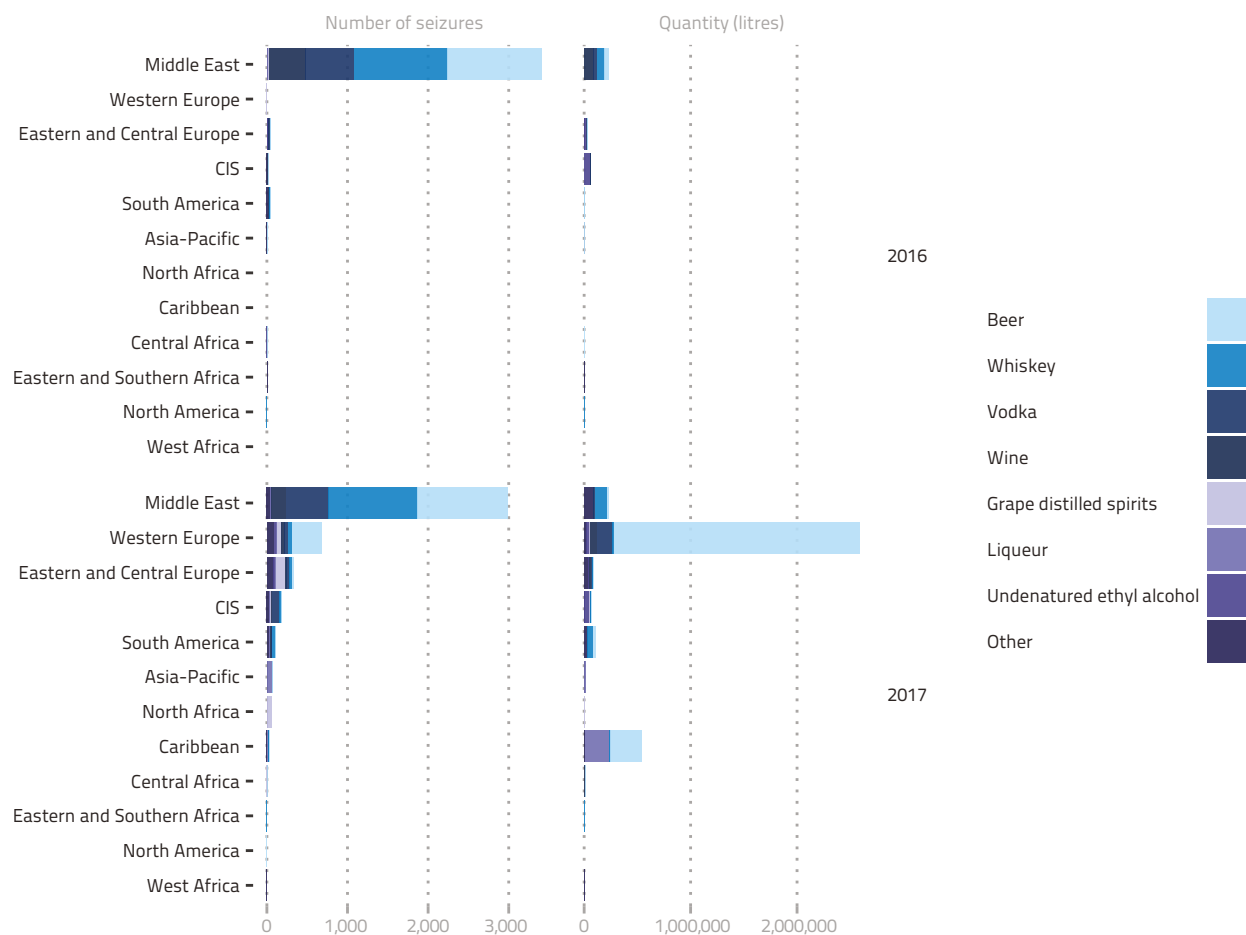


Figure 8 compares the number of seizures and the total quantity of alcohol seized by reporting region and type, while also comparing these metrics between 2016 and 2017. Figure 8 reveals several trends, including an overall increase in the number of seizures reported and a greater diversity of reporting countries and regions. Not including the Middle East, which reported many seizures in both 2016 and 2017, the number of seizures reported by all but Eastern and Southern Africa and North America grew, pointing to greater information sharing by countries in these regions. Western European seizures reported just one case in 2016 but 679 cases in 2017. Most notable were the number of beer and the other alcohol products seizures (370 and 83, respectively). In terms of volume, 2,304,679.2 litres of beer were apprehended

in Western Europe, 57% of which was seized in France. Eastern and Central European countries primarily reported grape distilled spirit seizures in 2017 (108) while 94 of 186 seizures submitted by countries in the Commonwealth of Independent States involved vodka. Caribbean countries also saw increased representation, reporting 540,147.35 litres seized in 2017, 55.2% of which was beer and 43% of which was liqueur. In the Middle East, the seizure total fell by 424 but the number of litres seized remained fairly stable: 235,972.5 litres were confiscated in 2016, and 227,063 were seized in 2017. Further, there appears to have been a slight shift in consumer preference within the Middle East, with fewer litres of seized beer and wine reported in 2017 (46,781.6 and 84,633.8 litres in 2016 vs. 10,894 and 2,065 litres in 2017).

**FIGURE 9:** ALCOHOL PRODUCTS TRAFFICKING FLOWS BY REGION, 2017

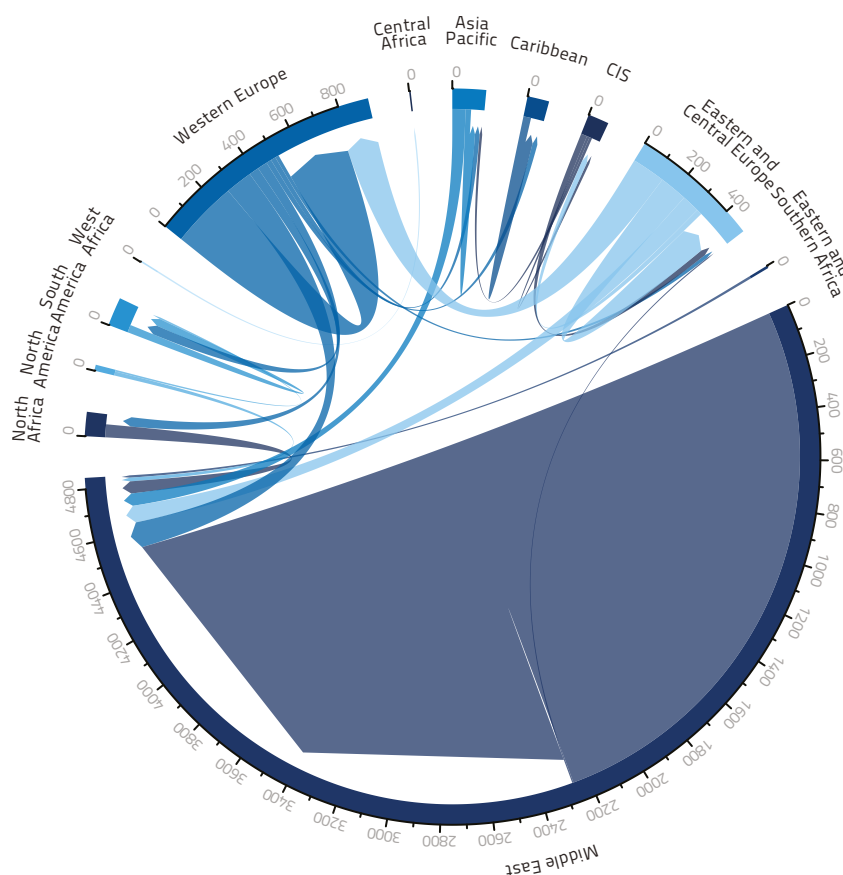


Figure 9 displays intended alcohol trafficking flows from, to, and within reporting regions for 2017, regardless of where a given shipment was seized. Figure 9 only shows trafficking routes that appeared in five or more trafficking instances. The intraregional trade of alcohol beverages is significant in the available data. Overall, 75.3% of all 3,425 cases submitted in 2017 were destined for the Middle East. And of the 2,580 cases bound for the region, 87.7% (2,263) also originated in the Middle East. Western Europe was the second most common origin for Middle Eastern cases, accounting for 108 (4.2%). All other regions were the origin for a cumulative 209 cases destined for the Middle East. Western Europe, likewise, appears to have prominent intraregional trade: 66% of 406 cases originated and terminated in the region.

Beverages from Eastern and Central Europe comprised 33.3% of cases destined for Western Europe. However, the reverse was not true; only 15 alcohol cases trafficked from Western Europe into Eastern and Central Europe were reported in 2017. Instead, 70.9% of 158 cases terminating in Eastern and Central European originated in the region.

**FIGURE 10:** HEAT MAP OF ALCOHOL PRODUCTS TRAFFICKING INSTANCES BY COUNTRY, 2017

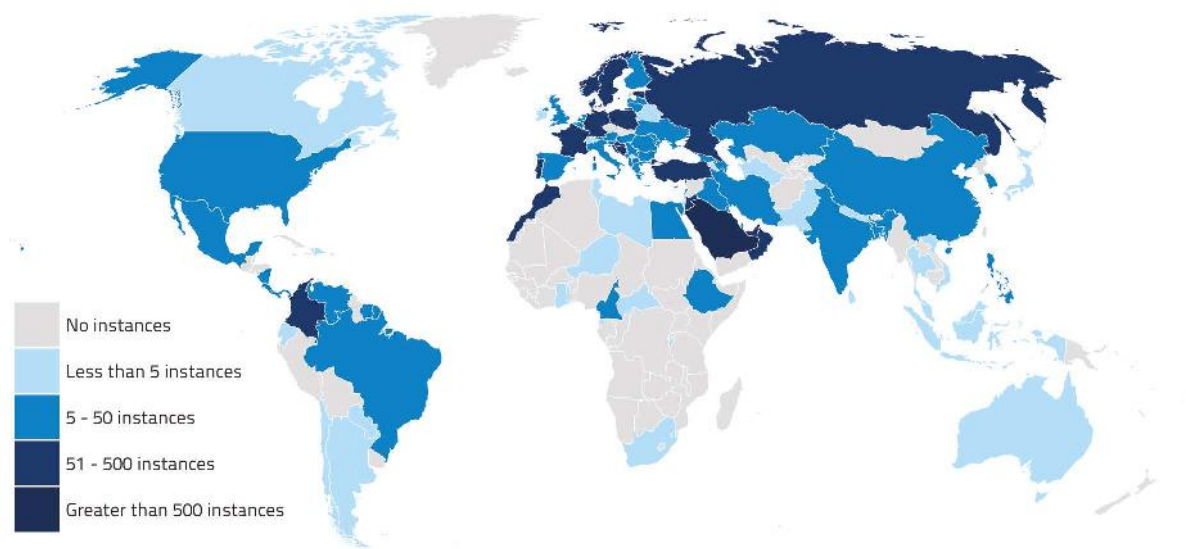
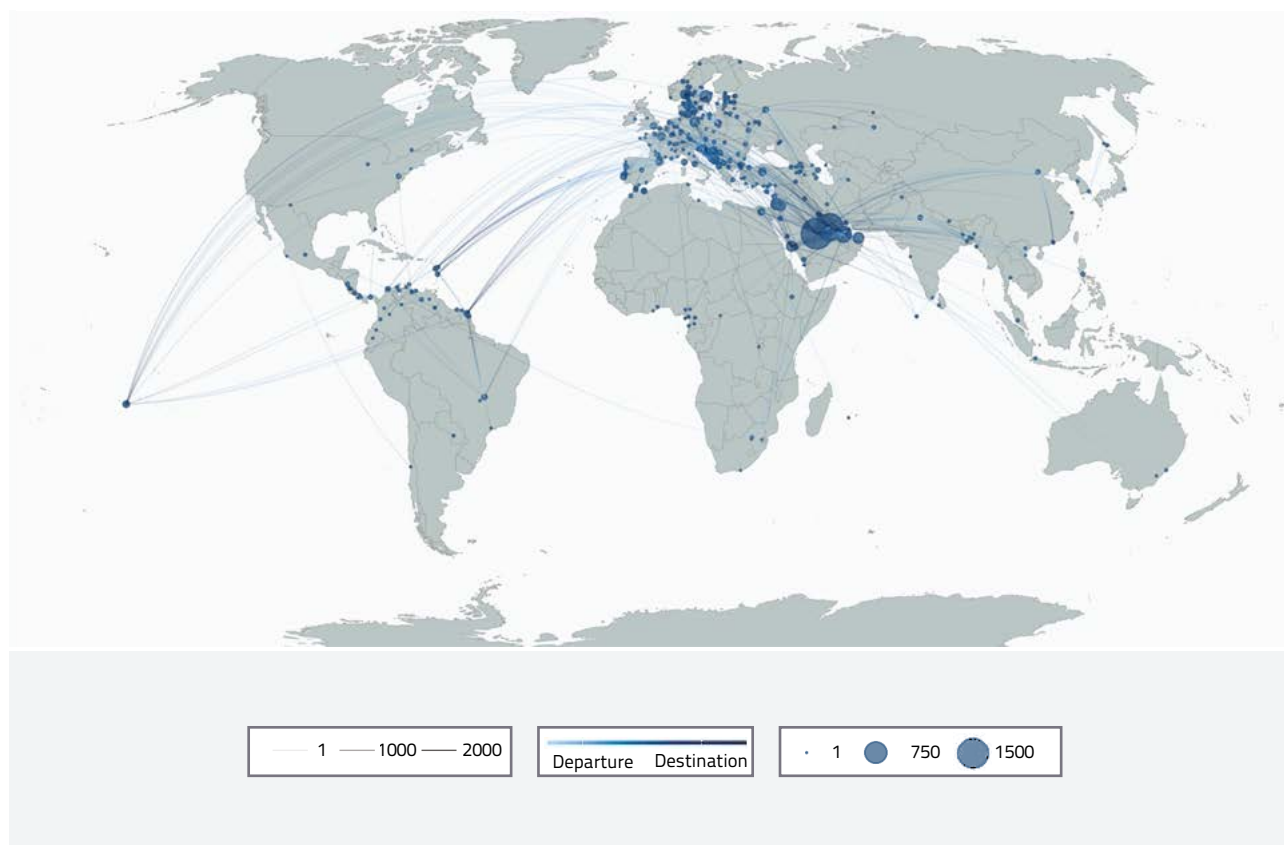


Figure 10 is a heat map of alcohol products trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination, or a transit point for one or more seized alcohol shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 10 indicates all countries through which alcohol products are known to have been trafficked, or were intended to be trafficked, in 2017.

In 2017, 106 countries were implicated in at least one instance of alcohol product trafficking, resulting in an average of 72.1 instances per country. This average is skewed upward due to two countries: Saudi Arabia and Bahrain. These countries were the only ones to be implicated in more than 1,500 instances of alcohol beverages trafficking. Saudi Arabia appears in 2,356 instances,

though 2,344 of those were self-reported. Bahrain, however, was implicated in 1,558 instances, despite having only submitted two alcohol products cases in 2017. Together, these two countries comprised 51.2% of all 7,640 recorded trafficking instances. Notably, they are at opposite ends of the trafficking supply chain, as indicated in Figure 11: 99.9% of instances involving Bahrain, for example, were outbound shipments, whereas 99.4% of Saudi Arabia's instances were seized at import. Eleven other countries were implicated in more than 100 trafficking instances, with the top five being the United Arab Emirates (498 seizures), Sweden (339 seizures), Denmark (193 seizures), Jordan (192 seizures), and Oman (185 seizures). Of countries appearing in over 100 instances, six emerged as primarily origin countries where over 50% of instances involved outbound products. These six countries were, the United Arab Emirates (90%), Bosnia and Herzegovina

**FIGURE 11:** ALCOHOL PRODUCTS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017



(59.5%), Bahrain (99.9%), Germany (83.9%), Jordan (100%), and Turkey (51.1%). In South America, only Colombia appeared in more than 50 instances (61), 96.7% of which were flagged at import. Among the Commonwealth of Independent States, the Russian Federation was implicated in 58 instances, having only reported 25 cases – and, of the 58 instances, 46.6% were destination instances.

**Figure 11** details the illicit flows of alcohol products, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are light blue in color at their origins, becoming darker as they near their destinations. The darker the overall tone of a flow, the more frequently that

trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, **Figure 11** shows the entire intended trade route from origin to destination.

Of the 647 unique trafficking routes used by smugglers to move illicit alcohol products in 2017, Manama, Bahrain to Riyadh, Saudi Arabia, was by far the most utilised, appearing in 1,552 instances and accounting for 40.4% of the 3,838 instances included in **Figure 11**. As the next section of the Revenue Section demonstrates, this is also the most common route for instances of tobacco trafficking. The second most frequently used route, appearing in 166 trafficking instances, also terminated in Riyadh, but it originated in Abu Dhabi, United Arab Emirates. A total of 444 cities

were implicated in beverage trafficking in 2017, with a mere 5.9%, or 26 cities, located in the Middle East. Still, taken together, these 26 cities comprised 63.3% of all city-level trafficking instances. Moreover, seven of the ten cities that appear in more than 100 city-level trafficking instances were located in the Middle East, with the three remaining at-risk cities being Stockholm, Sweden (205), Berlin, Germany (127), and Sarajevo, Bosnia (100). Papeete, French Polynesia, in the mid-Atlantic, was implicated in 51 trafficking instances, across 14 unique routes – and, notably, all 14 of those routes ran to or from France or French territories, including France (34 instances), French Guiana (three instances), Guadeloupe (two instances), and Martinique (two instances).

### Member highlight: Health risks

In 2017, cases involving the prohibited distribution of alcoholic drinks produced from methyl alcohol emerged in different countries, and several cases unfortunately ended in fatal outcomes. These methyl alcohol products were not sold legally but, rather, were being sold directly by dealers and over the Internet. During the liquidation of an illicit beverage factory in Hungary, Customs officers in charge found acetone and alcohol containing other toxic substances. The ingredients of the alcoholic drinks included purified alcohol, which is contaminated and considered to be waste. The circulation of the illegally manufactured products has been prevented.

Source: Hungarian Customs.



E: 585 litres of illegal alcoholic beverages concealed in the rear part of a bus. Courtesy: Hungarian Customs.

## Project SHOT

During the 3<sup>rd</sup> Meeting of the WCO Working Group on Revenue Compliance and Fraud, and the 13<sup>th</sup> Meeting of the WCO Counterfeiting and Piracy Group, the Regional Intelligence Liaison Office for Eastern and Central Europe (RILO ECE) proposed a project to analyze global trends in alcohol fraud. The idea was later endorsed by the 21<sup>st</sup> Global RILO Meeting and during the 36<sup>th</sup> Session of the Enforcement Committee. At first, the Project was to take place only during the first semester of 2017, but it was later extended to cover all of 2017. The project has been implemented by RILO ECE under codename SHOT, and it enjoys the support of the WCO and the 11 RILOs.

The results of the study demonstrate that, thanks to Project SHOT, the number of reported seizures has increased significantly, by approximately 40%. In 2017, Customs authorities registered 4,243 cases which amounted to 5,871 seizures of illicit alcohol, suggesting that many cases included multiple seizures involving the requisitioning of more than one type of alcohol.

From among the participating countries, the most cases were observed in Saudi Arabia (2,388), Uruguay (231), and Oman (177). However, RILO WE (Western Europe) registered the greatest amount of illegal alcohol seized, while France reported the most in this group, with 1,430,083.19 litres in 2017. Norway reported the second most, with 501,303 litres, and Sweden reported the third most, with 358,249.43 litres, while Belgium reported 148,166.26 litres. Amongst the RILOs, the greatest amount of alcohol was seized in the RILO WE region (82.11% of the overall amount), followed by RILO ME (7.41%) and RILO SA (4.68%).

When looking at the type of alcohol reported through Project SHOT, in terms of both quantity and the number of cases, the top three products are beer made from malt (1,322 cases and 74.77% of the total quantity of alcohol seized), whiskey (1,282 cases and 6.56% of the total quantity of alcohol seized), and vodka (569 cases and 5.71% of the total quantity of alcohol seized).

The analysis has also demonstrated that certain types of alcohol were popular to smuggle in certain RILO regions. For example, the most smuggled alcohol in the RILO AP region was liqueur. Beer, soft drinks, vodka, wine, and strong (over 80%) undenatured

ethyl alcohol prevailed in RILO WE. Gin and geneva, and rum and tafia, were frequently smuggled in the RILO SA region, whereas, in RILO CA, the predominant beverages were soft drinks and wine. In the RILO ME region, the main smuggled alcohols were other fermented beverages, such as cider and perry, vermouth and derived products, and whiskey.

