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Illicit Trade Report 2018

Contribution
by

World Customs Organization (WCO)



World Customs
Organization

Illicit Trade Report

2018



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FOREWORD

Illicit trafficking of different commodities continues to affect global peace and security, destabilizing economies and threatening the health and safety of populations. Disrupting illicit trade flows is a very complex, multi-stakeholder process, involving many law enforcement and other government agencies. The work done by all stakeholders, in 2018, dovetails with the World Customs Organization's (WCO) theme for this specific year, which encouraged the promotion of 'A Secure Business Environment for Economic Development' – an apt theme in the context of illicit trade, given that illegal cross-border trade can cause financial losses for both legitimate traders and governments, while impacting negatively on a host of other areas, such as governance and development objectives.

Over the last decade, a mounting commitment has been observed from civil society, NGOs and academia to fight illicit trafficking. Various NGOs have started offering their services, information, and know-how to law enforcement – most notably, in the areas of environmental and IPR protection. In addition, think-tanks and academia have stepped up their engagement, not only by studying the illicit trade phenomenon, but also by contributing their knowledge and expertise to the policy and operational aspects of the fight against this scourge. Indeed, they have been active in many areas, including those related to protecting cultural heritage and securing the entire trade supply chain.

Coming back to the topic, Customs administrations continue their contribution to the disruption of illicit trade flows through stronger and more concerted enforcement activities, resulting in thousands of seizures of various prohibited and restricted commodities. While

seizures, themselves, cannot prevent or completely stop illicit trade, they can serve as an active deterrent and raise the cost of illicit transactions. Moreover, enforcement measures tame illicit markets when they are a product of smart and well-researched policies, a whole-of-government approach, and international cooperation.

In 2018, a total of 154 countries reported their seizures to the WCO through a specialized channel, namely the Customs Enforcement Network (CEN). Spanning reports on seizures of cultural objects by 20 Customs administrations to 105 reporting seizures of drugs, the CEN has accumulated a wealth of information that is analysed in this edition of the Illicit Trade Report. Since these data inputs are voluntarily submitted by WCO Member administrations, there are certain caveats in the analysis as it is not a comprehensive take on global illicit trade, but rather a pulsating signal and indicator based on available data.

This Report consists of six sections: Cultural Heritage; Drugs; Environment; IPR, Health and Safety; and Revenue and Security. In partnership with the Center for Advanced Defense Studies (C4ADS), a Washington, D.C.-based nonprofit organization dedicated to providing data-driven analysis and evidence-based reporting, I am delighted to provide you with this analysis of the 2018 trends and patterns pertaining to the illicit trafficking across the globe. Indeed, this information will not only assist law enforcement planning activities, but will also go a long way in future-proofing countries' borders from the multitude of threats that present themselves on a daily basis.



Kunio Mikuriya

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Secretary General
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INTRODUCTION

GENERAL OVERVIEW

Every year, since 2012, the WCO publishes its Illicit Trade Report with the aim to contribute to the study of the phenomenon of illicit trade through robust and in-depth data analysis based on the voluntary submissions of seizure data and case studies by its Member Customs administrations around the globe. This year, the analysis provided in this Report is based on data collected from 154 Member administrations, compared to 135 the previous year. The importance of comprehensive data analysis is indisputably a key component to support effective and efficient Customs enforcement activities.

The purpose of the Illicit Trade Report is to provide a better understanding of current cross-border criminal activities by quantifying and mapping the situation on the illicit markets and by providing an overview of Customs enforcement efforts aimed at suppressing such activities.

With this Report, the WCO wishes to raise awareness of these critical areas of Customs enforcement and also contribute to the information available on illicit trade, hence enabling policy-makers and Customs administrations around the world to set the foundations of successful policy implementation and ensuing action in order to enhance their response to these threats accordingly. The Report is composed of six sections that relate to the following key areas of risk 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. Cross-border trafficking in these areas threatens ecological balance and sustainable development;
- IPR and health and safety risks relating to trade in counterfeit or fake 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 from 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 data contained in the CEN is continuously updated and reviewed, making it a 'living' database.

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.

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 2018 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: Bridget Connelly, Maxwell Kearns, Patrick Baine, Logan Pauley, Jack Margolin



A

SECTION 1.

CULTURAL HERITAGE

INTRODUCTION

Policy makers and law enforcement agencies continue to focus on illicit trafficking of cultural objects. Multiple restitutions and international investigations occurred in 2018, uncovering organised criminal networks engaged in looting in both conflict zones and vulnerable source countries. A number of Customs administrations started reporting general data on the amount of cases, the quantity of seized cultural objects, and the number of arrests and sanctions in 2018.

Because this information was not received through the WCO's Customs Enforcement Network (CEN), however, it is not a part of the structural analysis presented below. General statistics from the information submitted outside of WCO's CEN are presented in the Member highlights section of this Chapter. The WCO continues working with Members to encourage collection and sharing of seizure data in a manner that facilitates analytical perspectives on this type of illicit trade.

Making 2018 an even more significant year, the WCO published a Training Handbook on *Preventing Illicit Trafficking of Cultural Heritage* (PITCH). This valuable resource informs frontline Customs officers deployed in the field, and it goes hand in hand with a training programme. The PITCH Handbook is available in both English and

A: Nine fourth-century Buddhist terracotta heads seized by the UK Border Force at Heathrow Airport in 2002, waiting for repatriation to Kabul, Afghanistan. See more information on p. 22. Copyright: Joanna Fernandes, The British Museum.



French, with additional translations to be finalised in 2019, thus broadening the reach of this novel WCO training opportunity.

The PITCH training has already been delivered to the Customs administrations of the Middle East and North Africa (MENA) and West and Central Africa (WCA) regions. The standard training was complemented by the results of the regional gap analysis workshops and two field missions in WCA region conducted in 2018. Apart from the MENA and WCA regions, the PITCH training was also delivered to the Airport and Port Control Units in Amman, Jordan, within the framework of the WCO-UNODC Container Control Programme (CCP).

In 2018, 20 different countries reported to the WCO's CEN a collective 98 cases involving the trafficking of cultural objects,

which comprised 123 distinct seizures. In the course of these cases, Customs officers identified and recovered 15,689 artefacts, representing a decrease of 1.1% from the total in 2017, when officers recovered 15,865 items. A relatively small number of cases and seizures contributed to the majority of items recovered, items that included antiquities, paintings, books, statues and other cultural objects.

The decrease in the number of reported cases and seizures, and the decline in the total number of countries reporting to the WCO, amounted to fewer objects being recovered in 2018. Although countries in Eastern and Central Europe and the Commonwealth of Independent States (CIS) continued to report a large number of cases, some South American countries reported significantly fewer cases in 2018 than they did in 2017.

B: In May 2018, U.S. Immigration and Customs Enforcement (ICE) returned 3,800 ancient artifacts, including cuneiform tablets, cylinder seals, and clay bullae, to the Republic of Iraq. See more on p. 22. Courtesy: US ICE.

FIGURE 1: NUMBER OF CASES BY COUNTRY, 2017–2018

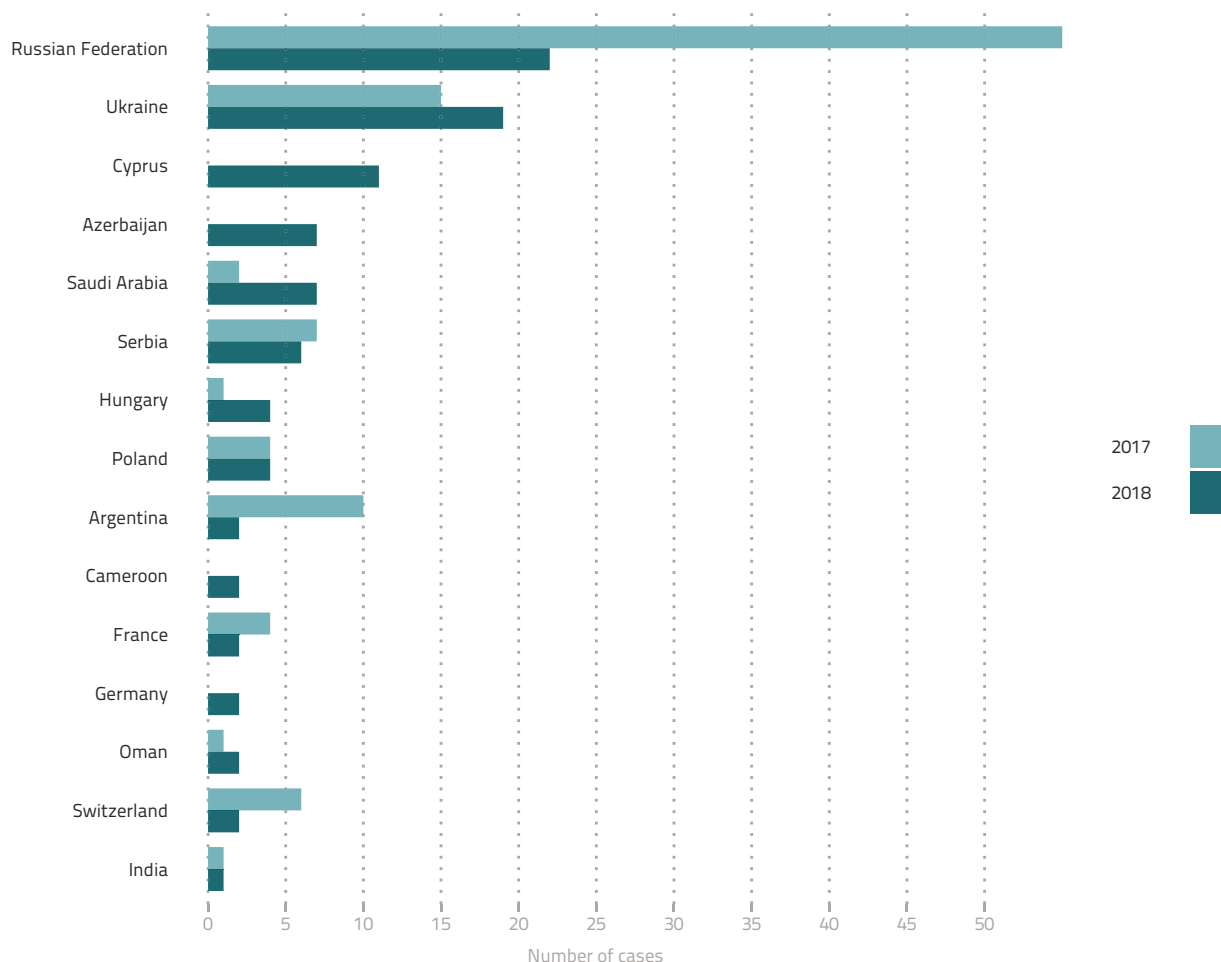
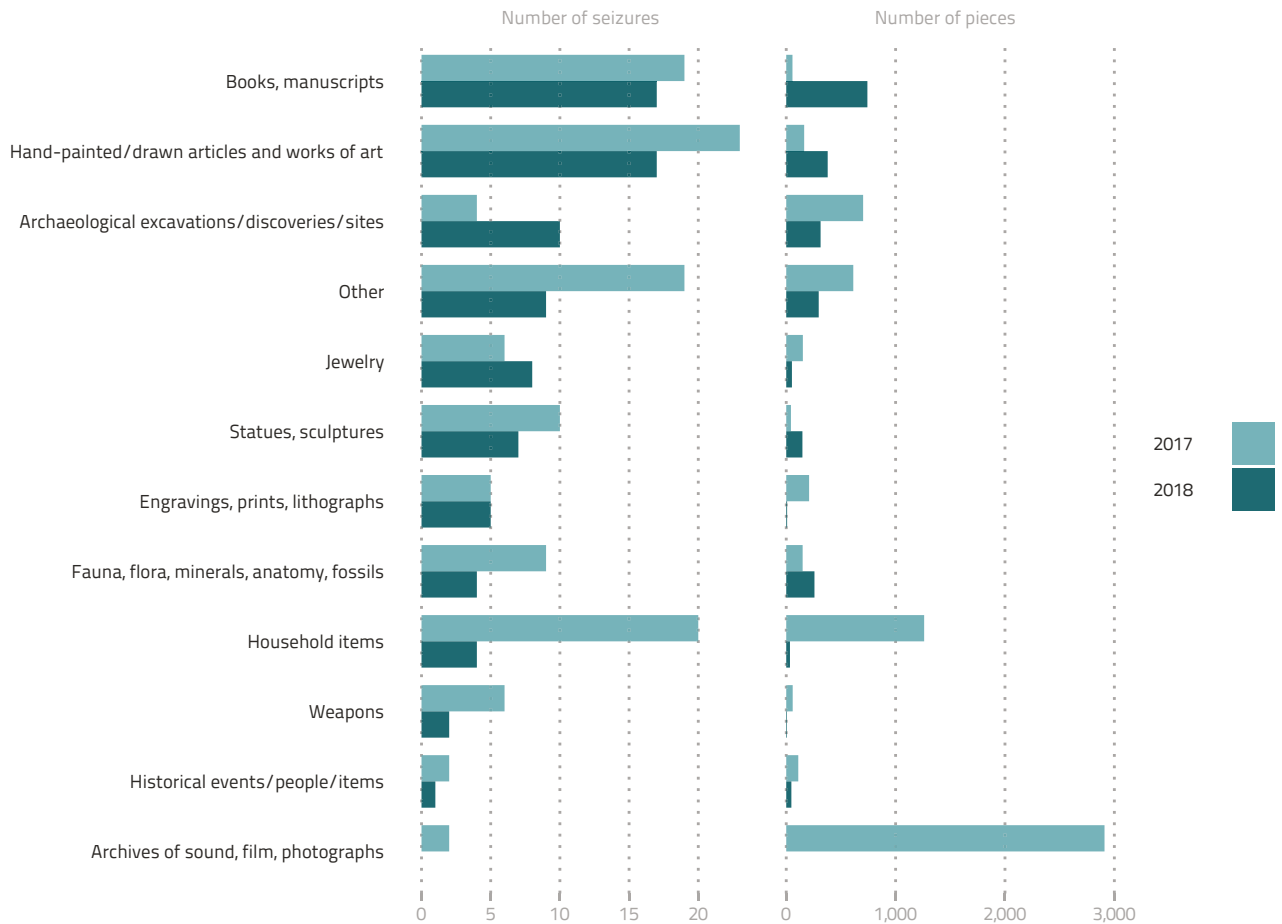


Figure 1 compares the number of cases reported by the top 15 countries in 2018 with the number of cases these countries reported in 2017. The Russian Federation and Ukraine maintained their positions as top reporters of trafficking in cultural objects; however, the Russian Federation reported far fewer cases in 2018 (55) compared with 2017 (22). Ukraine, meanwhile, reported 19 cases in 2018, an increase from the 15 the country reported in 2017. Saudi Arabia, Hungary and Oman also reported more cases in 2018 than in 2017. Poland reported the same number of cases (four) in both 2017 and 2018. Two countries among the top five reporters of cases in 2018, Cyprus and Azerbaijan, reported no cases in 2017.

Overall, this analysis requires a few caveats. First, all conclusions rely on data voluntarily submitted by WCO Member Administrations.

In 2018, only 20 Customs administrations reported seizures in this area of enforcement. There are many reasons Customs might choose not to report certain portions or details of their data, including the need to maintain secrecy over ongoing investigations. In a number of countries, Customs seizure data can be shared only after the restitution to the source country and practice shows that this process can take up to ten years. This has to do with the fact that even in cases when seizure is made by Customs, it is not always Customs that leads the case and brings it to the prosecutor. The involvement of other law enforcement agencies, such as Police also has an impact as in certain countries, Police is responsible for the investigation and would bring the case to the court where the decision on whether to seize an object or release it would be ultimately taken. As a result, the Figures in this Section might not

FIGURE 2: NUMBER OF SEIZURES AND QUANTITY SEIZED BY TYPE, 2017–2018



necessarily present a complete picture of trends in the international illicit trade in cultural objects. Second, apparent increases in certain types of illicit trade could simply reflect improved methods and techniques of Customs officers rather than a genuine uptick in trafficking of cultural objects.

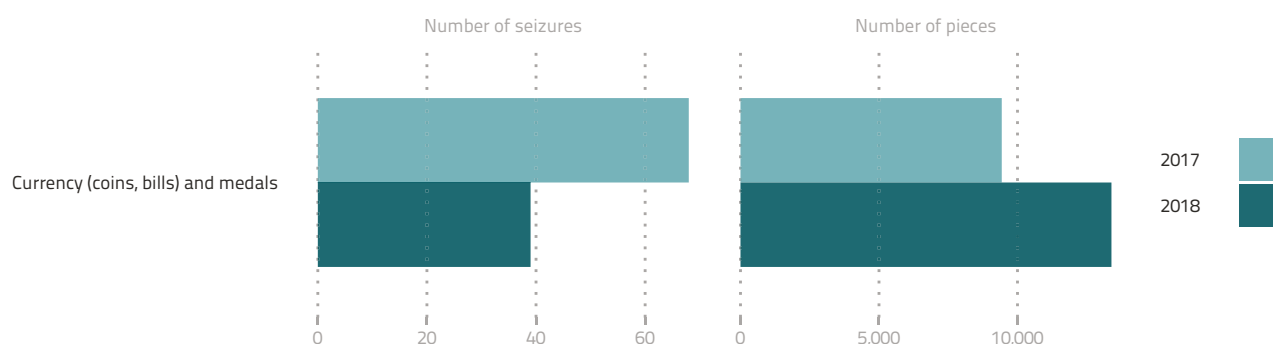
This Section is organized in the following manner:

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

1. OVERALL TRENDS IN TRAFFICKING OF CULTURAL OBJECTS

Figure 2 compares the number of seizures and the quantity seized for each type of cultural object between 2017 and 2018, considering all categories except currency and medals, which is represented in Figure 2A. The statistics depicted in Figure 2 reflect a slight decrease in seizures and in the number of objects recovered from 2017 to 2018, but they also indicate that this decrease was not universal across all categories of objects. In 2018, Customs officers reported 123 seizures resulting in the recovery of 15,689 items, compared with 193 reported seizures recovering 15,865 items in 2017.

FIGURE 2A: NUMBER OF CURRENCY AND MEDALS SEIZURES AND QUANTITY SEIZED, 2017–2018



The number of seizures within the top three categories of recovered objects — *currency and medals*, *hand-painted or hand-drawn articles and works of art* and *books and manuscripts* — decreased from 2017 to 2018, yet the number of recovered objects from these categories actually increased. This dynamic was largely due to a small number of seizures involving large quantities of items, particularly coins and currency in Cyprus, Saudi Arabia and the Russian Federation. In 2018, there were also more objects recovered in the categories of *hand-painted or hand-drawn articles and works of art* in Ukraine and the Russian Federation and of *books or manuscripts* in Saudi Arabia. Figure 2A illustrates the decrease in the number of seizures in the category *currency and medals*, as well as the accompanying increase in the number of objects recovered. In total, 13,391 currency items were

recovered in 2018, as compared to 9,431 in 2017 — constituting a 41% increase in recovered items, despite a decrease in the number of seizures from 2017 (68) to 2018 (39).

The only categories in which the number of seizures increased in 2018 were *jewelry and archeological excavations/discoveries/sites*. The number of archeological seizures more than doubled, going from four in 2017 to 10 in 2018, although the number of pieces seized in 2018 (314) was less than half the amount seized in 2017 (703).

In one category, *archives of sound, film, photographs*, there were no seizures in 2018. In 2017, the only two seizures by Turkish Customs involved the recovery of 2,910 objects in this category.

Member highlights: Smuggling of coins and religious objects

In October 2018, Saudi Customs at the port of Doha seized 1,509 cultural objects, including antique coins and religious crosses. The objects, hidden in the storage compartment of a vehicle, were moving from Turkey via Saudi Arabia, with the final destination of Kuwait (see Photos C, D, E).

Source: Saudi Customs.

In December 2018, during the international drug enforcement operation known as Cocair VII, Peruvian Customs checked the luggage of a passenger flying from Lima, Peru, to Madrid, Spain, and in the process seized 82 coins prohibited for export.

Source: Peruvian Customs.



FIGURE 3: NUMBER OF SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

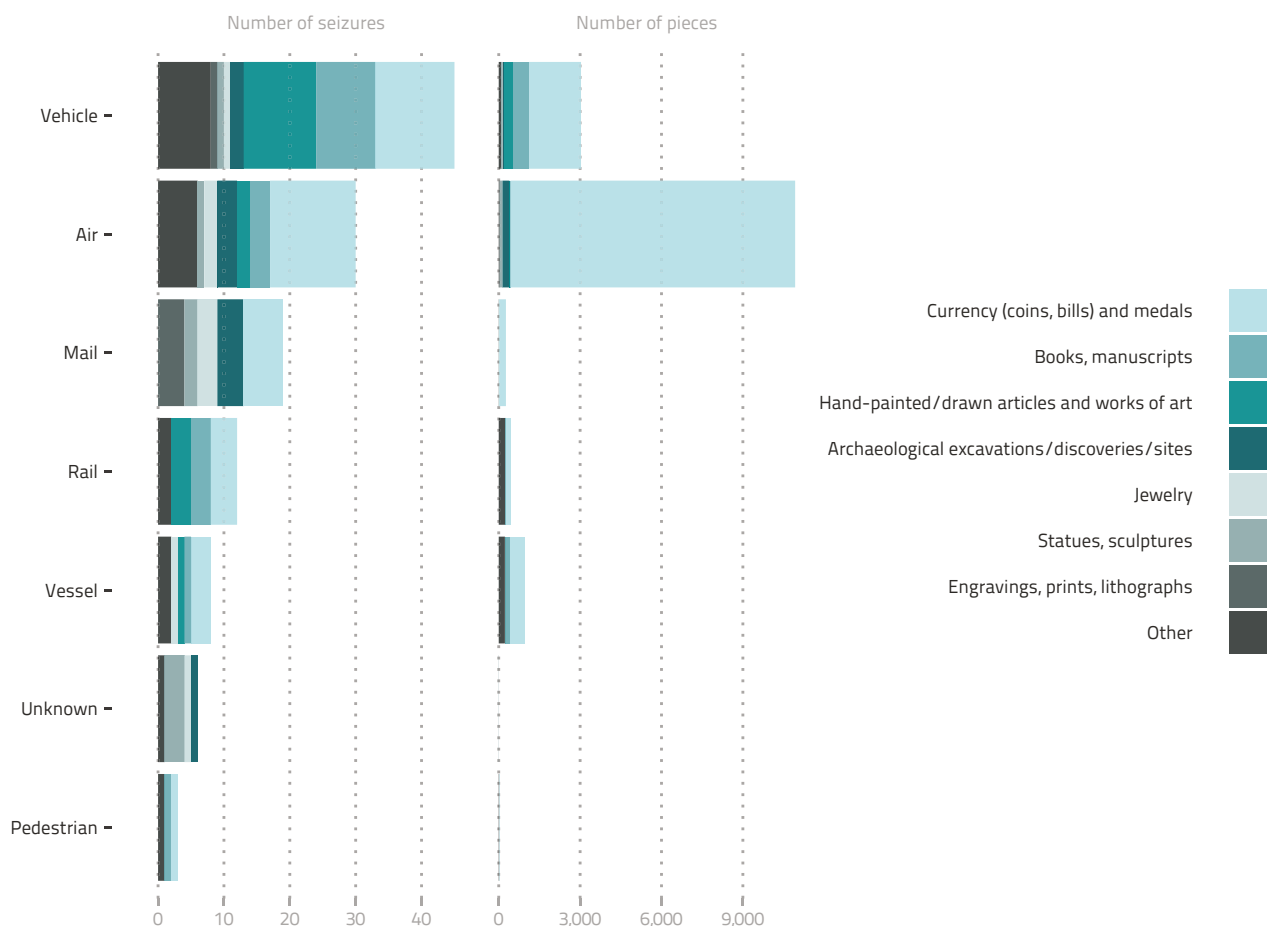


Figure 3 shows the number of seizures and the quantity of objects recovered in 2018 by type and conveyance method. With respect to types of recovered items, the category designated as *other* includes objects with relatively low numbers of seizures, such as ethnological objects; musical instruments; religious items; weapons; and historical events/people/items. These artefacts were combined into one category to make the data easier to visualise. In terms of conveyance, vehicles were the means most commonly employed, constituting 36.5% of all seizures. Despite this, air transport was associated with the highest number of recovered items, due in large part to the greater amount of currency recovered in proportion to other categories of cultural objects.

The seizure of currency (mostly coins) by air accounted for 66.9% of all cultural objects recovered in 2018.

While some of these conveyance categories figure in more prominently than others, the types of items trafficked in each category are diverse. In particular, all eight categories of objects listed in Figure 3 appeared in seizures involving vehicle conveyance. Finally, pedestrian conveyance was the smallest category and had the least variance across types of items recovered. Only three seizures were reported involving cultural objects transported by a pedestrian in 2018, with one occurring in Ukraine and two taking place in Jordan.

FIGURE 4: NUMBER OF CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2018

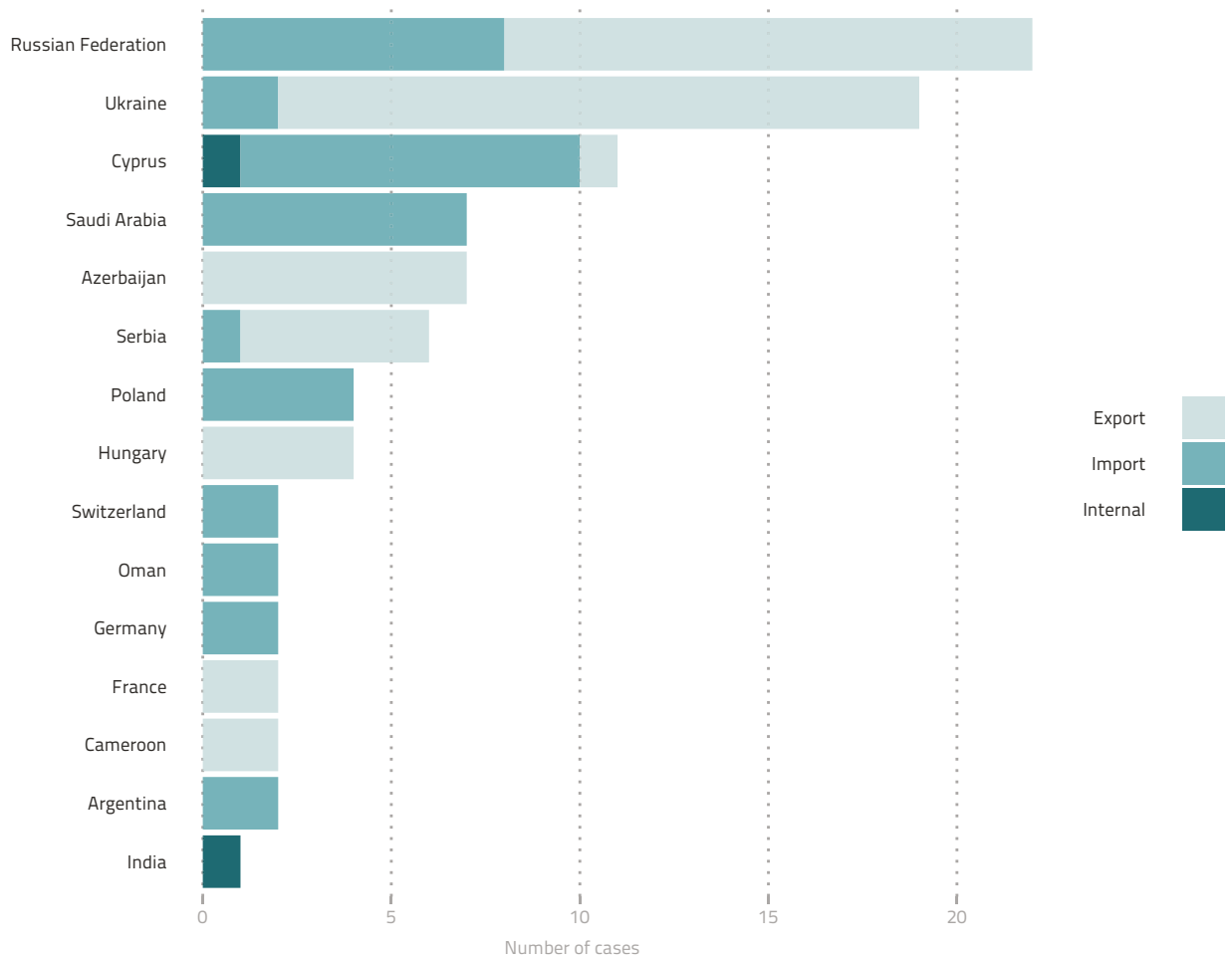


Figure 4 displays the top 15 countries that reported cases in 2018 and indicates the direction in which target shipments were moving when confiscated. Reported cases were distributed almost evenly between export (62 cases, or 50.4% of the total) and import (59 cases, or 47.9% of the total), and only two cases involving cultural objects occurred internally. There were no reported cases of cultural objects seized in transit in 2018.

Among the top 15 reporting countries, 11 countries reported cases in only one direction. Of these, six countries (Saudi Arabia, Poland, Switzerland, Oman, Germany and Argentina) reported only cases in import, four countries (Azerbaijan, Hungary, France¹ and Cameroon) reported only cases in export and India reported one internal case. The remaining four countries reported cases at both import and export. The Russian Federation showed the most balanced ratio of cases in both imports and exports, recording eight and 14 respectively. Only Cyprus reported cases involving import, export and internal movement.

¹Although France appears in the statistics, only few seizures were reported through the WCO channels and are a part of this analysis. For more information, please see p. 14.

Member highlight: French Customs' efforts to recover cultural objects

On 16 February 2018, during the control of the bus at Seine-et-Marne, Customs officers of the Marne-la-Vallée brigade found a suitcase with a painting containing the signature DEGAS. None of the passengers claimed the luggage. Customs officers seized the bag and experts of the Musée d'Orsay confirmed the work was an original painting, "Choristes" by Edgar Degas, stolen from the Cantini museum, in Marseille, in 2009 (see Photo F). The painting was transferred to the Central Bureau for Cultural Goods for further investigation.