The RILO CIS region, for its part, observed smuggling of all strengths of undenatured ethyl alcohol, as well as spirits obtained by distilling grape wine (e.g., cognac). In addition, soft drinks and wine were frequently smuggled in RILO CA, while RILO NA saw the smuggling of other alcohols. An identical situation was observed in RILO ECE and RILO WA, with the second most smuggled alcohol being wine in RILO ECE, while in RILO ESA and RILO JIO, offenders generally smuggled whiskey. It is worth noting that over 90% of the smuggled alcohol in RILO WE was beer, and in RILO SA it was gin and geneva.

With reference to the mode of transport, diagrams depicted that alcohol was mostly withheld at land boundaries. Smuggling alcohol via air was the second most popular method of transporting this commodity. In the majority of cases, alcohol was carried by vehicles, primarily passenger vans and cars. In numerous cases it was concealed in the interior of the car or in its spare parts. In about one-fourth of cases alcohol was carried in baggage.

When it comes to popular smuggling routes, the data collected through the Project revealed that, in terms of the number of cases, the most popular route was Bahrain to Saudi Arabia (1,596 cases). Other popular routes in this area of the world were the United Arab Emirates to Saudi Arabia, Jordan to Saudi Arabia, and the United Arab Emirates to Oman.

In Europe the most popular route, in terms of the number of cases of seized alcohol, was Germany to Denmark to Sweden. However, when referring to the overall quantity of smuggled alcohol, the most popular routes were France to the United Kingdom, France to French Polynesia, Poland to Sweden to Norway, and France to French Guiana.

Findings show that, in Europe, the largest amount of seized alcohol reported originated in France, Poland, and Germany. In many cases, the origin of alcohol has, unfortunately, been reported “unknown”; but, in terms of the quantity of smuggled alcohol, popular destinations included Guadeloupe, Norway, French Polynesia, and Sweden.

With the agreement of WCO Members, Project SHOT has been extended, allowing it to continue collecting data and analyzing alcohol seizures made during 2018. The findings of this second phase of the Project will be included in the next edition of this Report.

**Source:** RILO Eastern and Central Europe.



**F:** Seizure of 114 bottles of alcoholic beverages transported by car. Courtesy: Belarus Customs.  
**G:** Moonshine machine and its spare parts. Courtesy: Estonian Customs.

## 2. OVERALL TRENDS IN TRAFFICKING OF TOBACCO PRODUCTS

FIGURE 12: NUMBER OF CIGARETTE SEIZURES AND QUANTITY SEIZED, 2016–2017

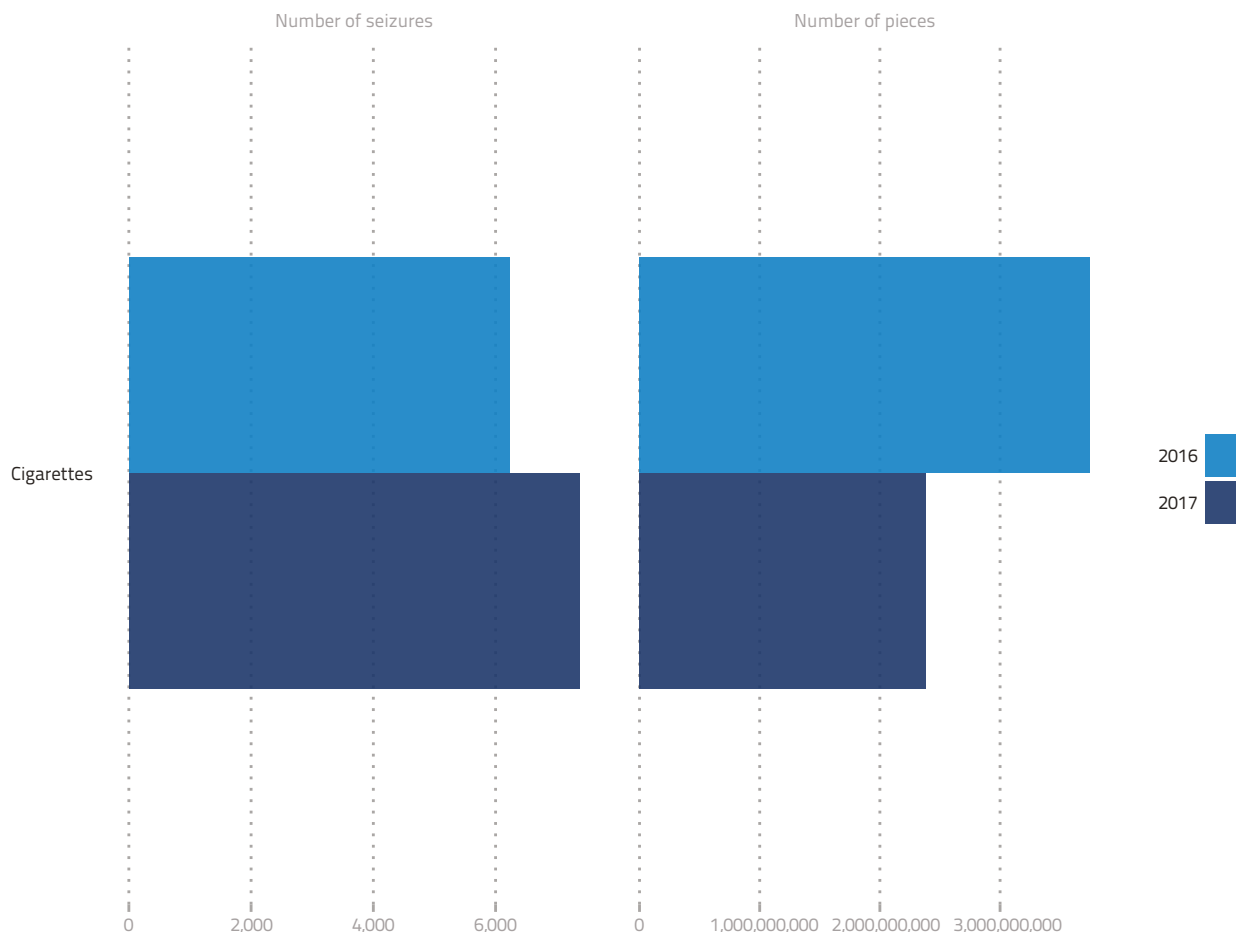


Figure 12 compares the number of seizures and the quantity of cigarettes seized between 2016 and 2017. While the number of cigarette seizures increased by 18.4% in 2017, from 6,230 seizures in 2016, there was a 36.6% drop in the quantity of cigarettes seized. Throughout 2017, 7,378 seizures were reported and 2,379,956,831 pieces (individual cigarettes) were confiscated. This shift may suggest traffickers were moving contraband more frequently, albeit in smaller quantities, with 322,575 pieces being the average quantity per seizure. The largest recorded seizure of cigarettes was reported by Belgium, and it involved 89,698,760 pieces discovered aboard a cargo ship.



H: Cigarettes concealed among building materials. Courtesy: Dominican Customs.

**FIGURE 13:** NUMBER OF E-CIGARETTES AND CIGAR SEIZURES AND QUANTITY SEIZED, 2016–2017

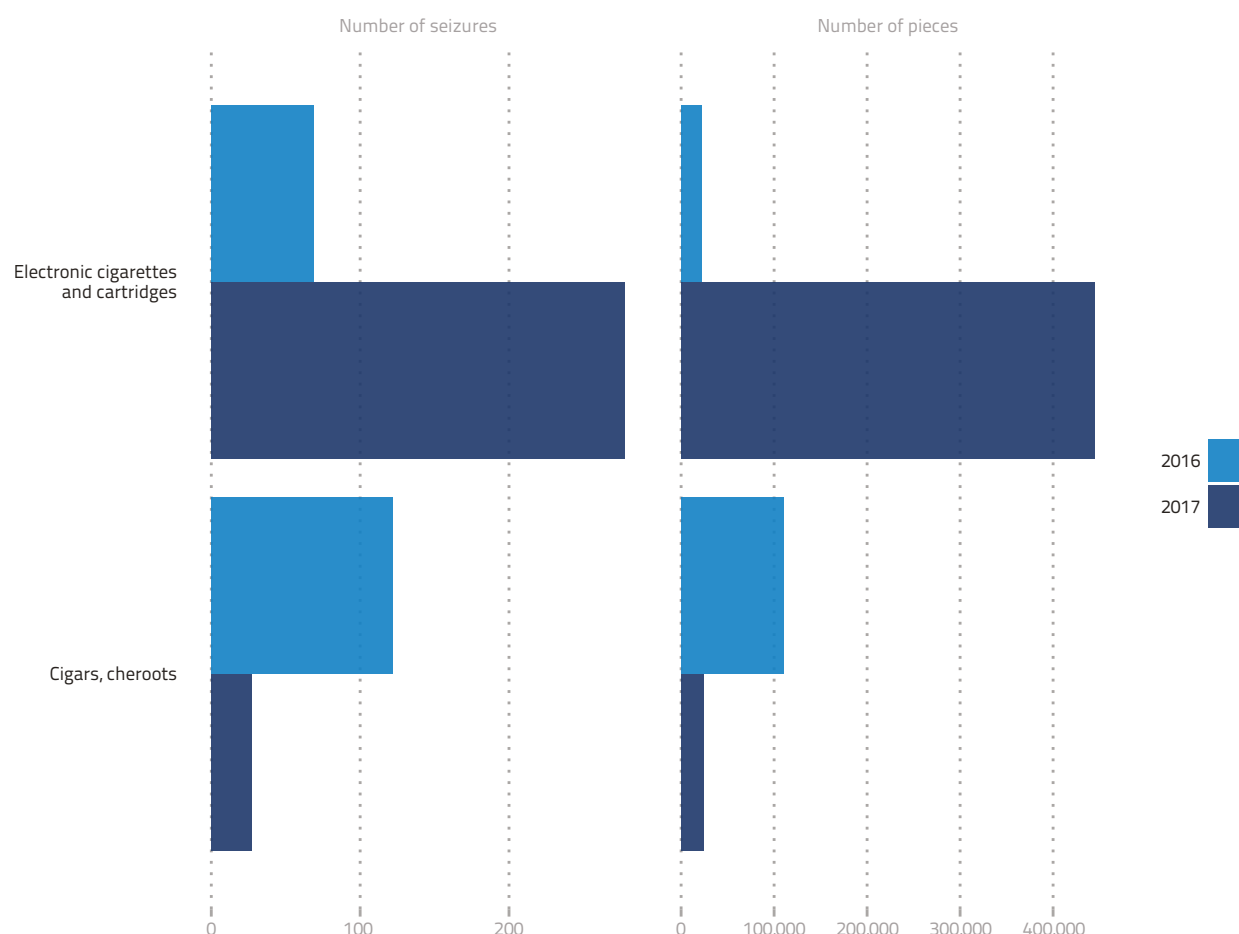


Figure 13 compares the number of seizures and the quantity seized for electronic cigarettes (e-cigarettes) and cigars between 2016 and 2017. Unlike the trends in cigarettes trafficking shown in Figure 11, the number of seizures and the quantity seized for e-cigarettes and cartridges both increased significantly in 2017. In 2016, 69 seizures and 22,238 pieces were recovered, while in 2017, 278 seizures and 445,006 pieces were seized, indicating spikes of 302.9% and 1,901.1%, respectively. In contrast, the number of seizures and the quantity of cigars and cheroots seized fell by 77.9% and 78.4%, respectively, going from 122 to just 27 seizures, and from 110,000 to 23,772 pieces, in 2017. The largest seizure of e-cigarettes comprised 146,000 pieces and was reported by Hong Kong Customs.



I: Cigarettes concealed among bricks. Courtesy: Hong Kong Customs.

**FIGURE 14:** NUMBER OF OTHER TOBACCO PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017

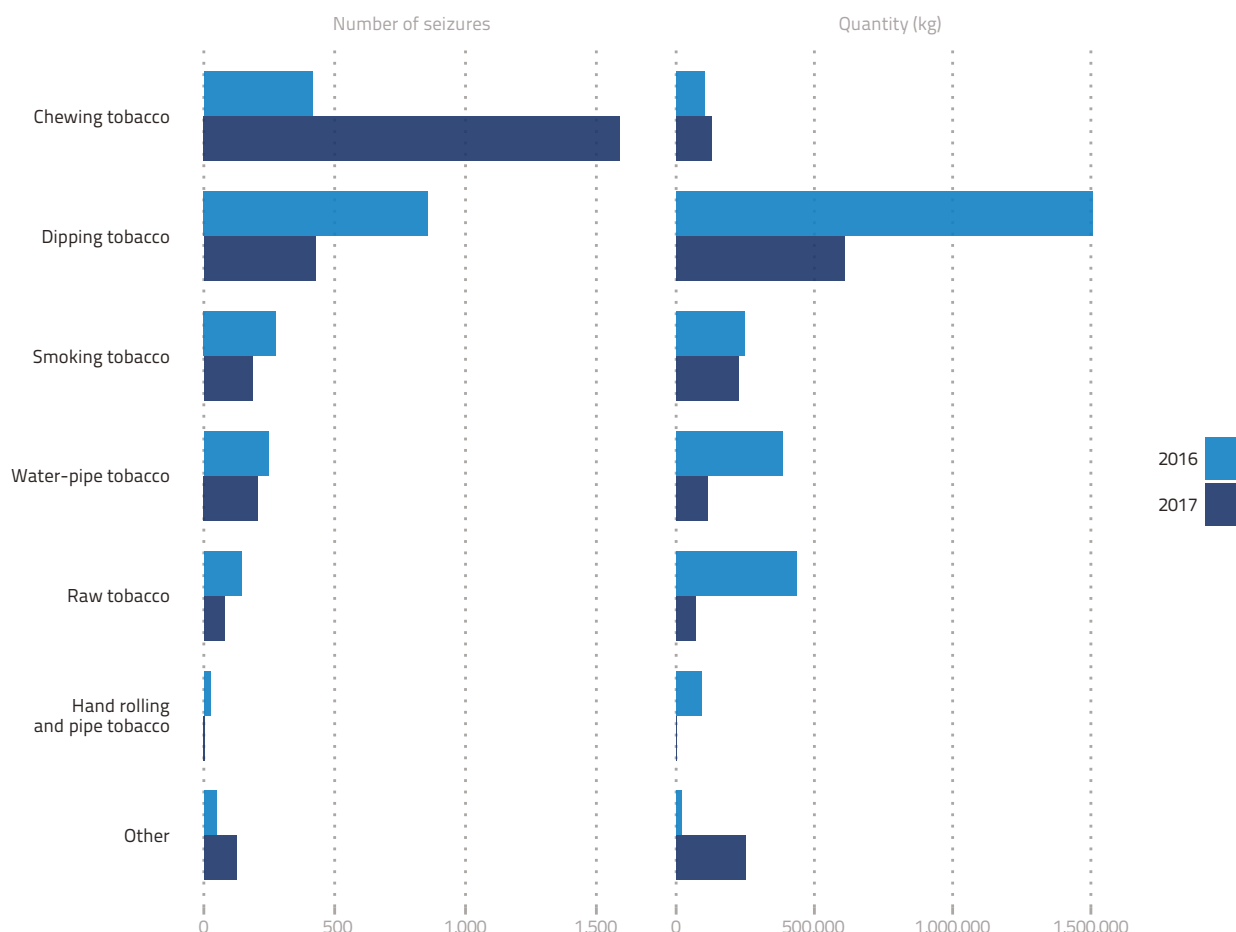
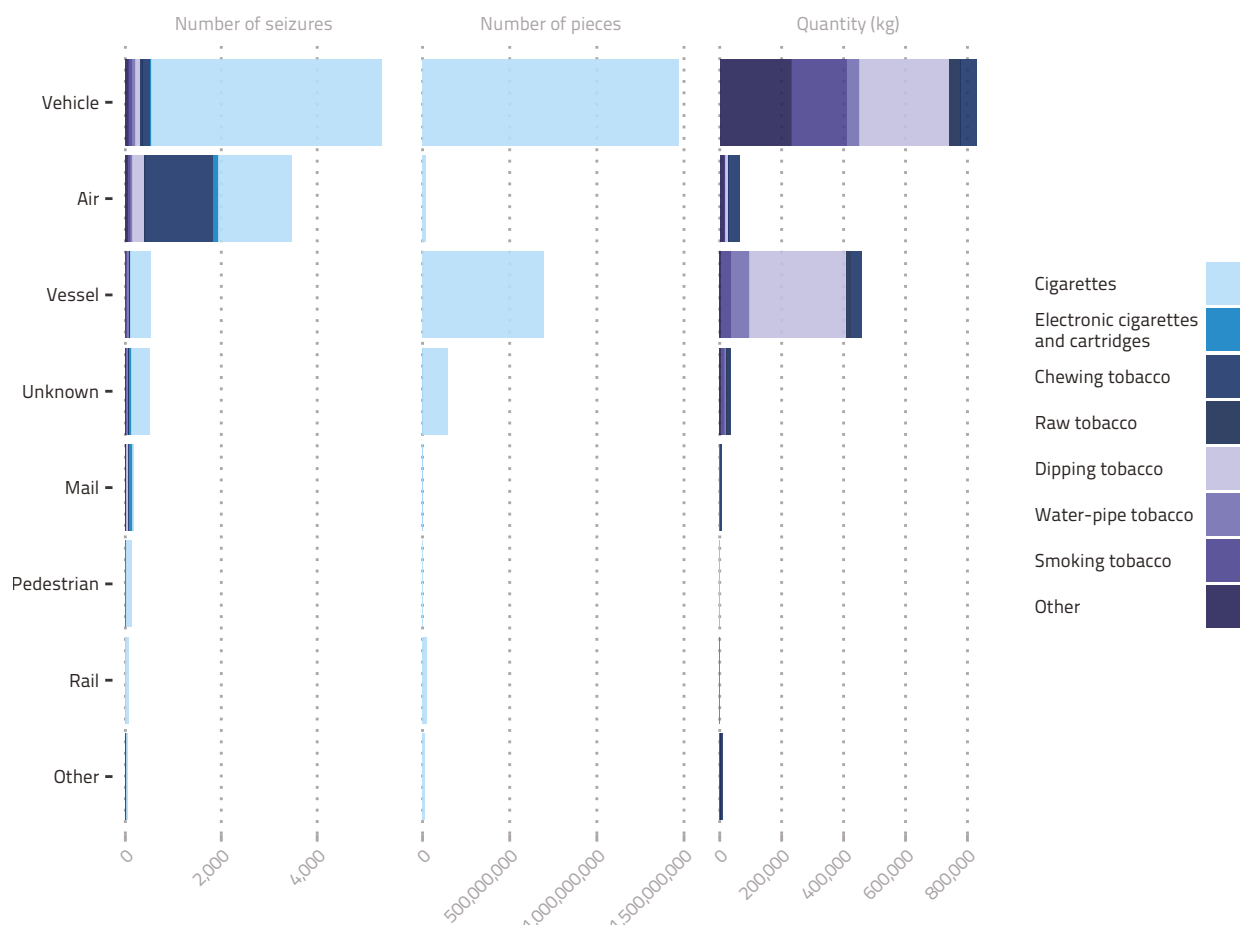


Figure 14 compares the number of seizures and the quantity seized for each type of other tobacco products (non-cigarettes, e-cigarettes, cigars, or cheroots) between 2016 and 2017. Examining the declining trend across all types, 2,619 seizures and 1,399,381 kilogrammes were reported in 2017, as compared to 2,011 seizures and 2,789,772 kilogrammes the previous year. Overall, the available data shows an increase of 30.2% and a decrease of 49.8%, respectively, in terms of the number of seizures and the quantity seized. Dipping tobacco underwent the greatest decline in seizures, dropping from 856 to 428 between 2016 and 2017. This corresponded with a drastic fall in the quantity seized: as compared to the 1,504,772 kilogrammes of dipping tobacco recovered in 2016, only 608,742 kilogrammes were recovered

in 2017, suggesting traffickers may not only be moving dipping tobacco less frequently but may also be doing so in significantly smaller quantities.