On 4 March 2018, Customs officers found a knife, a bayonet and a dagger in a vehicle in the Strasbourg region. The owner of the vehicle claimed he was coming back from a weapons auction. While the house search based on the Prosecutor's order did not uncover other weapons, 528 illicitly acquired ancient coins and fibulas estimated at approximately EUR 120,000 were seized, along with a metal detector.

French Customs registered 43 cases of illicit trafficking of cultural objects in 2018, resulting in seizures of 14,514 objects; meanwhile, in 2017, 69 cases were reported, resulting in seizures of 75,421 objects. A single case that netted 37,000 pieces of ancient coins, 20,000 stamps and 10,000 pieces of gold was responsible for the difference in the number of objects seized between 2017 and 2018².

Source: French Customs.



F: Courtesy: French Customs.

² While these seizures were not reported to the WCO through CEN and are not included in the global analysis of the illicit trafficking of cultural objects provided in this Section, they shed light on the efforts in countering illicit trafficking of cultural goods by French Customs.

FIGURE 5: PERCENTAGE OF SEIZURES BY DETECTION METHOD, 2018

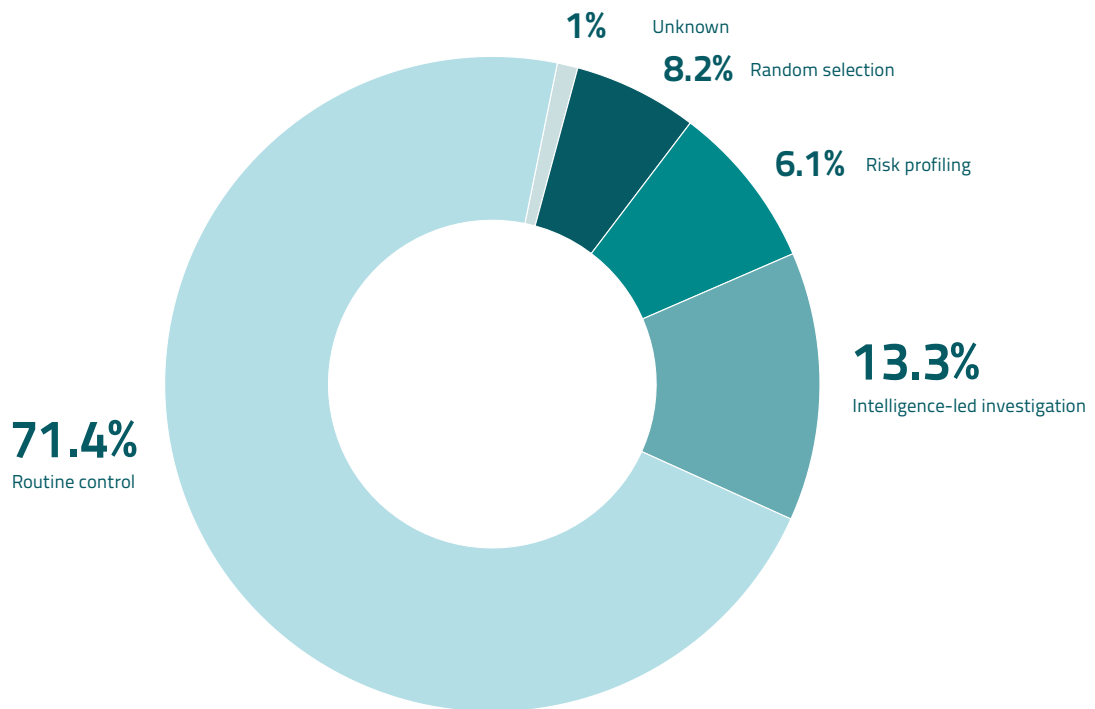


Figure 5 separates all reported cases of trafficking in cultural objects in 2018 into the method by which Customs officers detected them. As the Figure shows, the majority of cases in 2018 were the result of routine control procedures. Routine control accounted for 71.43% of reported cases (70 of 98), an increase over 2017, when the same detection method accounted for only 33.5% of reported cases (54 of 155). The number of items seized due to routine control procedures increased dramatically from 2017 to 2018, going

from 5,223 to 14,730 items. In 2018, routine control procedures intercepted cultural objects ranging from parchment to jewelry to paleontological objects.

The next leading detection method in 2018 was intelligence-led investigations, which accounted for 13.27% of cases. The majority of these cases were carried out in Russia, where Customs officers seized items including religious icons and antique weapons.

FIGURE 6: PROPORTION OF SEIZURES BY TYPE AND COUNTRY, 2018

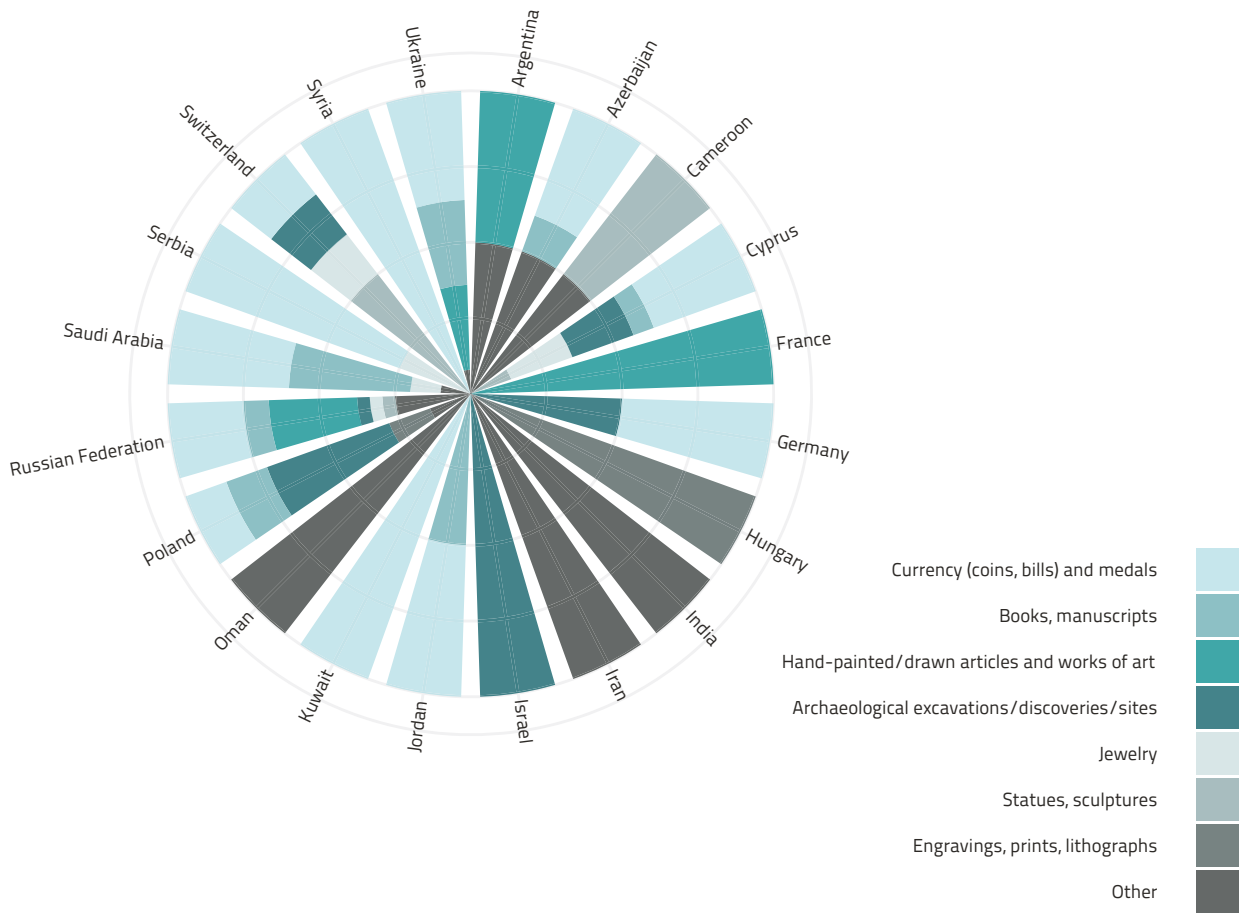


Figure 6 depicts the proportion of seizures for each category of cultural objects, as reported by each country recording at least one such seizure. Not only was currency the most commonly recovered item in 2018, it was also recovered in at least one seizure in 12 of the 20 countries represented in Figure 6.

Syria and Kuwait exclusively reported seizures of currency; four other countries reported seizures in just one category, though three of these countries (Iran, Israel and India) reported only one seizure in 2018. Hungary reported four seizures of engravings, prints and lithographs.

Six countries reported seizures in four or more categories: the Russian Federation (eight), Cyprus (five), Poland (five), Ukraine (five), Saudi Arabia (four) and Switzerland (four). In terms of type, the Russian Federation recorded the most varied seizures of cultural objects by a large margin. The degree of variation in types of cultural objects seized tended to correspond with the volume of seizures: of these six countries, all but two (Poland and Switzerland) were among the top five reporting countries of 2018.

Case study 1. Russian Customs seizes 1.8 million rubles worth of antique coins in Yuzhno-Sakhalinsk

In the Yuzhno-Sakhalinsk Airport in eastern Russia, Customs officers identified and intercepted a Russian individual returning from Seoul, South Korea, who was carrying 309 undeclared coins and 69 antique coins collectively valued at RUB 1.8 million. Customs officers identified these 69 coins as being more than 100 years old and representing artefacts of cultural value. Russian Customs officers identified these goods during customs clearance procedures. The most valuable items seized were Russian coins from the eighteenth, nineteenth and twentieth centuries, including Russian imperial coins dating from 1839, each with a market value of 133,000 rubles. This collection also included medals and coins from other countries (see Photos G, H).

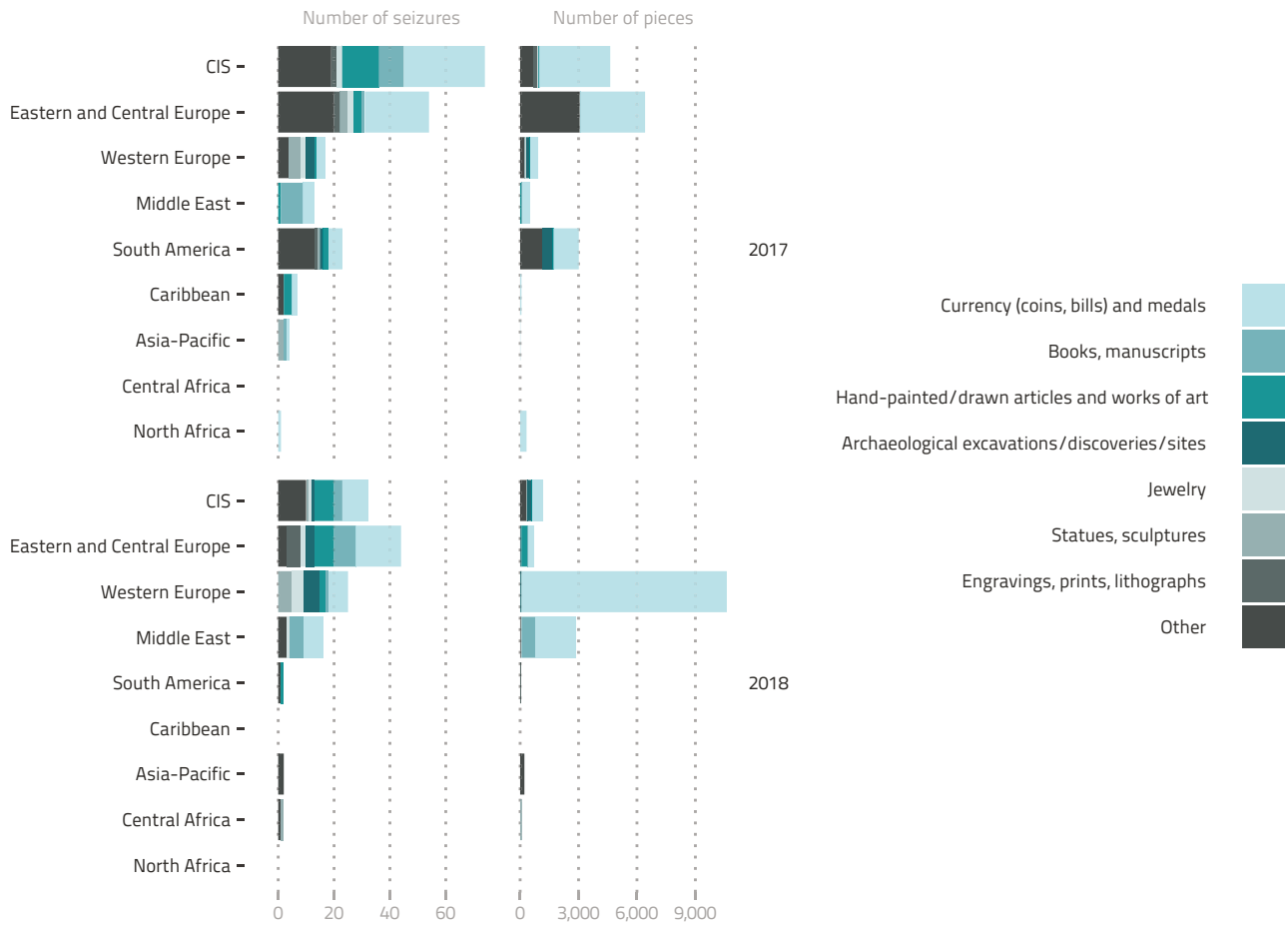
Coins and medals were the largest category of seizures in 2018, and this case demonstrates how these items can be quite valuable despite their small size, making them an attractive commodity for traffickers in cultural objects. This case accounted for two of six seizures of coins and medals reported by Russian Customs in 2018 and 378 of the reported 487 coins and medals seized in Russia in 2018.



SOURCES

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FIGURE 7: NUMBER OF SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2017–2018



While reported seizures of cultural objects decreased from 2017 to 2018, this decrease was not universal across regions.

Figure 7 compares the number of seizures, by region and categories of objects, in 2017, to the number of seizures, by category, in 2018. Both the CIS and Eastern and Central Europe reported fewer seizures in 2018, dropping from 74 to 32 and from 54 to 44, respectively; that said, the number of reported seizures increased in both Western Europe and the Middle East. In Western Europe, countries reported 17 seizures in 2017 and 25 in 2018. Among these

seizures, the number of artefacts, particularly currency and medals, surged significantly. In 2017, 410 pieces of currency and medals were seized in Western Europe, while Customs officers seized 10,537 pieces in 2018.

In the Middle East, countries reported 13 seizures in 2017 and 16 seizures in 2018. As was the case with Western Europe, the number of items seized was much larger in 2018, consisting again, primarily, of coins and medals. In 2017, Customs officers in the Middle East reported the seizure of 371 coins; by contrast, in 2018, they reported the seizure of 2,058 such items.

FIGURE 8: TRAFFICKING FLOWS BY REGION, 2018

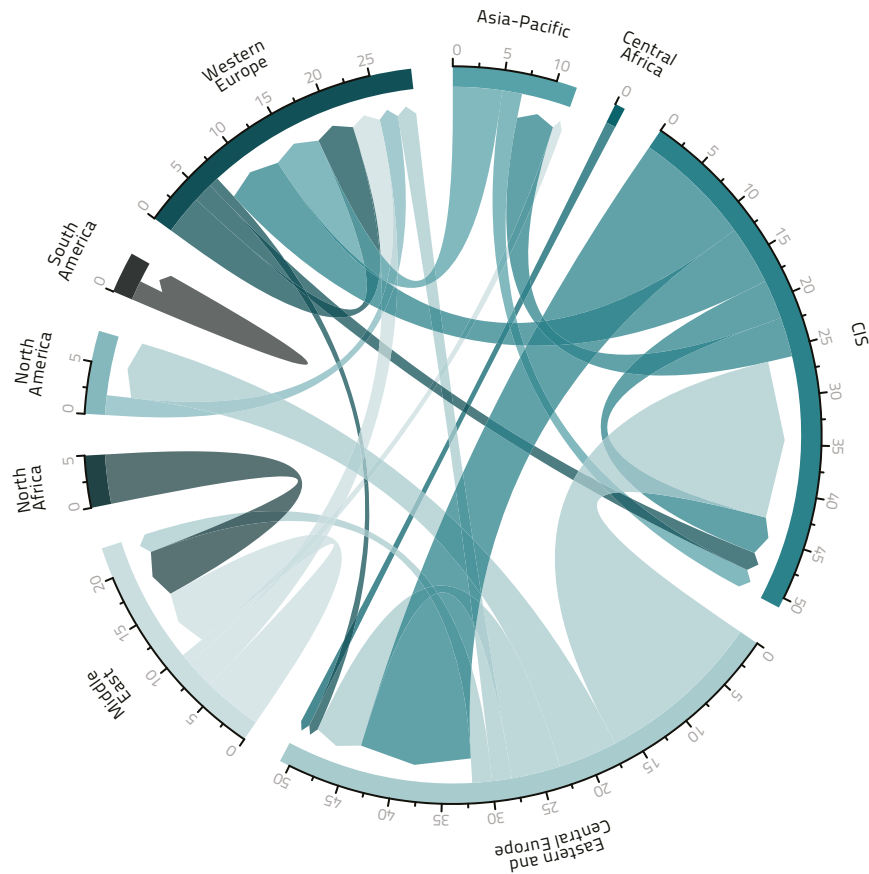


Figure 8 depicts intended trafficking flows of cultural objects to, from, and within reporting regions in 2018. The most common intended trafficking routes in 2018 flowed from countries in Central and Eastern Europe to the CIS, followed by routes from the CIS to Central and Eastern Europe. These figures reflect substantive reporting in both regions and may also indicate the popularity of these routes for trafficking purposes. Of the 98 cases reported in 2018, 17 involved goods intended for transit from Eastern and Central Europe to the CIS, while 12 involved goods intended for transit from the CIS to Eastern and Central Europe.

North Africa was the only reporting region that recorded all intended flows to one other region, specifically the Middle East. Similarly, reported cases in South America exclusively involved flows within the region. Conversely, Western Europe was the destination for flows from six of the nine regions represented above, making it the destination of trafficking flows originating from the greatest variety of regions.

Member highlight: Fighting against illicit trafficking in the CIS countries³

In 2018, Customs authorities of the Republic of Azerbaijan revealed seven cases of illicit trafficking, resulting in seizures of 45 cultural objects, including such things as carpets, numismatic items and books. These seizures generated one criminal case and six administrative cases. Each of these cases stemmed from detection occurring during air transport and involving passenger baggage, and the value of the seized contraband was USD 14,220.

In Belarus, smugglers moved cultural objects through the country in various ways to avoid Customs controls. Customs authorities of the Republic of Belarus reported 16 cases resulting in seizures of more than 3,500 cultural objects, of which more than 3,400 were ancient coins. Most illegal movement of the abovementioned items was carried out by road, rail, or international mail, and the most common concealment methods involved hiding objects inside the technological compartments of passenger trains and cars. The majority of the cases were detected upon import into the country.

For example, officers of Gomel Customs, at the border inspection post New Huta, detected a clock with the inscription EARDLEY NORTON LONDON n°143 on a bus en route to Kyiv-Gomel. According to the conclusion of one expert, the clock dated to the 1770–1790s and was of cultural value (see Photo I).

In June 2018, at the Berestovitsa Customs point, an attempted illegal import of 3,000 coins and banknotes into the Customs territory of the Eurasian Economic Union was suppressed (see Photo J). The passenger arrived by car from Spain, and during the vehicle inspection, hidden compartments containing almost 1,000 coins and more than 1,700 banknotes of different countries and denominations, pocket watches, medallions, and so on were discovered. Experts assessing the items deemed all to be cultural objects: ancient coins and banknotes of the Roman Empire and Byzantium, Arabic dirhams from the thirteenth century, French pocket watches of the late nineteenth century, a European purse, a Mexican medallion and commemorative medals of the early nineteenth century. All the objects were seized.



In 2018, Customs authorities of the Russian Federation initiated 15 criminal cases and 221 administrative cases involving the illegal trafficking of cultural objects. In total, 867 objects were seized, amounting to a combined value of USD 1,024,000. The most frequently smuggled objects were household items, medals, badges, coins and paintings. The illegal import of cultural objects originated from France, Germany, the United States, the United Kingdom and the Netherlands, while the illegal export was directed toward the United Kingdom, the United States, China, Germany, Israel and Turkey.

I, J: Courtesy: Belarus Customs.

³ Please note that most of the seizures reported by Russia in this Highlight, as well as all seizures reported by Belarus, Uzbekistan and Tajikistan, were not reported to the WCO through CEN and are not included in the global analysis of the illicit trafficking of cultural objects provided in this Section. Nevertheless, they provide an insight into the efforts in countering illicit trafficking of cultural goods in the CIS region.

The interaction between law enforcement units and Customs posts has been and remains essential to the combatting of illicit trafficking of cultural goods. The Analytical Department regularly informs all units about the schedule for exhibitions of antiques and auctions held abroad.

On 28 May 2018, Customs officers of the Sheremetyevo airport prevented the attempted illicit export of seven paintings from Russia to Germany (see Photo K). The total value of these paintings was approximately USD 700,000. A criminal case was then initiated.



In February 2018, Customs officers of the Domodedovo airport in Moscow suppressed two illicit efforts: one, an attempt to export the Orthodox icon “Mother of God” (dating to the end of the nineteenth century) to Tel Aviv, Israel, and another attempt to import, from London, United Kingdom, an art deco “Cartier” lorgnette, consisting of a pair of lenses in a platinum frame fixed on an elegant thin handle, made of onyx, divided into two parts by circles and decorated with diamonds of the old cut (see Photo L). Because the lorgnette was cultural heritage (decorative and applied art), created more than 50 years ago, it was also seized.



Customs authorities of Tajikistan carried out 10 seizures of items representing cultural and historical value, confiscating 679 pieces that included 14 coins, 683 items of national embroidery, one necklace and one bracelet.

At a Customs checkpoint in Khatlon Region in May 2018, a cargo truck “Dulan” going to Afghanistan was stopped for inspection. During the examination of the truck’s cargo, which included consumer goods, fruits and textiles, 683 undeclared items of the national embroidery “gulduzi” were found. According to the Ministry of Culture, these items belonged to the national cultural heritage and were prohibited from being exported without special permission. An administrative case was initiated.

In 2018, Customs authorities of Uzbekistan reported 67 cases resulting in seizures of 5,602 cultural objects. In August 2018, Customs officers of Uzbekistan suppressed the attempted illegal import of 45 ancient coins by mail from Saint Petersburg, Russia. The coins were declared to be toys. In December 2018, during the inspection of luggage belonging to a passenger flying from Fergana, Uzbekistan, to Moscow, Russia, an ancient coin of the Russian empire (dated 1843) was seized (see Photo M).

Sources: RILO CIS.



Member highlights: Illicit trafficking of cultural objects from conflict zones to major markets

While conflict and instability continue to encourage illicit trafficking of cultural objects, the major global markets of antiquities profit most from these affairs. In 2002, nine fourth-century Buddhist terracotta heads and one torso were seized by the UK Border Force at Heathrow Airport. These valuable objects were discovered in wooden crates on a flight from Peshawar, Pakistan. A long legal process and an examination by British Museum experts indicated that these sculptures belonged to the kingdom of Gandhara. According to the senior curator of the museum, St John Simpson, given that the heads and the torso were discovered after the most serious incident of the Taliban iconoclasm, when the giant Bamian Buddhas were blown up in 2001, it was possible these statues were vandalized by the Taliban. All ten objects await repatriation to Kabul, Afghanistan (see Photo A on page 6).

In a separate case, in February 2011, UK Border Force officers seized a group of 154 Mesopotamian cuneiform tablets. The tablets are currently in the possession of the British Museum and will soon be returned to Iraq.

In another exceptional case, in 2012, UK Border Force officers detected an unusual parcel and, upon further inspection, realized the object retained traces of soil, as if it had just been removed from the ground. The accompanying documents indicated the object was a souvenir from an art shop, but the officer examining the shipment recognised the stone as a land boundary marker, a kudurru, given that it was made of black basalt. Experts of the

British Museum consulted in the case established that the piece was a 3,000-year-old carved ceremonial stone tablet recording the gift of land by the Babylonian king Nebuchadnezzar to one of his subjects (see Photo N). Such kudurru stones are very rare and, in March 2019, UK authorities repatriated the piece to Iraq.

On 2 May 2018, US Immigration and Customs Enforcement (ICE) returned 3,800 cuneiform tablets, cylinder seals and other ancient objects to Iraq. Over the years, these objects had been smuggled into the United States, through the United Arab Emirates and Israel, by the company Hobby Lobby, a large arts retailer based in Oklahoma City, Oklahoma. The cuneiform tablets, which are several thousand years old, were shipped into the country to three different addresses and were falsely described as "ceramic tiles". Moreover, the shipping labels falsely declared Turkey as the country of origin for these objects (see Photo B on page 7).

Another shipment of approximately 1,000 clay bullae was received by Hobby Lobby from an Israeli dealer, and the documents falsely identified Israel as the source country. The investigation was launched by ICE after Customs and Border Protection (CBP) officers identified numerous shipments. ICE special agents, along with Assistant U.S. Attorneys for the United States District Court for the Eastern District of New York, proved that the employees of the company were smuggling these ancient artefacts into the United States. This court case resulted in a USD 3 million settlement by Hobby Lobby, seizure of all objects involved and subsequent restitution paid to Iraq.

Sources:

- UK Border Force.
- US ICE HSI.
- US Immigration and Customs Enforcement (2017), "*Hobby Lobby settles USD 3 million civil suit for falsely labeling cuneiform tablets*", available at <https://www.ice.gov/news/releases/hobby-lobby-settles-3-million-civil-suit-falsely-labeling-cuneiform-tablets>, accessed 15 August 2019.
- US Immigration and Customs Enforcement (2018), "*ICE returns thousands of ancient artifacts seized from Hobby Lobby to Iraq*", available at <https://www.ice.gov/news/releases/ice-returns-thousands-ancient-artifacts-seized-hobby-lobby-iraq>, accessed 15 August 2019.



N: Courtesy: The British Museum.

FIGURE 9: HEAT MAP OF TRAFFICKING INSTANCES BY COUNTRY, 2018

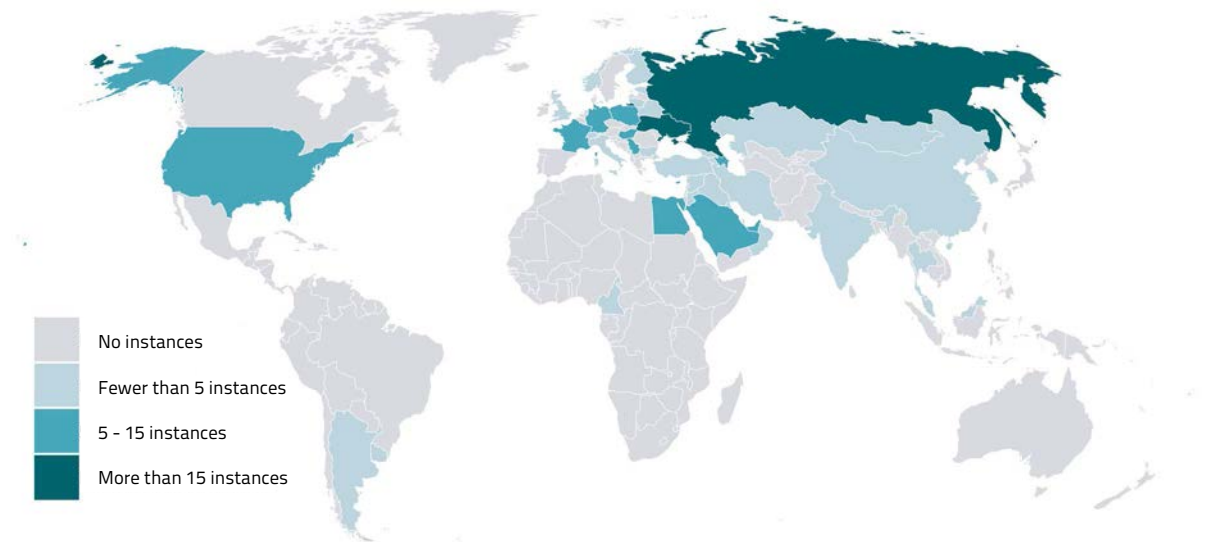


Figure 9 is a heat map of trafficking instances by country and frequency in 2018. Each country indicated was either the origin, destination or transit point for one or more seized shipments of cultural objects, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 9 depicts all countries through which cultural objects are known to have been, or were intended to be, trafficked in 2018.

In 2018, there were 198 trafficking instances of cultural objects, the majority of which involved states from Eastern and Central Europe. The Russian Federation and Ukraine are the only countries that appeared in more than 15 instances as an origin, destination or transit country. Countries in Western Europe were the second most involved, with Cyprus alone appearing in 12 seizures.

The region appearing third most often in trafficking instances was the CIS.

Both North America and the Middle East figured in eight trafficking instances; and, in each region, one country appeared in all eight instances. In North America, all reported trafficking instances originated from, transited through, or were destined for the United States. In the Middle East, the same was true of Saudi Arabia.

Most of the countries appearing in five or more trafficking instances were, themselves, reporters, with the exception of Egypt and the United Arab Emirates. Both Egypt and the UAE were the departure countries for all five trafficking instances in which they appeared.

Member highlights: Fruitful results of inter-agency cooperation across the continent – the Indian Buddha case

A twelfth century bronze image of Buddha seated in the Bhumipasara mudra (see Photo O) was among 19 bronze images stolen from the Archaeological Survey of India's (ASI) Nalanda site museum, in August 1961. This image was unknown for 56 years, but in early 2018 it was spotted by art enthusiasts at an auction organized by a London-based dealer. Indian Customs, through their attaché posted at the Indian Embassy in London, took up the matter with Her Majesty's Revenue and Customs (HMRC) and London Metropolitan Police. An expert examination confirmed the sculpture on auction was the same as the one stolen from Nalanda in 1961. Police investigations demonstrated the image changed hands several times before eventually being consigned to a London-based dealer for sale. Once it was revealed that the Buddha image was stolen, the dealer and the consignor cooperated fully with the police and returned the sculpture to India.

The return of this 900-year-old sculpture to India, by UK authorities, in August 2018, is an excellent example of international cooperation between law enforcement agencies of different countries and art enthusiasts committed to stopping the illicit trafficking of art and antiquities.

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



O: Courtesy: Indian Customs.
P: Courtesy: Sri Lankan Customs.

Sri Lanka Customs steps up airport controls

Sri Lanka has a rich cultural heritage and Sri Lankan Customs has been at the forefront of its protection. Two statues (Lord Ganesha statue – a stone statue weighing 45kg and animal statue – a stone statue weighing 23kg) were detected on 28th June 2016 at Bandaranaike International Airport – Katunayake (see Photo P). The objects were hidden in the passenger baggage and detected through baggage X-ray scanners. The suspect was bound to Chengdu, China. The objects were detained and referred to Department of Archeology for further clarifications which confirmed their archeological value. Both objects were forfeited under provisions of Customs ordinance (chapter 235), Antiques ordinance No. 09 of 1940 (chapter 394) and Antiquities (Amendment) act No. 24 of 1998.



On 18 December 2016 Customs officers at Bandaranaike International Airport – Katunayake detected five ceramic bowls and three ceramic plates (see Photo Q) in the accompanying luggage of a passenger. The suspect was bound to Qatar. After a Customs inquiry, production was detained and referred to Department of Archeology for further clarifications which confirmed that the objects were of the 18 century and hence were protected. The objects was forfeited under provisions of Customs ordinance (chapter 235), Antiques ordinance No. 09 of 1940 (chapter 394) and Antiquities (Amendment) act No. 24 of 1998.



On 22 January 2017 at Bandaranaike International Airport – Katunayake, Customs officers detected 1440 ancient coins in the accompanying luggage of a passenger bound to Qatar (see Photo R). After the confirmation that the objects were ancient and had an archaeological value, they were seized.



On 28 April 2017, at Bandaranaike International Airport – Katunayake, several Ola leaf manuscripts were detected in the checked-in luggage during an X-ray examination. The passenger was going to China. After the confirmation that these were the original Ola leaves that have an archeological value, they were seized. Below are the descriptions of the manuscripts:

“Sathara Banawara Atuwaawa” is written in Paali and Sinhala languages belongs to 1750 A.D. – 1796 A.D. It is written on 79 ola leaf pages having a length of 28 inches and a width of 2.5 inches.

“Soorya Shathakaya” is written in Sinhala language belongs approximately to 1900 A.D. It is written on 46 ola leaf pages having a length of 15 inches and a width of 2 inches.

“Ummagga Jaathakaya” is written in Sinhala language belongs approximately to 1800 A.D. It is written on 100 ola leaf pages having a length of 27.5 inches and a width of 2.2 inches.

“Manthra Potha” is written in Sinhala language belongs approximately to 1800 A.D. It is written on 32 ola leaf pages having a length of 15 inches and a width of 2 inches.

Source: Sri Lanka Customs.



FIGURE 10: TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

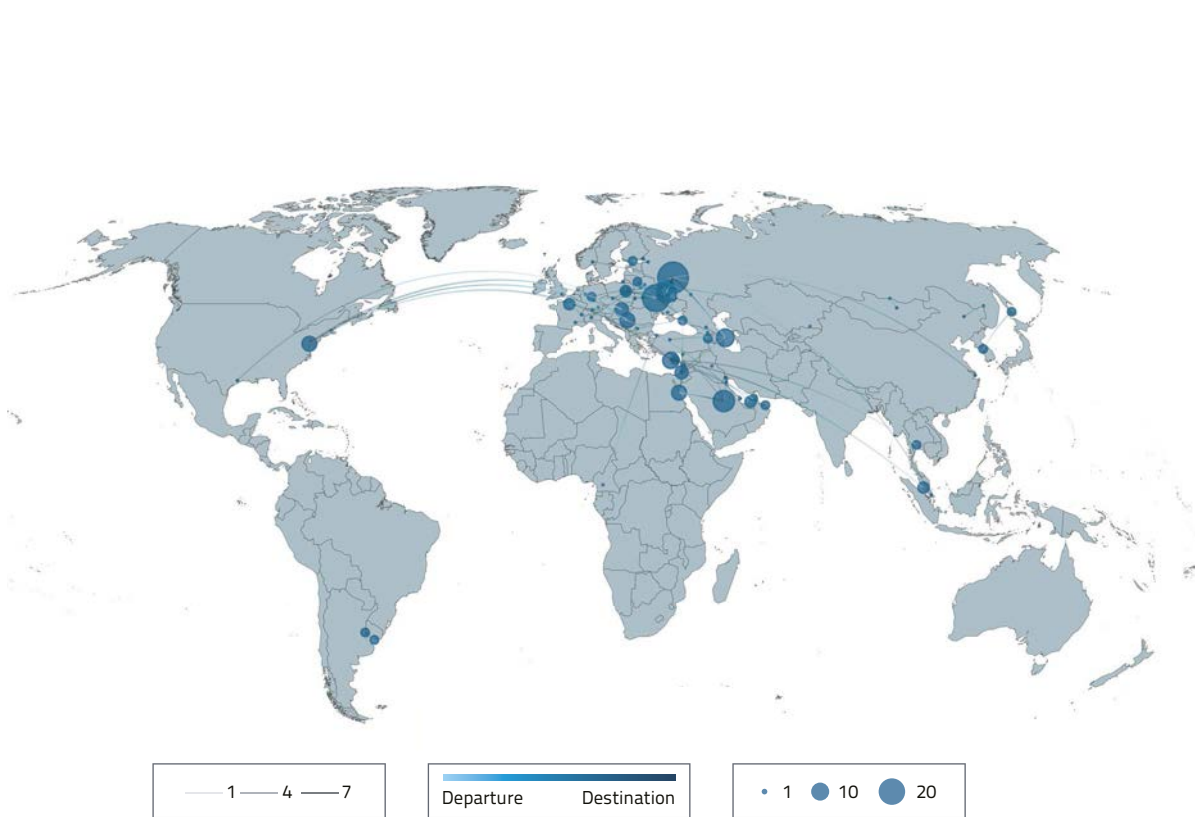


Figure 10 depicts the illicit flows of cultural objects from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases involving departures from or terminations within a particular city. When no specific location was found in the data, the capital of a given country serves as a proxy city location. The flows connecting points on the map are light blue in color at their origin and become darker as they approach their destination. The darker the overall tone of a flow, the more frequently that trafficking route appeared in the data for 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin point or while in transit. In all cases, flows represent intended routes of transit as they were reported.

Customs officers reported 69 unique trafficking routes in 2018, appearing in 198 different instances. The majority of these routes were between locations in Eastern and Central Europe and the CIS. Routes between cities in these regions appeared with unusual frequency, particular those running from Bachivsk, Ukraine, to Moscow, Russia (nine seizures), and from Bryansk, Russia, to Kyiv, Ukraine (5 seizures). Some routes that appear frequently also involve countries that did not report cases. Among these, five trafficking instances were recorded involving cultural objects travelling from Safaga, Egypt, to Riyadh, Saudi Arabia.

2. OPERATIONS

In 2018, Customs and Police from 29 countries coordinated by Spanish Civil Guard (Guardia Civil) and supported by Europol, INTERPOL and WCO, conducted Operation Pandora III, a joint European regional endeavor designed to combat illicit trafficking of cultural objects. The Operation, which took place from 22 to 30 October 2018, resulted in the arrest of 59 individuals and seizures of more than 18,000 cultural objects³, including archaeological and paleontological objects, sculptures and statues, ancient weapons, paintings, jewelry, religious and liturgical items, books, icons and mosaics. During the checks, facilitating objects, such as metal detectors, were also seized. In total, 123 cases were reported during the Operation.

Within the framework of Operation Pandora III, a cyber patrol week was organized by Dutch Police (Politie), as part of a multi-disciplinary law enforcement initiative. Twenty-six experts from 21 countries, Europol, INTERPOL and WCO mapped active targets and developed intelligence packages. A total of 169 suspicious websites were targeted, resulting in the seizure of 682 objects. In particular, following checks of the Internet, the Italian Carabinieri TPC seized 91 ceramic objects in private premises and 109 ancient coins in the mail center. An Internet check was also instrumental to the Dutch police who detected a fifteenth-century Bible stolen in Germany more than 25 years ago. The Bible was seized and returned to Germany.

Operation highlights

- Spain reported the greatest number of seized objects (10,378), due primarily to one case that resulted in an extraordinary seizure, by Guardia Civil, of 10,000 archaeological objects in a warehouse. Poland, Slovakia and Romania also reported large numbers of seized objects.
- In one investigation, Romanian Police seized five ancient Roman statues that were part of the collection of the former history museum from Cincis locality, Hunedoara County, Romania (see Photo U). The artefacts disappeared in the 1960s and were recovered from private premises.
- German Customs seized an ancient Mesopotamian crystal cylinder seal that had been shipped to Germany by post. The investigation is ongoing.



Because European countries are not only the destination of trafficked cultural objects but also a rich source of trafficking, most seized objects were of European origin. There are also many objects (2,517) where the origin was not identified at the time of reporting. Identification takes a long time, and sometimes it is difficult to identify the source country. For example, objects from the ancient Roman period could belong to numerous countries within the Mediterranean region. Nevertheless, there were seizures of more than 30 objects coming from Colombia, Egypt, Iran, Morocco, Afghanistan and Iraq.

International coordination

Given the transnational dimension of this crime, Europol, INTERPOL and WCO established 24/7 operational coordination units to support information-sharing, to disseminate alerts and warnings and to perform cross-checks in different international and national databases. Officers made full use of INTERPOL's Stolen Works of Art database, performing several hundred searches during the Operation. The WCO established a virtual OCU by coordinating information exchange from CENComm. Experts from Europol, INTERPOL and WCO were also deployed to provide analytical on-the-spot support over the course of the cyber patrol week.

U: Courtesy: Romanian Police.

³ During Operation Pandora III, the majority of seized items were reported by Police. Therefore, they were excluded from CEN and do not form a part of the analysis in this Section. Customs seizures were reported through CEN and are included in the general analysis.



SECTION 2.

DRUGS

INTRODUCTION

Drug trafficking remains one of the most profitable criminal enterprises. To protect our society from drug trafficking activity that could support terrorist networks, the WCO has adopted an all-round strategy and an inter-agency approach. The WCO employs strategic partnerships with international organizations (such as UNODC, INCB, INTERPOL and UPU) in joint projects and capacity building activities, including the Container Control Programme (CCP), the Airport Communication Programme (AIRCOP), Operation COCAIR VII and Operation CATalyst 2.

Joint inspection and interdiction units have engaged to bring various law enforcement agencies together and to better coordinate border control and management.

The WCO acts as a platform through which Customs administrations can share international standards and best practices. It provides technical assistance and tailor-made capacity building workshops to implement international standards and expertise. Training modules cover all Customs areas, such as passenger- and cargo-targeting, risk management and analysis, new detection technology, canine detection, safe handling of drugs and emerging psychoactive substances.

A: Cocaine concealed inside an avocado. Courtesy: Peruvian Customs.

In 2018, 126 countries submitted 45,497 drug trafficking cases to the WCO. Customs officials monitoring some of the world's most heavily trafficked border crossings, airports, international mail centres, railroads and ports seized more than 1,324,094 kilogrammes of illicit narcotics. Analysis of the available data

shows that drug trafficking is a global problem affecting nearly every country in the world. The number of cases recorded across all reporting countries increased by 6.9% in 2018, while the weight of seized narcotics decreased by 1.6%.



B

B: Concealed cocaine. Courtesy: Slovenian Customs.

FIGURE 1: PERCENTAGE OF DRUGS SEIZURES BY CATEGORY, 2018

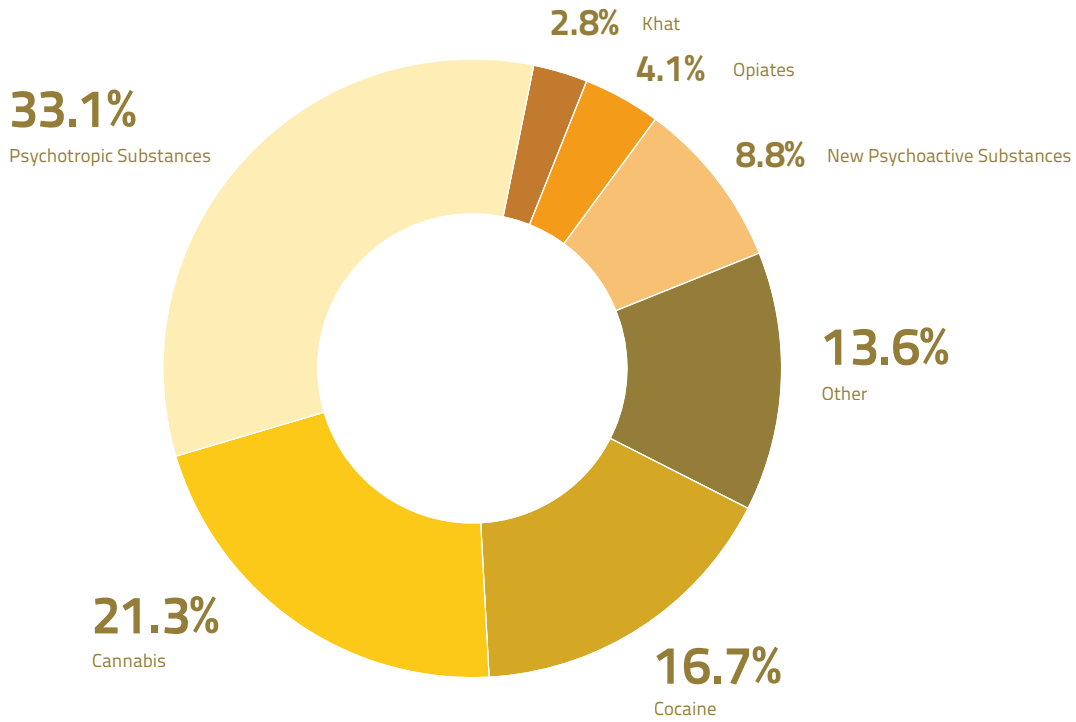


Figure 1 represents the total number of drug seizures reported in 2018, separated by the category of substance seized. In that year, Customs officers from 126 countries reported a total of 49,440 seizures, with psychotropic substances representing the largest percentage among that total (32.7%, or 16,200 seizures). The next most commonly seized drug in 2018 was cannabis, which accounted for 10,521 seizures—or 21.2% of all instances. Following cannabis, cocaine represented 16.7% of all seizures, while drugs in the other category amounted to 13.6% of all seizures.

The largest increase from 2017 to 2018 occurred in the other category, where trafficking spiked by 5,743 seizures. Meanwhile, reported seizures of khat exhibited the sharpest decline during this span of time, dropping by 5,211 instances.

FIGURE 2: NUMBER OF DRUGS SEIZURES BY CATEGORY, 2017–2018

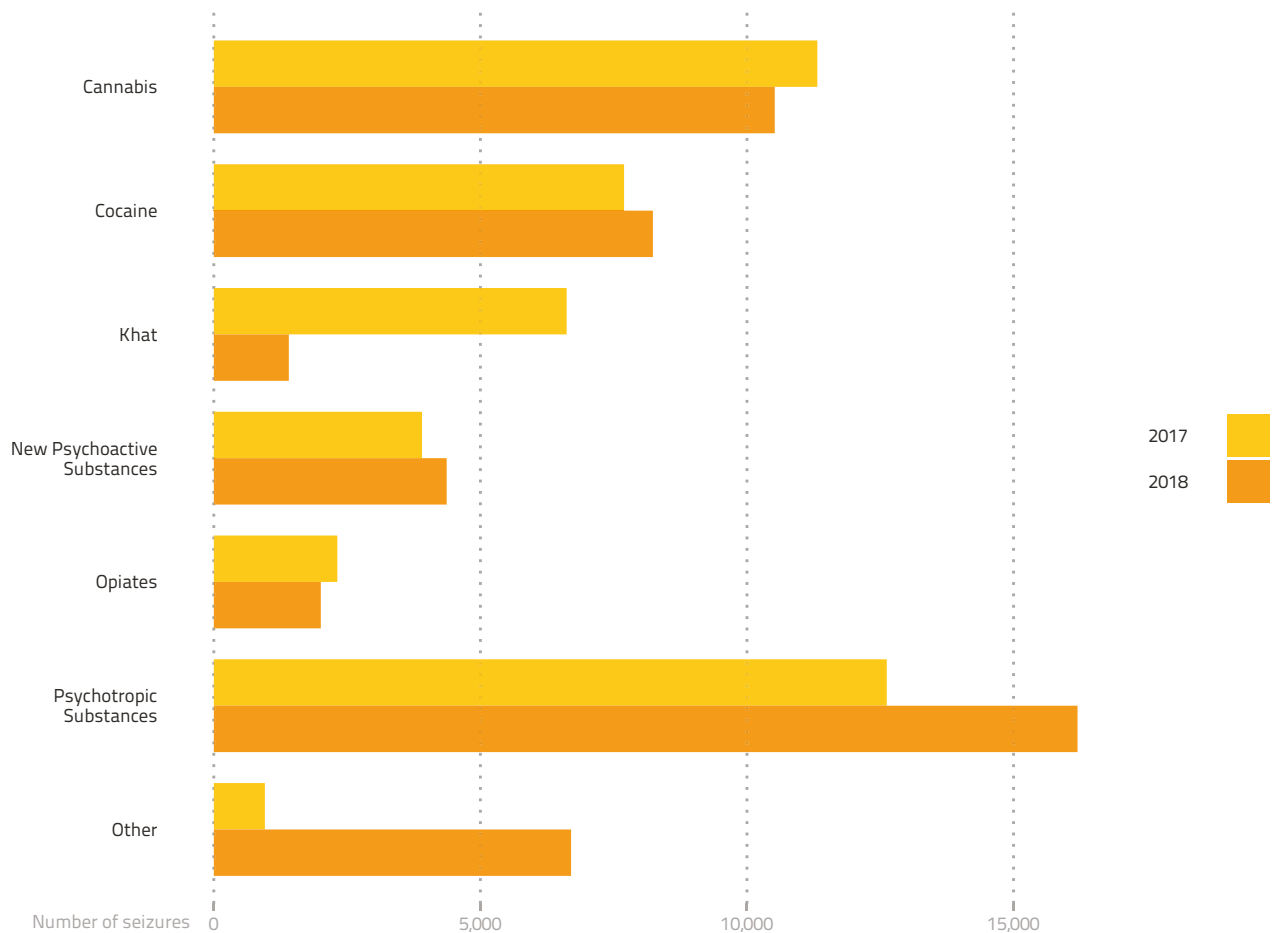


Figure 2 compares total reported seizures organized by drug category for 2017 and 2018. Customs officials reported 4,005 more seizures in 2018 than they did in 2017, totaling 94,875 seizures between the two years. Khat was the drug least commonly seized in 2018, representing only 2.8% of the year’s reported seizures and reaching a 2018 total (1,407) well below the number of seizures recorded for 2017 (6,618). Drugs in the other category exhibited the largest growth from 2017 to 2018, increasing from 2.1% of all seizures to 13.6% of all seizures. Meanwhile, opiate seizures saw a mild decline during this period, dropping from 5.1% to 4.1%.

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 trends discussed in this Section, therefore, may not necessarily depict a comprehensive view of trends in the global drug trade. Second, apparent increases in certain trades could 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), Psychotropic Substances and Opiates.
3. Projects and Operations.

1. OVERALL TRENDS IN TRAFFICKING OF NARCOTICS

FIGURE 3: QUANTITY OF DRUGS SEIZED BY CATEGORY, 2017–2018

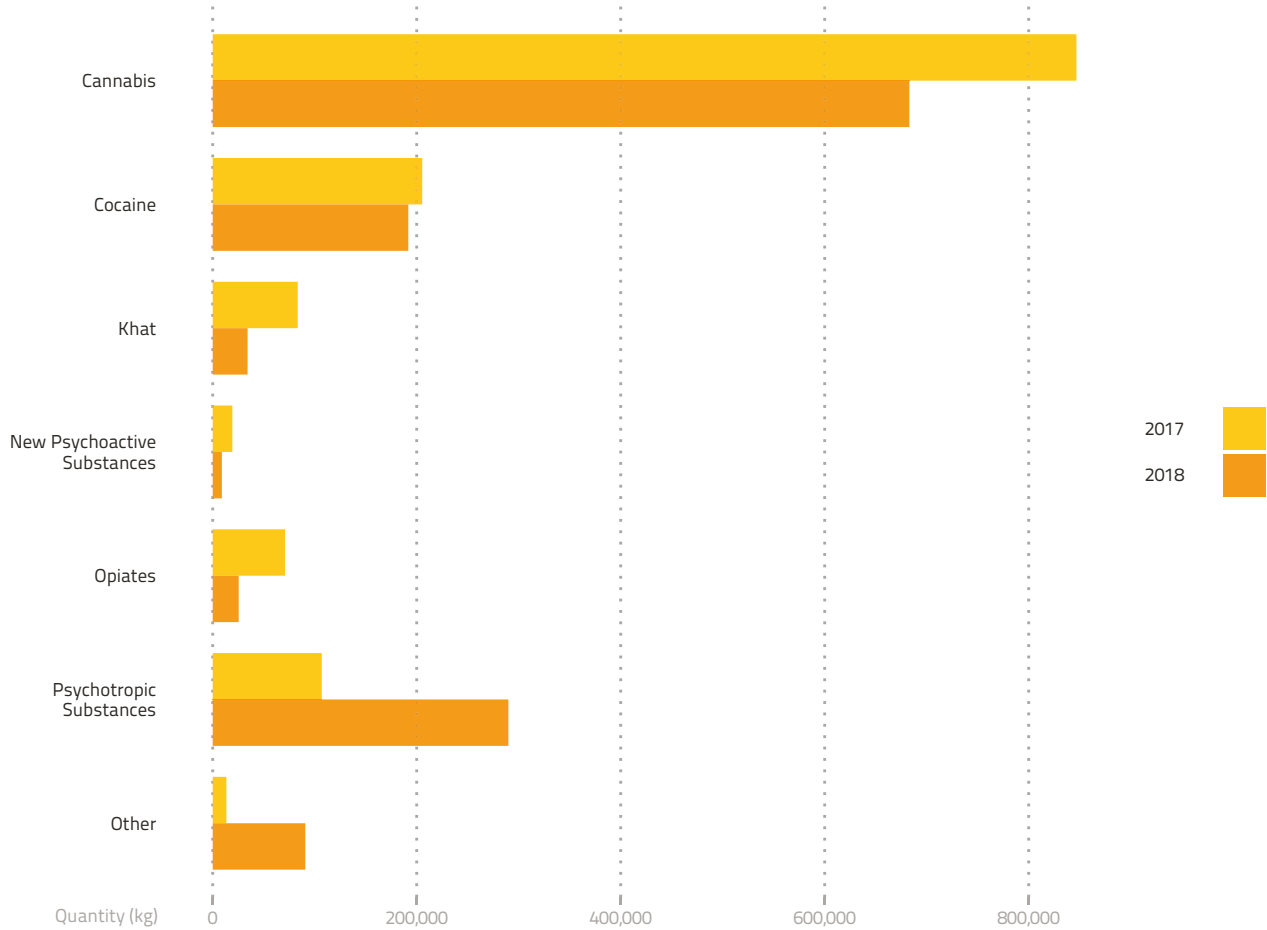


Figure 3 compares the quantity (measured in kilogrammes) of seized drugs reported for 2017 and 2018, a total amount that reached 2,670,205.25 kilogrammes. While there were more reported seizures in 2018 than there were in 2017 (see Figure 2), overall, 2018 saw a 1.6% decrease in the quantity of drugs seized.

The quantity of seized cannabis diminished most notably, dropping by 163,787.33 kilogrammes (19.3%), while the quantity of seized psychotropic substances surged in 2018, increasing by 182,982 kilogrammes (171.07%).

FIGURE 4: NUMBER OF DRUGS CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2018

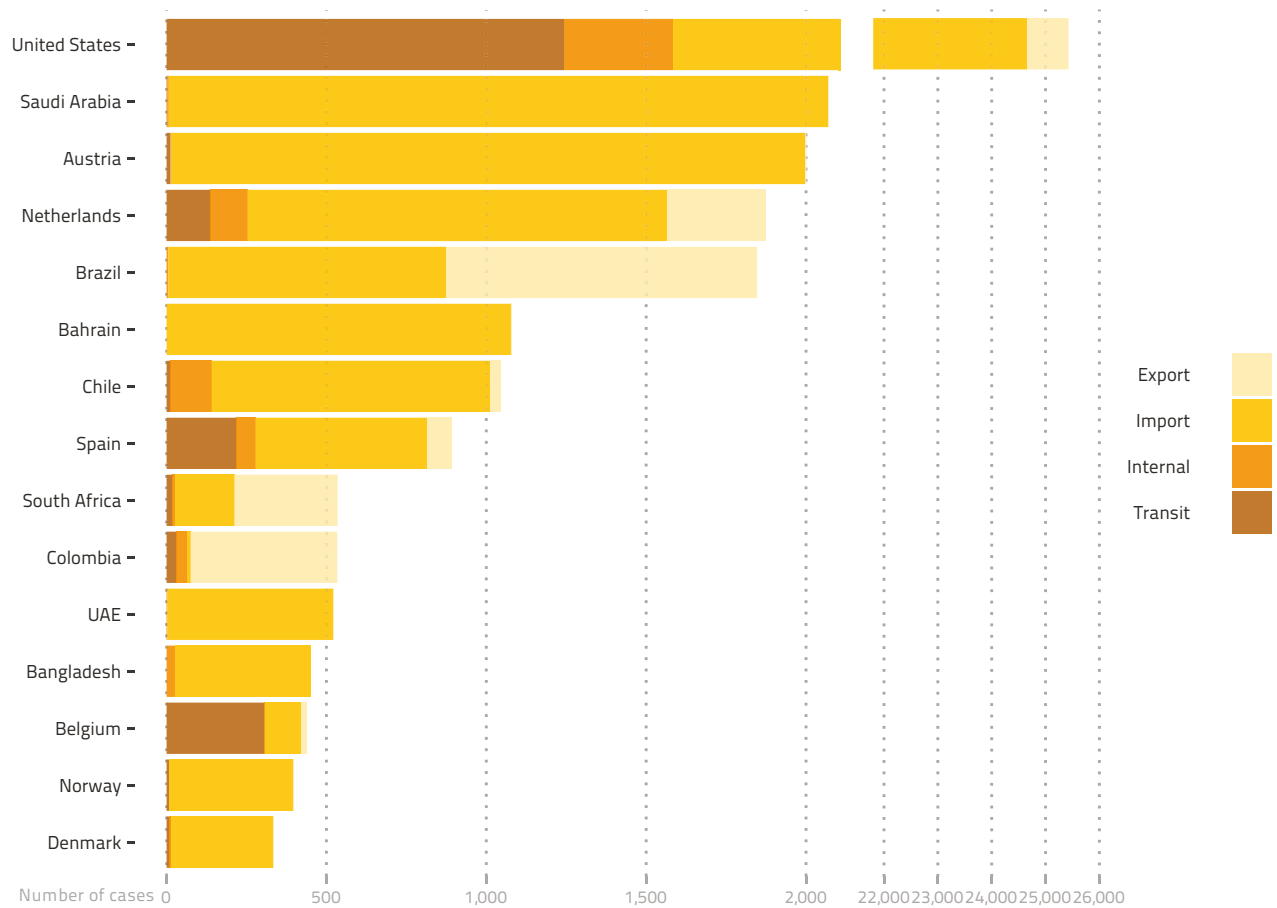


Figure 4 displays the top 15 countries that reported drug cases in 2018, and it indicates the direction in which target shipments were moving when they were confiscated. While 85.6% of represented drug cases involved imports, this Figure is skewed by data from Saudi Arabia and Austria, which reported cases as imports 99.6% and 99% of the time, respectively. Only Brazil (973) and the United States (766) logged more than 500 cases of exports.

A few countries reported dramatically different case totals from 2017 to 2018. For example, while Germany, in 2017, reported the fourth most drug cases, in 2018 it was not among the top 15

reporting countries. By contrast, Colombia did not appear in the top 15 reporting countries in 2017, although it became the tenth most common reporter in 2018.

Some countries reported different types of cases. In the United States, for example, between 2017 and 2018, transit cases increased by 110%, even as import cases were the ones most often reported by the United States. Indeed, of the 25,426 cases reported in 2018 by the United States, 90.8% (23,076) involved drugs seized during import.

FIGURE 5: PERCENTAGE OF DRUGS CASES BY DETECTION METHOD, 2018

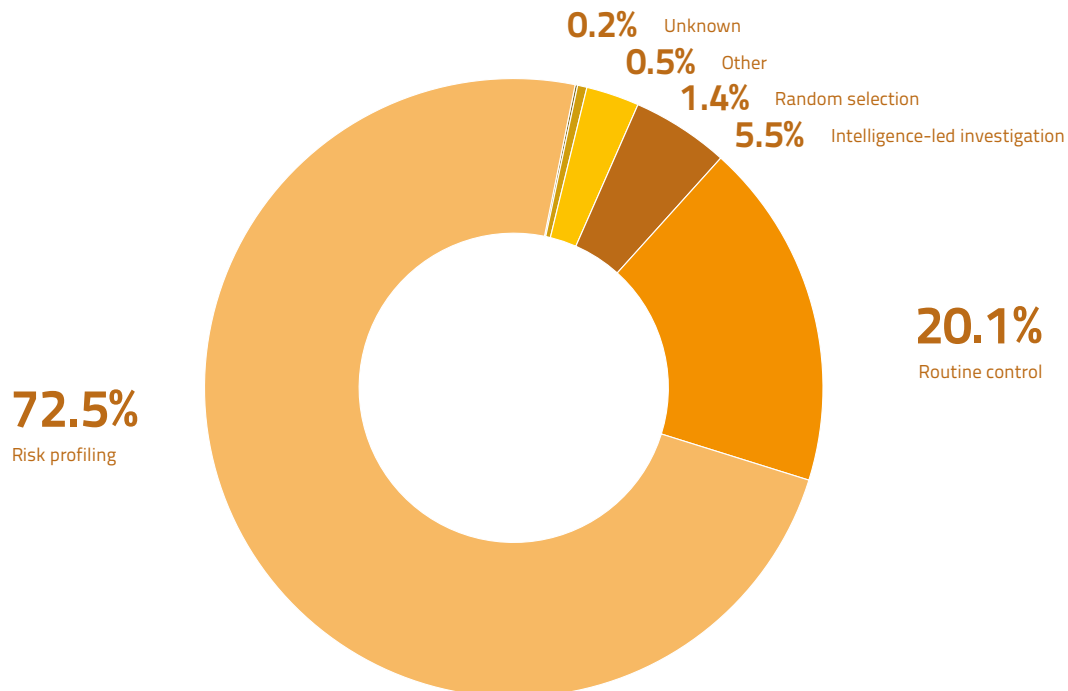


Figure 5 categorizes all reported cases by the detection method Customs officials employed to seize the contraband. According to available data, risk profiling, which entails screening shipments for red flags or indicators of illicit activity, is the most effective method of detection. In 2018, this method was employed in 73.4% of cases (36,268), netting 680,990 kilogrammes of drugs. Routine control was the next most common detection method employed in 2018, yielding 8,975 cases and 167,470 kilogrammes of contraband, while accounting for 18.2% of the year's cases. Finally, random selection doubled in prevalence during this period, increasing from 1.4% of cases in 2017 to 2.8% of cases in 2018, a year when it accounted for 1,372 cases and netted 17,519 kilogrammes of seized narcotics.