Indeed, all but two types decreased in terms of the number of seizures recorded and the quantity seized. Only chewing tobacco and the “other” tobacco category, including tobacco machinery and electronic water-pipes, increased. In 2017, Customs officers reported seizing 127,969.6 kilogrammes of chewing tobacco over the course of 1,590 seizures. This represents a 283.1% spike in the number of seizures, but just a marginal 22.1% rise in the quantity seized as compared to 2016, with the average weight per seizure falling from 252.6 to just 80.5 kilogrammes. Seizures

**FIGURE 15:** NUMBER OF TOBACCO PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017

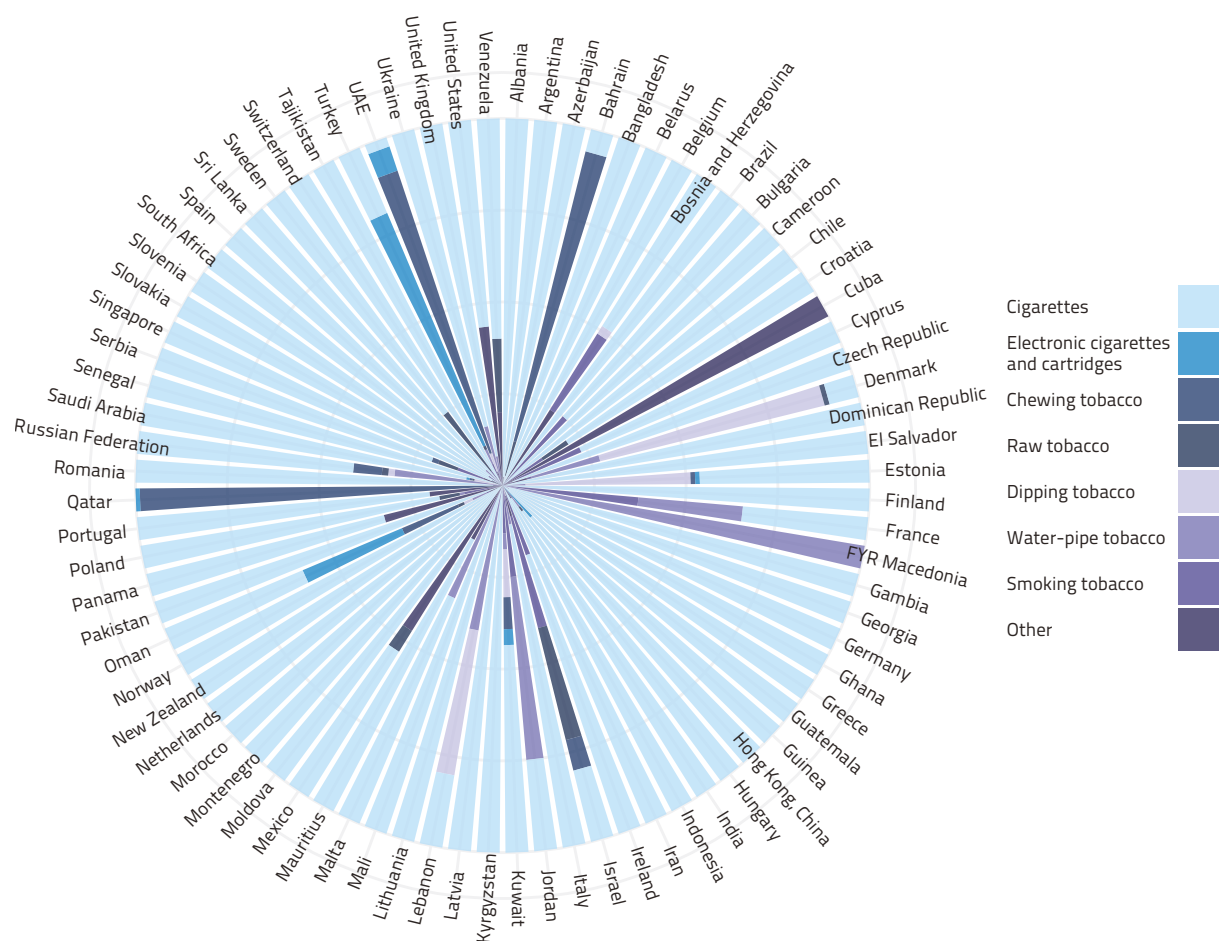


of other products reflect an inverse pattern: 124 seizures resulted in the confiscation of 252,879 kilogrammes in 2017, bringing the average weight per seizure up from 385 kilogrammes to 2,039.3 kilogrammes. However, this is partially offset by one very large seizure (231,060 kilogrammes) of liquid nicotine reported by Turkey.

Figure 15 shows the number of seizures and the quantity of all tobacco products seized, including cigarettes, cigars, and e-cigarettes, by type and conveyance method. Quantities for chewing, raw, dipping, water-pipe, and smoking tobacco are recorded in kilogrammes, and the number of pieces is used to report seizure quantity for cigarettes, as well as e-cigarettes and cartridges. Across all products, the majority of tobacco

was discovered in and seized from vehicles, including hidden compartments in cars, trucks, and vans. Vehicle seizures accounted for 5,357 of the 10,302 tobacco seizures (52%) reported in 2017, and they comprised 61.9% of the number of pieces seized (1,473,559,484 of 2,380,499,509 pieces) and 59.3% of the kilogrammes seized (829,444.2 out of 1,399,381.5 kilogrammes). Further, other tobacco and smoking tobacco were primarily discovered in vehicles, with such seizures accounting for 90.6% and 79.7%, respectively, of the total quantity (in kilogrammes) seized for those methods of conveyance. In terms of the number of seizures conducted, transport by air was the second most common conveyance method. However, 3,476 air seizures yielded only 64,574.8 kilogrammes of tobacco products. Although there were 1,528 cigarette seizures reportedly conveyed by air in 2017,

FIGURE 16: PROPORTION OF TOBACCO PRODUCTS SEIZURES BY TYPE AND COUNTRY, 2017



only 17,588,955 pieces were seized. Conversely, a mere 420 vessel seizures yielded 695,987,141 pieces of cigarettes. Of 458,279.6 kilogrammes of tobacco products seized aboard ships, dipping tobacco accounted for 68.1%, or 311,897.5 kilogrammes.

Figure 16 depicts the proportion of seizures for each type of tobacco products, including cigarettes, cigars, and e-cigarettes, as reported by each country recording at least one such seizure. Figure 16 includes cigars and cheroots in the “other” category. Cigarette smuggling is a global issue, with only three out of the 80 countries reporting at least one tobacco seizure not submitting data on a single cigarette seizure. Indeed, 34 countries exclusively reported

cigarette seizures. Goods in two other categories were likewise exclusively seized by some participating countries: the Former Yugoslav Republic of Macedonia only reported water-pipe tobacco seizures (one seizure), and Cuba exclusively submitted seizures of warranty labels and seals and cigars/cheroots, both classified as “other” types of tobacco in Figure 16 (five and four seizures, respectively). Overall, 29 countries reported seizing smoking tobacco and just eight countries reported seizures of e-cigarettes and cartridges. Meanwhile, 16 countries reported seizures of four or more types, and only Saudi Arabia and Oman seized all eight types of products.

## Case study 2. Illegal cigarette factory raid in Sweden leads to massive tobacco seizure

On July 7, 2017, Swedish Customs authorities raided one of the largest illegal cigarette factories in Swedish history. The facility was located on a horse farm in Vedom, a small city in southwestern Sweden. Authorities seized machines for manufacturing cigarettes, over 10 tonnes of tobacco, and approximately 15 million rolled cigarettes. Follow-up investigations prompted a related seizure of 250,000 cigarettes in a Stockholm warehouse.

The Swedish Customs Service received a tip alleging that illegal cigarettes were being sold in and around Vara, a town adjacent to Vedom. A subsequent investigation included surveillance of the area, which soon proved fruitful: in early July, a van leaving a Vedom horse farm was stopped, searched, and found to contain more than 250,000 cigarettes.

The illegally fabricated cigarettes were predominantly sold under two brand names: Majestic and Goal. Following the detention of the van and the factory raid, an associated warehouse in Stockholm was raided, and an additional quarter-million cigarettes were seized. The majority of the illicit cigarettes were believed to have been dispersed and sold throughout Sweden, especially in Stockholm.

Three men were arrested in the raid and later convicted for failure to pay 54 million SEK (\$6.5 million USD) in levied taxes on the sale of the cigarettes. Two of the men involved in the case are from the Stockholm area, while the third individual is a citizen of Serbia. The two Swedish citizens were sentenced to three years in prison; the Serbian national was sentenced to nine months in prison and was later deported.



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- WCO data.
- Hakansson, Axel (2017), *Dom mot män bakom cigarettfabrik*, SVT Nyheter, available at <http://www.svt.se/nyheter/lokalt/vast/dom-mot-man-bakom-cigarettfabrik>, accessed on 18 June 2018.
- Bjarnefors, Stefan (2017), *Drev västsvensk cigarettfabrik – nu åtalas männen*, Göteborgs-Posten, available at <http://www.gp.se/nyheter/v%C3%A4stsvrige/drev-v%C3%A4stsvensk-cigarettfabrik-nu-%C3%A5talas-m%C3%A4nnen-1.4839523>, accessed on 18 June 2018.
- The Local (2017), *Prison for three men after Sweden busts cigarette factory in horse farm*, available at <http://www.thelocal.se/20171220/prison-for-three-men-after-sweden-busts-cigarette-factory-in-horse-farm>, accessed on 18 June 2018.



L



M



N

## Member highlight: Cross-border smuggling

Traditionally, master cases were brought by “sherpas” through the border fields or in boats (and sometimes in a special cage fixed on the bottom of the boat) along the Tisza River (HU-UA external border). Perpetrators often placed anonymous calls to report illegal movements at another location in order to confuse and distract patrolling officers, enabling offenders to conduct their illicit activities without detection. This method of smuggling has begun to fade due to the new “white collar” alternative: manipulating T1 movements (goods in transit in the EU). However, fake feedbacks have been organized and operated, while the consignment itself can be sold off inside the European Union.

Source: Hungarian Customs.



O

- L:** Seizure of chewing tobacco concealed in a tank truck. Courtesy: Oman Customs.  
**M:** Snus tobacco. Courtesy: Estonian Customs.  
**N:** Cigarettes concealed in a trailer intended for carrying vehicles. Courtesy: Czech Customs.  
**O:** Illicit products concealed in car cavities. Courtesy: Hungarian Customs.

**FIGURE 17:** NUMBER OF TOBACCO PRODUCTS CASES BY COUNTRY, 2016–2017

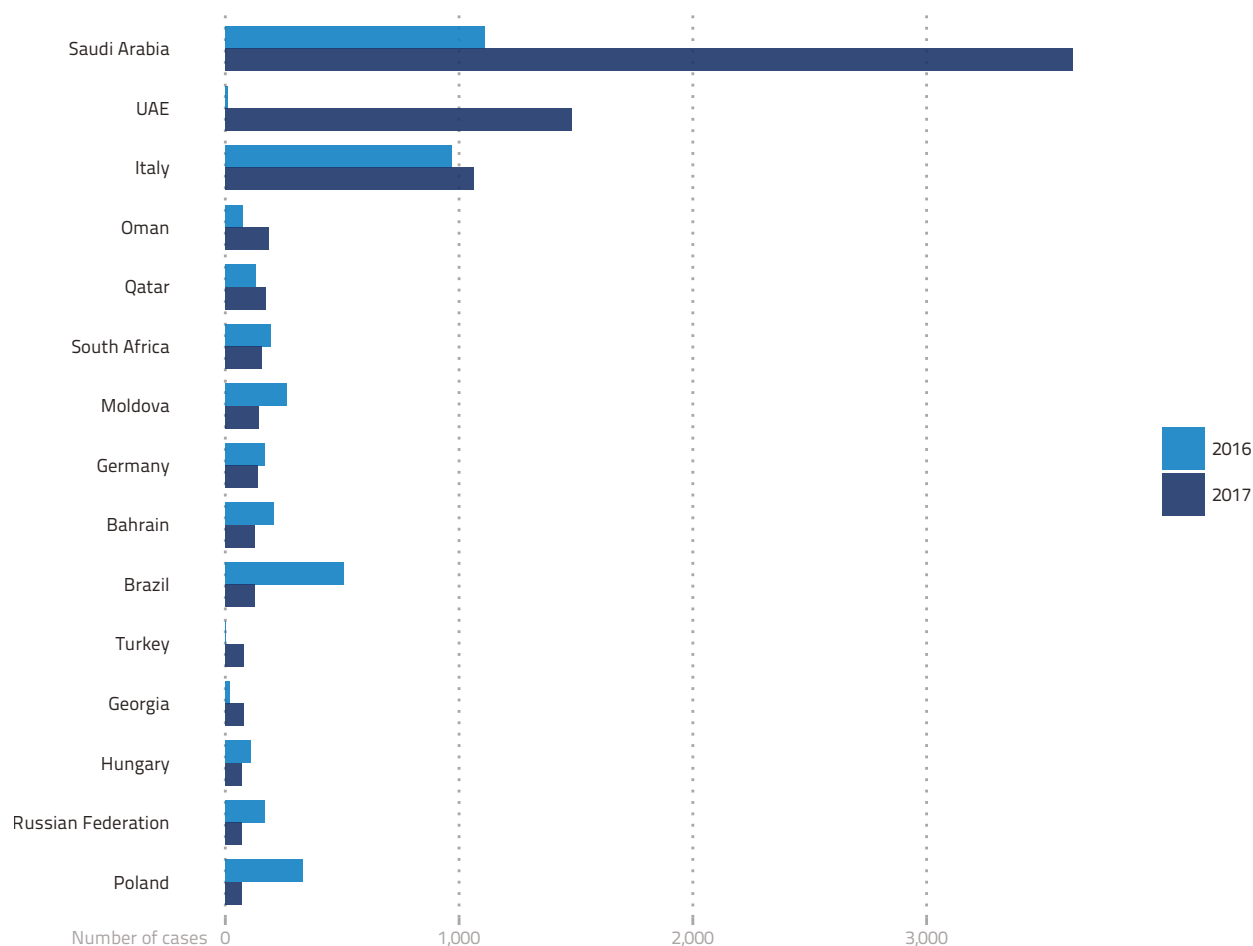


Figure 17 compares the number of all tobacco products cases, including those involving cigarettes, cigars, and e-cigarettes, cases submitted by the top 15 reporting countries in 2016 and 2017. Among the top fifteen countries, seven reported an increased number of cases in 2017, driving an overall 43.4% rise in the number of cases reported. Of these, five were located in the Middle East: Saudi Arabia, United Arab Emirates, Oman, Qatar, and Turkey. Italy was the only Western European country to report more tobacco cases as compared to 2016. Notably, the overall upward trend was the result of data submitted by Saudi Arabia and the United

Arab Emirates. The former reported 1,111 cases in 2016 and 3,624 cases in 2017, and the latter reported 1,481 cases in 2017, up from just 12 cases the previous year. It is important to note that these dramatic figures may represent a shift in the countries' reporting protocols rather than any genuine change in the illicit tobacco trade. Excluding Saudi Arabia and the United Arab Emirates, the overall trend in case numbers is downward, as 29.2% fewer cases were reported in 2017. Brazil and Poland submitted considerably fewer cases in 2017 (126 and 71, respectively) as compared to the 509 and 332 cases they submitted in 2016. Examining all countries submitting at least one tobacco case, one can note that participating countries submitted a total of 8,517 cases in 2017.

FIGURE 18: NUMBER OF TOBACCO PRODUCT SEIZURES BY CUSTOMS PROCEDURE AND COUNTRY, 2017

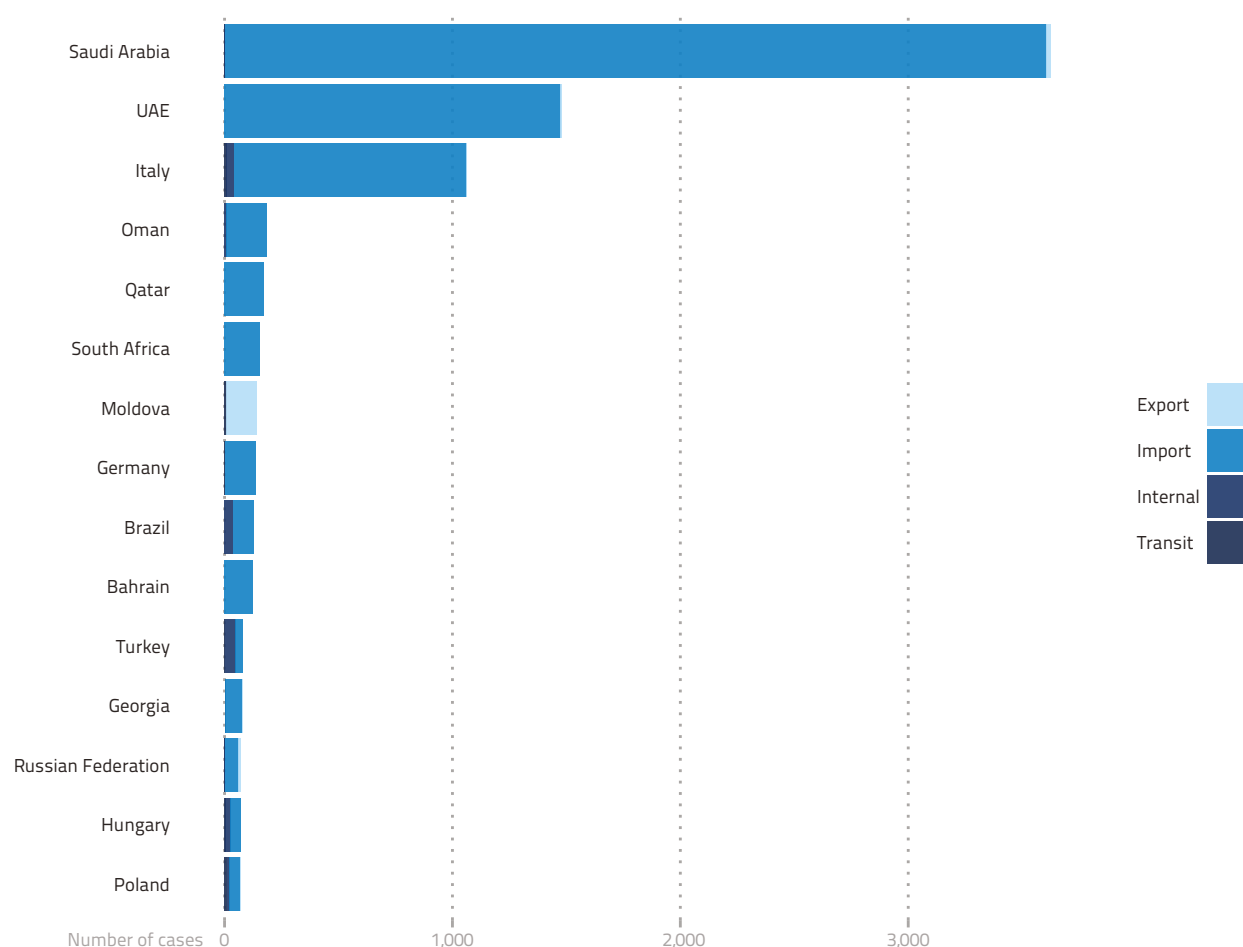
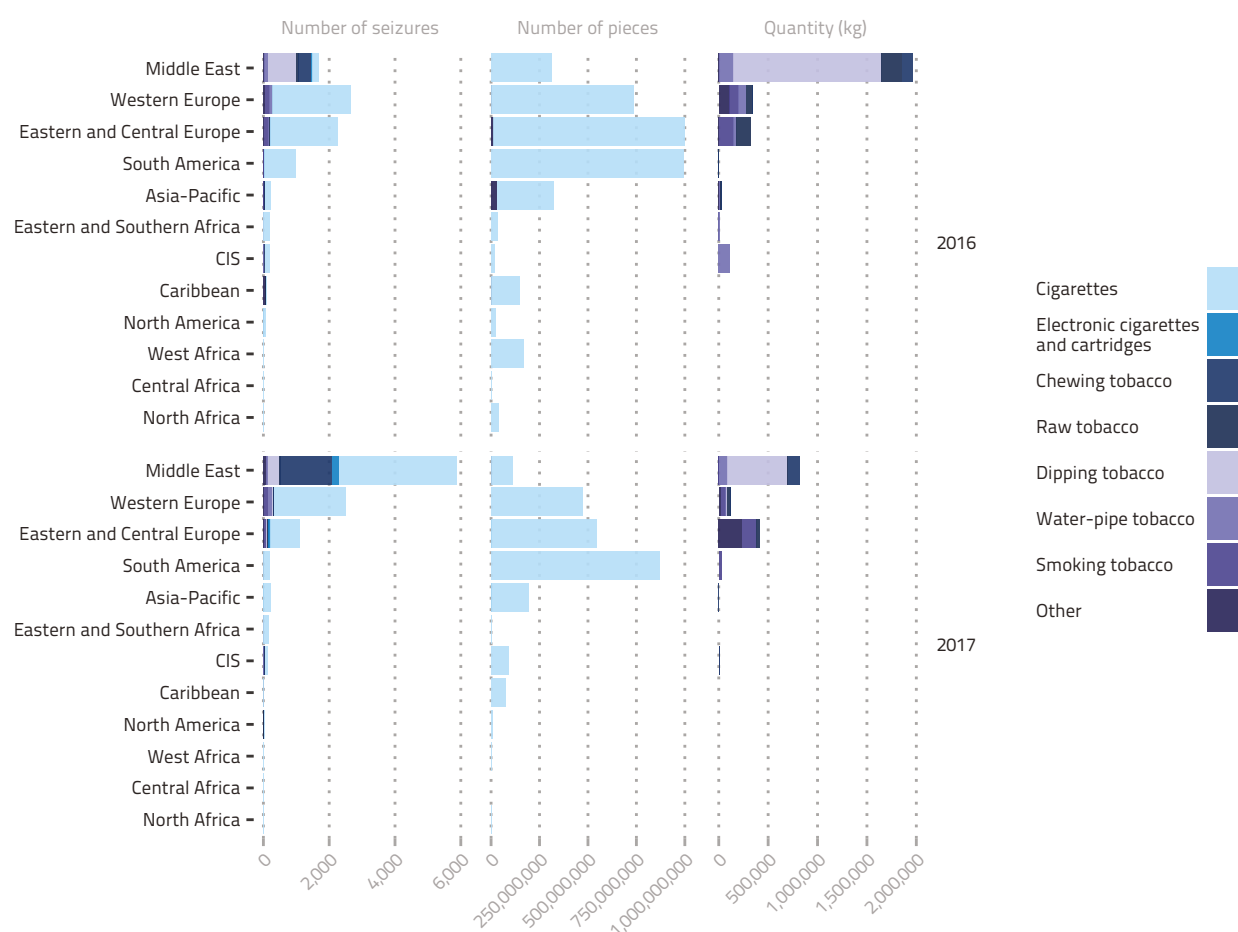


Figure 18 displays the top 15 countries that reported tobacco products cases in 2017, and it indicates the direction in which target shipments were moving when confiscated. Like alcohol products enforcement, tobacco cases were overwhelmingly made upon import. Of 8,517 cases submitted in 2017, 92.3% were of incoming shipments of illicit tobacco products. Considering the top 15 countries, Bahrain, Qatar, and South Africa exclusively reported import cases; and, with respect to Saudi Arabia, the most frequent reporter of tobacco cases in 2017, 99.4% of cases involved imports, 0.5% involved exports, one transit seizure and one internal shipment comprised the remaining 0.01%. Moldova and Turkey showed exceptions to this trend, with Moldova reporting 143 cases in 2017, 95.2% of which were of contraband identified at export. Moldova was also the only country among the

top 15 reporting countries to submit more than 20 export cases. Further, Moldova was the only country to report no import cases. Meanwhile, over half (56.8%) of Turkey's 81 reported cases were made as illicit tobacco was trafficked internally (domestically), while the remainder were import cases. Hungary, too, reported a split between import and internal cases, with 30.6% of 72 cases involving domestic trafficking.