Figure 6 is a heat map of the number of seizures for each drug category as reported by participating countries. Each row includes all seizures reported by a country, classified by the category of drug seized. Grey fields indicate that the corresponding country reported no seizures of a given product; whereas, the relative darkness of a field's colour corresponds to the number of reported seizures of that drug. Because the 27,699 seizures reported by the United States far exceeded that of any other country, its data have been separated and analyzed independently. Excluding reports involving the United States, the heat map reflects 21,741 seizures, amounting to an average of 174 seizures per country.

FIGURE 6: NUMBER OF DRUGS SEIZURES BY CATEGORY AND COUNTRY, 2018

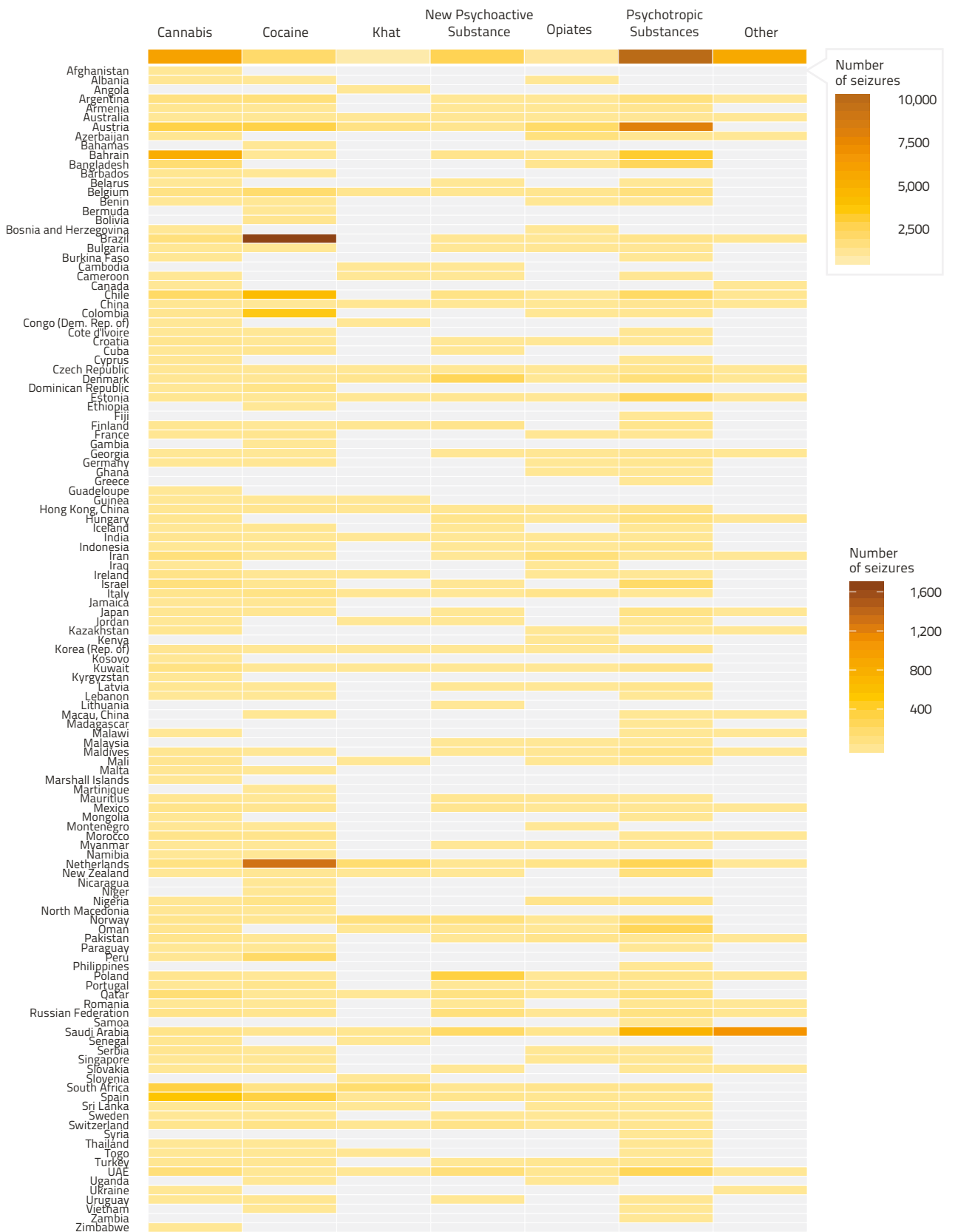


FIGURE 7: NUMBER OF DRUGS SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2017–2018

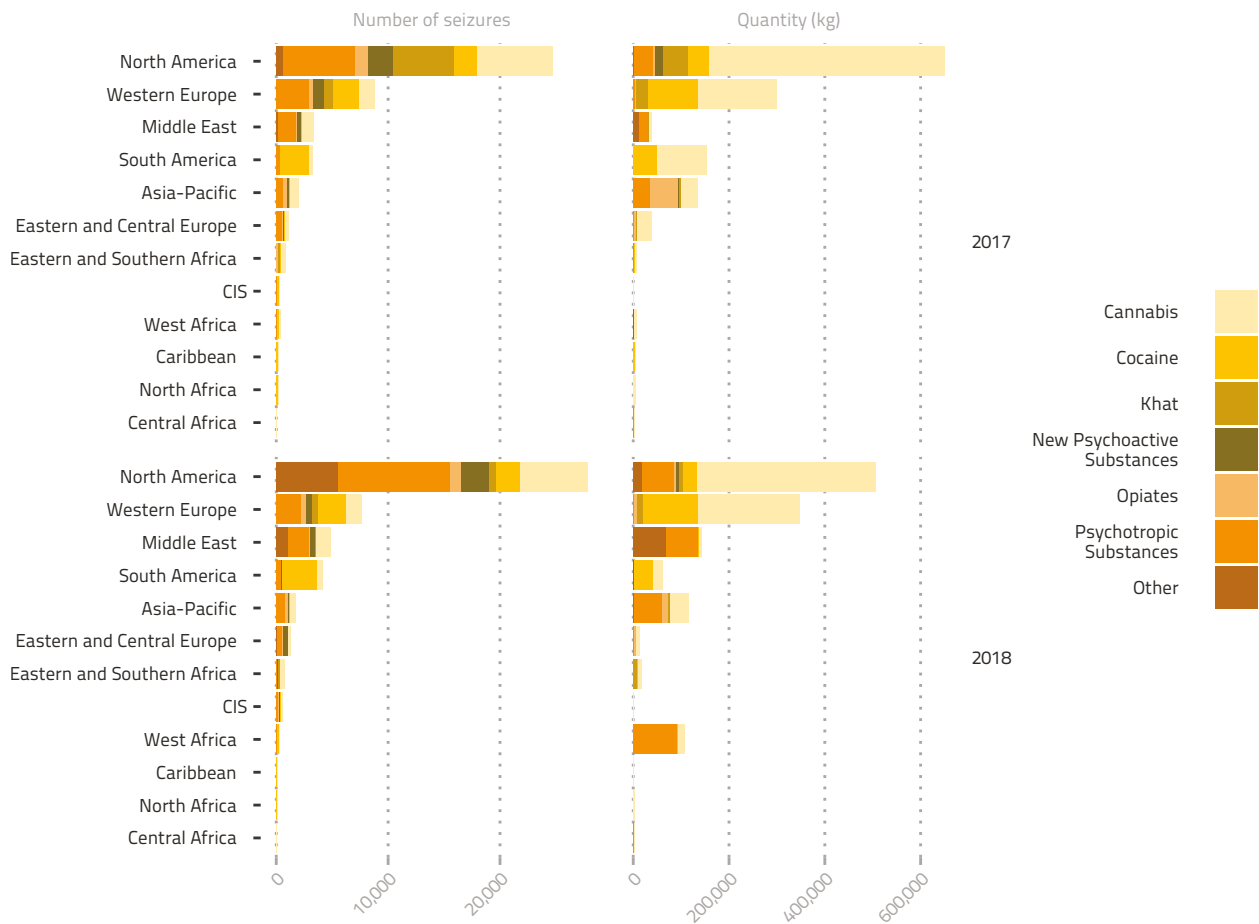


Figure 6 indicates that, in 2018, cocaine and psychotropic substances were associated with the greatest number of total reported seizures, even as cannabis was the most distributed drug. Indeed, 100 of the 125 countries (80%) reporting any category of drug seizure accounted for at least one seizure of cannabis. On the other end of the spectrum, cocaine appears to be relatively concentrated in certain countries, with Brazil, the Netherlands, Chile and Colombia reporting the most seizures (excluding the United States).

Figure 7 compares the number of seizures and the total quantity of drugs seized by reporting region for each narcotics category between 2017 and 2018. Due to the extensive reporting of the United States, which accounted for 99.6% (27,699 of 27,820)

of North American seizures, the region reported both the most drug seizures and the greatest quantity of product seized for both years, while accounting for 56.3% of total reported seizures.

Figure 7 also demonstrates that the quantity of psychotropic substances seized in West Africa increased significantly from 2017 to 2018, surging by 92,211.4 kilogrammes. This was due to an especially large seizure of Tramadol in Mali. However, it also offers additional context and support for Figure 2 and Figure 3, which showed increases in 2018 in both the number of seizures of psychotropic substances and the quantity of such contraband seized. Similarly, North America reported a 58.6% increase in the number of seizures of psychotropic substances. By contrast, the quantity of cannabis seized reported in North America during the same period decreased by 24.3%.

FIGURE 8: DRUGS TRAFFICKING FLOWS BY REGION, 2018

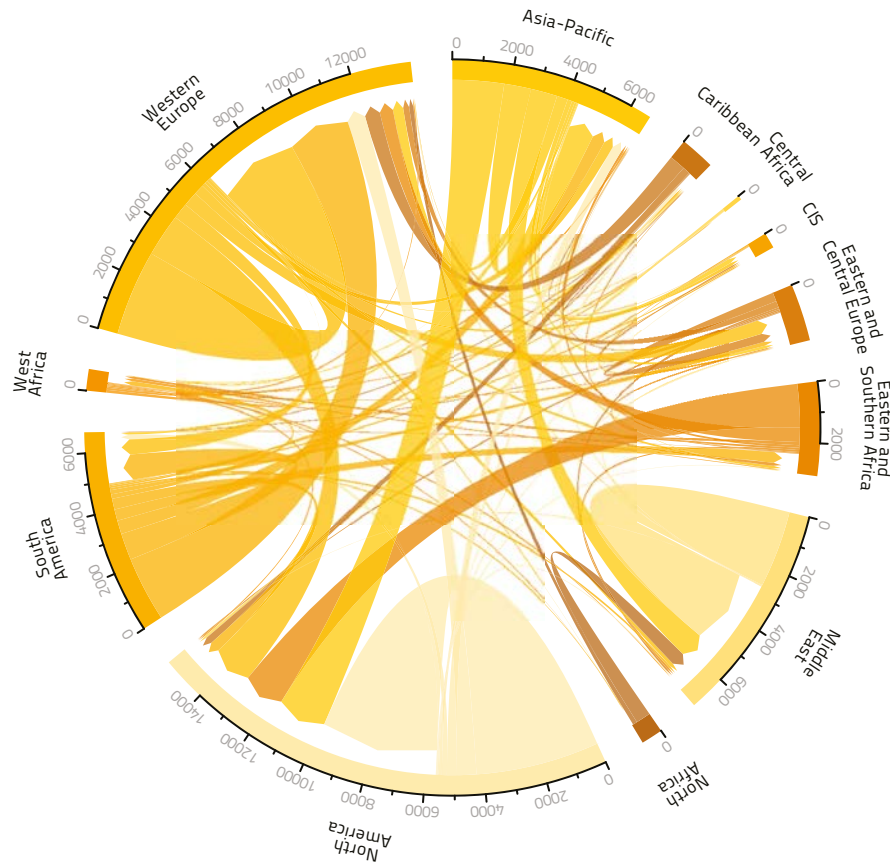


Figure 8 displays the intended drug trafficking flows from, to and within reporting regions for 2018, regardless of where a given shipment was seized. This Figure shows only trafficking routes that appeared in five or more trafficking instances. North America, once again, was the world’s top destination for smuggled narcotics. In fact, this region accounted for 11,207 (38.5%) of the Figure’s 29,061 total trafficking flows, with 4,252 (37.9%) of the region’s flows classified as intra-regional, meaning the flow both originated and terminated in North America. This route was the most

common trafficking flow represented, while another intra-regional route, moving entirely within Western Europe, was second most prevalent. The Commonwealth of Independent States (CIS) and North Africa are the only regions without reported exports to North America, while, with the exception of Central Africa, North America reported exports to every region within Figure 8.

FIGURE 9: HEAT MAP OF DRUGS TRAFFICKING INSTANCES BY COUNTRY, 2018

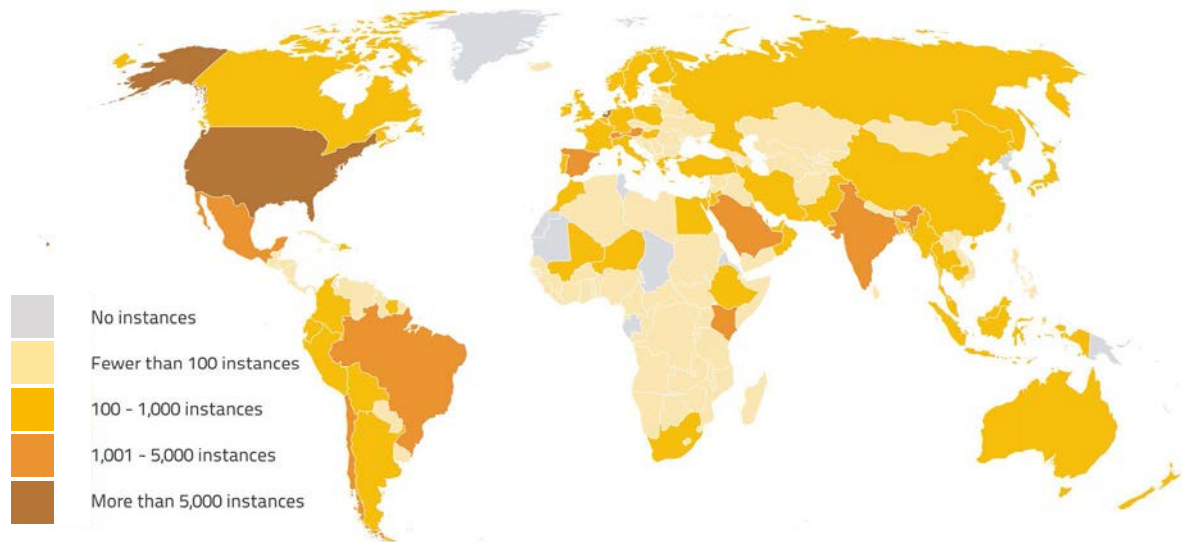
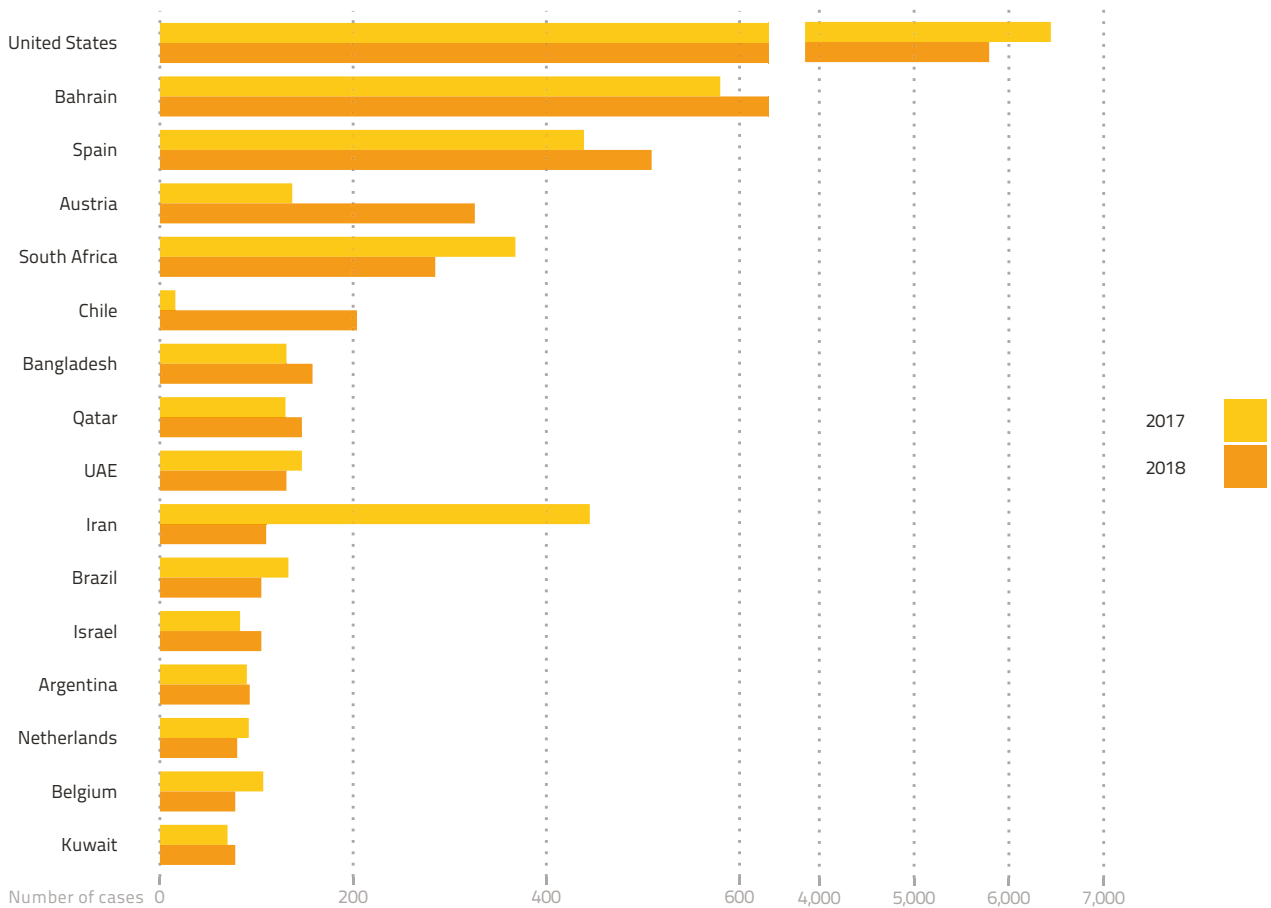


Figure 9 is a heat map of drug trafficking instances by country and frequency in 2018. Each country indicated in the Figure was either the origin, destination or a transit point for one or more seized shipments of narcotics, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 9 depicts all countries through which drugs are known to have been trafficked, or were intended to have been trafficked, in 2018.

From 2017 to 2018, the number of countries implicated in narcotics trafficking cases decreased from 198 to 191. As was the case in 2016 and 2017, the United States was implicated in the greatest number of instances (27,534), although the United States also reported the greatest number of cases overall. The only other country implicated in more than 5,000 instances was the Netherlands (5,048).

2. THE DRUG TRADE BY CATEGORY

FIGURE 10: NUMBER OF CANNABIS CASES BY COUNTRY, 2017–2018



2.1 - Cannabis

Figure 10 compares the total number of cannabis cases reported by the top 15 reporting countries in 2017 and 2018. Of these countries, nine reported a higher number of cannabis cases in 2018 than they did the previous year, even as the aggregate number of cases decreased by 4.5% (403) between the two years. This decline was largely due to fewer cannabis cases recorded by Germany (97.6% fewer) and Iran (75.3% fewer). The United States and South Africa, two of the heaviest reporting countries, also demonstrated

a downward trend in this regard, with the United States reporting 651 (10.1%) fewer cases in 2018 and South Africa reporting 83 (22.6%) fewer cases. By contrast, the uptick from 2017 to 2018 was greatest in Austria, which submitted 326 cannabis cases (a 138% increase), and Chile, which recorded 204 such cases (a 1,175% increase).

Case study 1. Multinational cannabis smuggling gang arrested

On 6 May 2018, a joint investigation by the Spanish Policia Nacional and Gaurdia Civil and the Irish Garda National Drugs and Organised Crime Bureau led to the seizure of almost seven tonnes of herbal cannabis. In March 2018, police learned about the members of the smuggling ring, who moved cannabis from Morocco to Spain via boats and then stored their product at a house owned by a British national in San Pedro de Alcantara. In May 2018, a van carrying 35 bales of cannabis attempted to bypass a police stop and ran into several police cars, after which the van's occupants were arrested.

From there, police identified and arrested the other members of the gang (11 individuals with nationalities including Moroccan, Spanish, Irish and British) for their association with the seven tonnes of cannabis. During the course of their investigation, police also seized cocaine, ecstasy, cash, several vehicles, mobile phones, two vacuum-packing machines and a gun.



SOURCES

- The Irish Times, Irish person held as Spanish police seize 7 tonnes of cannabis, available at <https://www.irishtimes.com/news/crime-and-law/irish-person-held-as-spanish-police-seize-7-tonnes-of-cannabis-1.3600925>, accessed 21 October 2019.
- Daily Mail, British 'drug lord' is among 11 arrested as Spanish police raid luxury Marbella home and seize seven tons of cannabis worth £15million, available at <https://www.dailymail.co.uk/news/article-6073693/British-drug-lord-11-arrested-Spanish-police-seize-cannabis-worth-15million.html>, accessed 21 October 2019.

FIGURE 11: NUMBER OF CANNABIS SEIZURES AND QUANTITY SEIZED BY TYPE, 2017–2018

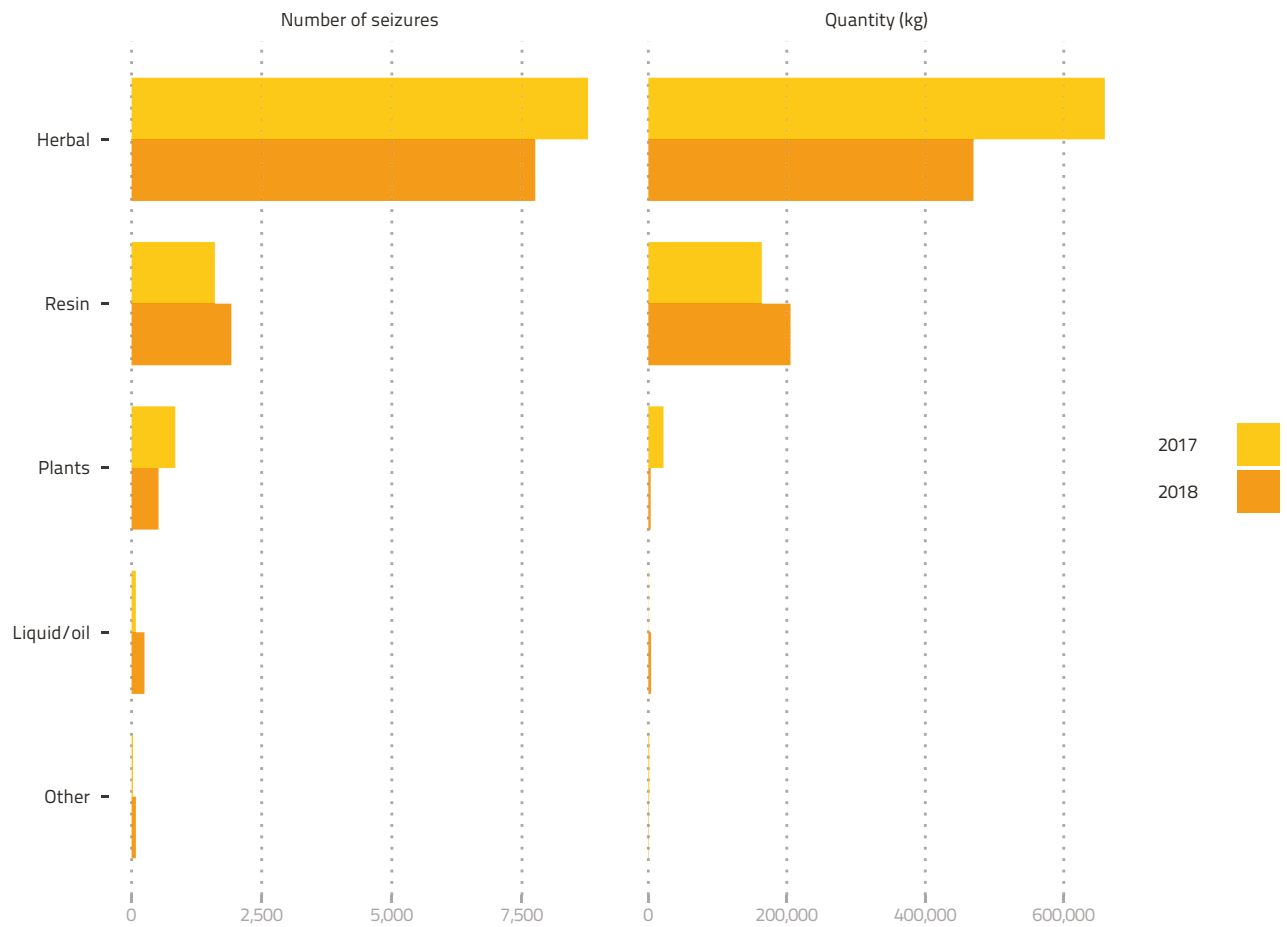


Figure 11 compares the number of seizures and the quantity of contraband seized for each type of cannabis between 2017 and 2018. In 2018, both the aggregate number of cannabis seizures and the quantity of product seized decreased, dropping by 7.1% and 19.3%, respectively. Figure 11 accounts for 683,002.6 kilograms of cannabis (of all types) seized in 2018, compared to 846,789.9 kilograms seized in 2017. Of the 10,521 seizures in 2018, 7,755 (73.7%) involved herbal cannabis, amounting to a decrease of 1,014 herbal cannabis seizures from 2017.

While seizures of herbal cannabis and its quantity seized decreased continuously from 2016 to 2018, the number of resin seizures and its quantity seized grew over the same period, increasing by 19.7% (316) and 25.3% (41,519.2 kilograms) in 2018. Customs officials reported 205,404.4 kilograms of seized resin cannabis in 2018.

FIGURE 12: NUMBER OF CANNABIS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

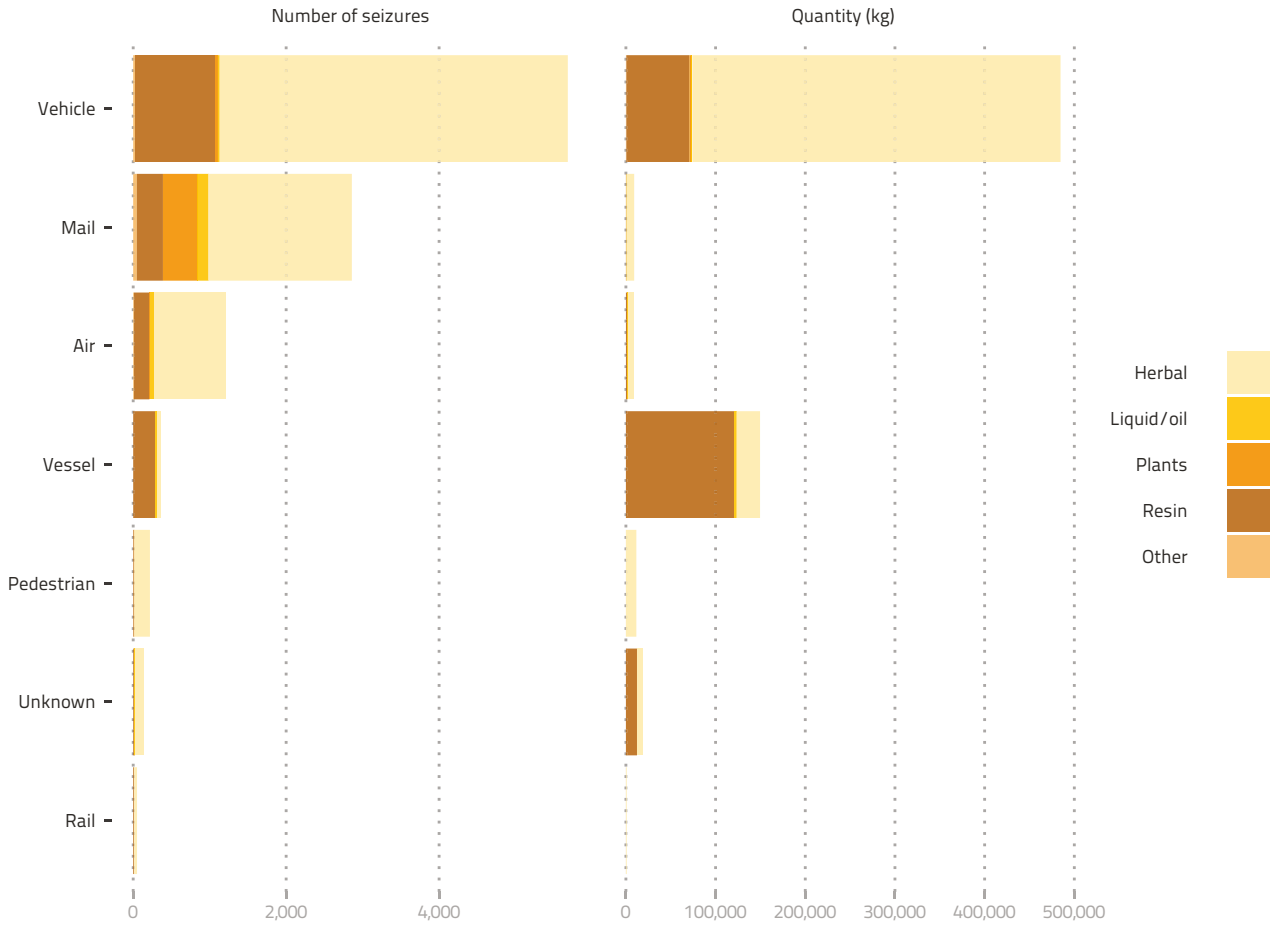


Figure 12 demonstrates the number of seizures and the quantity of cannabis seized by type and conveyance method in 2018. Most cannabis seizures involved vehicles, including motorcycles, cars, vans and lorries. Seizures from vehicles made up 54% of the 10,521 cannabis seizures in 2018, accounting for 484,623 kilograms (71%) of cannabis seized. Although trafficking through the mail and by air were the second and third most prevalent means of conveyance, the quantity of cannabis seized through the mail or by air was comparatively low. Indeed, the average seizure

where mail was the means of conveyance amounted to only 3.2 kilograms of cannabis, although one very large seizure of herbal cannabis (480 kilograms) occurred on the Thailand–Laos border.

While seizures from vessels were relatively rare in 2018, this conveyance method accounted for 149,590 kilograms of seized cannabis, of which 80.9% was resin and 17.6% was of the herbal variety.

FIGURE 13: PROPORTION OF CANNABIS SEIZURES BY TYPE AND COUNTRY, 2018

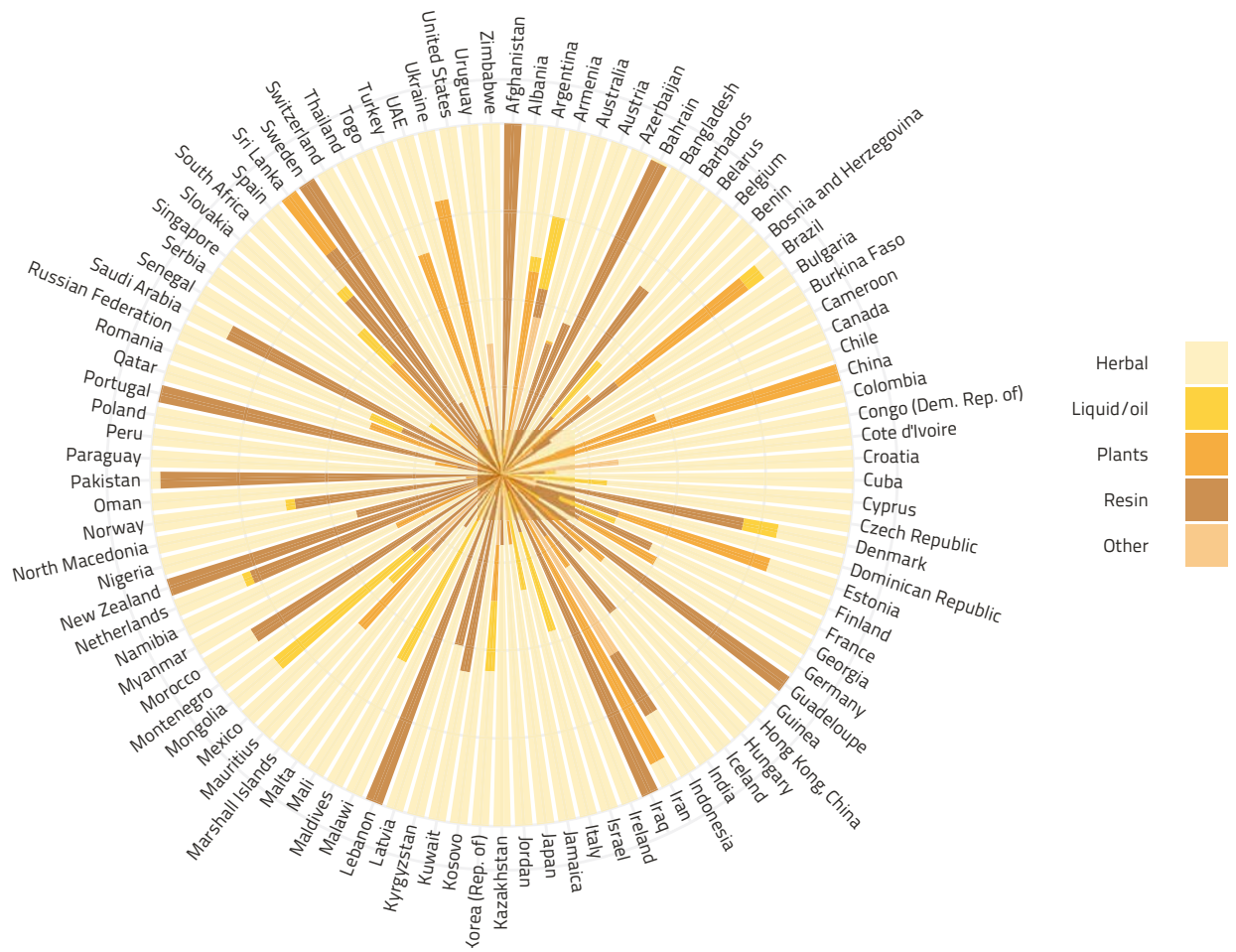


Figure 13 compares the type of cannabis seized, per country, for countries reporting at least one such seizure. In 2018, 101 countries reported at least one cannabis seizure, reaching a total of 10,521 for the year. While approximately one third of countries (33.7%) reported seizures for only a single category, four countries (Argentina, Brazil, South Africa and the United States) reported

seizures within every category. Ninety-two of the 101 countries in this Figure reported herbal cannabis seizures; and, as was also the case in 2017, Bahrain submitted the most resin seizures (802, or 41.8% of the total).

FIGURE 14: HEAT MAP OF CANNABIS TRAFFICKING INSTANCES BY COUNTRY, 2018

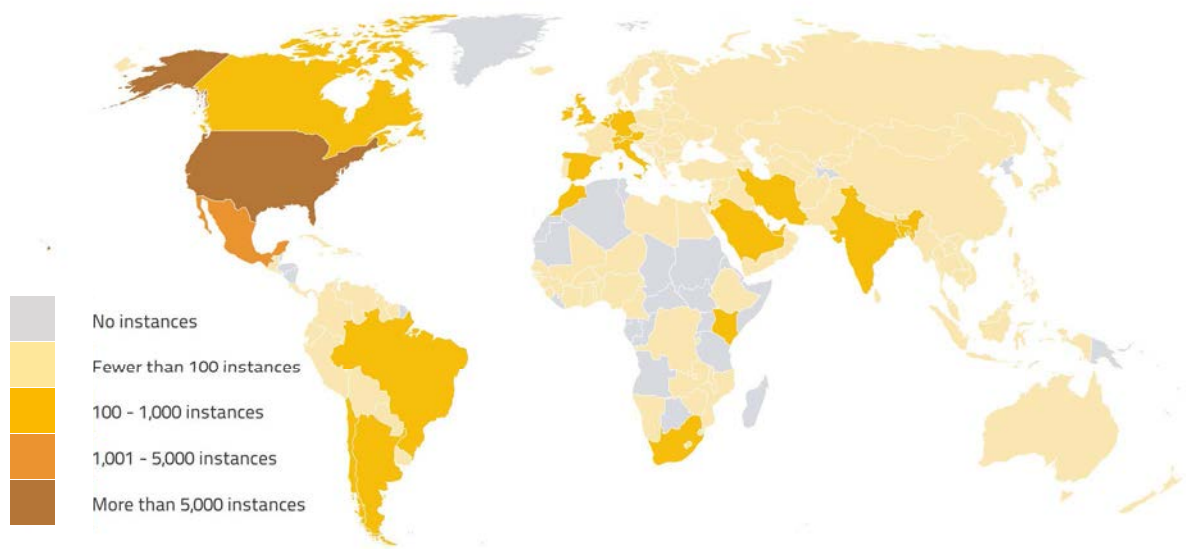


Figure 14 is a heat map of cannabis trafficking instances by country and frequency in 2018. Each country functioned as either the origin, destination or transit point for one or more seized cannabis shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 14 accounts for 18,709 trafficking instances and presents all countries through which cannabis is known to have been trafficked, or was intended to have been trafficked, in 2018.

In 2018, 158 countries were implicated in the illicit cannabis trade, with an average of 118 instances per country. As the only country implicated in more than 5,000 instances, the United States reported 6,324 cases — 4,717 (74.6%) of which showed the United States as the contraband's destination country. Mexico, implicated in 2,536 trafficking instances, was the only other country that recorded more than 1,000 cases. Altogether, the United States and Mexico were implicated in 47.4% of all trafficking instances represented in Figure 14. The second and third most prevalent regions, Western Europe and the Middle East, were involved in 3,358 (17.9%) and 2,162 (11.6%) trafficking instances, respectively.

FIGURE 15: CANNABIS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

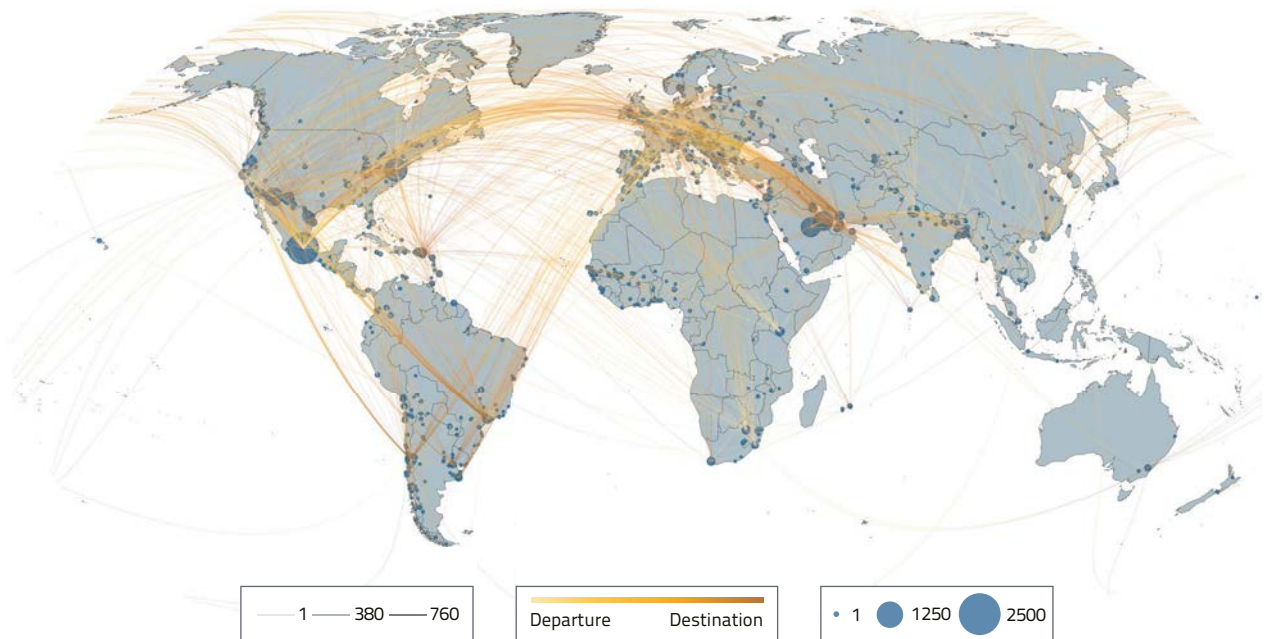
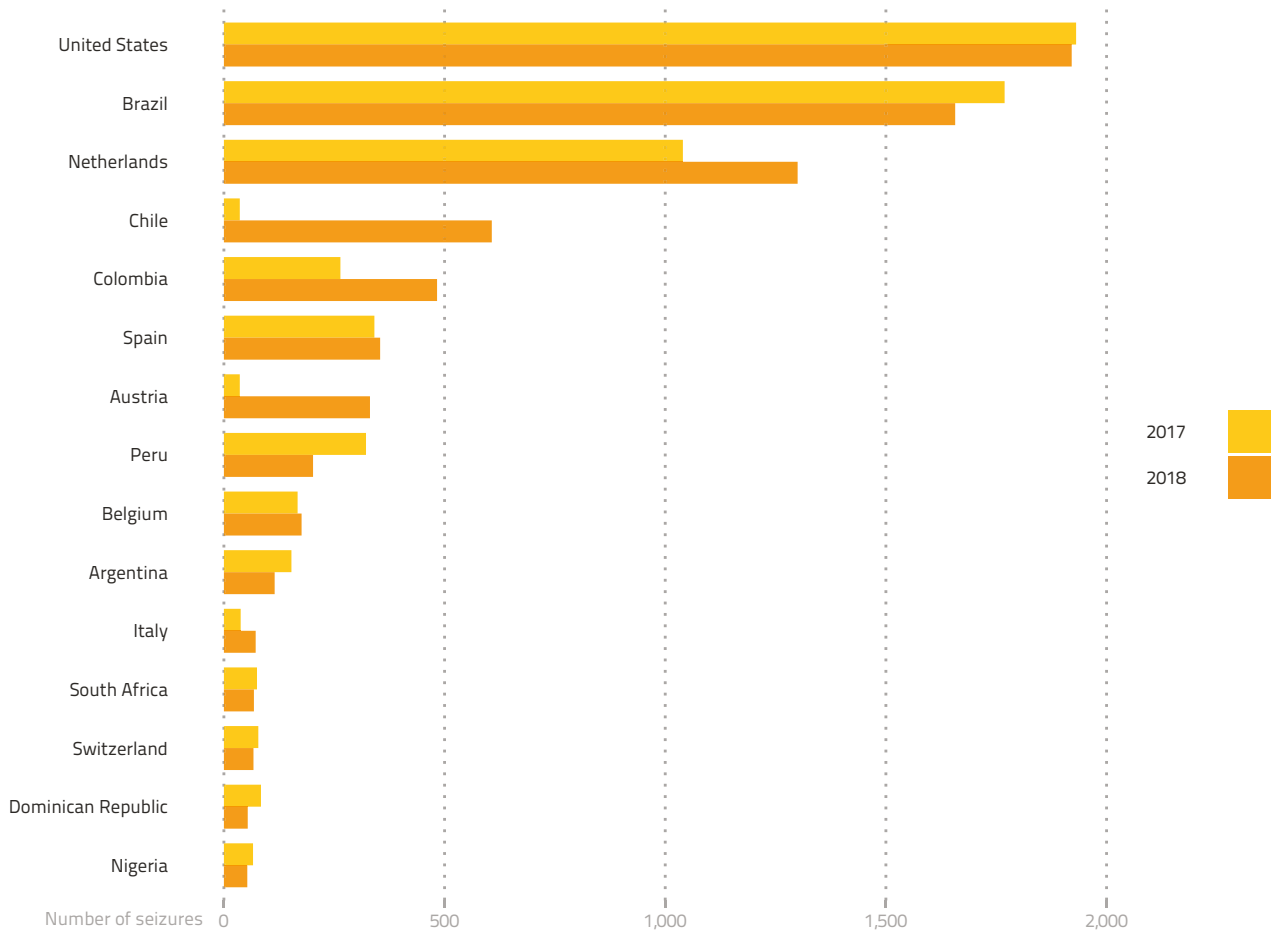


Figure 15 details the illicit flows of cannabis, from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases involving departures from or terminations within a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in colour at their origins and become orange as they near their destinations. The darker the overall hue of a flow, the more frequently that trafficking route appeared in the data for 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit.

This comprehensive mapping shows that, in 2018, cannabis trafficking flows were truly international in scope, albeit highly concentrated in a few localities. In total, Figure 15 illustrates 16,880 illicit flows spanning 994 cities and 158 countries. Mexico City was the most common point of departure, with more than three times as many instances (2,482, or 29.4% of all departures) as that of the second most frequent departure city, Riyadh (786 instances). North America recorded the most instances, implicated as a departure region in 3,987 cases and as a destination region in 3,459 cases. Surprisingly, while North Africa was associated with 188 cases as a departure region, it was only implicated as a destination region in five cases.

FIGURE 16: NUMBER OF COCAINE CASES BY COUNTRY, 2017–2018



2.2 - Cocaine

Figure 16 compares the total number of cocaine cases reported by the top 15 reporting countries in 2017 and 2018. Across all countries, there was a 16.6% increase in cocaine cases reported between 2017 and 2018. As was the case with cannabis, Chile and Austria saw the greatest uptick in cocaine cases from 2017 to 2018, with Chile reporting an increase of 1,586.1% (surging from 36 to 607 cases) and Austria reporting an increase of 819.4% (climbing from 36 to 331 cases).



E: Cocaine seized in Hong Kong. Courtesy: Hong kong Customs.

FIGURE 17: NUMBER OF COCAINE SEIZURES AND QUANTITY SEIZED BY TYPE, 2017–2018

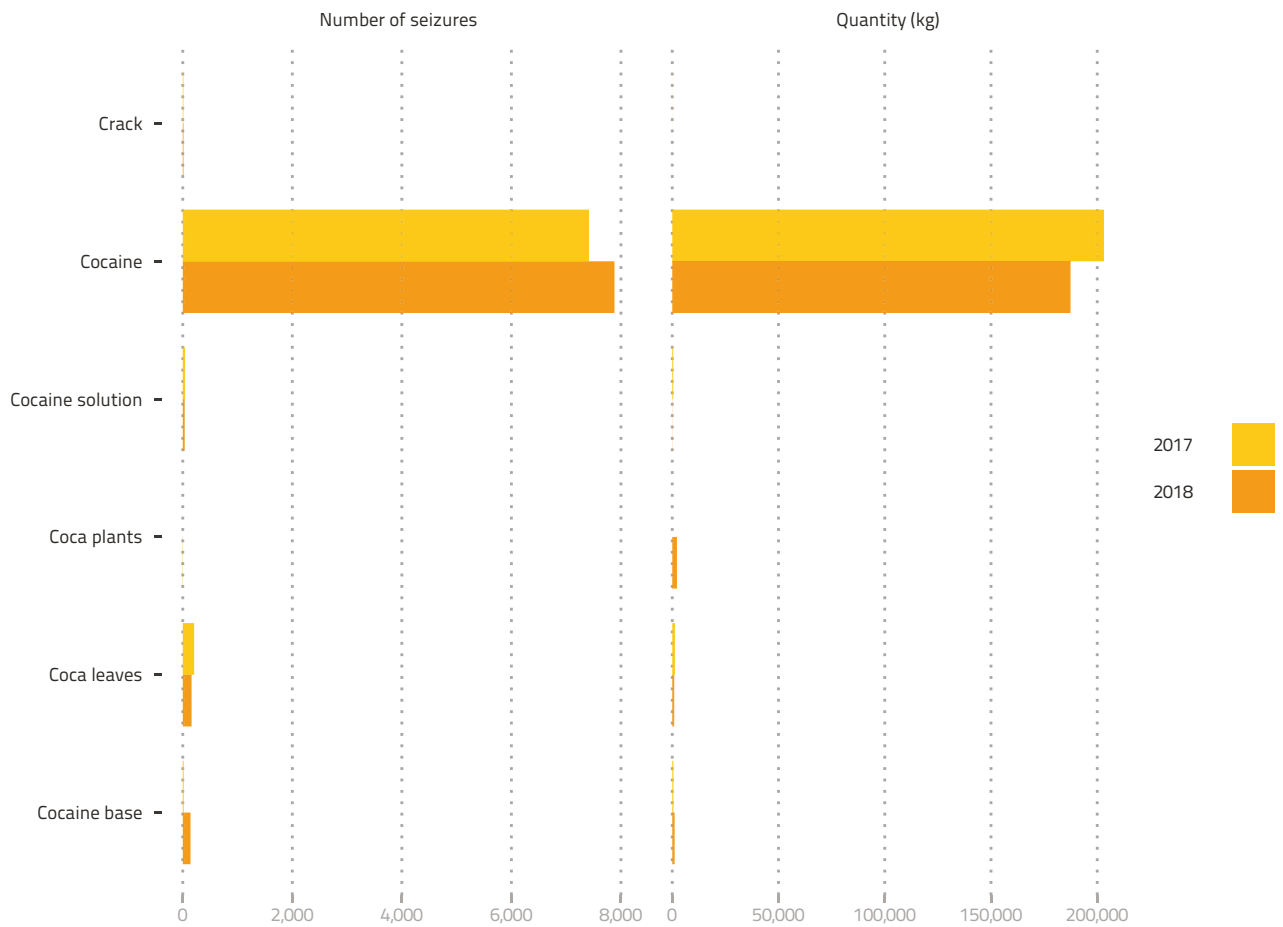


Figure 17 compares the number of seizures and the quantity of each type of cocaine seized between 2017 and 2018. In 2018, 8,236 cocaine seizures, amounting to 191,751.82 kilogrammes, were reported across all product types. While the number of seizures increased by 7% in 2018, the amount of cocaine seized contracted by 6.7%. Of the 8,236 seizures reported that year, 7,882 (95.7%) were of powdered cocaine, 161 (2%) were of coca leaves,

and 141 (1.7%) were of cocaine base. While more than 95% of both seizures and quantity seized involved powdered cocaine in 2018, the percentage of this form of drug relative to the overall total dipped slightly, going from 98.9% in 2017 to 97.7% in 2018. This decline was due primarily to an increase in the seizure quantities associated with coca plants, totals that went from zero kilogrammes in 2017 to 2,202.4 kilogrammes in 2018.

FIGURE 18: NUMBER OF COCAINE SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

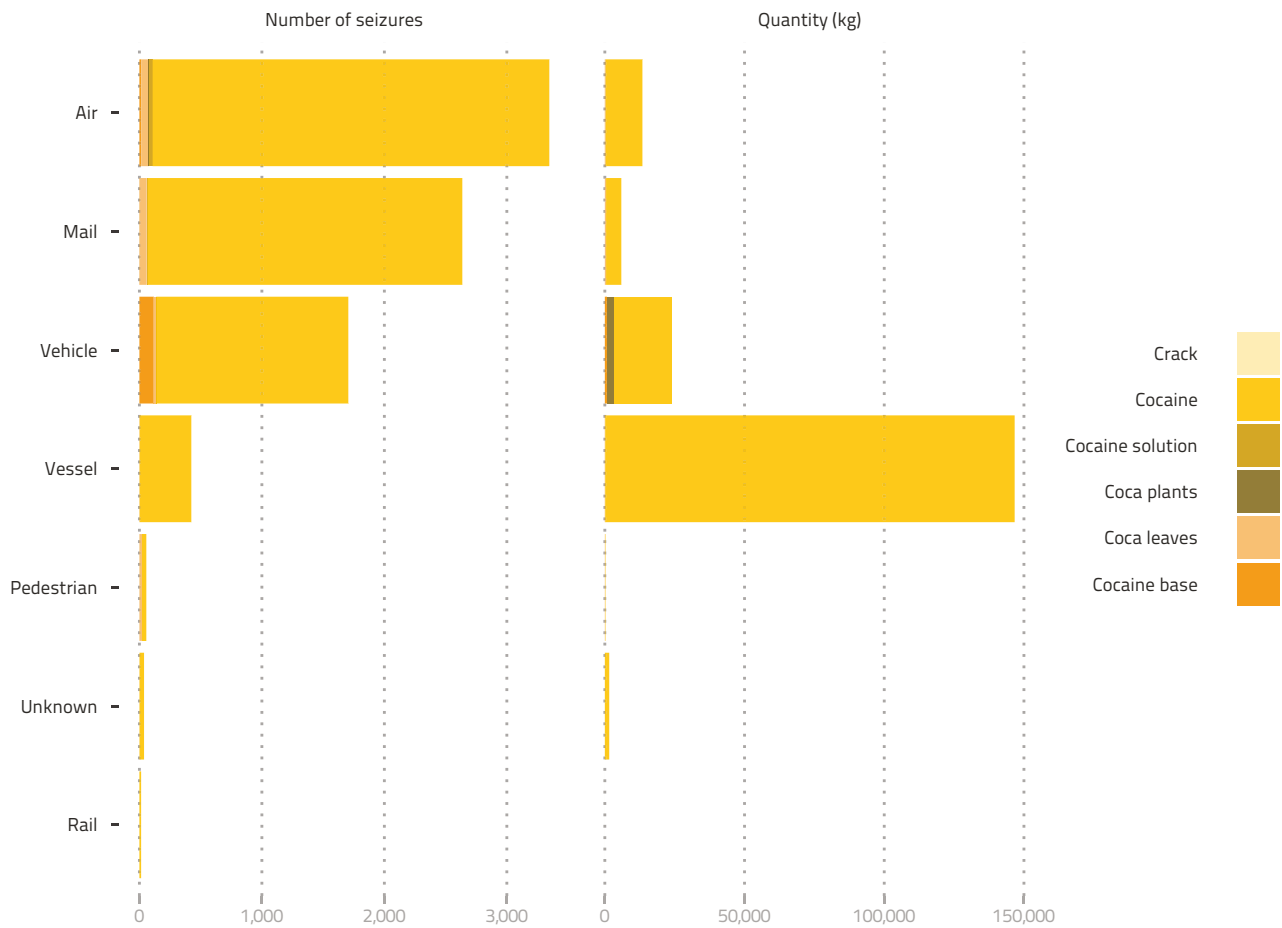


Figure 18 compares the number of seizures and the quantity of each type of cocaine seized by type and conveyance method. The majority of reported cocaine seizures involved small quantities of product seized, with seizures averaging 23.3 kilogrammes across all types. Seizures involving air as the conveyance method increased by 11% from 2017 to 2018, perhaps due to increased e-commerce in drug trafficking. Taken together, air and mail seizures accounted for 72.7% of all cocaine seizures, although vessels

were the method implicated in the most significant seizures in terms of quantity seized (146,675 kilogrammes, or 76.5% of the total). Vehicles and air were the second and third most common methods of conveyance, with respect to the quantity of cocaine seized, netting 23,859 kilogrammes (12.4%) and 13,503 kilogrammes (7%) of cocaine, respectively.

Case study 2. Colombian cocaine cargo confiscated in Albania

On 1 March 2018, a joint operation conducted by the Colombian National Navy and the Albanian Police Force seized, at the port of Durres, 613 kilogrammes of cocaine (a street value of approximately USD 220 million), representing the largest seizure in Albania's history. The contraband was hidden in a secret compartment beneath the floor of a container ship transporting bananas from Colombia. The cargo vessel left Colombia in mid-January; but in February, it made stops in Malta and Italy, before ultimately terminating in Albania.

The Colombian Clan del Golfo drug cartel (formerly known as the Urabeños crime syndicate) is thought to have orchestrated this cocaine shipment, though this has not been proven. Two individuals were arrested during the seizure, and Arber Cekaj, an Albanian executive who owned the company tied to the cargo, was arrested in Dusseldorf on 4 May 2018.

SOURCES

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- The Local, Germany arrests Albanian over record cocaine smuggling, available at <https://www.thelocal.de/20180505/germany-arrests-albanian-over-record-cocaine-smuggling>, accessed 20 September 2019.



F: Colombian cocaine seized in Albania. Copyright: Insight Crime.

FIGURE 19: PROPORTION OF COCAINE SEIZURES BY TYPE AND COUNTRY, 2018

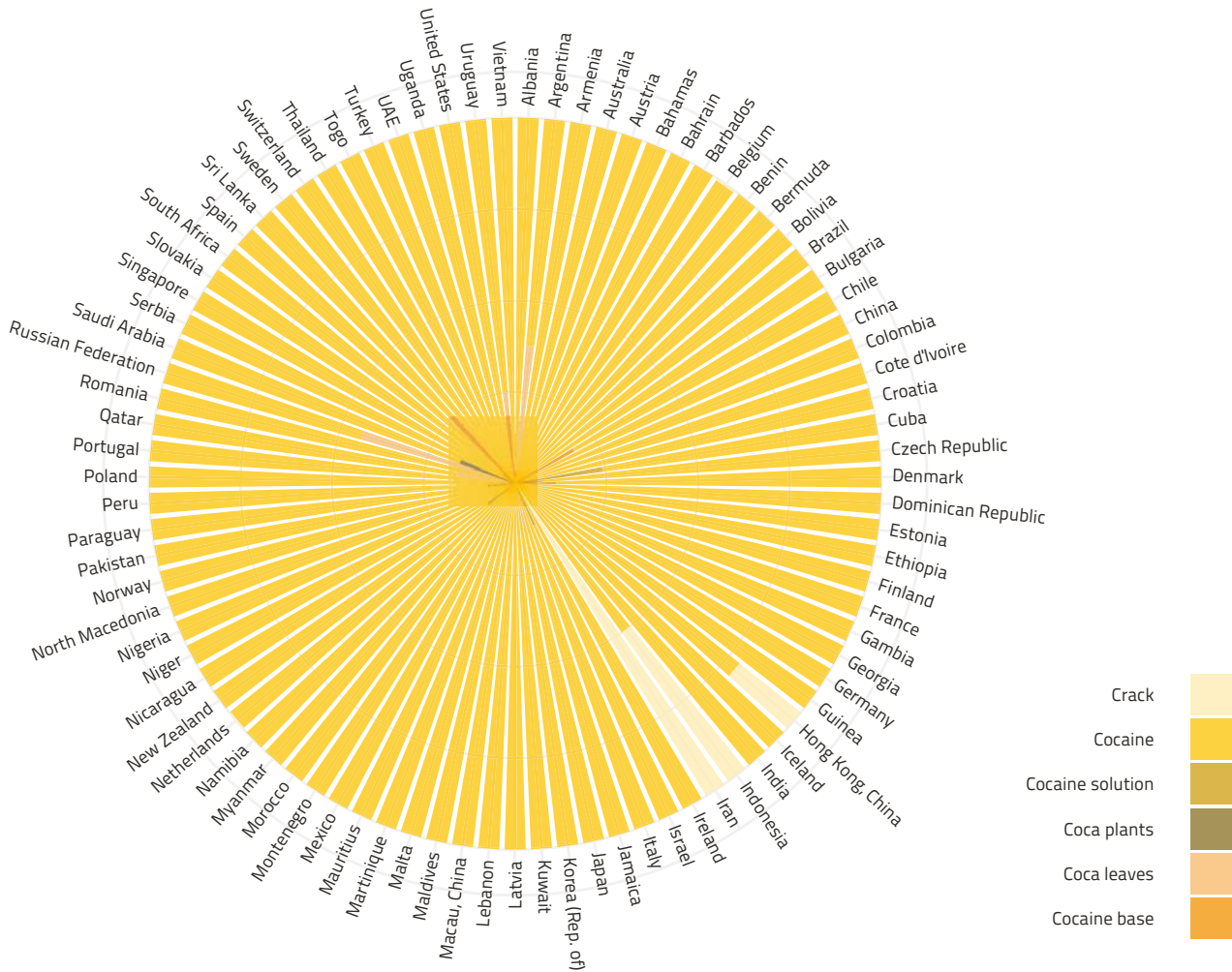


Figure 19 accounts for 8,236 seizures, reported by 87 countries, and depicts the proportion of instances for each category of cocaine, as reported by countries recording at least one event. Powdered cocaine was the product most often reported in every reporting country, with the exception of Iran, which submitted only one seizure of crack, and Indonesia, which reported one seizure each of powdered cocaine and crack. Of the 141 seizures of cocaine base represented in this Figure, 117 (83%) were reported by Chile.