Figure 19 compares the number of seizures and the total quantity of tobacco products seized by reporting region and type, while also comparing these metrics between 2016 and 2017. Seizures in the Middle East surpassed those reported by Western Europe in 2017, with the regions submitting 5,887 and 2,490 seizures, respectively. Middle East seizures comprised 57.1% of all 10,302 tobacco

**FIGURE 19: NUMBER OF TOBACCO PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2016–2017**

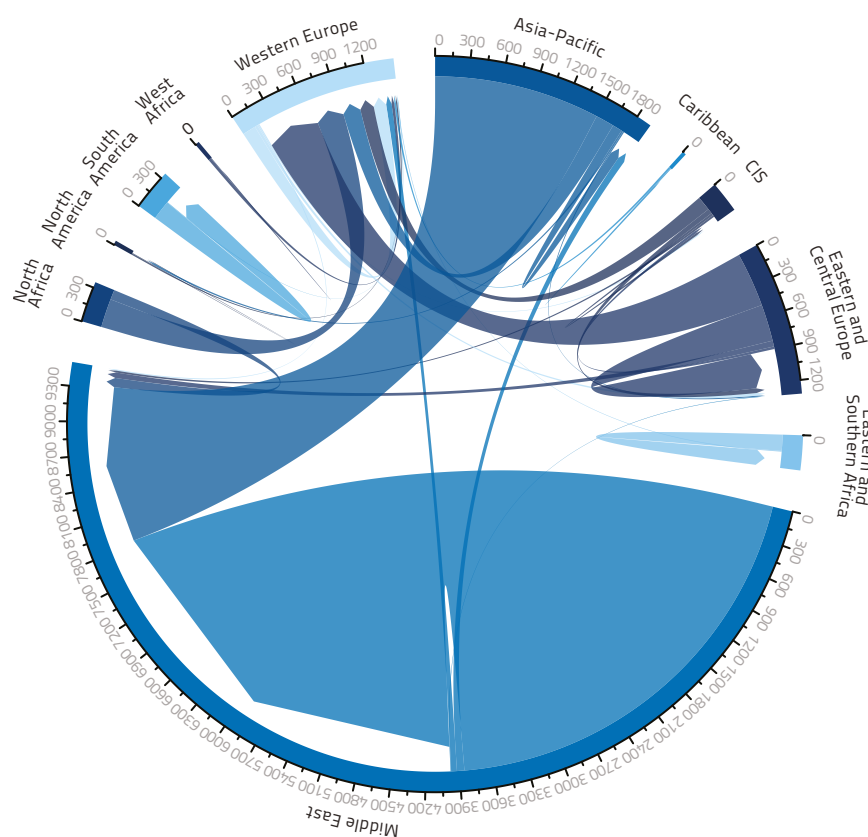


seizures reported in 2017. Intriguingly, although the number of Middle East seizures increased by 247.1%, from 2016 numbers, the overall quantity of illicit tobacco products seized, in terms of both pieces and kilogrammes, fell significantly. Specifically, cigarette seizures grew from 206, in 2016, to 3,585, in 2017 – even as the number of cigarette pieces seized fell sharply, from 314,779,969, in 2016, to 113,106,929, in 2017. Similarly, chewing tobacco seizures grew from 380, in 2016, to 1,574, in 2017, while the quantity seized only rose by 14,206 kilogrammes from the 103,510 seized in 2016. The Middle East also seized 890,266.9 fewer kilogrammes of dipping tobacco and 208,366.3 fewer kilogrammes of raw tobacco. The seized quantity of products also declined in Western Europe, with the largest declines seen in “other” tobacco products category, which fell from 106,575.3 kilogrammes seized in 2016

to 20,194.3 the following year, and water-pipe tobacco, which dropped from 77,222.5 kilogrammes in 2016 to 12,084.7 in 2017. Overall, Western Europe reported a decrease of 35.8% in terms of pieces seized and a decline of 63.2% with regard to kilogrammes seized, even as countries in the region reported only a 6.3% drop in seizures from the previous year.

Figure 19 further reveals that South America consistently reported large numbers of cigarette pieces seized in both 2016 and 2017. In 2016, 992,581,313 pieces were recovered in South America, compared to 999,597,127 pieces seized in Eastern and Central Europe. In 2017, the quantity of cigarettes seized in Eastern and Central Europe fell 45.3%, while the quantity reported by South America dipped by just 12.4%. The kinds of other illicit

FIGURE 20: TOBACCO PRODUCTS TRAFFICKING FLOWS BY REGION, 2017

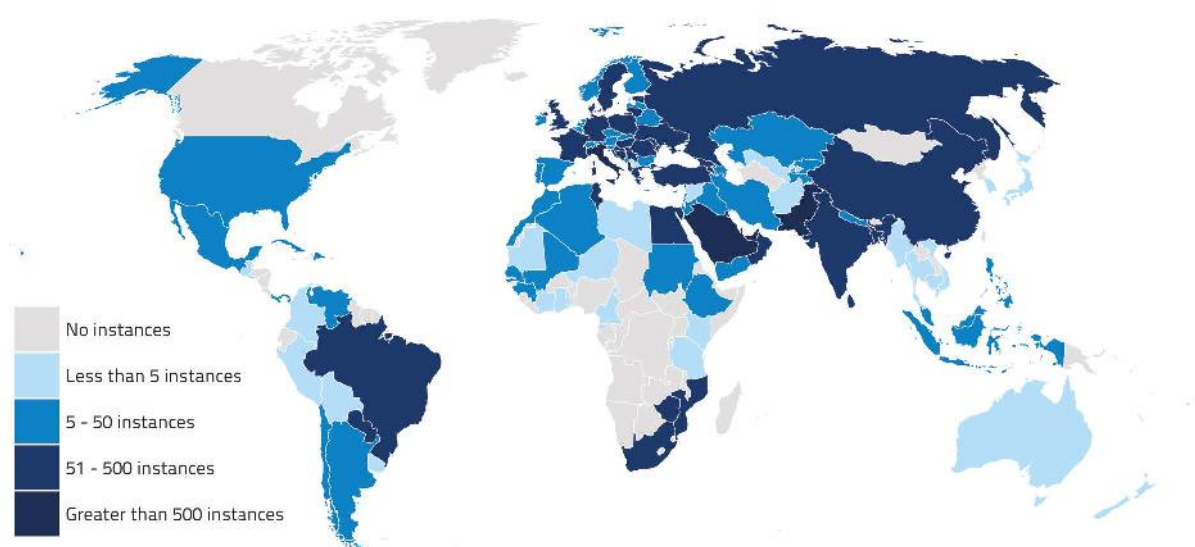


products confiscated constitute another difference between these regions. South America seized just 400 kilogrammes of other tobacco products in 2016 and none in 2017, while Eastern and Central Europe consistently seized larger quantities of other tobacco products and raw tobacco, recovering 235,420.4 and 32,526 kilogrammes of other products and raw tobacco in 2017, respectively.

Figure 20 displays intended tobacco products trafficking flows from, to, and within reporting regions for 2017, regardless of where a given shipment was seized. Figure 20 only shows trafficking routes that appeared in five or more trafficking instances. As was the case with alcohol products, the vast majority of tobacco trafficking is intraregional to the Middle East: 68.2% of the 5,652 tobacco trafficking cases (which is 49.3% of the total cases with

known routes in 2017) that terminated in the Middle East also originated there. A total of 1,495 cases bound for the Middle East began in the Asia-Pacific region, accounting for 83.8% of East Asia's outbound trade. Notably, only 242 cases were reported by countries in the Asia-Pacific region. Only three trade flows originating from the Middle East appear in Figure 20, with five cases involving destinations in Eastern and Central Europe, 67 cases destined for Asia-Pacific, and 52 cases bound for Western Europe. Illicit tobacco predominantly moved into Western Europe. Of 1,335 cases touching the region, only 121 (9.1%) both originated there and were bound for destinations beyond Western Europe. The most common origin of illicit tobacco products coming into Western Europe was Eastern and Central Europe (38.1%), with North Africa (20.1%) and Asia-Pacific (13.0%) being the second and third most common origin points.

**FIGURE 21:** HEAT MAP OF TOBACCO PRODUCTS TRAFFICKING INSTANCES BY COUNTRY, 2017



**Figure 21** is a heat map of tobacco products trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination, or a transit point for one or more seized tobacco shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, **Figure 21** indicates all countries through which tobacco is known to have been trafficked, or was intended to be trafficked, in 2017.

Saudi Arabia, the United Arab Emirates, and Kuwait were the only countries to appear in over 2,000 tobacco trafficking instances, being implicated 3,745, 2,237, and 2,088 instances, respectively. Within these instances, Saudi Arabia and the United Arab Emirates were primarily destinations for illicit tobacco products,

with 96.3% and 66.1% of instances involving these countries as recipients, respectively. Conversely, Kuwait was almost exclusively implicated as an origin for contraband, with Kuwait serving as the place of departure in 99.1% of instances. Italy, meanwhile, was a destination in 1,057 (88.7%) of the 1,192 trafficking instances in which it appears, making Italy the third most common destination country. Around the globe, only two countries that appeared in over five trafficking instances were solely implicated as destinations: Israel (34 instances) and South Africa (156 instances). However, there were eight countries that appeared in over five trafficking instances and were solely implicated as points of origin. Among these, the top five by number of trafficking instances include Mozambique (90), Zimbabwe (55), Yemen (46), Sudan (32), and Nepal (26).

## Member highlights: Innovative ways to conceal tobacco products

In 2017, several cases revealed where and how perpetrators have been smuggling concealed tobacco products. The National Customs Board reported that, on June 8, 2017, a freight car from the Republic of Belarus entered the Customs Control Point "Paternieki" (Latvia) with a declared cargo of "pine-sawn timber." Upon inspection, Customs controls found that the cargo compartment contained cardboard boxes with 17,290,000 pieces of "Korona" and "Fort" brand cigarettes, all bearing excise-duty stamps of the Republic of Belarus.

Smuggled cigarettes from the Republic of Belarus were further discovered coming to the Republic of Latvia hidden in coal cargoes, built into the framework of wagons, in mineral fertilizers or grains cargoes, in technological niches, and in empty wagons or containers. Meanwhile, the smuggled cigarettes from the Russian Federation arrived at the Republic of Latvia hidden in petroleum cargoes, in wagons with cobblestone, and in wood shavings granules or mineral fertilizers.

Source: Latvian Customs.



In November 2017, risk profiling identified a high-risk international transit shipment (TIR) at Dilucu BCP, between Nakhcevan and Turkey. The TIR was directed to an x-ray scanner, which indicated that the densities in the fuel tank were abnormal and which, therefore, aroused suspicion. The vehicle was taken to the searching shed for further investigation, but upon inspection the tank contained only oil. However, officers then used the density-measuring device and the videoscope to search for a possible false floor in the tank and enlisted tobacco-sniffing dogs that alerted Customs officers to the presence of illicit goods. The oil tank was then completely dismantled, leading to the seizure of 470 kilograms of shisha tobacco.

Source: Turkish Customs.



P, Q, R: Fuel tank modified to transport shisha tobacco. Courtesy: Turkish Customs.

## Movement of small amounts of tobacco products

As prices of tobacco products increased due to the introduction of new excise rates and other charges, both in Montenegro as well as other countries of the region, the illegal trade and smuggling of excise goods (cigarettes, alcohol, etc.) continued, as did the proliferation of counterfeiting of these types of goods, thus supporting the growth of a grey market.

Movement of small amounts of tobacco products or other excise products over the border line in areas of intense passenger- and cross-border traffic have been identified by the Customs Administration as a major risk to law enforcement and as a key source for the emergence of grey markets. Therefore, the Customs Administration is implementing special focus and controls on passenger traffic in all modes of transport. To enable faster flows of passengers and goods, the Customs Administration enhanced Customs offices at the border with mobile teams constituting up its Anti-smuggling Department, allowing it to conduct efficient control of passengers and goods with minimal waiting time.

Source: Montenegro Customs.



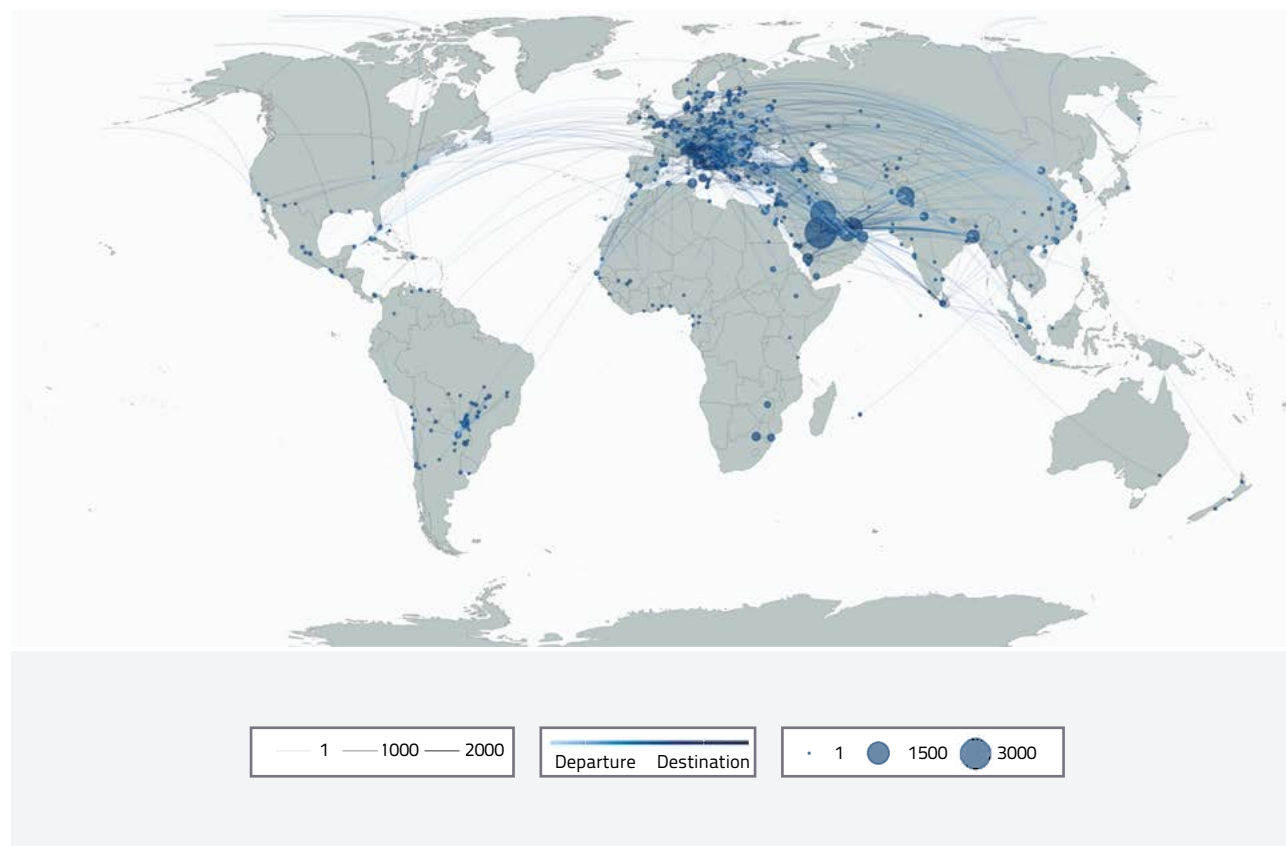
**S:** Cigarettes concealed on the body. Courtesy: Georgian Customs.

**T:** Tobacco concealed in bags of peanut snacks. Courtesy: Israeli Customs.

**U:** Sacks containing cigarette packets concealed in a container behind bales of readymade garments. Courtesy: Indian Customs.

**V:** Cigarettes concealed in the floor of a truck transporting onions. Courtesy: Tajikistan Customs.

**FIGURE 22:** TOBACCO PRODUCTS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017



**Figure 22** details the illicit flows of tobacco products, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are light blue in color at their origins, becoming darker as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, **Figure 22** shows the entire intended trade route from origin to destination.

The available data indicates that just three unique routes accounted for nearly half (44.5%) of the 8,167 trafficking instances shown in

**Figure 22:** Manama, Bahrain to Riyadh, Saudi Arabia (723 instances); Islamabad, Pakistan to Ras al Khaimah, United Arab Emirates (861 instances); and Kuwait City, Kuwait to Riyadh, Saudi Arabia (2,048 instances). Additional trafficking hubs appeared in Abu Dhabi, United Arab Emirates (681 instances), Dhaka, Bangladesh (398 instances), and Rome, Italy (372 instances). **Figure 22** emphasizes further the findings of **Figure 20**, indicating that, of 148 unique trafficking routes destined for the Middle East, 56 originated within the region, accounting for 69.3% of its total instances. Of the 205 unique trafficking routes touching the Middle East, each was, on average, implicated in 28 trafficking instances. By comparison, trafficking routes in Western Europe were much more diverse, with the data revealing 496 unique routes, although these were used, on average, only 3.1 times each.

## PROJECTS AND OPERATIONS

### Project Crocodile

Project Crocodile detects suspicious cigarette shipments through a mechanism of export and arrival notifications between countries, from departure through to destination. Since 2004, WCO Regional Intelligence Liaison Offices for the Asia-Pacific (RILO AP) has been playing the role of coordinator and regional intelligence hub, combating the illicit cross-border trade of tobacco and tobacco products.

Twenty-four Customs administrations from RILO AP have participated in this Project, including Australia, Bangladesh, Bhutan, Brunei Darussalam, China, Fiji, Hong Kong (China), Indonesia, Iran, Japan, Korea, Macau (China), Malaysia, Maldives, Myanmar, New Zealand, Pakistan, Papua New Guinea, the Philippines, Singapore, Sri Lanka, Thailand, Tonga, and Vietnam.

In 2017, RILO AP handled 227 export-notifications and 38 arrival notifications pertaining to shipments of suspicious cigarettes. When the shipments were intended for export to countries in the region who were not participating in the Project, RILO AP would coordinate with the relevant Customs administration to disseminate information or monitor the shipment's movements, and it would coordinate with the relevant RILO offices or international enforcement organizations for the same purposes when shipments were intended for further export to participating non-AP ports. Through this Project, Member administrations were able to exchange information in a timely manner while also monitoring suspicious shipments, thus successfully suppressing tobacco smuggling within and across the AP region.