Figure 20 is a heat map of the 17,204 cocaine trafficking instances reported in 2018, presented by country and frequency. Each country indicated was either the origin, destination or a transit point for one or more seized cocaine shipments, regardless of where the seizure took place or which country reported it. As such, Figure 20 indicates all countries through which cocaine is known to have been trafficked, or was intended to have been trafficked, in 2018.

FIGURE 20: HEAT MAP OF COCAINE TRAFFICKING INSTANCES BY COUNTRY, 2018

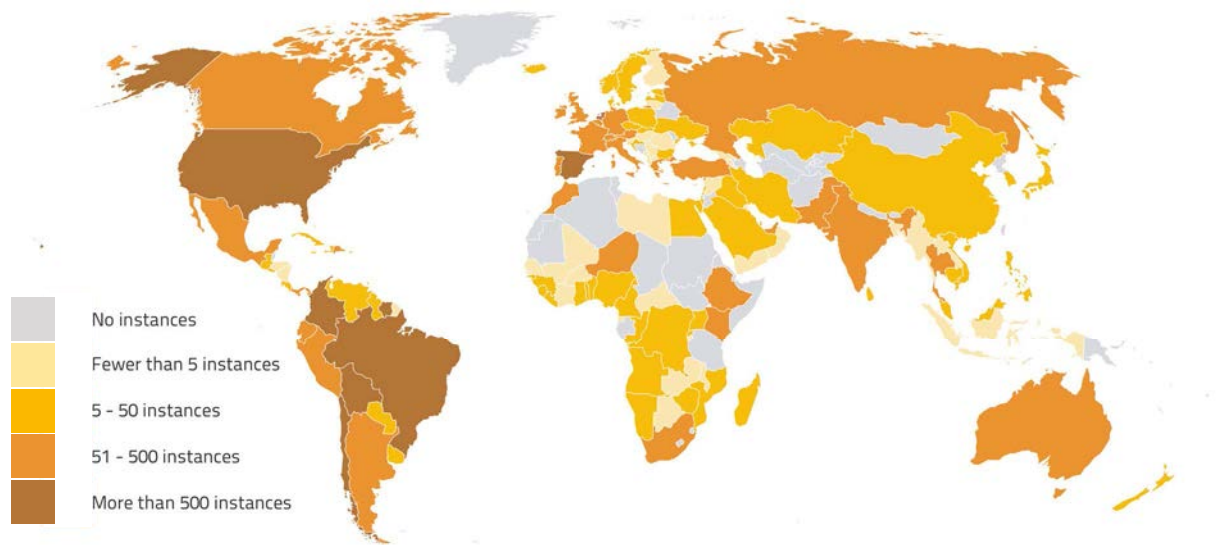


Figure 20 illustrates that cocaine trafficking is a truly global illicit activity; indeed, 80% of all countries (156), spanning 12 regions, were implicated in at least one seizure in 2018. Eight countries recorded more than 500 cocaine instances, including Brazil (2,732), the United States (2,098), the Netherlands (1,872), Chile (1,253), Spain (895), Suriname (723), Colombia (670) and Bolivia (515). Of the instances implicating these countries, 41.6% were outbound, 40.3% were inbound and 18.1% were transit instances. The United States and the Netherlands were the two most common destination countries, claiming 21.1% (1,663) and 17% (1,342) of instances, respectively.

Figure 20 also reveals varying levels of regional ubiquity in cocaine smuggling. South America was implicated in the greatest number of cocaine seizures (6,695, or 38.9% of total instances), served as the point of origin for 4,490 seizures, and as a point of departure in 67.1% of instances in the region. Western Europe, on the other hand, served as a destination in 3,413 seizures (73.2% of all the cases in which the region was implicated). Likewise, and at a similar rate, North America was implicated as a destination for smuggled cocaine in 68% of the seizures in which it was involved.

FIGURE 21: COCAINE TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

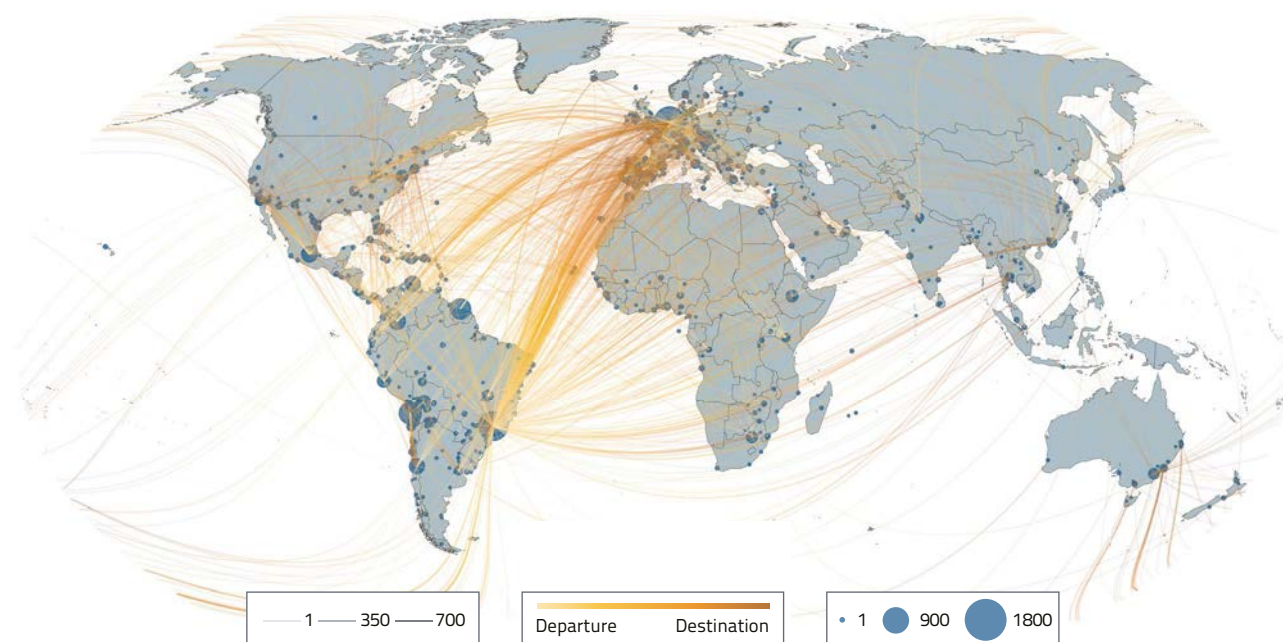


Figure 21 details the illicit flows of cocaine, from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases involving departures from or terminations within a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in colour at their origins and become 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 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 21 shows the entire intended trade route from origin to destination.

While the 17,478 cocaine trafficking flows represented in Figure 21 span 922 cities and 152 countries, most smuggling routes are concentrated between certain cities and within certain regions. As in 2017, in 2018, Western Europe was the primary destination for cocaine trafficking. In particular, Amsterdam was implicated as a destination city in 1,303 cases, a total that was 175.5% beyond that of the second most prevalent city, Sao Paulo. Only three cities (all in South America) were implicated points of departure in more than 700 cases: Sao Paulo (1,079), Paramaribo (723) and Guarulhos (710). Overall, five regional routes involved more than 500 cases: South America–Western Europe (2,265), South America–South America (1,745), Western Europe–Western Europe (835), the Caribbean–Western Europe (553) and North America–North America (508).

Member highlights: Largest-ever cocaine seizure in New Zealand

On 10 August 2018, a container listed as a shipment of bananas arrived in Auckland, New Zealand, on a vessel from Balboa, Panama. New Zealand Customs and Police inspected the container and, on top of the banana boxes, they found five duffel bags, collectively containing 190 blocks of cocaine wrapped in packing tape. Each block weighed about one kilogramme. This was the largest-ever intercept of cocaine in New Zealand.

Source: : New Zealand Customs



348 kilogrammes of cocaine seized in France

On 5 October 2018, French Customs officers from the division against the illegal trafficking in containers (CELTICS) of Le Havre targeted a container from Central America suspected of carrying narcotics. A scan of the container revealed a dark mass above the 2,206 cartons of legal cargo; agents of the Le Havre container surveillance brigade (BSE) opened the container and uncovered bags containing 300 packets of cocaine, weighing 348 kilogrammes. The total value of the goods on the illicit retail drug market was estimated at around EUR 30 million. The Le Havre prosecutor's office ordered that the seizure be handed over to

the criminal investigation center of Le Havre, which has divested in favor of the specialized interregional jurisdiction of the parquet of Lille.

Source: French Customs.



1.2 tonnes of cocaine in alloy plates

In April 2018, during an inspection by a Peruvian risk-analysis unit, an abnormal substance was found within plaques made of a lead alloy. After some tests with the Shirchie reactant, the substance tested positive for cocaine. Hong Kong was the destination for the drugs.

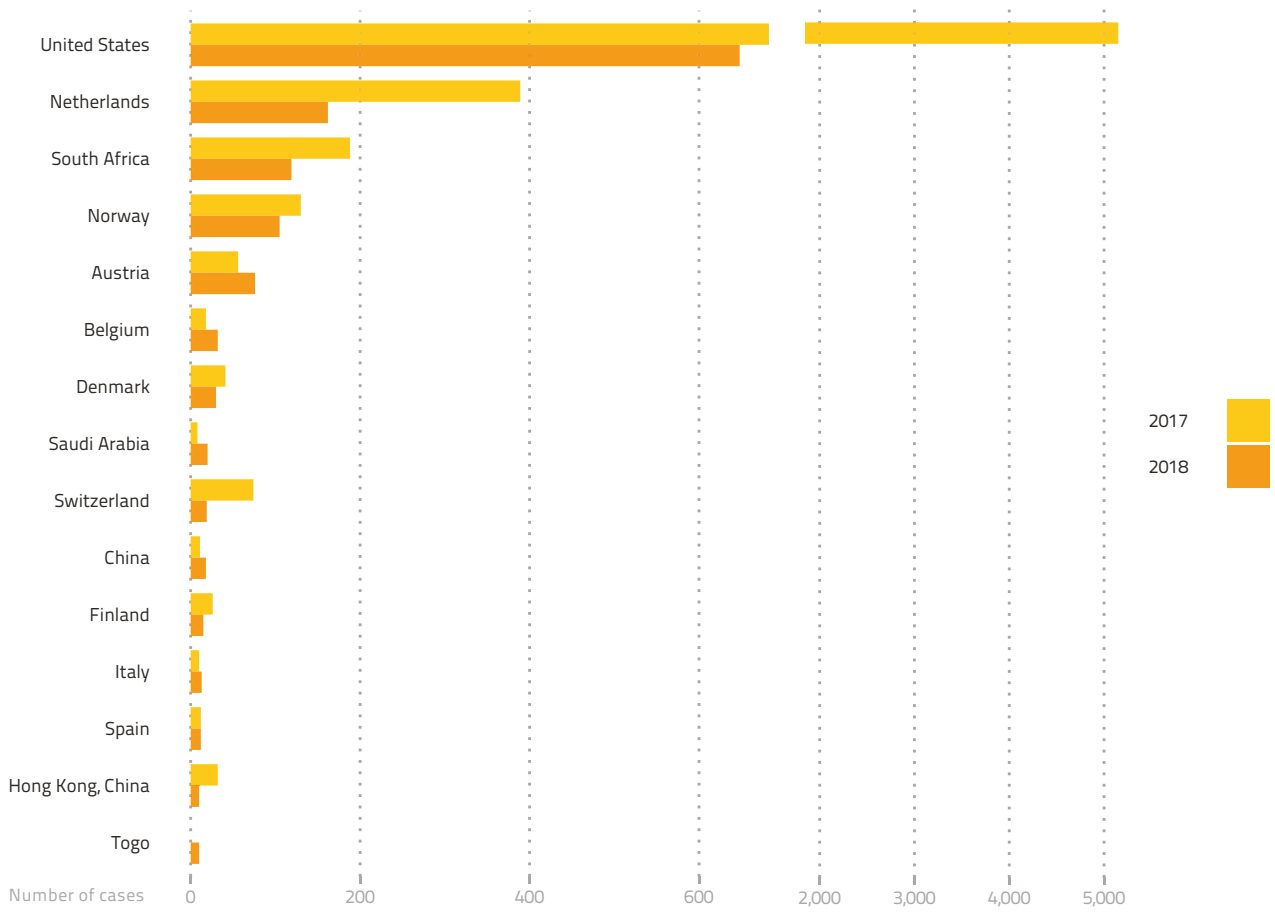
Source: Peruvian Customs.



G, H: Courtesy: New Zealand Customs.
I, J: Courtesy: French Customs.

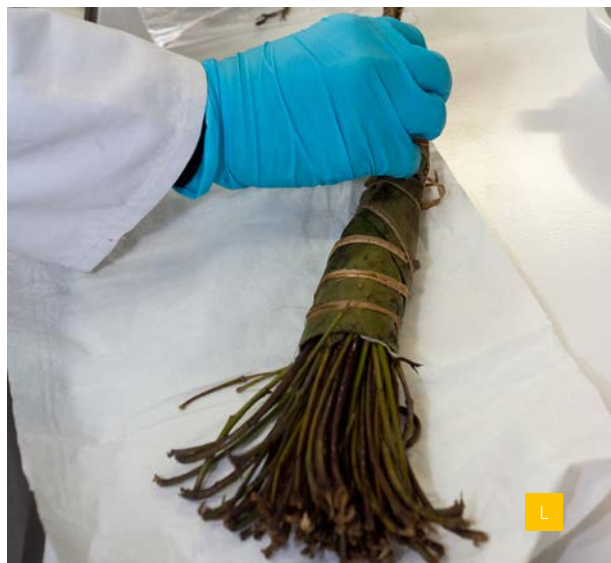
K: Customs officer testing for illegal substance. Courtesy: Peruvian Customs.

FIGURE 22: NUMBER OF KHAT CASES BY COUNTRY, 2017–2018



2.3 – Khat

Figure 22 compares the total number of khat cases reported, per country, for the top 15 reporting countries in 2017 and 2018. Khat cases decreased by 79.5%, going from 6,594 in 2017 to 1,350 in 2018, a decline due in large part to fewer cases being reported by the United States, which saw its numbers fall by 88.2% (4,833 cases) from 2017 to 2018. During this period, only six countries saw an increase in the number of reported khat cases: Austria, Belgium, Saudi Arabia, China, Italy and Togo.



L: Laboratory khat analysis. Courtesy: French Customs.

FIGURE 23: NUMBER OF KHAT SEIZURES AND QUANTITY SEIZED BY TYPE, 2017–2018

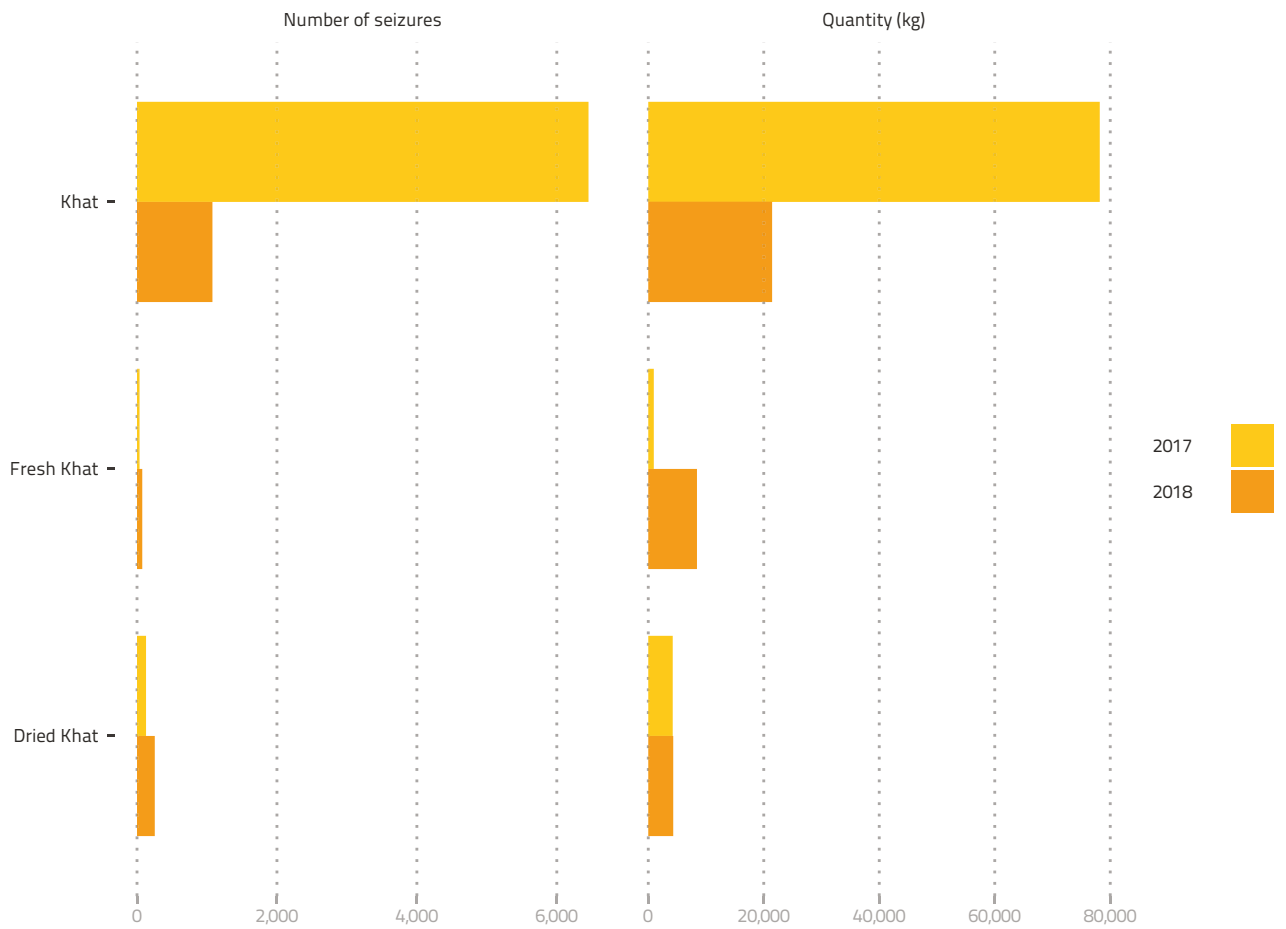


Figure 23 compares the number of reported seizures and the quantity of contraband seized for each type of khat between 2017 and 2018. Consistent with the information in Figure 22, both the number of seizures of standard khat and the quantity of product seized fell dramatically in 2018; whereas, seizure totals and the quantity of product seized for dried khat and fresh khat increased

marginally. There were 125 more seizures of dried khat in 2018, an increase of 96.9% from the prior year; but the overall amount that was seized only grew by 89 kilogrammes. Finally, there were 75 total seizures of fresh khat in 2018, an increase of 108.3%, and the total seized quantity reached 8,434.3 kilogrammes.

FIGURE 24: NUMBER OF KHAT SEIZURES AND QUANTITY SEIZED BY CONVEYANCE METHOD, 2018

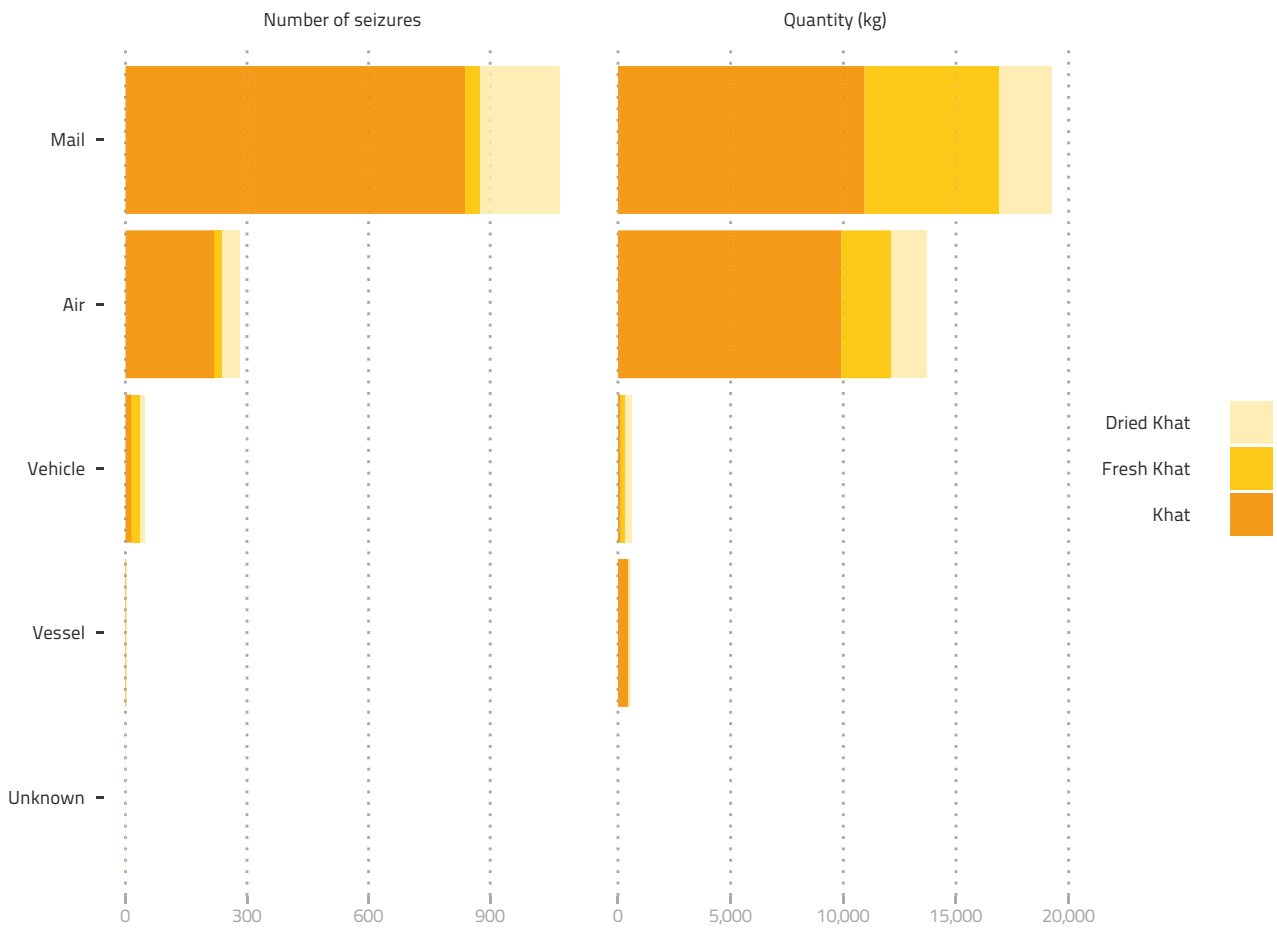


Figure 24 shows the number of seizures and the quantity of khat seized by conveyance method, demonstrating that air and mail remained the most prevalent methods of conveyance in 2018. Seizures of contraband moving by mail represented a smaller percentage of the total number of instances in 2018 than they did in 2017, decreasing from 92.7% to 76.1%; during this same period,

however, the percentage of contraband seized by air increased, jumping from 6.75% to 20.1%. Taken together, these two methods of conveyance accounted for 96.3% of total seizures and 96.4% of the total quantity of khat seized in 2018.

FIGURE 25: PROPORTION OF KHAT SEIZURES BY TYPE AND COUNTRY, 2018

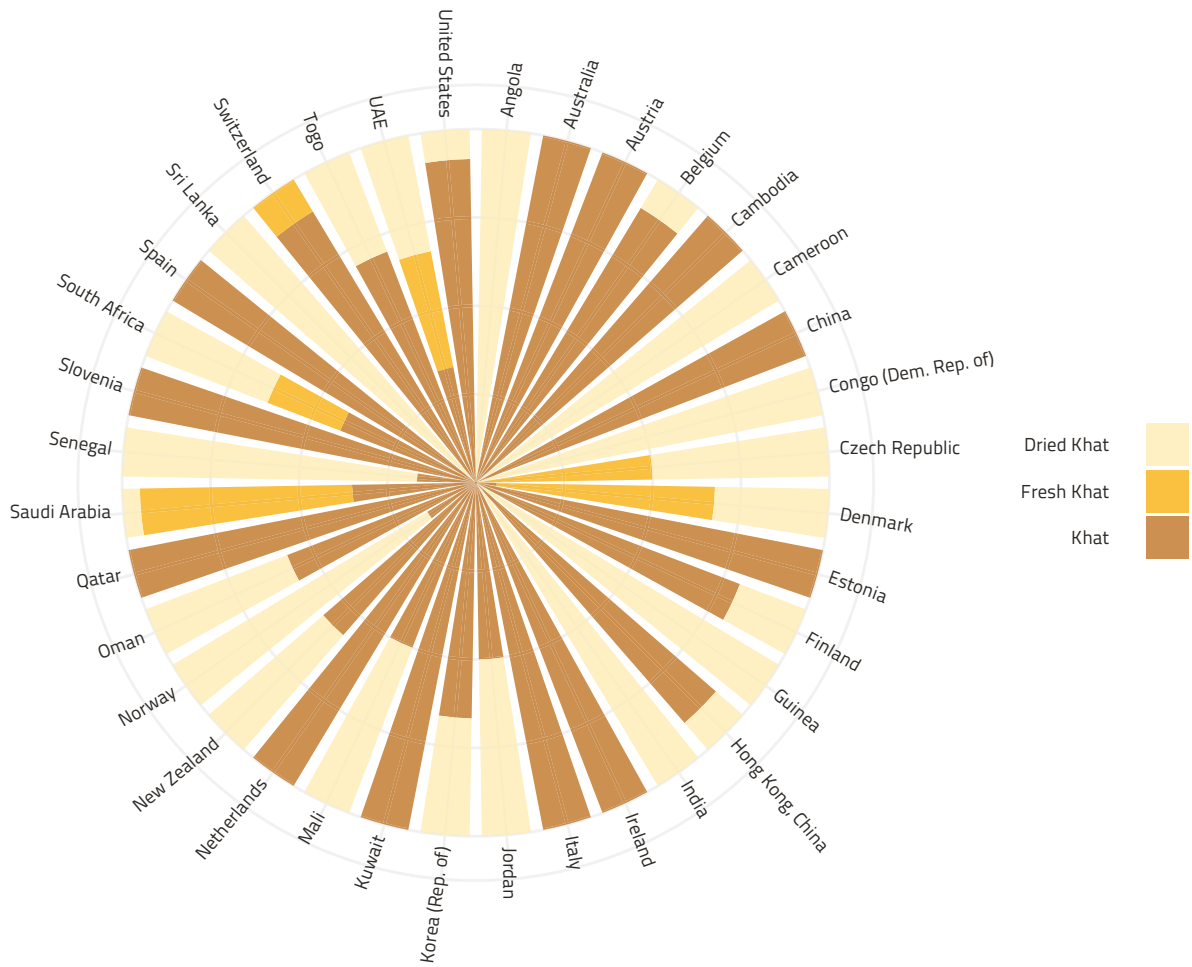


Figure 25 depicts the proportion of seizures, separated by sub-type, for each country reporting at least one khat seizure. Overall, 36 different countries reported a total of 1,407 seizures. Given the overwhelming majority of standard khat reported in seizures, in 21 of the 36 countries, khat was the drug most often confiscated. Twelve of these countries reported only standard khat, and only

four countries reported double-digit seizures of dried khat, including Norway (89), South Africa (62), the United States (55) and Denmark (11). Although only six countries reported fresh khat, it was the most prevalent type of drug for both Denmark (21 of 34) and Saudi Arabia (12 of 20).

Case study 3. Large shipment of khat declared as tea leaves

A shipment containing 2,500 kilogrammes of khat arrived in Hai Phong Port, Vietnam, on 2 February 2018. The two 20-foot containers, shipped aboard the Kestel, arrived from Kenya and were declared as “tea” and “coffee”. Hai Phong Customs immediately inspected the containers, intending to catch the culprits associated with the Vietnamese import company, based in Mong Cai City. No one arrived to collect the containers, however; and thus, on 11 May 2018, they were opened in a joint exercise by Hai Phong Customs and the Hai Phong Police Department. Inside, officials found 301 cartons, containing a total of 8–10 kilogrammes of khat.