In 2017, Members reported the seizure of 3.3 million sticks of cigarettes and 5,700 kilogrammes of tobacco products. This success resulted from the exchange of intelligence, the cooperation of members, and the synergy of Project Crocodile's notification mechanism, representing a great achievement in the suppression of illicit tobacco smuggling.

On July 10, 2017, Hong Kong Customs, profiling from risk indicators aggregated by the Project, monitored four containers that had departed from Malaysia and that were intended to be transshipped to Taiwan, Province of China via Hong Kong (China). The shipment was falsely declared to be "used auto parts" and "polypropylene". Upon inspection, authorities found over 3 million sticks of cigarettes concealed inside the declared goods.



W, X: Duty-unpaid cigarettes hidden in various compartments of the vehicle. Courtesy: Singaporean Customs.

## Operation FOX

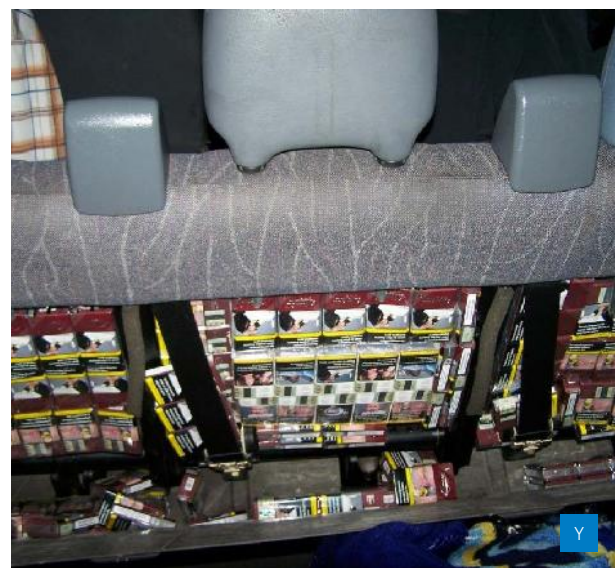
Building on the success of Operations GRYPHON I and II, the 4<sup>th</sup> Meeting of the WCO Working Group on Revenue Compliance and Fraud directed the Secretariat to continue operational activities designed to combat the illicit tobacco trade and to, in particular, tackle the challenges posed by the transit of tobacco consignments moving through Free Zones.

The Operation, conducted under codename FOX, focused on the possible diversion and misdeclaration (switching) of tobacco consignments as they moved through Free Zones. Operation FOX, which commenced on January 15, 2018 and concluded on February 28, 2018, was coordinated by the WCO Secretariat, with the support of some WCO Regional Intelligence Liaison Offices (RILOs), and was implemented by participating Members.

The WCO considered that, for this particular operational exercise, a risk-based scoring matrix would not, in itself, be a sufficient indicator of wrongdoing. Thus, the WCO decided to commit to an intelligence-lead approach. The Operation, therefore, relied on the exchange of valid pieces of intelligence that participants could further develop or act on. Operation FOX was strongly supported by WCO Members, with 80 Member administrations involved. The law enforcement agency of the European Union (EUROPOL) also participated in the exercise. The findings of the Operation demonstrate how Jebel Ali Free Zone (JAFZA) still figures prominently in supply-chain abuses, indicating a trans-national threat that can only be managed by close cooperation with United Arab Emirates Customs and other stakeholders within the region.

Participants observed several incidents of containerized cigarettes leaving the Asia-Pacific or the Middle East, bound for Europe, and then shipped back to regions of origin. These shipments did not make economic sense, but they did demonstrate the lengths to which organized crime was prepared to go to ensure their products could reach illicit markets. At the same time, deliberately unbundling consignments of cigarettes into small units made tracking more difficult. It is apparent that those involved in organized crime have the resources, the patience, and the commitment to disguise their illicit products as they travel through the supply chain.

The exercise highlighted a huge flow of cigarettes moving directly to a secessionist area in Eastern Europe. On the basis of the information collected, approximately 70 shipments, totalling over 900 million cigarettes, were, over a nine-month period, discharged in this area with a population of 500,000. Those involved in organized crime exploit the lack of oversight to circumvent Customs controls, leading to issues of oversupply. The enormous quantities of featured brands that are regularly seized in Eastern and Western Europe make this even more apparent.



**Y:** Seizure of cigarettes concealed in the rear seats of a car. Courtesy: Serbian Customs.  
**Z:** Seizure of 24,000,000 cigarettes originating from Jebel Ali (UAE). Courtesy: Turkish Customs.

## Member highlight: False cigarette export

The Risk Analysis Unit at the port of Algeciras carried out an investigation related to alleged cigarette exports to African countries. Based on information attained during this inquiry, in January 2017, a container from Barcelona with declared tobacco was selected for inspection. Transshipped in Algeciras, and with a final destination of Congo, the container was revealed to be loaded with sacks of salt.

The Customs documentation of the container indicated that it was transporting European Community tobacco, taxable under the Suspension System of Special Taxes and VAT. The Suspension System was finalized with the export of the merchandise, and carrying sacks of salt instead of the tobacco indicated in the Customs documentation constituted a false export. In this way, since no excise taxes and VAT had been paid, declared and non-exported tobacco could be used for domestic consumption at a lower price.

Cases similar to those described above were then investigated, and two additional exported containers were located, both listing the same consignor and consignee. After investigating the ship carrying one of the containers, authorities established that the vessel had arrived at the port of Dar Es Salaam (Tanzania). Indeed, up until the date of the submission of this case, the vessel was still in the harbor; no one had been interested in the consignee's dispatch or withdrawal. The total number of packs carried in the three containers amounted to 1,112,500 units, and the approximate value of Spanish taxes defrauded amounted to 3,7 million Euros. Investigations are ongoing.

Source: Spanish Customs.



A1: Cigarettes concealed in the false bottom of a van. Courtesy: Italian Guardia di Finanza.

B1: Concealment of illicit products in a car floor. Courtesy: Czech Customs.

C1: Cigarettes hidden in the air-conditioning system on a bus roof. Courtesy: Serbian Customs.



## SECTION 6.

# SECURITY

### INTRODUCTION

In recent years, the international community has become increasingly aware of the risks posed by illicit trafficking and the acquisition of strategic goods and explosive precursors. The escalation of terrorist incidents, especially within regions of Africa, Asia and the Middle East, has also become a point of much concern. Combatting these threats is paramount for both security agencies and Customs authorities. Using trade information, investigative knowledge and detection capabilities, Customs is ideally positioned to prevent incidents of

international terrorism and promote the safety and security of all global citizens.

Pursuant to its commitment to the Punta Cana Resolution in December 2015, the WCO acknowledges the role that Customs plays in combatting international terrorism and invites Customs authorities to include security as part of their mandate and as one of their functions. The WCO also released a Counter-Terrorism Strategy in July 2016, meant to enhance the capacity of Customs administrations to manage border-security related threats.

To further the WCO's commitment to the Punta Cana Resolution, the WCO Security Programme has focused on key areas, including Strategic Trade Control Enforcement (STCE), Programme Global

A: Courtesy: US CBP (photo by Glenn Fawcett).

Shield (PGS), Small Arms and Light Weapons (SALW) and Passenger Controls (API/PNR). In refining and delivering these programmes, supported by funding from donors, the Asia-Pacific Security Project (APSP) was launched and Operation GS MENA (Operation Global Shield for the Middle East and North Africa) was conducted.

Since Operation Chimera in 2016, and as part of the SALW Strategy endorsed by the 34<sup>th</sup> Session of the Enforcement Committee in March 2015, the WCO has developed training materials and tools to support its Members in preventing the trafficking of weapons and ammunition. Various international control regimes for SALW (e.g. Programme of Action to fight the illicit trade in SALW<sup>1</sup> and Arms Trade Treaty<sup>2</sup>) highlight the role Customs plays in detecting illicit trafficking and in monitoring international weapons transfers. In 2017, the WCO Security Programme delivered two National SALW Training workshops and a Regional SALW workshop for the Asia-Pacific region. The latter event was conducted under the auspices of the Asia-Pacific Security Project, and through this project the WCO is developing a full set of tools and training materials for its Members regarding the identification and detection of SALW, as well as safe handling and best practices for weapons tracing, storage and evidence collection.

In 2017, there were 3,232 weapons and ammunitions cases amounting to 5,612 seizures reported by 50 countries. Out of these, there are 3,942 seizures of weapons and explosives and 1,670 seizures of ammunition. In total, 813,188 pieces of weapons of all kinds, including assembly components, fireworks and knives, and 522,620 pieces of ammunition were apprehended by Customs officers tasked with intercepting illicit flows of security products through international airports, train stations, border crossings and checkpoints.

The trade in weapons and ammunition exhibits two interesting, albeit seemingly contradictory, trends: while the number of weapons seizures and the quantity of pieces seized grew by 5.3% and 615.3%, respectively, from 2016 to 2017, the number of ammunition seizures and the quantity of pieces seized declined significantly, by 8.1% and 80.2%. These trends are largely the product of reporting from North America and the Middle East.

As **Figure 1** shows, Customs officers primarily relied on risk profiling to identify and inspect shipments of contraband in 2017. This method of detection, which involves analyzing shipments

for red-flag indicators of illicit activity, resulted in 2,259 weapons seizures and 1,156 ammunition seizures, while accounting for 60.9% of the 5,612 total seizures (weapons and ammunition) executed in 2017. This method of detection also enabled the confiscation of 72,701 weapons pieces and 242,819 pieces of ammunition. Routine controls, meanwhile, yielded 1,835 seizures (32.7% of the total) – 80.7% of which were of weapons and 19.3% of which were of ammunition. Routine control seizures involved slightly more weapons (75,575 pieces) and the apprehension of 228,816 pieces of ammunition. Intelligence led investigations resulted in an additional 169 weapons seizures and 68 seizures of ammunition, as well as the confiscation of 114,594 weapons, including 113,219 pieces of slash-and-stab weapons and 50,099 pieces of ammunition and accounting for 4.2% of seizures. Although random selection (94 seizures), other detection methods (eight seizures) and unknown methods (23 seizures) cumulatively accounted for only 2.2% of all seizures, taken together they facilitated the recovery of 41.3% of all weapons and ammunition seized in 2017 (550,318 pieces and 886 pieces accordingly). This is primarily due to the apprehension of 550,083 slash-and-stab weapons detected by random selection.

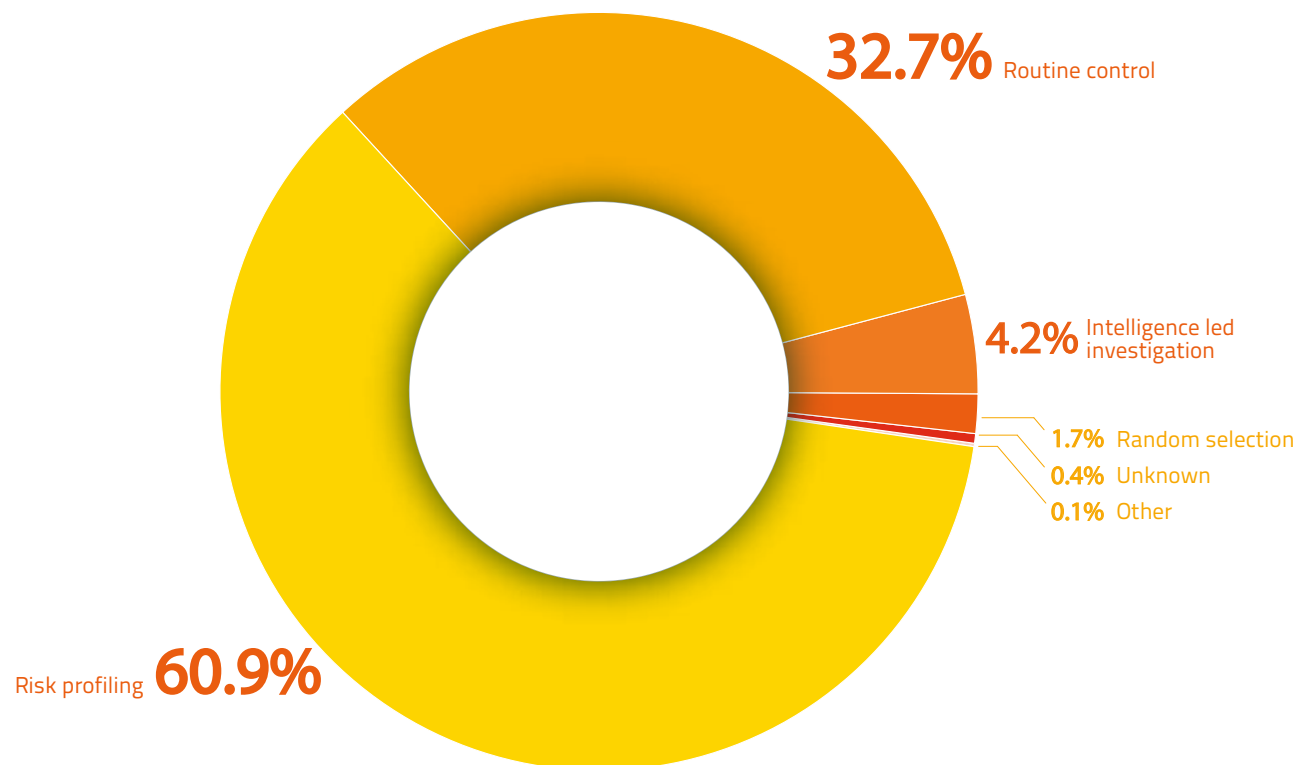


<sup>1</sup>United Nations (2011), Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, New York: United Nations, available at [http://www.weaponslaw.org/assets/downloads/2001\\_UNPoA\\_on\\_SALW.pdf](http://www.weaponslaw.org/assets/downloads/2001_UNPoA_on_SALW.pdf), accessed on 10 July 2018.

<sup>2</sup>United Nations (2013), Arms Trade Treaty, New York: United Nations, available at <https://www.un.org/disarmament/convarms/arms-trade-treaty-2/>, accessed on 10 July 2018.

**B:** Programme Global Shield training course in Kabul. Courtesy: WCO Security programme.

FIGURE 1: PERCENTAGE OF SEIZURES BY DETECTION METHOD, 2017



An analysis of such trends requires a few caveats. First, all conclusions are only as valid and complete as the case and seizure data submitted at the discretion of WCO Member countries. There are many reasons Customs administrations may choose not to report certain elements of their data, including the need to maintain confidentiality over ongoing investigations. The figures in this Section, therefore, may not necessarily depict a comprehensive view of trends in the global trade in weapons and ammunition. Second, apparent increases in certain trades may reveal the increasing efficacy of Customs officers rather than a genuine uptick in weapons and ammunition smuggling.

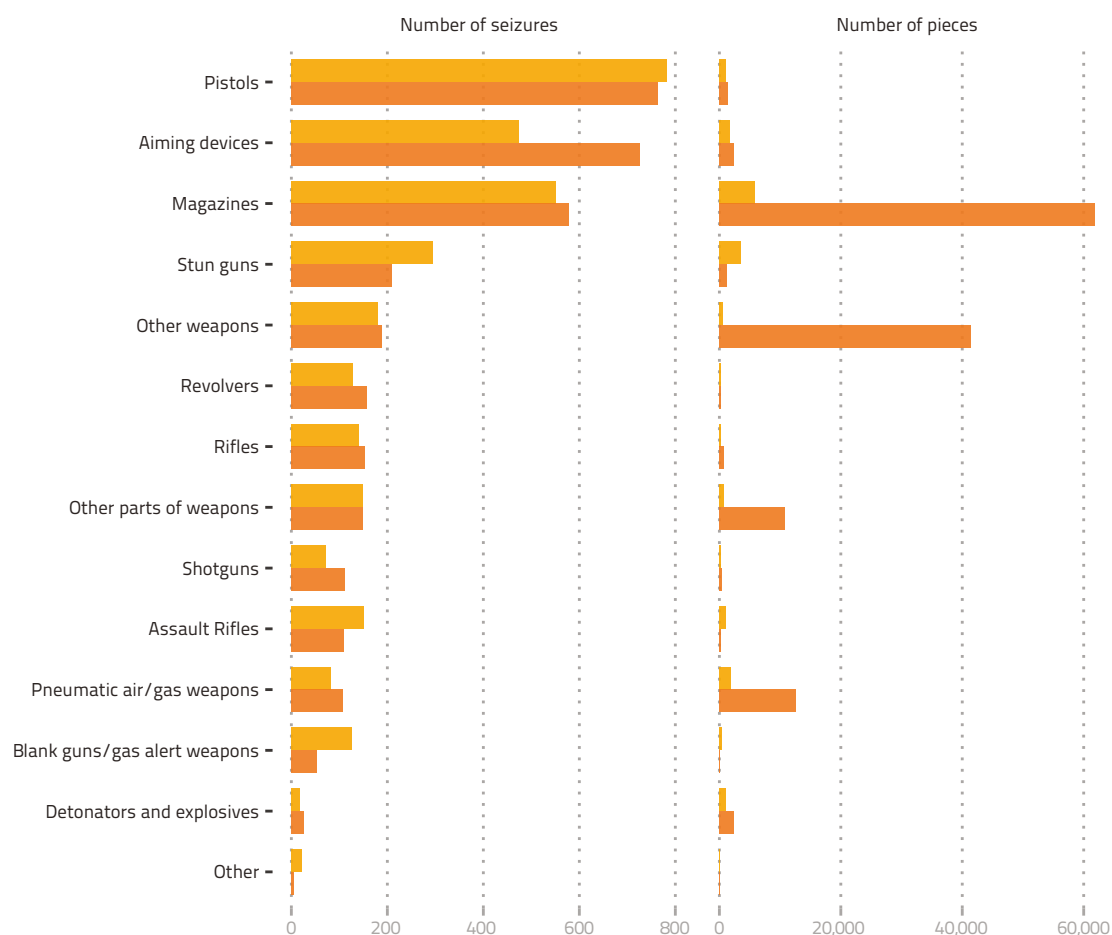
This Section is organized in the following manner:

1. Overall trends in trafficking of weapons and ammunition.
2. Programmes, Projects and Operations.

## 1. OVERALL TRENDS IN TRAFFICKING OF WEAPONS AND AMMUNITION

Figure 2 compares the number of seizures and the quantity seized for each type of weapons between 2016 and 2017. Please note that for better visualization purposes, ammunition, slash-and-stab weapons, and fireworks and pyrotechnic devices are

FIGURE 2: NUMBER OF WEAPONS SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017



represented in Figure 3. Overall, the number of seizures during this period increased 5.3%, from 3,172 in 2016 to 3,339 in 2017. Meanwhile, the number of pieces confiscated increased by 615.3%, jumping from 18,946 in 2016 to 135,515 in 2017. Aiming devices and shotguns saw the greatest rates of increase in seizure numbers, spiking by 53.1% (252 seizures) and 57.7% (41 seizures), respectively. Seizures of detonators and explosives also grew, climbing from 17 to 25, a surge of 47.1%. Growing numbers of magazines (61,895 pieces), other weapons, including holsters and bulletproof vests (41,366 pieces), other parts of weapons (10,771 pieces), and pneumatic air and gas weapons (12,661 pieces) were primarily responsible for the overall increase in the quantity seized.

Cumulatively, these types accounted for 86.8% (117,573) of the 135,515 pieces seized in 2017. Five types of weapons saw lower rates of seizure: stun guns fell by 28.8%; blank guns/gas alert weapons dropped 57.6%; assault rifles decreased by 27.2%; pistols dipped 2.6%; and other weapons diminished 76.2%. Declining quantities accompanied lower seizure totals in all but one of these types. Between 2016 and 2017, the number of pistol pieces seized rose from 1,137 to 1,320.

## Member highlight: Seizure of bulletproof vests

Orenburg Customs (Russian Federation) noted an administrative offense and initiated a case involving non-compliance with restrictions on goods exported from the Russian Federation to the Republic of Kazakhstan; restrictions established by regulatory legal acts of the Russian Federation. The case led to the seizure of 750 "Scorpio" bulletproof vests.

Source: RILO CIS



C, D: Courtesy: Russian Federal Customs Service.

## Case study 1. Spanish operation targets sporting goods business

On 12 and 13 of January 2017, the counter-terrorism units of the Spanish National Police in Madrid, Bilbao, Valencia and Gerona conducted anti-weapons trafficking raids, searching six homes, in an operation codenamed Portu, which was launched to investigate and dismantle any networks associated with the terrorist attack against the Jewish Museum in Brussels, Belgium, in May 2014. With significant cooperation from EUROPOL, these raids resulted in the confiscation of more than 10,000 firearms and approximately 85,000 USD.

Five members of an arms trafficking group were arrested during the operation. Their modus operandi was the legal purchase of deactivated or dysfunctional weapons through auctions and other means, after which they would reactivate or re-enable them and ultimately sell the weapons to terrorist or criminal organizations. The group used a sporting goods shop as a front and hub for distribution. The raid also uncovered an illegal workshop that the group used to repair and reactivate the weapons, complete with stamps and other items used to falsify certificates of reactivation, along with tools to alter the weapons' identification numbers. Authorities also found parts and components of weapons that allowed damaged or deactivated firearms to be returned to functional status, either in the workshop or at the firearms' destinations.

Specifically, the seizure included nearly 9,000 CETME-type rifles, 1,000 rifles of assorted brands, anti-aircraft machine guns, 400 howitzers (mortar shells) and grenades, semi-automatic pistols and revolvers.

As EUROPOL noted of this event, "Due to their characteristics, their calibre and their readiness for reactivation, the seized weapons had an easy journey in the black market and posed a significant risk of being acquired by organised crime groups and terrorists." In its 2017 Serious and Organised Crime Threat Assessment, EUROPOL notes that firearms traffickers are exploiting legal loopholes and regulatory differences to divert firearms from legal suppliers, adding that this has led to increasing use of both surface and

Darknet transactions to discreetly deliver illicit weapons through the postal service. The report also cautions that armed conflicts in proximity to the EU increases the risk of foreign fighters returning to the EU as well as the trafficking of firearms to and from these destinations.

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FIGURE 3: NUMBER OF AMMUNITION SEIZURES AND QUANTITY SEIZED BY TYPE, 2016–2017

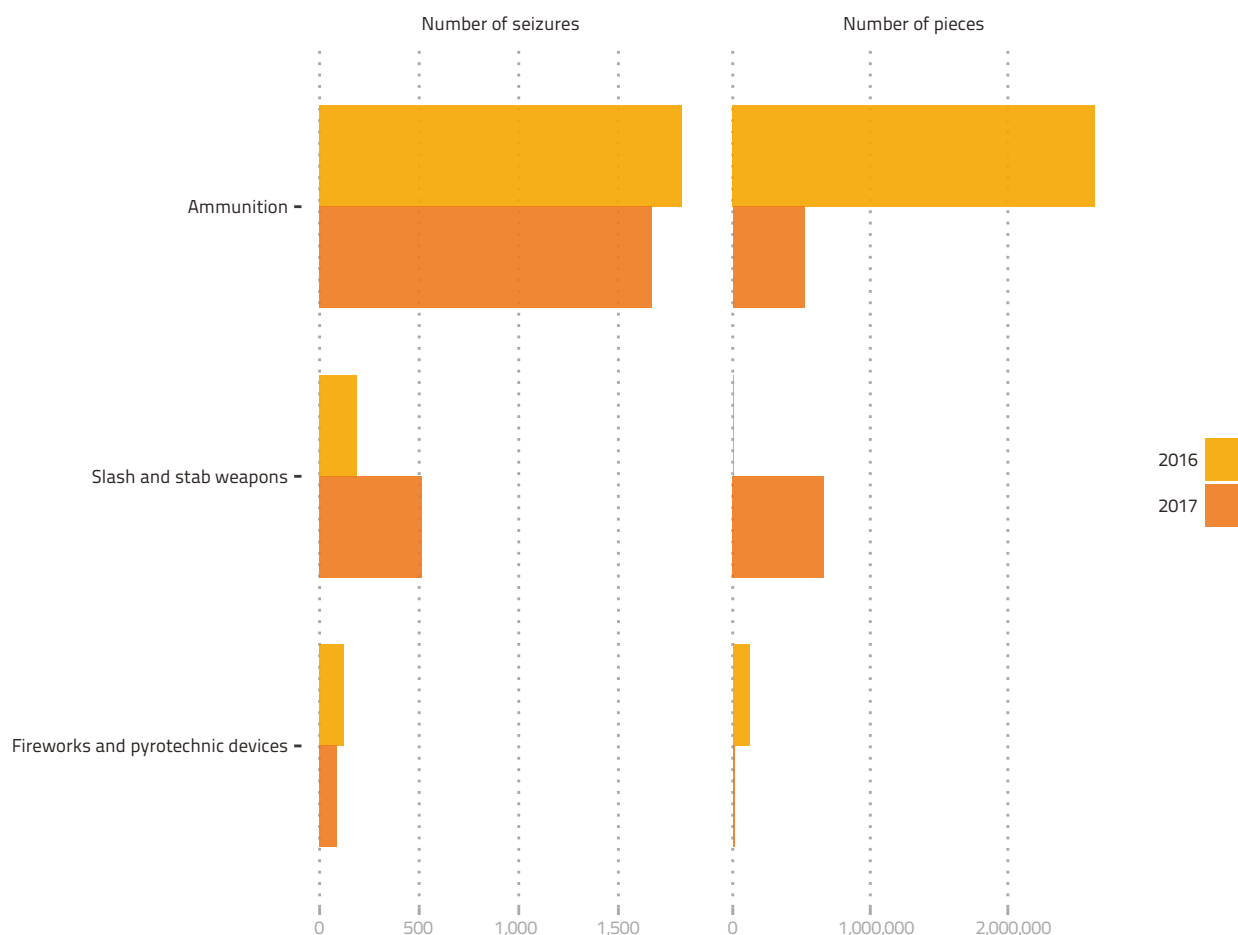
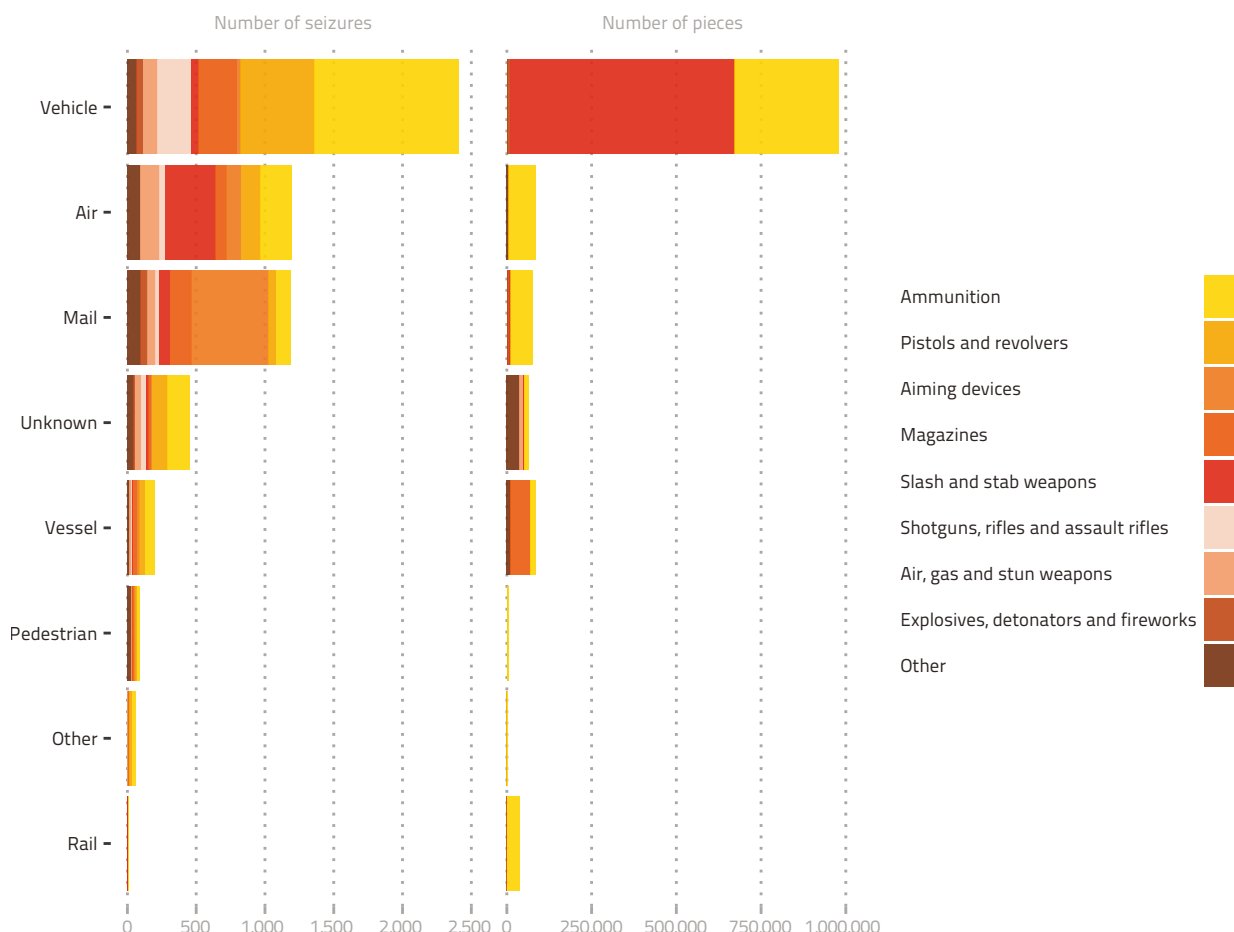


Figure 3 compares the number of seizures and the quantity seized for ammunition, slash-and-stab weapons and fireworks and pyrotechnics devices between 2016 and 2017. Overall, 1,670 ammunition seizures and 522,620 pieces of ammunition (including all types) were apprehended in 2017. With respect to specific types, while the number of ammunition seizures decreased slightly (8.1%), dipping from 1,818 in 2016 to 1,670 in 2017, the total quantity seized dropped by 2,111,500 pieces from the 2016 total, amounting to an 80.2% reduction. In 2016, 188 seizures of slash-and-stab weapons yielded only 6,560 pieces; but in 2017, 515 seizures apprehended 664,825 pieces. This 10,034.5% increase in the amount of slash-and-stab weapons is primarily due to one large seizure of 550,080 weapons executed in Saudi Arabia in 2017. Yet the data on fireworks and pyrotechnic devices exhibit the

opposite trend, with the number of seizures falling 29.8%, dropping to 85 in 2017, and the number of pieces likewise declining dramatically, from 121,890 in 2016 to 12,593 the following year.

Figure 4 shows the number of seizures and the quantity of weapons and ammunition seized by type and conveyance method. The diversity of weapons and ammunition trafficking conveyance methods is apparent, with all but two of the eight conveyance methods shown in Figure 4 involving seizures of all nine classifications of weapons. The two exceptions, rail and other conveyance methods, were associated with five and seven weapons classifications, respectively. Figure 4 reveals that, in 2017, seizures were most frequently made from vehicles, and vehicle seizures yielded by far the most pieces of contraband.

FIGURE 4: NUMBER OF WEAPONS AND AMMUNITION SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2017



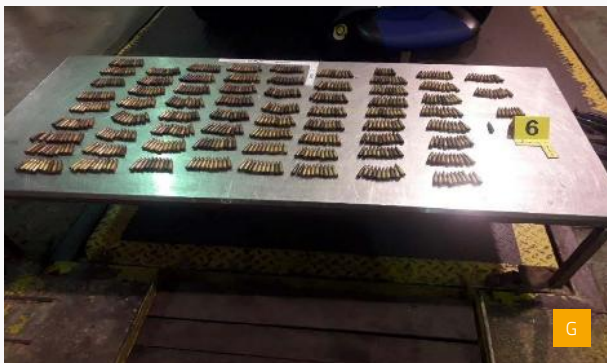
A total of 2,411 vehicle seizures were reported in 2017, accounting for 43.0% of total seizures. In terms of the quantity of pieces seized, 73.3% of apprehended pieces (978,488) were confiscated from vehicles. Interestingly, the vast majority of this quantity was comprised of slash-and-stab weapons: 659,658 of such pieces - 99.2% of all slash-and-stab weapons - were seized from vehicles. This, despite the fact that only 51 vehicle seizures involving this type were reported. As noted in Figure 3, this is mostly due to one large seizure of 550,080 pieces.

Pieces of ammunition (306,124) comprised the majority of the remaining contraband seized from vehicles. Slash-and-stab weapons, ammunition, and air, gas and stun weapons accounted for the top three types of seizures made from the air sector,

though the quantity seized for each type (except for ammunition) was relatively low, reaching piece totals of only 554, 79,265 and 326, respectively. Aiming devices were most often seized from parcels of mail, and 560 of these seizures accounted for 77% of all aiming device seizures. However, as mail seizures typically yield small quantities, only 1,501 aiming devices were recovered from mail in 2017. Perhaps surprisingly, vessel seizures, which are typically associated with large-scale confiscations, yielded only 86,142 pieces of weapons and ammunition in 2017, 68.7% of which were magazines.

## Member highlights: Weapons smuggling in vehicles

In December 2017, 18 automatic rifles and two pistols, a piece of a hunting rifle and 690 pieces of ammunitions were seized. The goods were found concealed in a personal vehicle – a Peugeot 807 with number plates registered in Bosnia and Hercegovina (BA). The driver was a BA national who was smuggling the contraband from Bosnia and Hercegovina to Slovenia, via Croatia.



Source: Slovenian Customs.

On 21 February 2017, Rostov Customs (Russian Federation) initiated a criminal case based on the illegal movement of weapons and ammunition across the Eurasian Economic Union (EAEU). During the inspection of a car, which had travelled from Ukraine to the Russian Federation, Customs officers found and seized an AK-74M machine gun hidden within the interior of the car, plus two magazines containing 30 bullets each, as well as 1,174 bullets of 5.45x39 mm caliber and 5 bullets of 7.62x39mm caliber.



Source: RILO CIS.

Serbian Customs reported a seizure of one revolver in a leather case, with ammunition, and two black phantom face masks found concealed in a passenger car (Opel Astra). The revolver and ammunition were hidden under the driver's seat, and one black face mask was hidden in the driver's door, in a partition, while the second face mask was found in the trunk, hidden in a cavity. The contraband was detected through risk profiling measures.



Source: Serbian Customs.

FIGURE 5: PROPORTION OF WEAPONS AND AMMUNITION SEIZURES BY TYPE AND COUNTRY, 2017

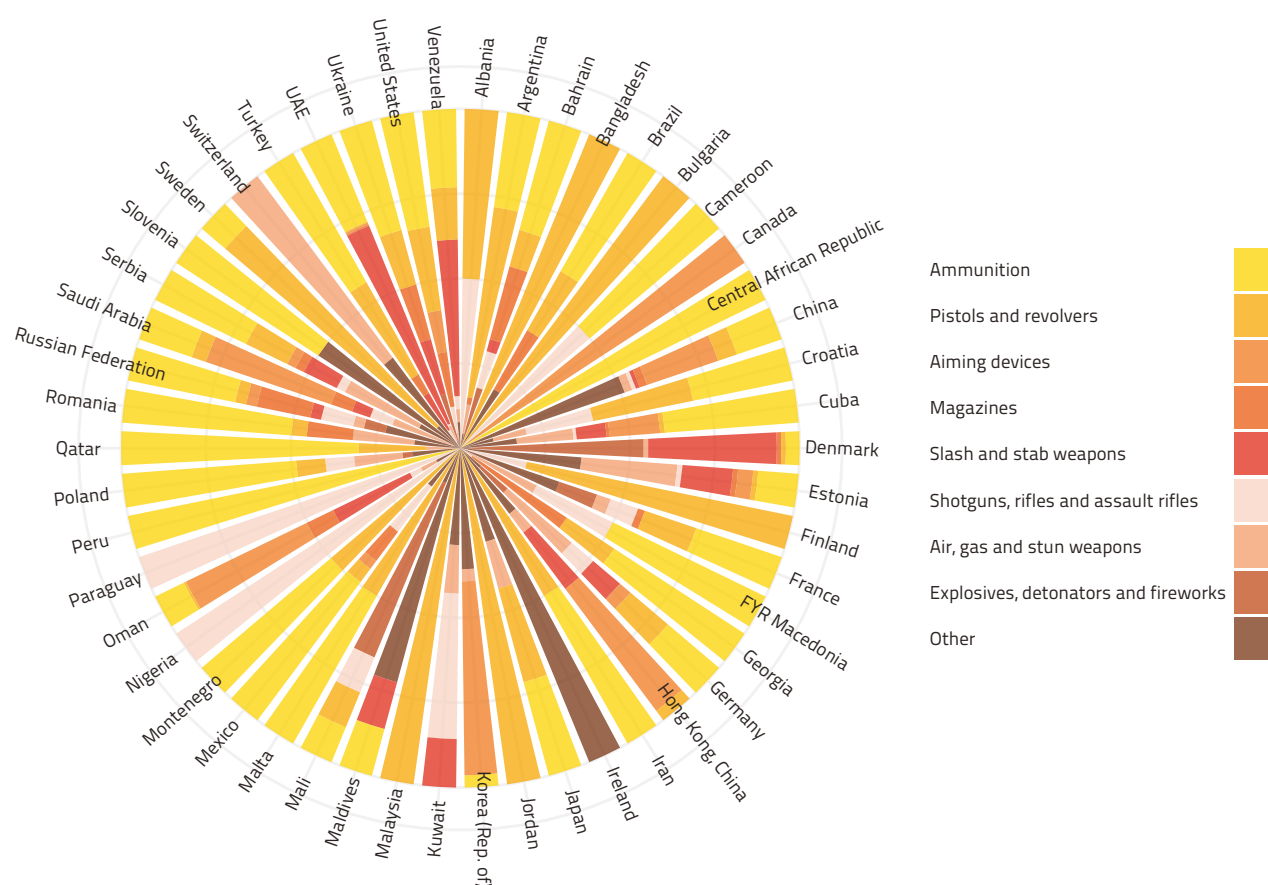


Figure 5 depicts the proportion of seizures for each type of weapons and ammunition, as reported by each country recording at least one seizure of either weapons or ammunition. The global illicit trade in weapons and ammunition is diverse, with 23 countries reporting cases of five or more types. Conversely, only ten of 50 total countries exclusively reported seizures of a single type: Bangladesh (pistols and revolvers), Bulgaria (pistols and revolvers), Canada (aiming devices), Central African Republic (ammunition), Ireland (other), Jordan (pistols and revolvers), Malaysia (pistols and revolvers), Nigeria (shotguns, rifles and assault rifles), Paraguay (shotguns, rifles and assault rifles) and Peru (ammunition). Of these countries, eight submitted just a single seizure,

with Central African Republic and Peru both submitting two seizures. On average, each type of weapon and ammunition was identified by 24 countries (48%), with the pistols and revolvers and ammunition types both seized in 37 countries. Shotguns, rifles and assault rifles were apprehended in 26 countries, the largest of which was the United States, which recorded 230 such seizures. While accounting for nearly half (49.8%) of pieces of all weapons types seized in 2017, 76.7% of seizures involving slash-and-stab weapons were reported by countries in the Middle East, specifically the United Arab Emirates (329), Oman (35), Saudi Arabia (29) and Kuwait (one).