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FIGURE 26: HEAT MAP OF KHAT TRAFFICKING INSTANCES BY COUNTRY, 2018

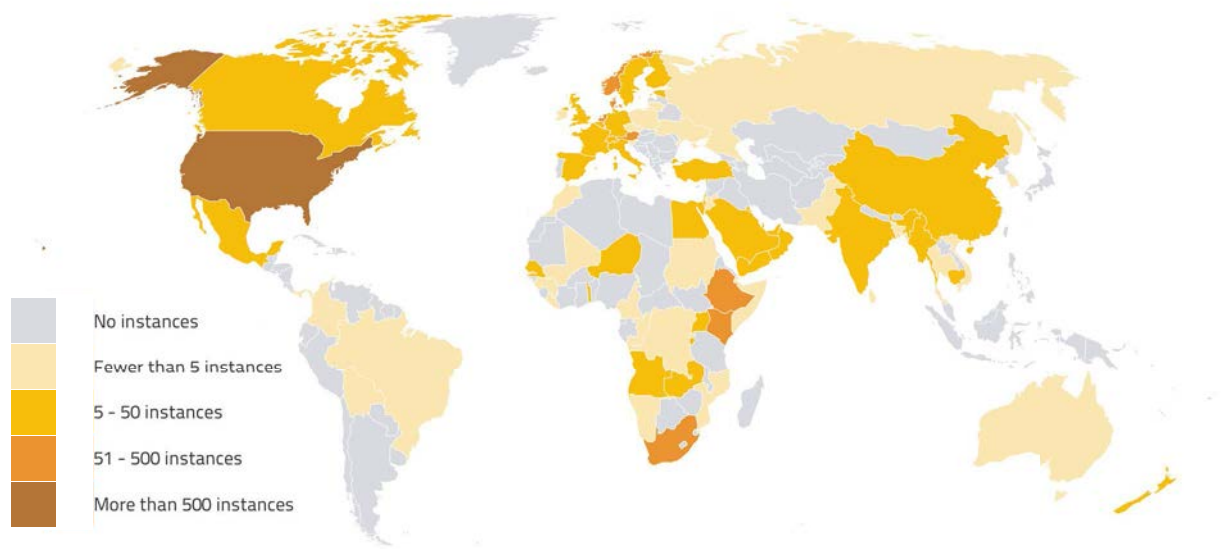


Figure 26 is a heat map of khat trafficking instances by country and frequency in 2018. Each country indicated was either the origin, destination or a transit point for one or more seized narcotics shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 26 depicts all countries through which khat is known to have been trafficked, or was intended to have been trafficked, in 2018.

Khat trafficking appears in under half the countries implicated in more globalized drug markets, such as that associated with cocaine. In 2018, there were 2,339 reported instances of khat trafficking, with 79 countries represented in at least one stage of a supply route – an increase of four countries over the previous year.

Figure 26 demonstrates that the United States, a party to more than 767 cases, was the only country connected to more than 500 instances of khat instances; and, of these 767 instances, the United States was the destination 94.5% of the time. Three other countries were implicated as points of origin in more than 100 cases: South Africa (128), Ethiopia (115) and Kenya (103). These countries served as a point of origin in a majority of cases, but Ethiopia and Kenya logged only one case each involving transit and destination; South Africa, meanwhile, reported 22 destination cases and one transit case.

FIGURE 27: KHAT TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

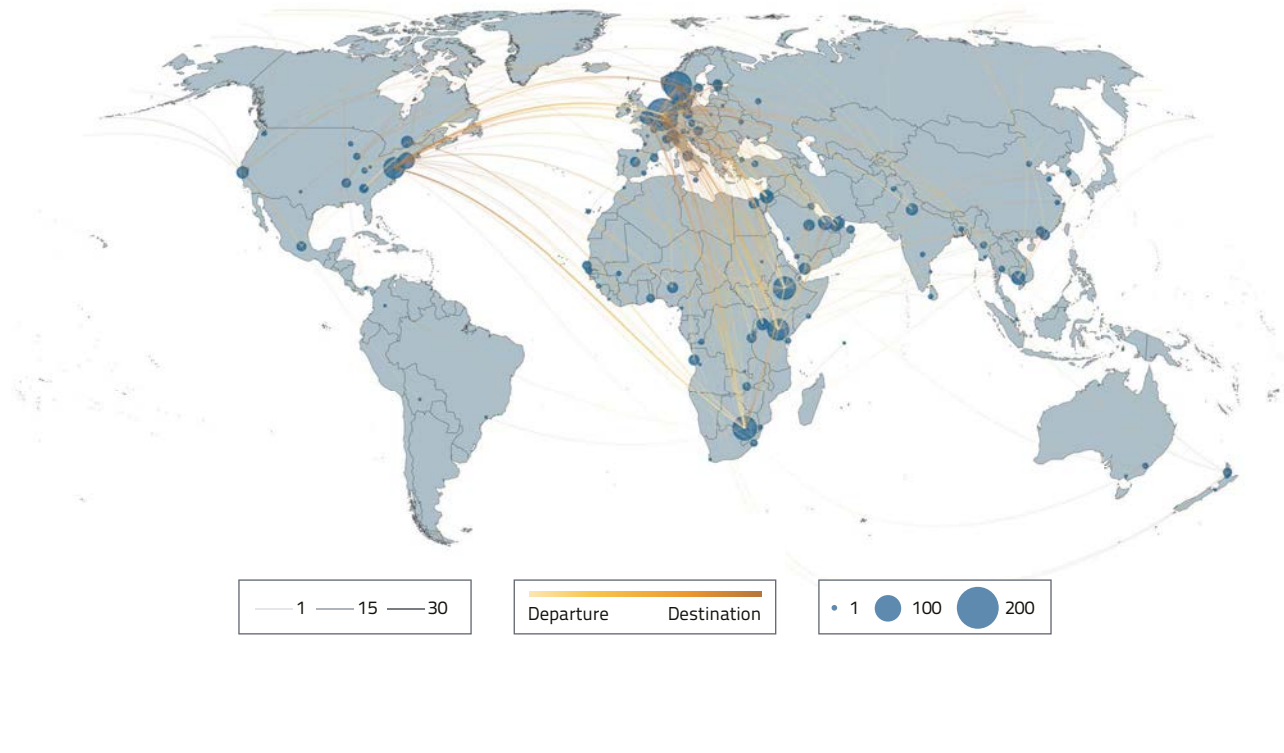
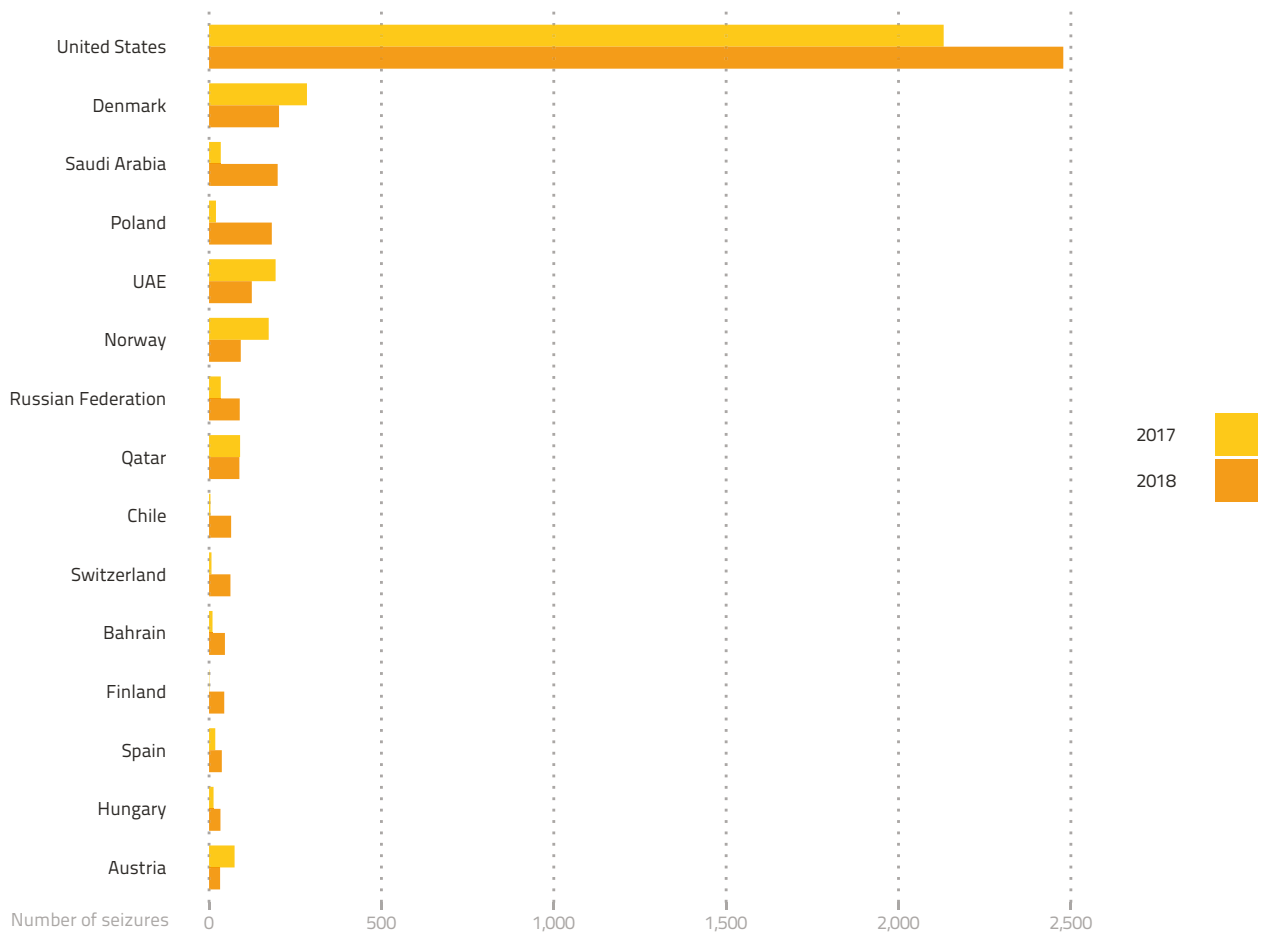


Figure 27 details the illicit flows of khat, from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases involving departures from or terminations within a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are yellow in colour at their origins and become 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 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 27 shows the entire intended trade route from origin to destination.

In total, Figure 27 represents 970 khat trafficking flows, implicating 160 cities in 78 countries. Contrary to the data presented in Figure 22 and Figure 26, in the case of khat trafficking routes, the United States was not the country most often implicated in 2018, due to the fact that 500 seizures reported by United States officials involved either an unknown point of origin or an unknown destination. Western Europe was the region most often implicated as either an origin or destination, logging 857 instances (44.2% of the overall total). Eastern and Southern Africa reported the second most khat trafficking instances (439), with North America claiming the third most (260). Only five cities were implicated in more than 100 illicit khat flows: Amsterdam (239), Oslo (184), Johannesburg (133), Addis Ababa (118) and Nairobi (103).

FIGURE 28: NUMBER OF NPS CASES BY COUNTRY, 2017–2018



2.4 – New Psychoactive Substances (NPS)

Figure 28 compares the number of NPS cases submitted by the 15 countries that reported the most instances. Overall, the number of NPS cases grew between 2017 and 2018, an effect likely due to the 16.3% increase reported by the United States, which went from 2,131 to 2,478 cases. Across all countries, NPS cases increased by 687, meaning the escalation in the United States accounted for 50.5% of the total growth in cases during this period. Saudi Arabia, the country with the third greatest number of cases in 2018, demonstrated the largest increase, growing by 485.3% (165 cases) since 2017.



P: Seizure of synthetic cathinones. Courtesy: Hong Kong Customs.

FIGURE 29: NUMBER OF NPS SEIZURES AND QUANTITY SEIZED BY TYPE, 2017–2018

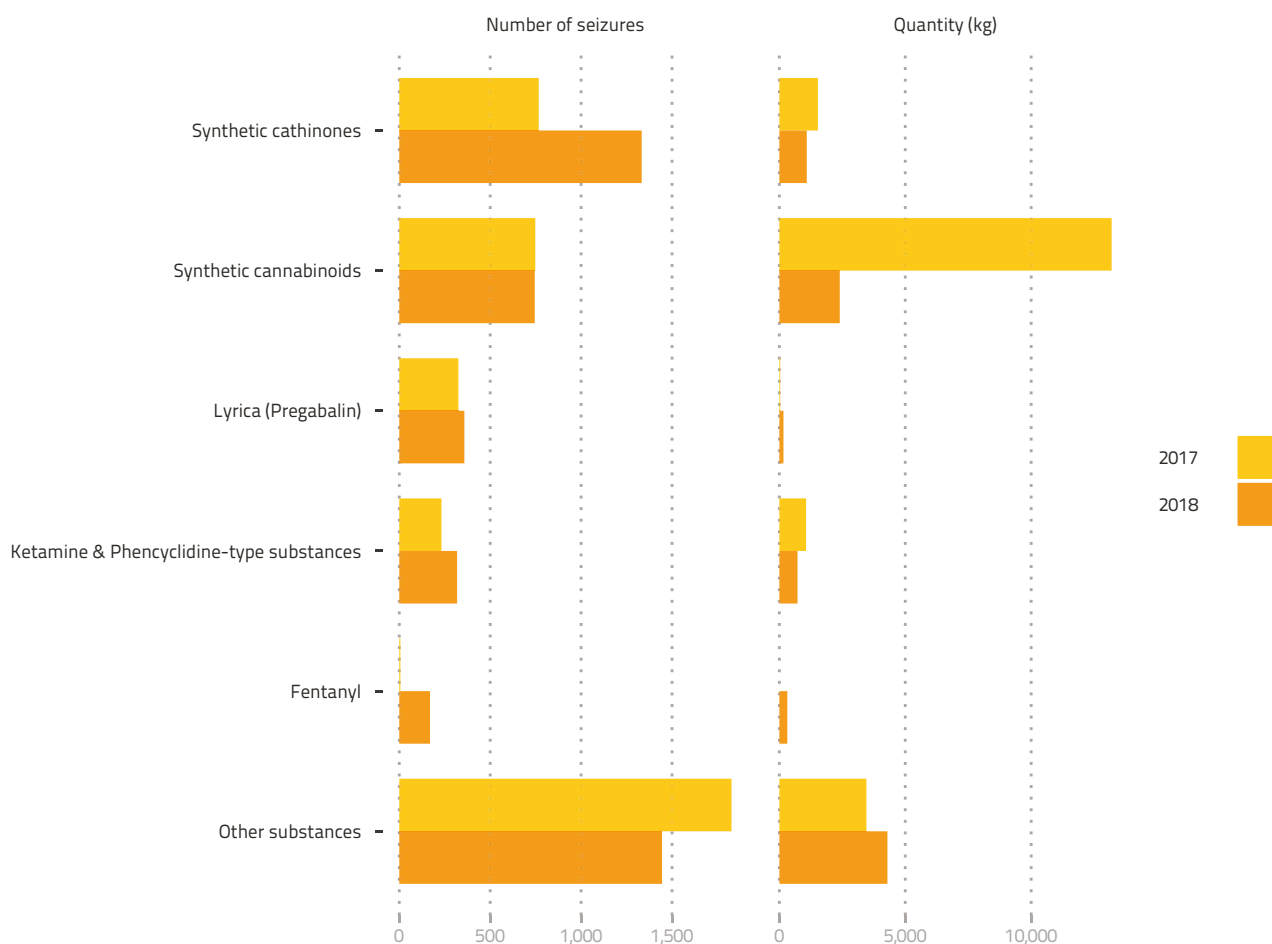


Figure 29 compares the number of seizures and the quantity of contraband seized, in kilogrammes, for each type of NPS between 2017 and 2018. This Figure demonstrates that seizures increased by 463 (11.9%) during this period, yet the quantity of NPS seized decreased from 19,280.5 kilogrammes in 2017 to 8,980 kilogrammes in 2018, a drop of 53.4%. The most significant decline involved synthetic cannabinoids, which, by quantity, were seized 81.8% less often in 2018 than they were in 2017. Despite this drastic decrease in the amount of contraband seized, there were only three fewer seizures of synthetic cannabinoids in 2018 (745) than there were during the previous year (748). With this sharp decline in the number of reported seizures of synthetic cannabinoids in 2018, the category other substances became the most prevalent NPS category in terms of seizures by weight.

Reported seizures of synthetic cathinones increased by 73.8%, but the quantity of seized product decreased by 29%. Of the 1,333 reported synthetic cathinone seizures in 2018, 75.2% were attributed to pentylone; these seizures made up 85.2% of the 1,087.8 kilogrammes of synthetic cathinone seized in 2018.

While the category other substances accounted for a significant portion of reported NPS seizures, the total number of these seizures dropped by 382 (20.9%), a decline due in part to the addition of new NPS sub-categories within Figure 29. Specifically, while acetyl fentanyl was included under other substances in 2017, it is now grouped within the fentanyl sub-category. It is important to note, too, that fentanyl, as a drug type, is an opioid and not an opiate; thus, it is included here, rather than in the section dealing with opiates.

Case study 4. Fentanyl hidden in foil packages

During a traffic stop in Nebraska on 26 April 2018, 20 kilogrammes of fentanyl were seized from a tractor-trailer. The fentanyl was hidden in 42 foil-wrapped packages, stored away in a hidden compartment within the vehicle. Alongside the 20 kilogrammes of fentanyl, 35 kilogrammes of cocaine were also stored in foil-wrapped packages. Two individuals were arrested following the seizure.

Despite the relatively meager amount of fentanyl seized in 2018, according to WCO data (see Figure 29), the potency of the drug makes it an important one to track. This seizure alone had the potential to deliver up to 20 million lethal doses.

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FIGURE 30: NUMBER OF NPS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

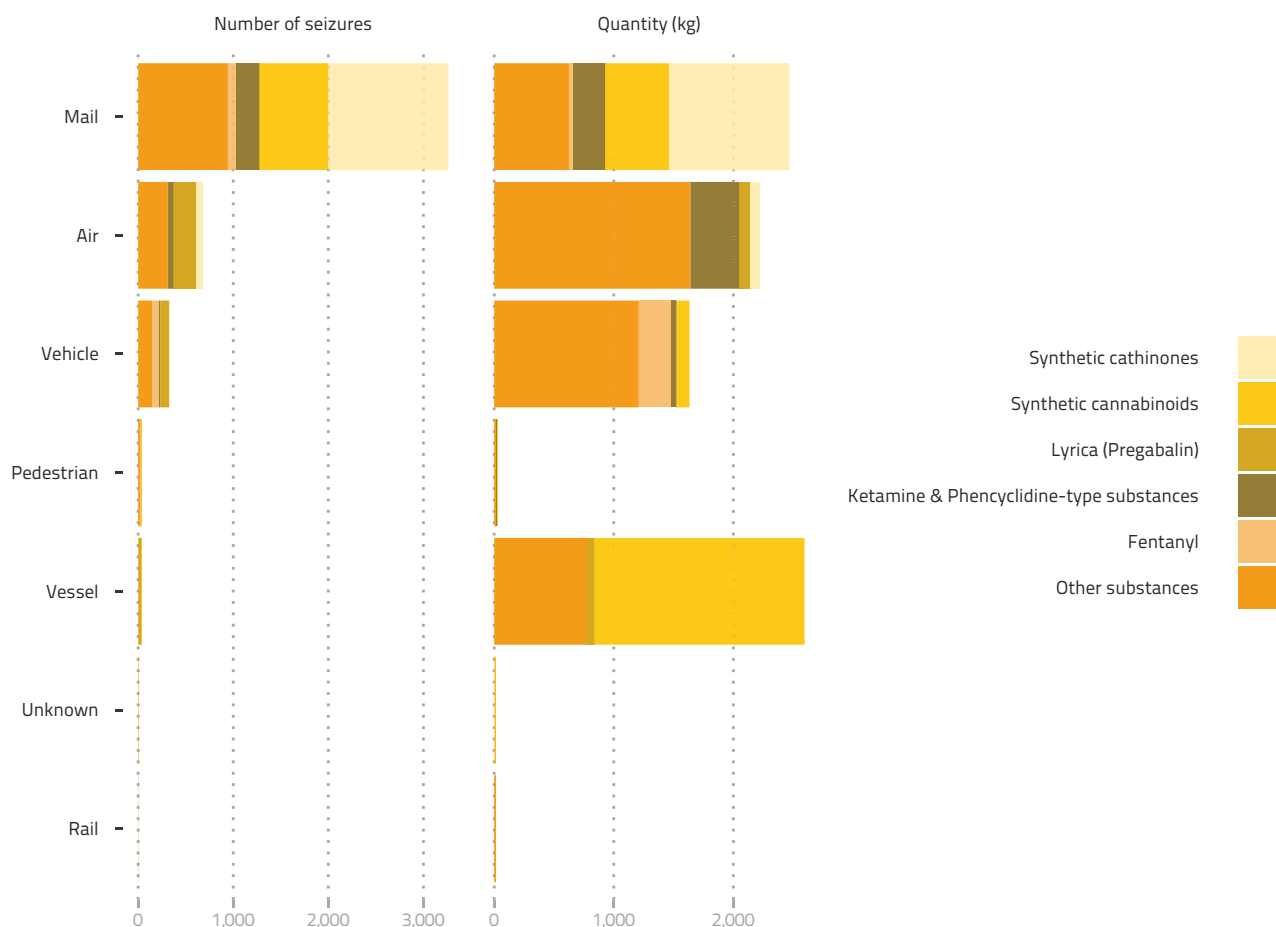


Figure 30 displays the number of seizures and the quantity of NPS seized by type and conveyance method. The Figure represents 4,368 seizures, equating to 8,980 kilogrammes of narcotics. As was the case for other drugs discussed in this Section, seizures executed at sea were among the least prevalent methods of conveyance in terms of the number of instances (0.89% of the total), although apprehensions of this sort were significant in terms of the overall weight of product seized (28.9% of the total). In regards to the total volume of synthetic cannabinoids seized (2,339.3 kilogrammes), 73.3% came from a single seizure on

a vessel. For other drugs featured in this Section, such as cannabis (Figure 12), cocaine (Figure 18) and opiates (Figure 42), a large quantity of drugs seized came from seizures aboard vessels; for NPS, however, seizures associated with mail and air also made up a significant portion of the overall quantity seized. This could be due to high levels of e-commerce in NPS, which tend to involve transporting drugs by mail or by air.

FIGURE 31: PROPORTION OF NPS SEIZURES BY TYPE AND COUNTRY, 2018

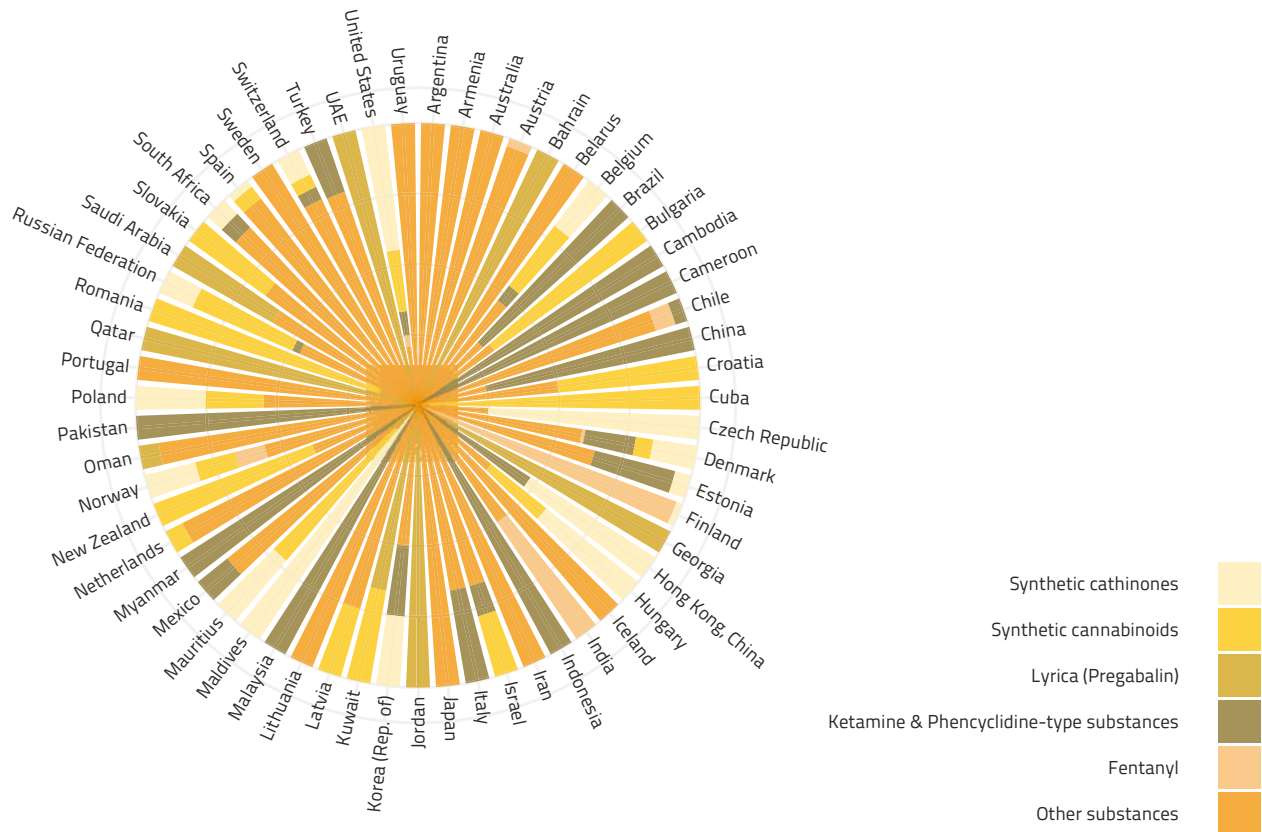


Figure 31 depicts the proportion of seizures by drug type for each country reporting at least one NPS seizure. This Figure represents 4,368 seizures occurring within 59 countries. Only two drug categories logged more than 1,000 seizures: other substances (1,445) and synthetic cathinones (1,333). No country reported seizures in all six categories represented in Figure 31, most likely because only nine countries reported seizures of Lyrica (Pregabalin). This notwithstanding, Lyrica was the drug most often reported for six countries: UAE (126), Qatar (88), Bahrain (46), Georgia (8), Kuwait (4) and Jordan (2). Only the United States and Denmark reported all

other NPS drug types represented. The United States made up the majority of all NPS seizure reports, aside from those for Lyrica and other substances, accounting for 60.9% of fentanyl seizures, 67.3% of ketamine & phencyclidine-type substance seizures, 73.8% of synthetic cannabinoid seizures and 83.6% of synthetic cathinone seizures. Overall, the United States reported 57.5% of all NPS seizures represented.

FIGURE 32: HEAT MAP OF NPS TRAFFICKING INSTANCES BY COUNTRY, 2018

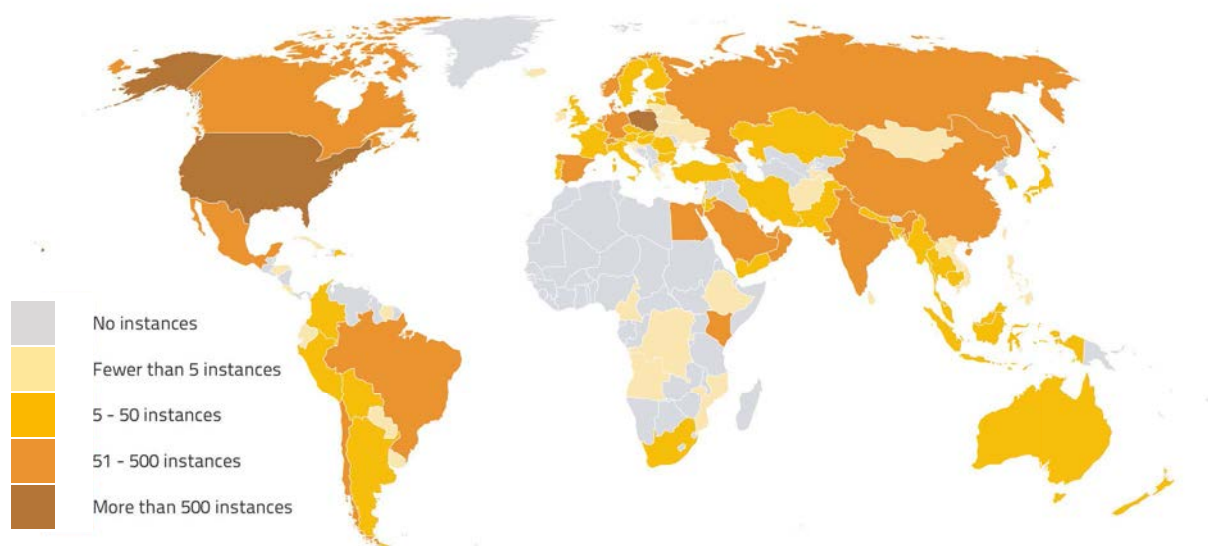


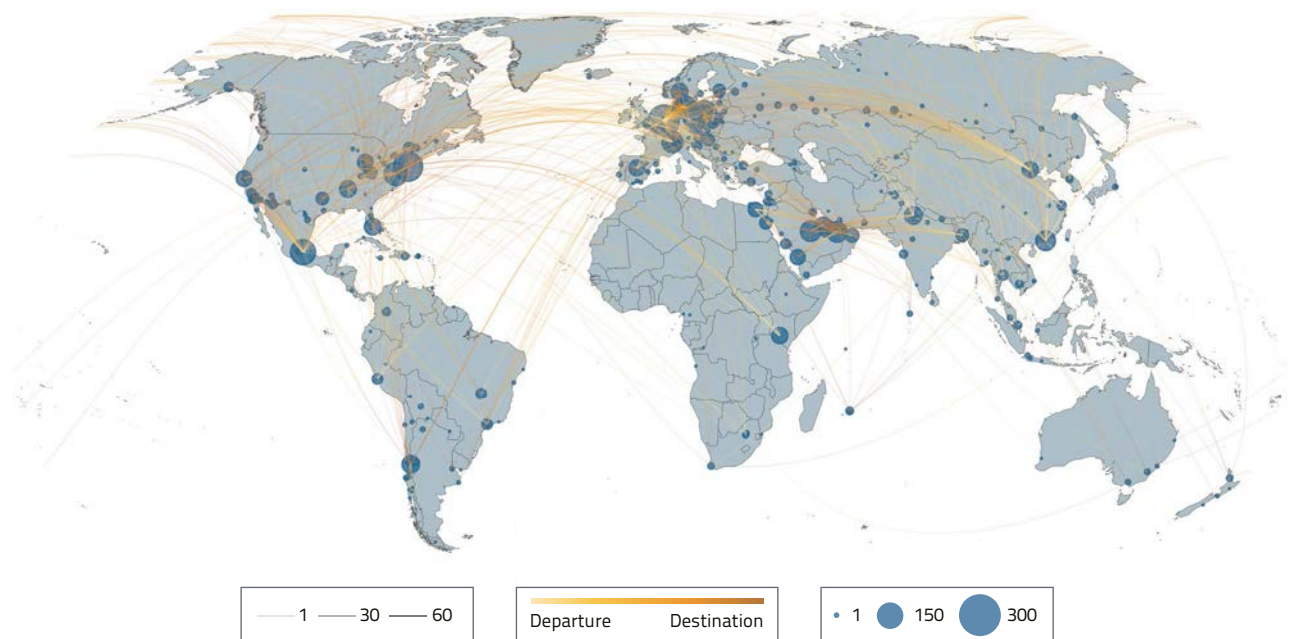
Figure 32 is a heat map of NPS trafficking instances by country and frequency in 2018. Each country indicated was either the origin, destination or a transit point for one or more seized narcotics shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 32 conveys all countries through which NPS are known to have been trafficked, or were intended to have been trafficked, in 2018.