FIGURE 6: NUMBER OF WEAPONS AND AMMUNITION CASES BY COUNTRY, 2016–2017

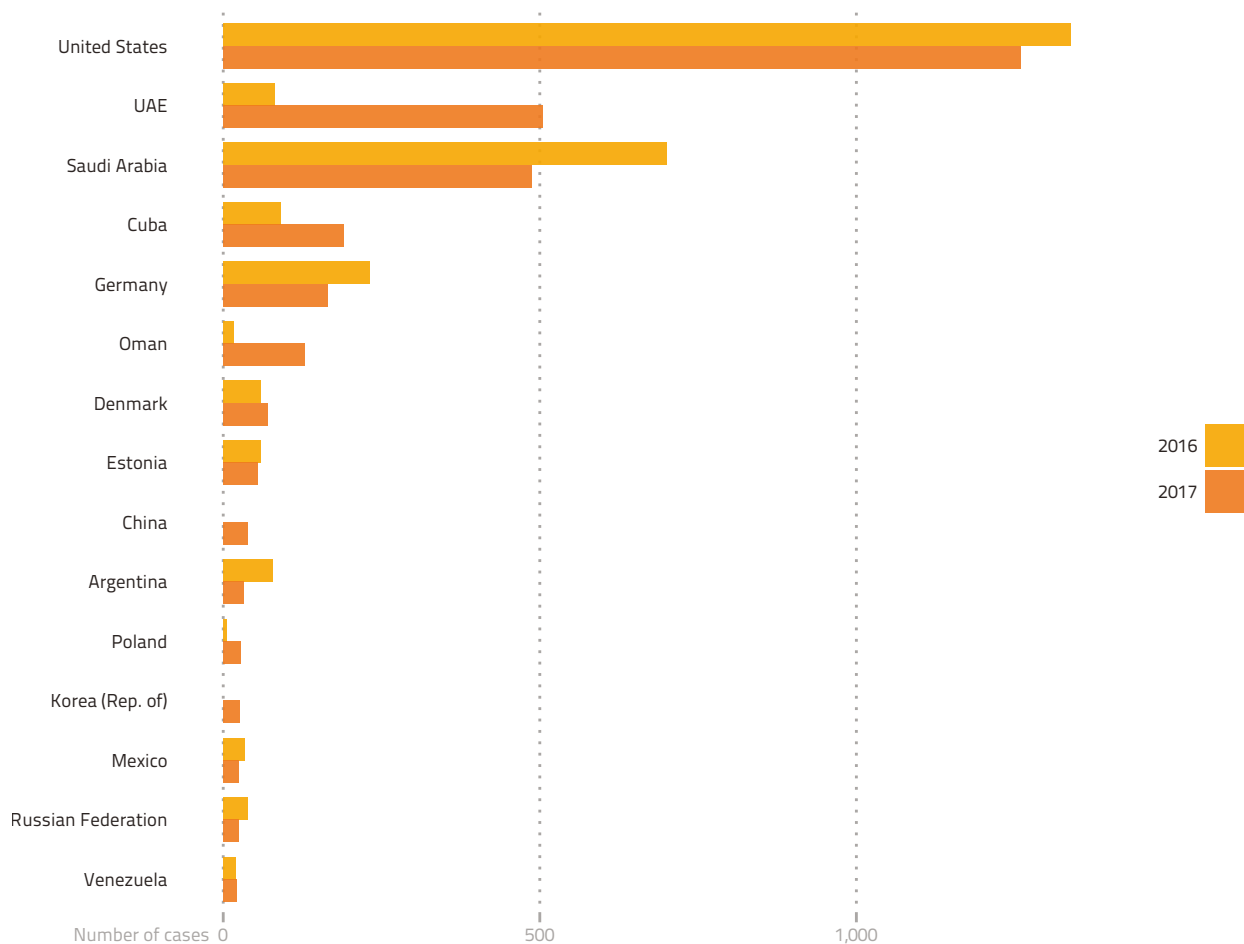


Figure 6 compares the number of weapons and ammunition cases submitted by the top 15 reporting countries between 2016 and 2017. The overall trend among the top 15 reporting countries is slightly upward, rising from 2,752 cases in 2016 to 3,055 the following year, representing an increase of 11%. This is despite falling caseloads from 2016's two largest reporting countries, the United States and Saudi Arabia. The United States reported 1,338 cases in 2016 compared to 1,260 in 2017, and Saudi Arabia reported 700 in 2016 compared to 488 in 2017. Additionally, five other countries reported fewer cases in 2017, including Germany with 165 (66 fewer), Argentina with 32 (46 fewer), Russian Federation with 24 (14 fewer), Mexico with 24 (ten fewer) and Estonia with 54 (five fewer).

That said, the downward trend is offset by a dramatic increase in the number of cases submitted by the United Arab Emirates, which reported a surge from 82 to 504 cases. Data also indicate that China and South Korea, both of which reported no cases in 2016, submitted 38 and 26 cases, respectively, in 2017. Five other countries likewise reported increased numbers of cases: Oman (128 total cases in 2017), Cuba (191), Poland (28), Denmark (71) and Venezuela (22). Considering all countries that submitted weapons and ammunition cases in 2017, not just the top 15 reporting countries, the overall trend remains upward, with 3,023 cases reported in 2016 and 3,232 reported in 2017.

**FIGURE 7:** NUMBER OF WEAPONS AND AMMUNITION CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2017

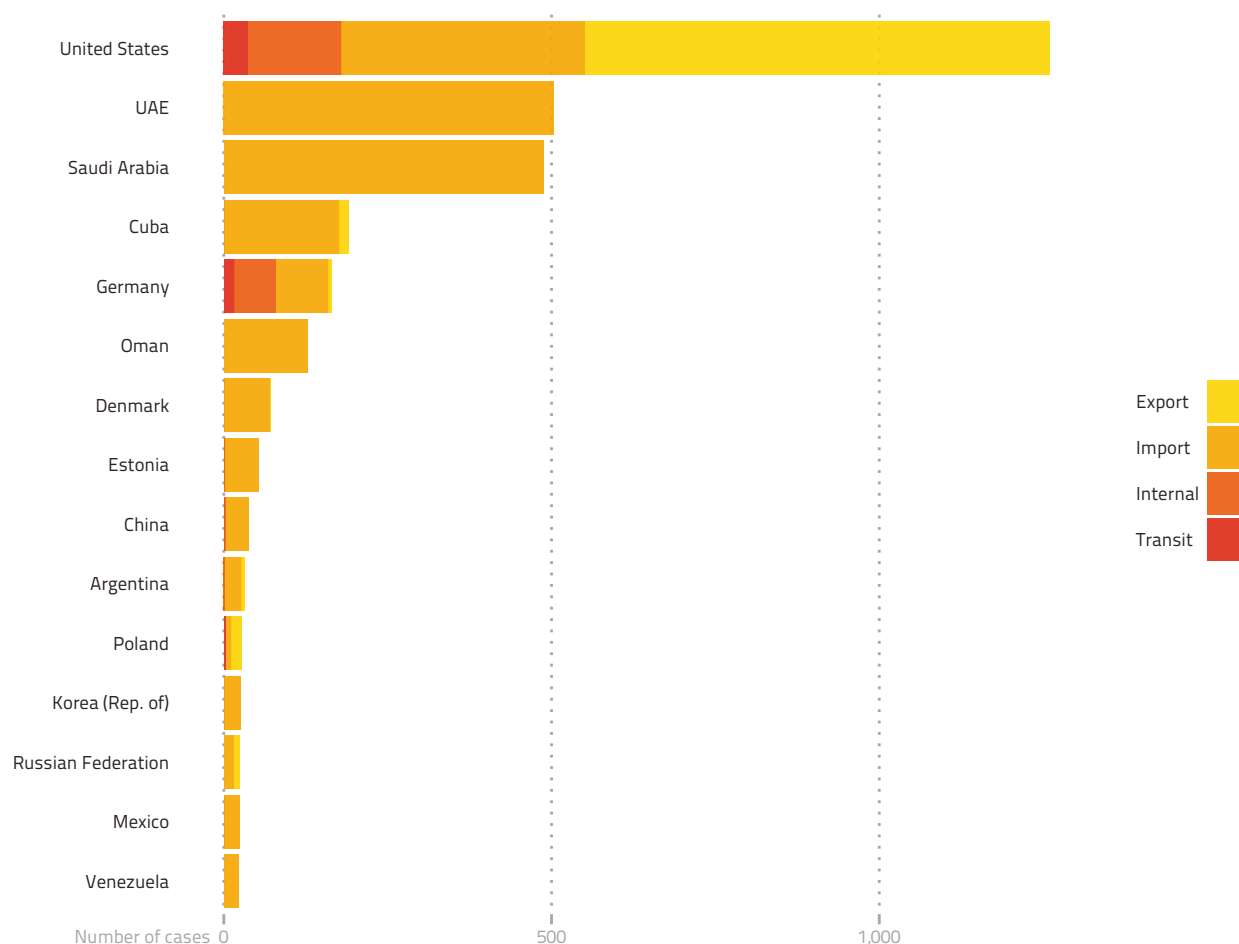
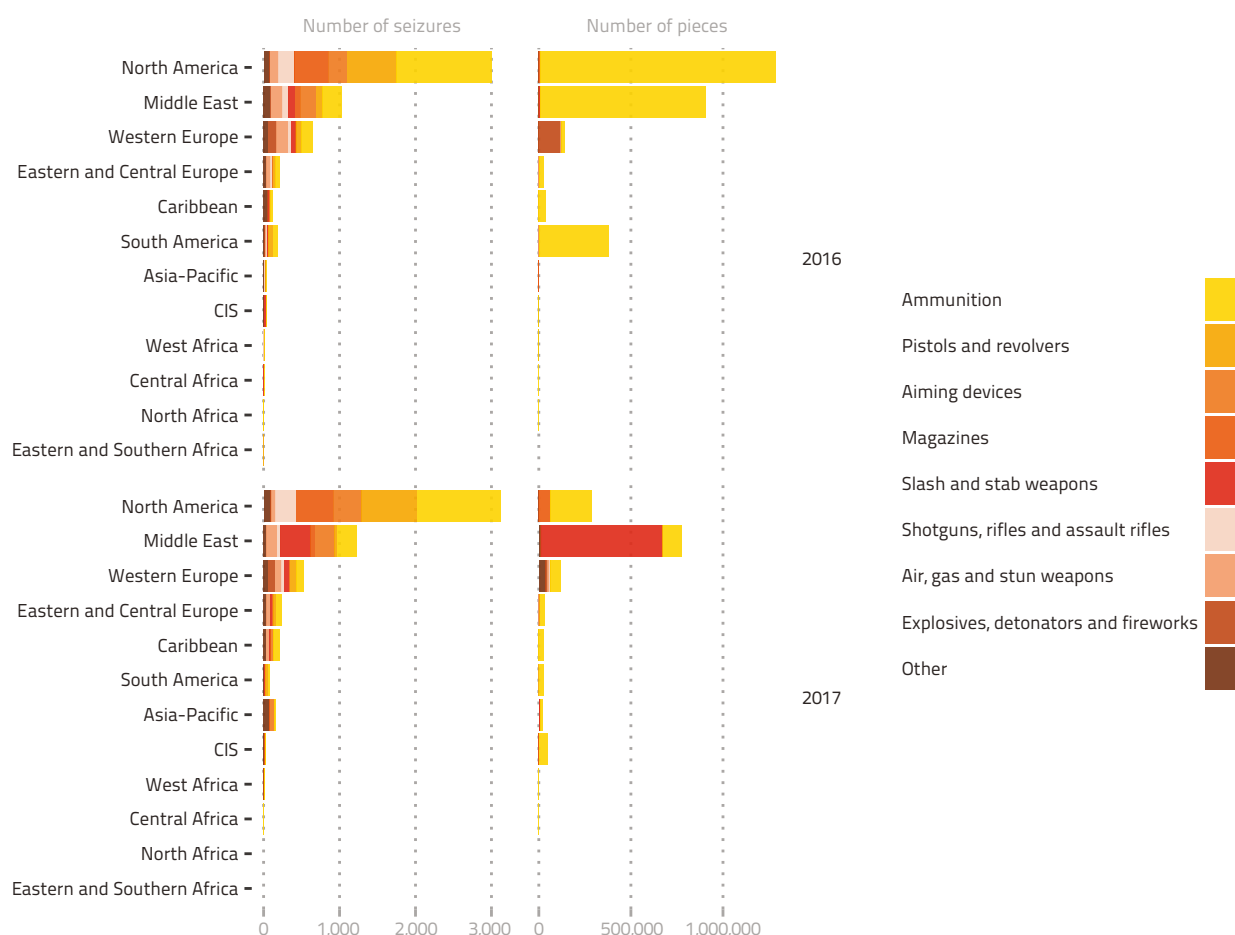


Figure 7 displays the top 15 countries that reported weapons and ammunition cases in 2017, and it indicates the direction in which target shipments were moving when confiscated. As with other kinds of contraband, nearly two-thirds (66.2%) of the 3,055 cases reported by the top 15 reporting countries occurred at import. Export cases comprised 24.8% of cases (759), while internal cases – those involving illicit security products moving domestically – accounted for another 216 cases (7.1%). Only 59 transit cases were reported in 2017. All countries reported at least 60% import cases, except for the United States, Germany and Poland. The United States accounted for 93.4% of all export cases included in Figure 7, having reported 709 such cases in 2017, as compared to 371 import, 143 internal and 37 transit cases, respectively (for a total of 1,260 cases). Poland was the only other country to

report a majority of export cases (16 of 28), while Germany and the United States were the only countries reporting at least one case involving each Customs procedure. Of Germany's 165 cases, 48.5% involved imports and 38.8% were internal. Four countries exclusively submitted import cases, including the United Arab Emirates (504), Saudi Arabia (488), Oman (128) and Venezuela (22). Together, these four countries accounted for 56.5% of all 2,021 import cases included in Figure 7.

Figure 8 compares the number of seizures and the total quantity of weapons and ammunition seized by reporting region, while also comparing these metrics between 2016 and 2017. Here, demonstration of a significant decline in pieces of ammunition seized in Figure 3 was primarily driven by seizure trends from North America,

FIGURE 8: NUMBER OF WEAPONS AND AMMUNITION SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2016–2017



wherein countries confiscated 82.5% fewer pieces of ammunition from 2016 to 2017 – dropping from 1,277,184 to 223,702 pieces – despite a relatively consistent number of reported seizures during these years (1,254 and 1,097, respectively). By itself, this decrease in the quantity of ammunition accounted for 49.9% of the overall drop in ammunition pieces in 2017. The Middle East accounted for another 37.7% of this trend, with the quantity of ammunition seized in that region falling by 88.7%, from 897,270 to 101,844 pieces. Similarly, South America reported 93.3% fewer pieces of ammunition, totaling 25,289 in 2017.

Unlike the Americas, where these declines were not offset by increased quantities of other contraband, Middle Eastern countries

reported seizing 660,317 pieces of slash-and-stab weapons, accounting for the vast majority of this type by quantity (as noted in Figure 3). With regard to other types of contraband, the four African regions (Central Africa, Eastern and Southern Africa, North Africa and West Africa) were the only regions not to seize all nine weapons and ammunition types in both 2016 and 2017; no African region submitted seizures of aiming devices or air, gas and stun weapons for these years. Seizures of shotguns, rifles and assault rifles and ammunition were the most widely dispersed across regions in 2017, appearing in ten of the 12 regions shown in Figure 8. Seizures of these products were most prevalent in North America, which reported 264 seizures of shotguns, rifles and assault rifles, and the recovery of 369 pieces, respectively.

FIGURE 9 : WEAPONS AND AMMUNITION TRAFFICKING FLOWS BY REGION, 2017

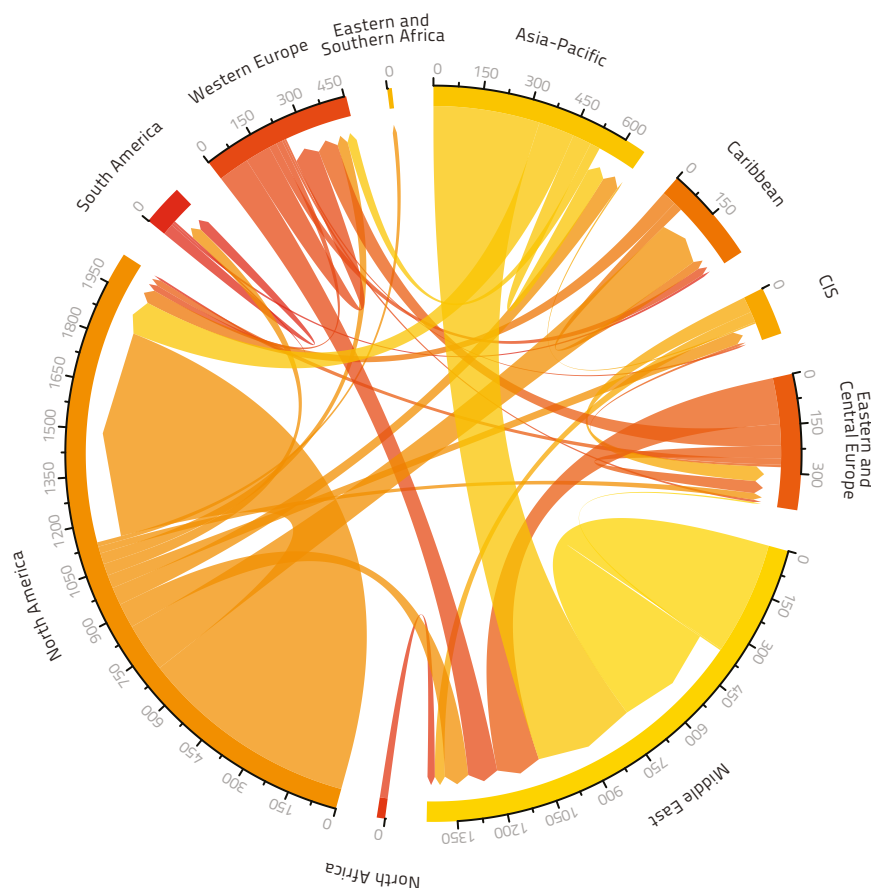


Figure 9 displays intended trafficking flows of weapons and ammunition from, to, and within reporting regions for 2017, regardless of where a given shipment was seized. Figure 9 only shows trafficking routes that appeared in five or more trafficking instances. The prevalence of intraregional weapons and ammunition trade is notable in Figure 9. With the sole exception of the Commonwealth of Independent States, all regions experienced intraregional trade flows. This trend is most apparent in North America and the Middle East. Of the 1,357 cases departing from or arriving in North America (47.4% of the 2,860 global cases with known trafficking routes), 51.4% both originated and terminated in the region. The Middle East recorded 358 cases both originating and terminating in the region, amounting to 32.9% of the region's 1,089

cases. Looking at exports, North America was the predominant origin point for weapons and ammunition cases, with the heaviest flows bound for the Caribbean (156 cases), followed by the Middle East (79 cases). Conversely, the Middle East only appeared as the origin point in five extra-regional cases, all of which were bound for Eastern and Central Europe. The Middle East received cases from all regions, except for the Caribbean and South America. The largest point of origin for the Middle East was the Asia-Pacific region, which accounted for 31.2% of 1,082 cases flowing into the Middle East. Accordingly, Asia-Pacific emerged from these data as a point of origin in 19.2% of all cases with known trafficking routes in 2017 (549 cases), albeit with a narrower scope involving exports to only six regions.

FIGURE 10: HEAT MAP OF WEAPONS AND AMMUNITION TRAFFICKING INSTANCES BY COUNTRY, 2017

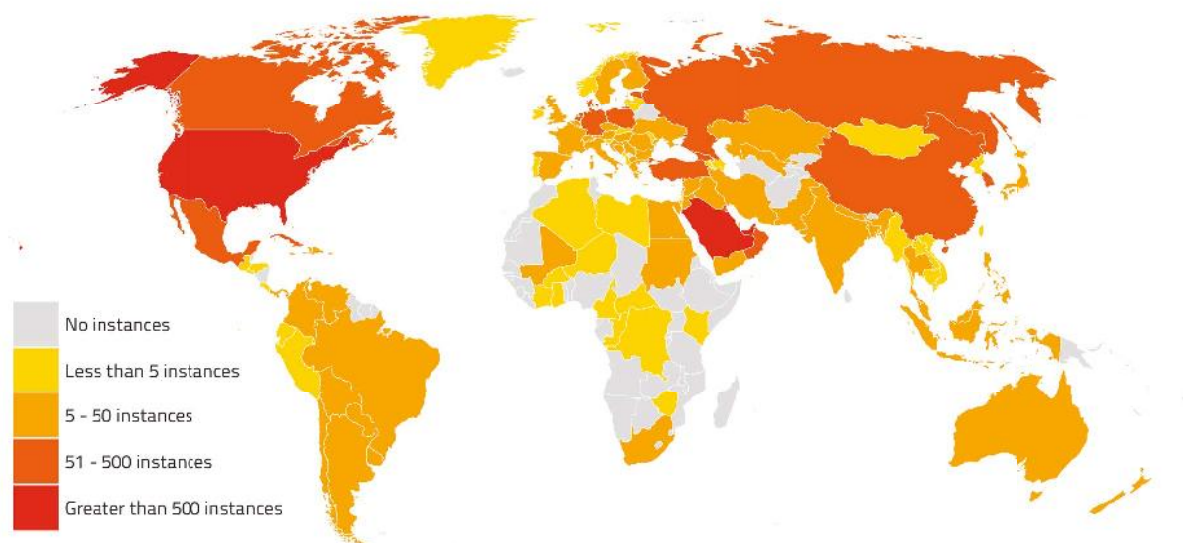


Figure 10 is a heat map of weapons and ammunition trafficking instances by country and frequency in 2017. Each country indicated was either the origin, destination, or a transit point for one or more seized weapons or ammunition shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 10 indicates all countries through which weapons or ammunition are known to have been trafficked, or were intended to be trafficked, in 2017.

A total of 6,682 trafficking instances were recorded in 2017, implicating 126 countries in the illicit trade of weapons and ammunition. The United States, the United Arab Emirates and Saudi Arabia appeared in the majority of these instances,

accounting for 29.6% (1,977 instances), 8.4% (559 instances) and 7.8% (523 instances) of the total, respectively. Figure 9 previously showed that North America and Asia-Pacific were two primary origin regions for weapons and ammunition trafficking, and Figure 10 further specifies that the United States and China are the major sources of contraband. Respectively, these countries appear as the country of origin in 1,120 instances (36.6% of total origin instances) and 236 instances (7.7% of total origin instances). Mexico (140), Oman (108), Poland (96) and Russia (83) were the leading origin points after the United States and China. With respect to destinations, the United States (542 destination instances), the United Arab Emirates (504 destination instances) and Saudi Arabia (489 destination instances) appeared most

frequently, with 27.4%, 90.2% and 93.5% of instances involving those countries being destination instances. In South America, Argentina (39 total instances), Venezuela (27 total instances) and Paraguay (19 total instances) were the top three countries associated with illicit trafficking in 2017.

## Case study 2. Brazilian operation reveals smuggling operation from the United States

On 1 June 2017, police in Rio de Janeiro intercepted a shipment of 60 automatic rifles from a container in the cargo section at Galeão International Airport: 45 weapons of a type similar to an AK-47 (all manufactured in the United States), one G3-equivalent and 14 rifles akin to an AR-10. The weapons were hidden in a container of pool heaters that had been disassembled. By removing components from the pool heaters and making up for the lost weight by loading in the rifles, the container's weight appeared correct. However, an X-ray machine detected the irregular contents. The Rio State Security Secretary called the seizure, the "biggest in ten years" in Rio de Janeiro, noting that 250 automatic rifles had been confiscated in the past five months. Due to severe budget constraints on state police, their representatives indicated they would use the weapons instead of destroying them.

At the time of, and shortly after the seizure, four Brazilians were arrested, while a fifth Brazilian national residing in Miami, Florida (United States) was targeted for investigation. The individual in Miami fled to the United States after a similar Brazilian sting operation in 2010 linked him to a container full of ammunition. Upon reaching Miami, he started a pool-heating business through which he exported weapons to Brazil. On 23 February 2018, American investigators served a search warrant to a storage facility in

Vero Beach, Florida (United States), where they seized more than 2,000 rounds of ammunition, dozens of high-capacity magazines and more than 50 rifles, most of which were ready for export. The U.S.-based Brazilian national was arrested and, in court, admitted to smuggling more than 1,000 firearms to criminals in Brazil. He claims to have spent a large portion of his 3 million USD in illicit revenue bribing Brazilian police officers.

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**FIGURE 11:** WEAPONS AND AMMUNITION TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2017

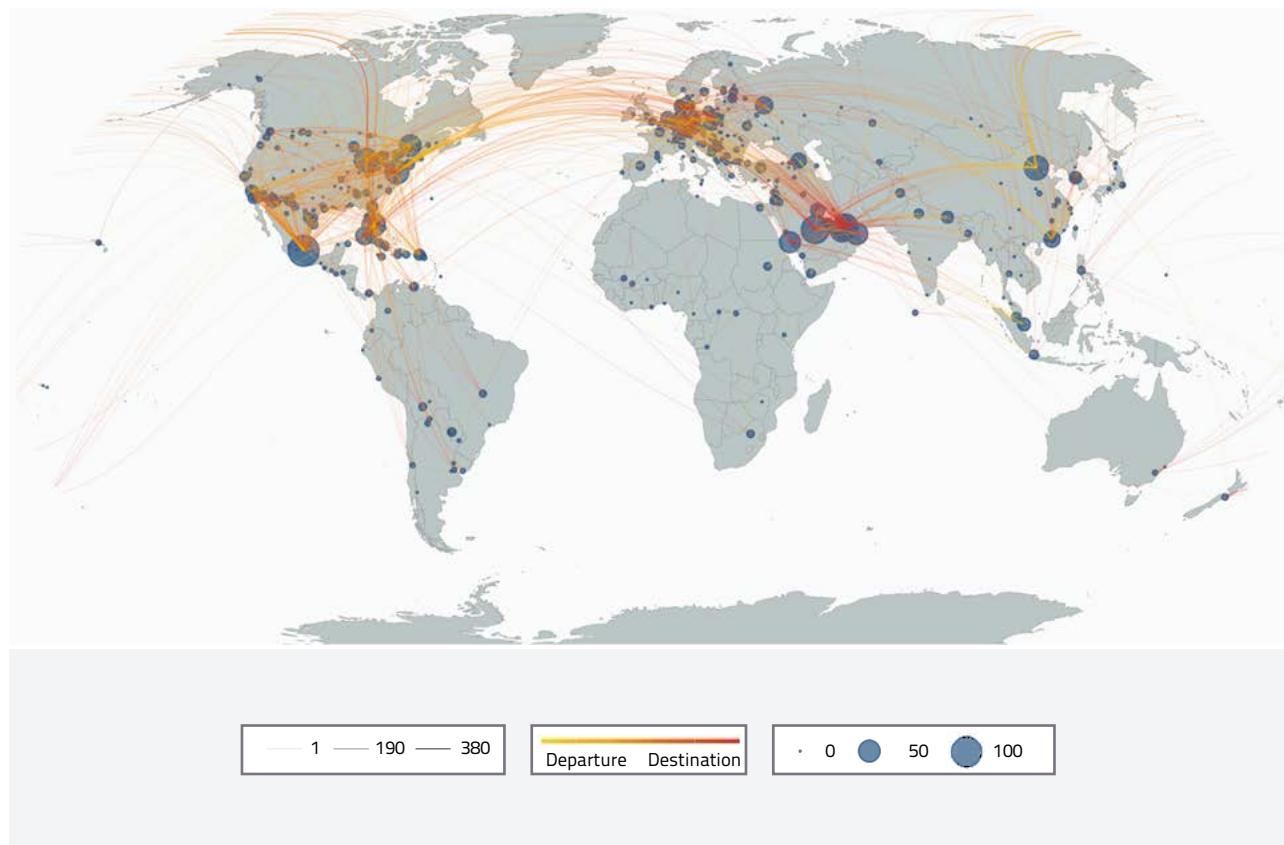


Figure 11 details the illicit flows of weapons and ammunition, from origin to destination, for all routes that appear in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in color at their origins, becoming red as they near their destinations. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2017. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 11 shows the entire intended trade route from origin to destination.

Figure 11 illustrates 1,310 unique routes across 700 cities used to smuggle weapons and ammunition in 3,249 trafficking instances. The predominant trafficking routes seen in 2017 were Muscat, Oman to Abu Dhabi, United Arab Emirates (100 instances), followed by Beijing, China to Chicago, United States (80) and Tbilisi, Georgia to Sharjah, United Arab Emirates (72 instances). That said, Mexico City remains the city most at-risk, having been implicated in 381 trafficking instances – 96.3% of which were destined for or originated within the United States. Mexico City was recorded as the origin for 132 instances, but received flows of weapons and ammunition in 249 instances – 247 of which originated within the United States, with Tucson, Arizona (16 instances) and Kingsville, Texas (15 instances) being the most common points of origin for weapons trafficking into Mexico City. Other major at-risk cities

include Riyadh, Saudi Arabia (304 instances), Sharjah, United Arab Emirates (252 instances), Beijing, China (225 instances), Washington, D.C., United States (221 instances) and Miami, Florida (United States) (207 instances). Cumulatively, these five cities plus Mexico City appeared in just 24.5% of all trafficking instances recorded in 2017.

## 2. PROGRAMMES, PROJECTS AND OPERATIONS

### PROGRAMME GLOBAL SHIELD (PGS)

IEDs, manufactured using cheap and widely available components such as fertilizers and other dual-use chemicals, are used in hundreds of attacks. In his report “Countering the Threat Posed by Improvised Explosive Devices” (A/71/187 [2016]), the Secretary General of the United Nations notes that: “There has been a marked increase in the unlawful use of improvised explosive devices (IEDs), particularly by non-state armed groups and rogue individuals. Such IED attacks deliberately target concentrations of civilians to achieve a maximum effect of lethality, terror and societal disruption.... Annually, IED attacks kill and injure more people than do attacks with any other type of weapon except firearms”<sup>3</sup>.

Since 2010, PGS has assisted Member administrations in monitoring the licit movement of dual-use precursor chemicals and other key components terrorists and violent extremist organizations use to manufacture IEDs, while also countering their illicit trafficking and diversion. PGS is a WCO led initiative launched in partnership with the International Criminal Police Organization (INTERPOL) and the United Nations Office on Drugs and Crime (UNODC).

### OPERATION GS MENA

In 2017, as part of a WCO funded initiative to expand the regional focus of PGS from Central Asia to the Middle East and North Africa region by carrying out an awareness-raising seminar, regional training and a regional operational exercise dubbed Operation GS MENA. Although planned as a regional operation, all PGS Member administrations were invited to participate. Thirty-four countries and three WCO Regional Intelligence Liaison Offices (RILOs) signed up for the Operation, which was further supported by INTERPOL and UNODC. GS MENA was organised around a high-intensity two-week period in July 2017. In addition to the 14 precursor chemicals,

detonators and transmitting devices currently monitored under PGS, the Operation also included emerging concerns such as commercial drones. During the Operation, officers reported three seizures totaling over five tonnes of chemicals and IED components.

Since the inception of PGS in 2010, more than 1,100 tonnes of precursor chemicals and other IED components have been seized and reported under the Programme. In 2017, 34,691 kilogrammes of chemicals and components were seized, compared to 116,275 kilogrammes in 2016.



<sup>3</sup> United Nations (2016), *Countering the threat posed by improvised explosive devices Report of the Secretary-General*, New York: United Nations, General Assembly.

**N:** A commercial drone seized by Indian Customs. Courtesy: Indian Customs.

**O:** Seizure of nitric acid and sulfuric acid. Courtesy: Malian Customs.

## STRATEGIC TRADE CONTROL ENFORCEMENT (STCE) PROGRAMME

The WCO Strategic Trade Control Enforcement (STCE) Programme is designed to establish, develop and strengthen Members' capacities by curbing the proliferation of strategic goods. This includes weapons of mass destruction (chemical, biological, nuclear and radiological weapons), as well as their means of delivery and the materials needed to develop them. The STCE Programme focuses on strengthening national capabilities of Customs administrations, helping them comply with the binding non-proliferation obligations set forth by the United Nations Security Council Resolution 1540 (2004). The STCE Implementation Guide and the STCE Training Curriculum are two key tools the WCO uses to assist its Members in meeting these obligations. These tools form the basis of all the training materials developed by the STCE Programme.

The initiatives undertaken by the STCE Programme to support Members' efforts include:

- National STCE training events: Focused on frontline Customs staff, bolstering skills related to commodity identification and risk management, as well as increasing understanding of Chemical, Biological, Radiological and Nuclear (CBRN) materials and goods — especially with respect to how these materials and goods are shipped and the ways officers can utilise WCO tools to identify WMDs or dual-use items. The training is delivered through a network of 26 WCO-accredited experts,

and it is increasingly being incorporated into national training programmes with course content delivered by national trainers.

- Train-the-Trainer events: Are organized twice per year and are aimed at the pre-accreditation of selected potential candidates to become fully accredited WCO STCE expert trainers. In 2017, the WCO continued growing the pool of trainers by conducting Train-the-Trainer events in English, Spanish and Russian in order to satisfy the demand from different regions. With the assistance of accredited national STCE trainers, the Security Programme of the WCO will be positioned to better enhance national STCE capabilities.
- Global operations aimed at strategic trade controls: Building on the achievements and momentum of Operation Cosmo in 2014, Operation Cosmo 2 took place in April 2018, with the participation of 107 WCO Member countries and support from international organizations committed to non-proliferation. These organizations include the International Atomic Energy Agency, the Organization for the Prohibition of Chemical Weapons, INTERPOL, the Global Initiative to Combat Nuclear Terrorism and relevant United Nations bodies. The WCO is currently undertaking an analysis of the final outcomes. From this analysis the WCO will be able to identify remaining capacity gaps and assess the success of the STCE Programme. Initial observations from Operation Cosmo indicate a range of understanding regarding the threat of WMD trafficking, as well as differences in WCO Members' capacities in identifying and detecting strategic commodities. Results from Operation Cosmo 2 will be published in the 2018 Illicit Trade Report.



## Member highlights: 2017 semiconductor devices/networking equipment

As the electronic infrastructure of the United States ages, the need for older replacement parts increases. This offers opportunities for marketplace entry for those willing to manufacture substandard counterfeit parts. To combat the influx of these potentially dangerous parts, United States Customs and Border Protection (CBP), in conjunction with various federal, state, local and international investigative branches, enacted Operation Chain Reaction. The Operation, which is currently underway, focuses on intercepting counterfeit semiconductors and other critical infrastructure components destined for the United States government and the military supply chain. All involved entities actively share intelligence in order for CBP to effectively target suspect shipments.

Throughout the 2017 fiscal year, CBP and other agencies intercepted, seized and investigated 123 shipments of critical infrastructure components. In addition, CBP and Homeland Security Investigations (HSI) seized 141 shipments of counterfeit, high-value computer-networking equipment. The retail value for the counterfeit semiconductors and networking equipment totaled over 5 million USD. Investigations discovered that many of these goods contained government and military applications, including components for use in cell phones, air-traffic-control systems and electronic-defense systems. This enforcement activity resulted in 59 active investigations of companies throughout the country. The success of the Operation is a result of the collaboration and coordination of participating agencies and industries.



Q

## 2017 Seizures of signal-jamming devices

During the 2017 fiscal year, the Center of Excellence and Expertise (CEE) for Electronics led United States Customs and Border Protection (CBP) efforts in interdicting and seizing signal-jamming devices. Signal-jamming devices can interrupt the transmissions of various wireless communication devices, such as cell phones, handheld radios and Global Positioning Satellites (GPS). Signal-jamming devices can cover a range of up to four miles, depending on the type of unit. The interdiction of these devices is extremely important, as they can disrupt the radio and GPS communications of first responders and defense personnel. The ECEE conducted national special-enforcement operations at express consignment courier facilities and international mail facilities, resulting in the seizure of 19 shipments containing 50 signal-jamming devices that violated Section 302(b) of the Communications Act of 1934, 47 U.S.C. 302a (b), as well as Federal Communications Commission (FCC) rules (Sections 2.803 and 2.1204) and 47 C.F.R. 2.803, 2.1204. The domestic value of the shipments was 2,500 USD. Several models were determined to have military capabilities.



R



S

Q, R: Courtesy: US CBP.  
S: Mini Portable Signal Jammer. Courtesy: US CBP.

On 20 July 2017, the ECEE participated in the Department of Homeland Security's (Science and Technology Division's) "JamX17" First-Responder Electronic-Jamming Exercise. Multiple types of signal-jamming devices were tested and deemed effective in blocking communications over several types of cell phones, hand-held radios and GPS devices. This event was an opportunity to strengthen relationships with partner government agencies and contractors. The Exercise provided the opportunity to understand the capabilities of signal-jamming devices, and it demonstrated the effects of jammers on first-responder communication devices.

Source: US CBP.



T, U: Courtesy: US CBP.

## ASIA-PACIFIC SECURITY PROJECT

The Asia-Pacific Security Project (APSP) is a border security and counter-terrorism programme launched by the WCO. The APSP strengthens coordination and cooperation among all relevant Customs administrations, authorities and agencies involved in border security in Southeast Asia and the Pacific Islands, and follows the WCO Punta Cana Resolution of 2015 and the subsequent adoption of the WCO Global Counter Terrorism Strategy. Japan supported the Project, offering a contribution of over 7.25 million USD.

The Project has raised awareness three of the Security Programme initiatives namely: Programme Global Shield (PGS), Small Arms and Light Weapons (SALW) and Passenger Controls (API/PNR). Events conducted with all Asia-Pacific Members have included targeted capacity building efforts that provided training and detection equipment to Member administrations for use in regional operations coordinated by the Project.

APSP assists Customs administrations in their efforts to counteract the threat of terrorism, focusing on three Project initiatives:

- a) PGS aimed at countering illicit trafficking and diversion of components used to manufacture Improvised Explosive Devices (IEDs):
  - A joint Regional Workshop on Programme Global Shield and Passenger Controls Initiatives was held in Bangkok in October 2017 and was attended by 22 Member administrations.
- b) API/PNR aimed at reducing the movement of Foreign Terrorist Fighters and other terrorist-related risks through more effective passenger controls, including using passenger information for risk assessment:
  - The Passenger Controls Initiative has focused on working with Customs administrations to improve their overall risk assessment of air passengers, while piloting the implementation of an advanced passenger risk assessment system with one Member.
  - Training material has been developed for both pre-arrival and post-arrival risk assessment, and this will be delivered through two sub-regional workshops.

- The Project is also procuring portable Raman Spectrometers and Fluorescence X-ray devices to help administrations detect security threats.
- The advanced passenger risk assessment system pilot involves assisting the Member administration in acquiring Advanced Passenger Information (API) and Passenger Name Record (PNR) data from international airlines while analyzing it to detect high-risk passengers.
- The initiative is being delivered in collaboration with officers from United States Customs and Border Protection who have donated the Global Travel Assessment System (GTAS) for installation and use by WCO Member administrations.

c) Air Cargo Security against SALW, aimed at preventing illicit trafficking of SALW.

- Awareness of the SALW initiative was the focus of a regional event held in Melbourne, Australia, in July 2017, attended by 25 Asia-Pacific Customs administrations.
- Special training material for the SALW initiative was developed with an aim to use it in Train-the-Trainer events enabling Member Administrations to then deliver the training at the national level, ahead of conducting two regional operations.
- Handheld backscatter X-ray devices will be provided to eight Customs administrations to assist in the detection of SALW during these operations.

The APSP works collaboratively with other work areas of the WCO and with partner organizations to ensure capacity building efforts in areas of common interest are complementary and coordinated to deliver optimal outcomes for recipient administrations.



V



W

V: National visit to Laos land border crossing. Courtesy: Laos Customs.  
W: National visit to Indonesia. Courtesy: Indonesian Customs.

## ABBREVIATIONS

ADHD	Attention-Deficit Hyperactivity Disorder
AFIP	The Federal Administration of Public Revenue (Argentina)
AFP	Agence France-Presse
AIPT	Anti-Internet Piracy Team (Hong Kong Customs)
API	Advance Passenger Information
ASI	Archaeological Survey of India
BGN	Bulgarian Lev
BNI	Bearer Negotiable Instruments
BNT	Bulgarian National Television
C4ADS	Center for Advanced Defense Studies
CBP	Customs and Border Protection (United States)
CBPO	Customs and Border Protection Officers (United States)
CCF	Customs Cooperation Fund
CCP	Container Control Programme
CEN	Customs Enforcement Network
CENCOMM	Customs Enforcement Network Communication Platform
CIS	Commonwealth of Independent States
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CSI	Container Security initiative (United States CBP)
DINAPI	National Directorate of Intellectual Property (Paraguay)
DRI	Directorate of Revenue Intelligence (India)
ECIC	Electronic Crime Investigation Centre (Hong Kong Customs)
ECLAC	Economic Commission for Latin America and the Caribbean
EEAA	Egyptian Environmental Affairs Agency
EOW	Economic Offences Wing (India)
EUROPOL	European Police Office
GBL	Gamma Butyrolactone
GHB	Gamma Hydroxybutyrate
HCFC	Hydrochlorofluorocarbon
HKD	Hong Kong Dollars
HSI	Homeland Security Investigations (United States)
HUF	Hungarian Forint
ICA	Immigration & Checkpoints Authority (Singapore)
ICE	Immigration and Customs Enforcement (United States)
ICOM	International Council of Museums
ICS	European Import Control System
ICT	Information and Communication Technologies

IED	Improvised Explosive Device
INTERPOL	International Criminal Police Organization
IPR	Intellectual Property Rights
IUCN	International Union for the Conservation of Nature
JAITF	Joint Airport Interdiction Task Force
LSD	d-Lysergic acid diethylamide
MDMA	3,4-Methylenedioxy-n-methylamphetamine (ecstasy)
MEA	Multilateral Environmental Agreement
MENA	Middle East and North Africa
NCB	National Central Bureau (INTERPOL)
NCP	National Contact Point
NDTV	New Delhi Television Limited
NPS	New Psychoactive Substances
OCU	Operation Co-ordination Unit
ODS	Ozone Depleting Substance
PCU	Port Control Unit
PDI	Investigations Police (Chile)
PGS	Programme Global Shield
PNR	Passenger Name Record
RILO	Regional Intelligence Liaison Office
RILO ECE	Rilo Eastern and Central Europe
SALW	Small Arms and Light Weapons
STCE	Strategic Trade Control Enforcement
UAE	United Arab Emirates
UDYCO	Drugs and Organized Crime Unit (Spain's National Police Force)
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDROIT	International Institute for the Unification of Private Law
UNODC	United Nations Office on Drugs and Crime
UNSC	United Nations Security Council
UNSCR	United Nations Security Council Resolution
US	United States
USD	United States Dollar
WCO	World Customs Organization
WHO	World Health Organization

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