Figure 32 represents 7,001 trafficking instances implicating 106 countries in 11 regions. Only two countries were associated with more than 500 instances: the United States (2,684) and Poland (549). The United States accounted for 38.3% of all NPS trafficking instances, and in 91.9% of those cases it was the point of desti-

nation. The Netherlands was tied to the greatest number of instances as the departure country; but, curiously, it was only implicated as a transit country in five instances and as a destination country in 15 instances. Denmark, with the third highest total, was implicated in 409 cases and was only listed as a departure country once. Mainland China and Hong Kong, China both saw a significant decrease during this period, falling to 799 and 538 fewer trafficking instances, respectively. Finally, 43% of countries were implicated in five or fewer instances.

Western Europe was the only region to register more than 500 instances as a point of departure, accounting for 659 such instances. Asia-Pacific was the second most prevalent region of departure, recording 498 flows (83.4% of total flows involving

FIGURE 33: NPS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018



Asia-Pacific). North Africa was implicated in 110 cases as a point of departure, but was not tied to a single case as a transit location or destination. North America was overwhelmingly implicated as the destination in NPS trafficking cases, making up 62% of all destination instances.

Figure 33 details the illicit flows of NPS, from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases involving departures from or terminations within 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 and become orange as they near their destinations. The darker the overall tone of a flow, the more fre-

quently that trafficking route appeared in the data for 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 33 shows the entire intended trade route from origin to destination.

In total, this Figure represents 2,864 NPS trafficking routes encompassing 509 cities in 106 countries. As was the case with illicit flows of khat (see Figure 27) and cocaine (see Figure 21), Amsterdam was the city most often tied to illicit NPS trafficking, implicated in 330 cases. Only two other cities accounted for more than 200 instances: New York (296) and Mexico City (215).

FIGURE 34: NUMBER OF PSYCHOTROPIC SUBSTANCES CASES BY COUNTRY, 2017–2018

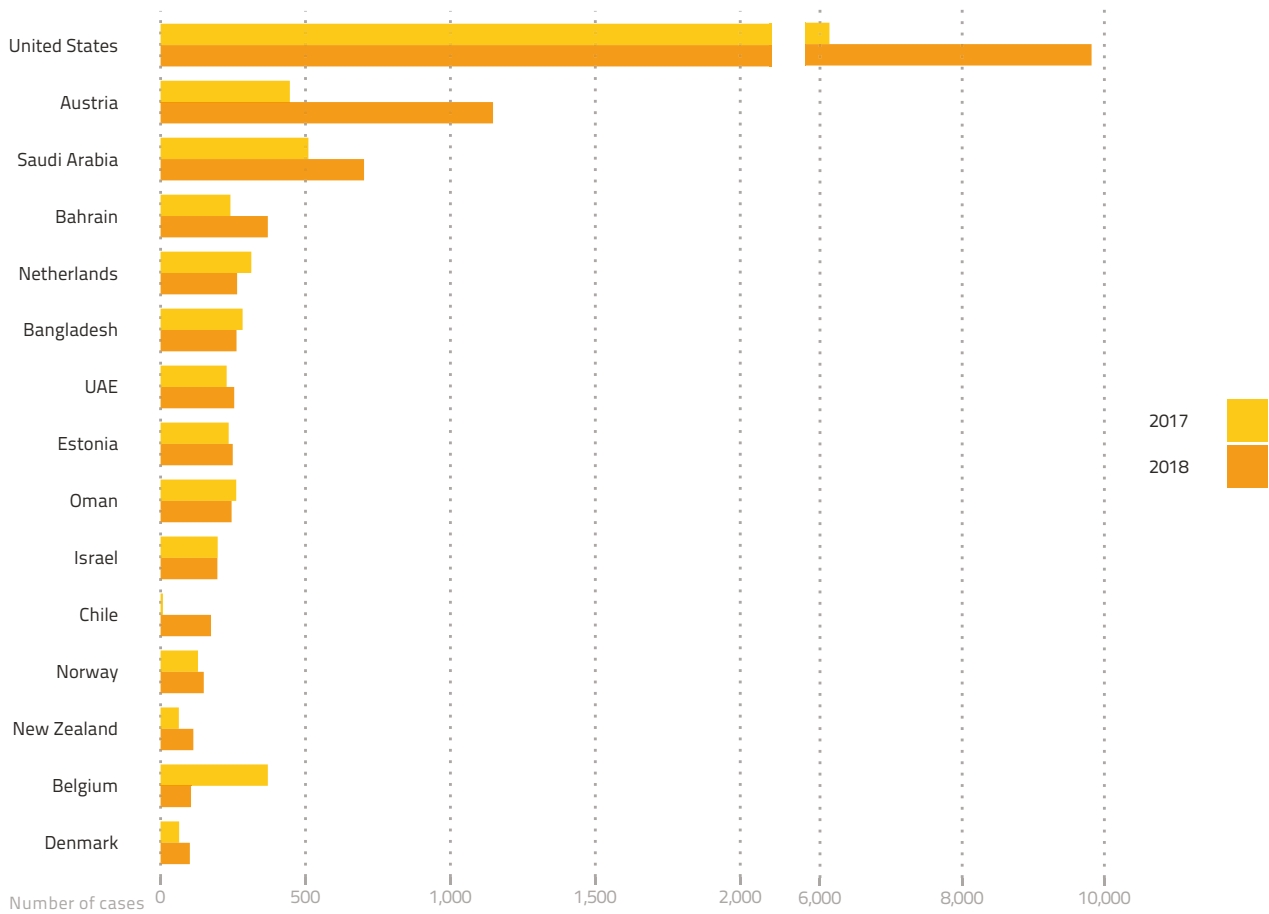


Figure 33 demonstrates the large compartmentalization of NPS trafficking within a given region. In fact, three of the five most common regional trafficking routes occur intra-regionally. The countries within Western Europe accounted for the most intra-regional NPS trafficking flows (598, or 21.3% of total), while other top flows included trafficking within North America (378), Eastern and Central Europe (285) and the Middle East (209). Overall, intra-regional NPS trafficking accounted for 55.6% of all reported flows represented in this Figure.

2.5 – Psychotropic Substances

Figure 34 compares the number of psychotropic substances cases submitted by the top 15 reporting countries in 2017 and 2018. Overall, the number of cases grew from 2017 to 2018, mainly due to increases in the United States and Austria. In total, 15,607 cases were reported in 2018, 3,564 (29.6%) more than the number reported in 2017. In 2018, Austria recorded 701 more cases than it had the year before, an increase of 157%, even as Belgium reported 71.6% fewer cases, the sharpest decrease among the top 15 reporting countries.

FIGURE 35: NUMBER OF PSYCHOTROPIC SUBSTANCES SEIZURES AND QUANTITY SEIZED BY TYPE, 2017–2018

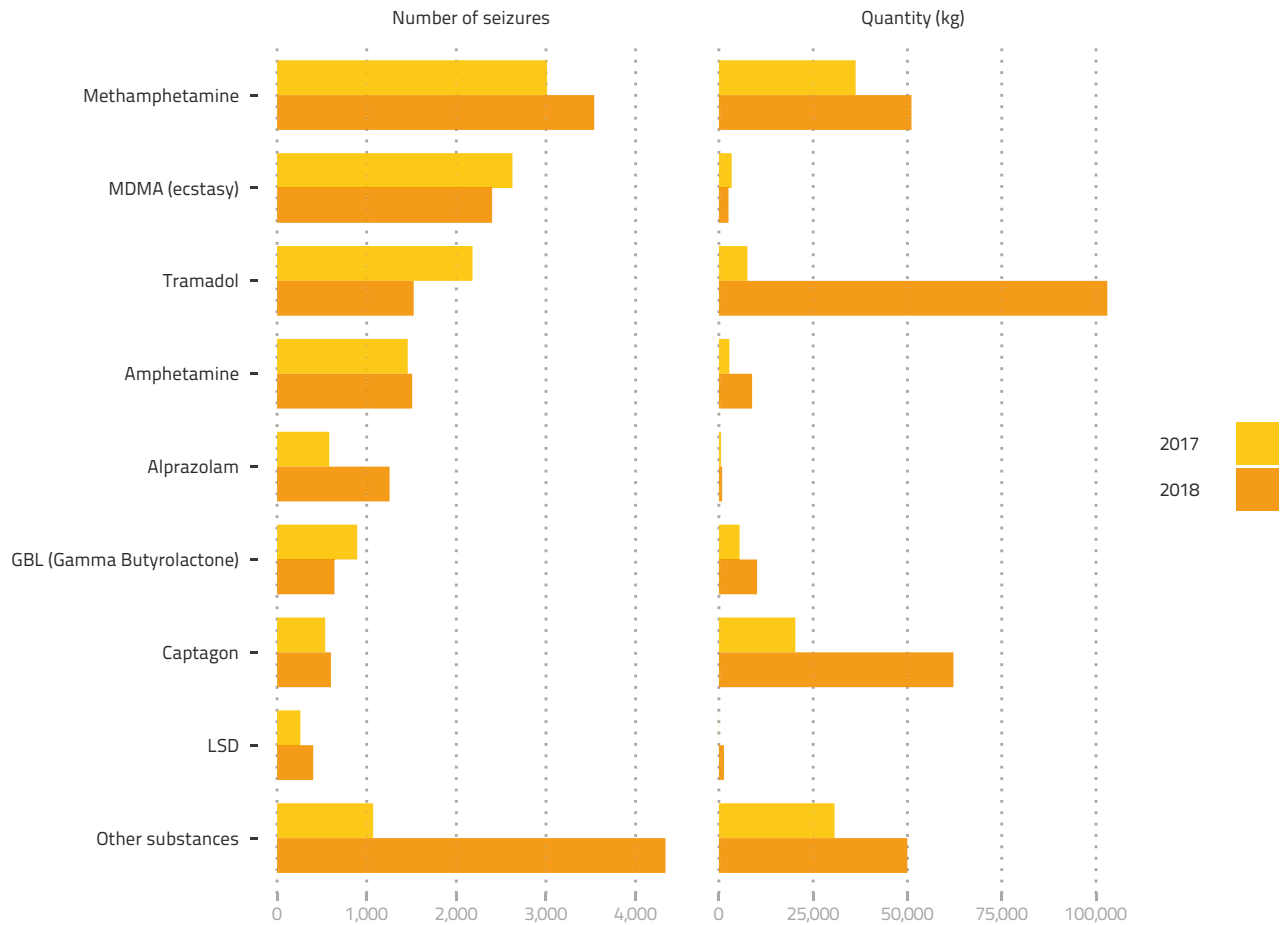


Figure 35 compares the number of seizures and the quantity of drugs seized for each type of psychotropic substance between 2017 and 2018. In total, 16,200 seizures were reported for psychotropic substances, an increase of 3,578 instances (28.3%). The quantity of seized psychotropic substances increased by 171.1% during this period, accounting for an additional 182,942 kilograms. In total, 289,879.5 kilograms of psychotropic substances were seized in 2018. The largest increase in the number of seizures occurred within the other substances category, wherein instances spiked by 304% (3,261). In terms of the quantity of drugs

recovered, however, Tramadol seizures increased most dramatically, skyrocketing by 1,265.1% from 2017 to 2018 and netting 95,464.6 kilograms more than the amount seized in the previous year. The only type of psychotropic substance to decrease in quantity seized was MDMA (ecstasy), which dropped by 847.3 kilograms and amounted to 227 fewer seizures in 2018 than in 2017.

FIGURE 36: NUMBER OF PSYCHOTROPIC SUBSTANCES SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

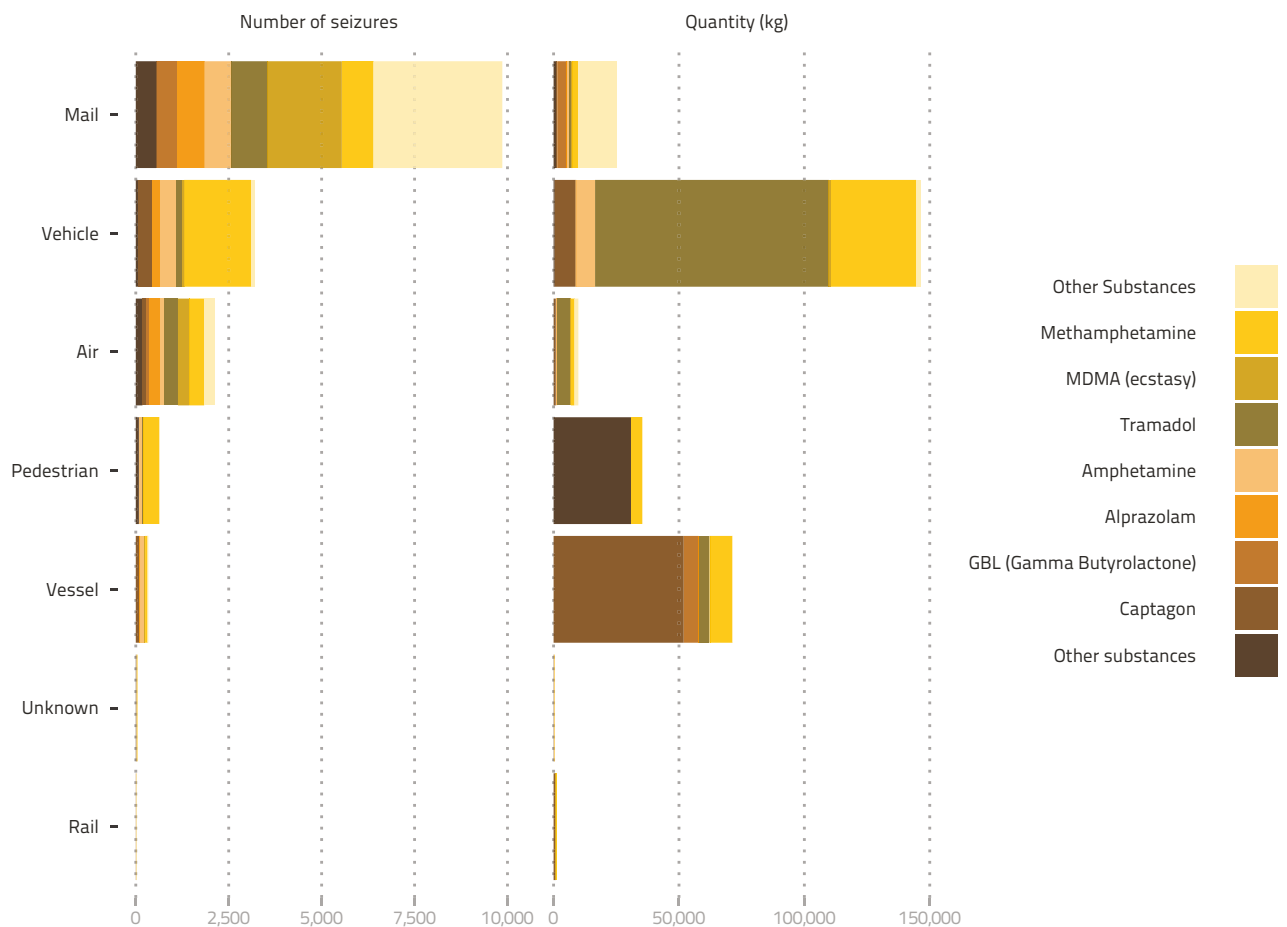


Figure 36 displays the number of seizures and the quantity of psychotropic substances seized by type and conveyance method in 2018. Of the 16,200 seizures represented in this Figure, 9,861 instances (60.9%) involved contraband moving through the mail, 3,189 (19.7%) involved contraband transported by vehicle and 2,113 (13%) involved contraband moving by air. There were 33.2% more seizures of contraband moving via mail in 2018 (9,861) than there were in 2017 (7,403), and the other substances category accounted for the largest portion of these mail-based seizures (36.9%).

Despite mail being the primary method of conveyance for psychotropic substances in 2018, vehicle seizures netted the largest quantity of narcotics (146,164.9 kilogrammes, or 50.4% of all psychotropic substances seized). Tramadol represented 63.8% of this quantity seized from vehicles, amounting to a weight of 93,251 kilogrammes. Despite accounting for the majority of weight associated with seizures from vehicles, seizures of Tramadol still made up only 4.5% of the total number of seizures reported using this conveyance method.

FIGURE 37: PROPORTION OF PSYCHOTROPIC SUBSTANCES SEIZURES BY TYPE AND COUNTRY, 2018

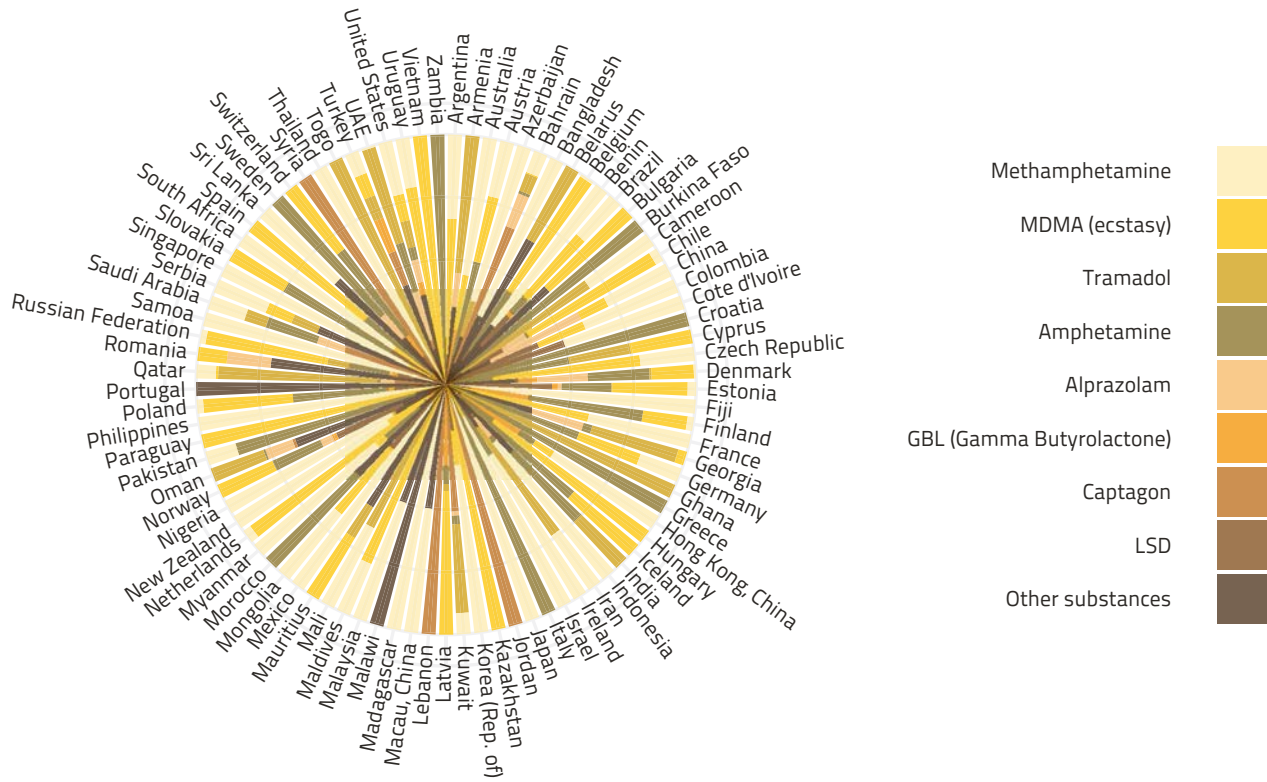
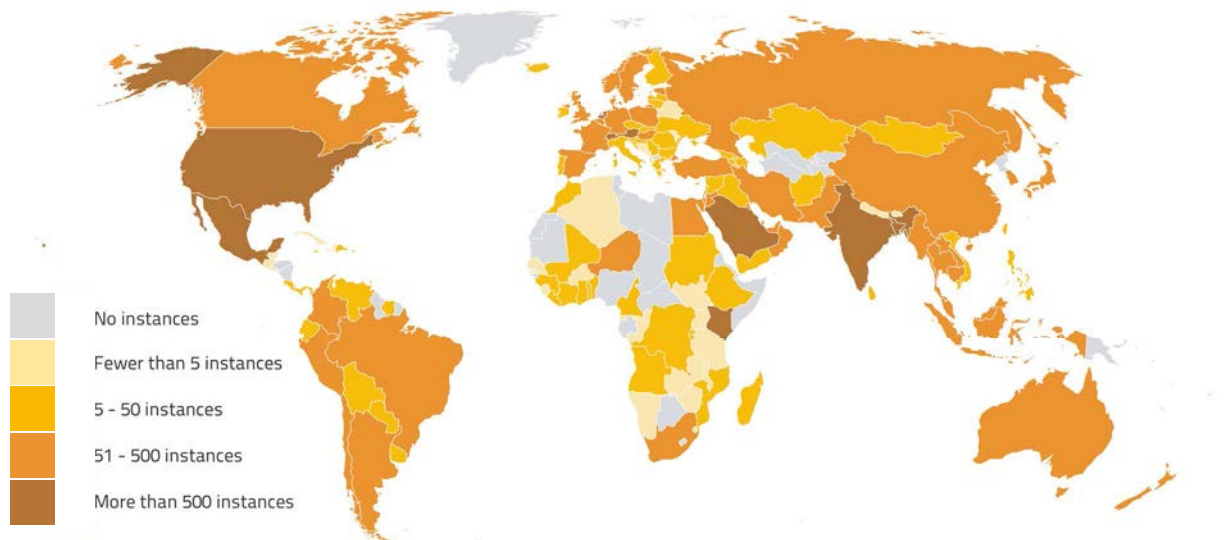


Figure 37 represents 16,200 seizures and depicts the proportion of these instances, for each type of psychotropic substance, as reported by the 89 countries that recorded at least one such seizure. None of the countries included in this Figure reported a seizure among every category of psychotropic substance, primarily because only ten countries recorded a seizure of the comparatively obscure drug Captagon. The United States reported a majority of trafficking instances for each type of psychotropic substance, aside from amphetamines (34.3%), MDMA (45.3%), LSD (4.5%), and Captagon (0%)

Figure 38 is a heat map of instances of psychotropic substances trafficking by country and frequency in 2018. 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 38 indicates all countries through which cocaine is known to have been trafficked, or was intended to have been trafficked, in 2018.

Figure 38 represents 28,095 trafficking instances, implicating 156 countries in 12 regions. Nine countries were implicated in more than 500 instances, including the United States (10,722), the Netherlands (2,022), Mexico (1,445), Austria (1,175), Kenya (1,042), Saudi Arabia (1,023), Switzerland (794), India (668) and

FIGURE 38: HEAT MAP OF PSYCHOTROPIC SUBSTANCES TRAFFICKING INSTANCES BY COUNTRY, 2018



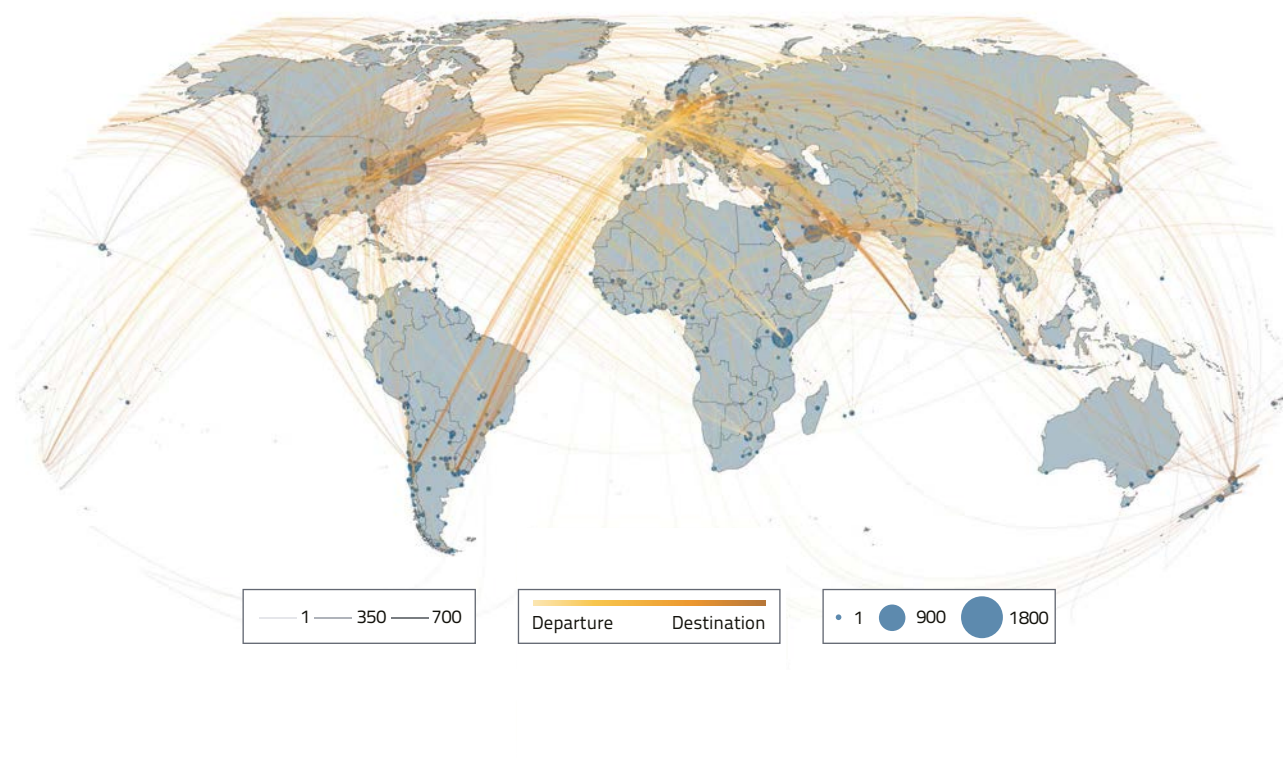
Bangladesh (551). Overall, the United States accounted for 38.2% of all instances of psychotropic substance trafficking. Nearly 90% of seizures reported by the United States listed the country as a point of destination.

As was the case with trafficking instances reported for NPS, the Netherlands was most frequently reported as the point of departure, accounting for 1,955 instances of departure trafficking. Even as Mexico (1,088) and Kenya (1,032) were implicated as the point of departure for more than 1,000 trafficking cases, there were only 10 instances in which Kenya was tied to seizures as a point of transit or destination. In similar fashion, Egypt accounted for 344 trafficking instances as a point of departure but recorded only a single case as a point of destination and no cases as a point of transit.

Figure 38 reveals that seizures of psychotropic substances were prevalent on almost every continent, though only a few African countries reported a significant number of trafficking instances. Northern Africa was implicated in 370 seizures, of which 345 (93.2%) were reported by Egypt. The Eastern and Southern Africa region was implicated in 1,276 trafficking instances, with 1,189 (93.2%) of them involving departures from the region.

Figure 39 details the illicit flows of psychotropic substances, from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases involving departures from or terminations within 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

FIGURE 39: PSYCHOTROPIC SUBSTANCES TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018



on the map are yellow in colour at their origins and become 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 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, **Figure 39** shows the entire intended trade route from origin to destination.

Figure 39 represents 12,388 flows of illicit psychotropic substances, implicating 985 cities and 155 countries. New York City was associated with the most trafficking instances and was involved in 23.2% of all flows. Amsterdam, the city most represented in terms of flows of NPS (see **Figure 33**), khat (see **Figure 27**) and cocaine (see **Figure 21**), appeared in the second most trafficking flows (15.3% of the total).

As **Figure 39** indicates, the trafficking of psychotropic substances generally involves the movement of illicit narcotics toward North America. Indeed, four of the five most common regional trafficking routes included North America as the destination region, with the only outlier being intra-regional flows among countries within Western Europe. Flows among countries in North America accounted for the greatest number of reported seizures (2,303 instances, or 18.5% of total seizures).

Member highlight: Largest methamphetamine seizure in Korean history

On 26 August 2018, the Korea Customs Service (KCS), with intelligence support from the National Intelligence Service (NIS), and in coordination with the National Police Agency (NPA), apprehended a Taiwanese drug cartel member and seized 90 kilogrammes of methamphetamine. This was the largest single drug seizure in the country's history.

With significant intelligence from a source, the NIS, in July 2018, learned that a Taiwanese drug cartel and a Japanese criminal organization (Yakuza), working with a South Korean criminal outfit, were planning a large-scale drug trafficking operation in South Korea. Upon receiving the information, Korea Customs, with the NIS and the NPA, tracked imported cargos smuggling methamphetamine and jointly pursued a Taiwanese member of the drug cartel who had entered South Korea.

Through this effort, on 16 August 2018, the authorities arrested the Taiwanese national at Incheon Airport while he attempted to flee the country. They seized 90 kilogrammes of methamphetamines stored in his luggage in a rental house in downtown Seoul, and, by going through the import record of

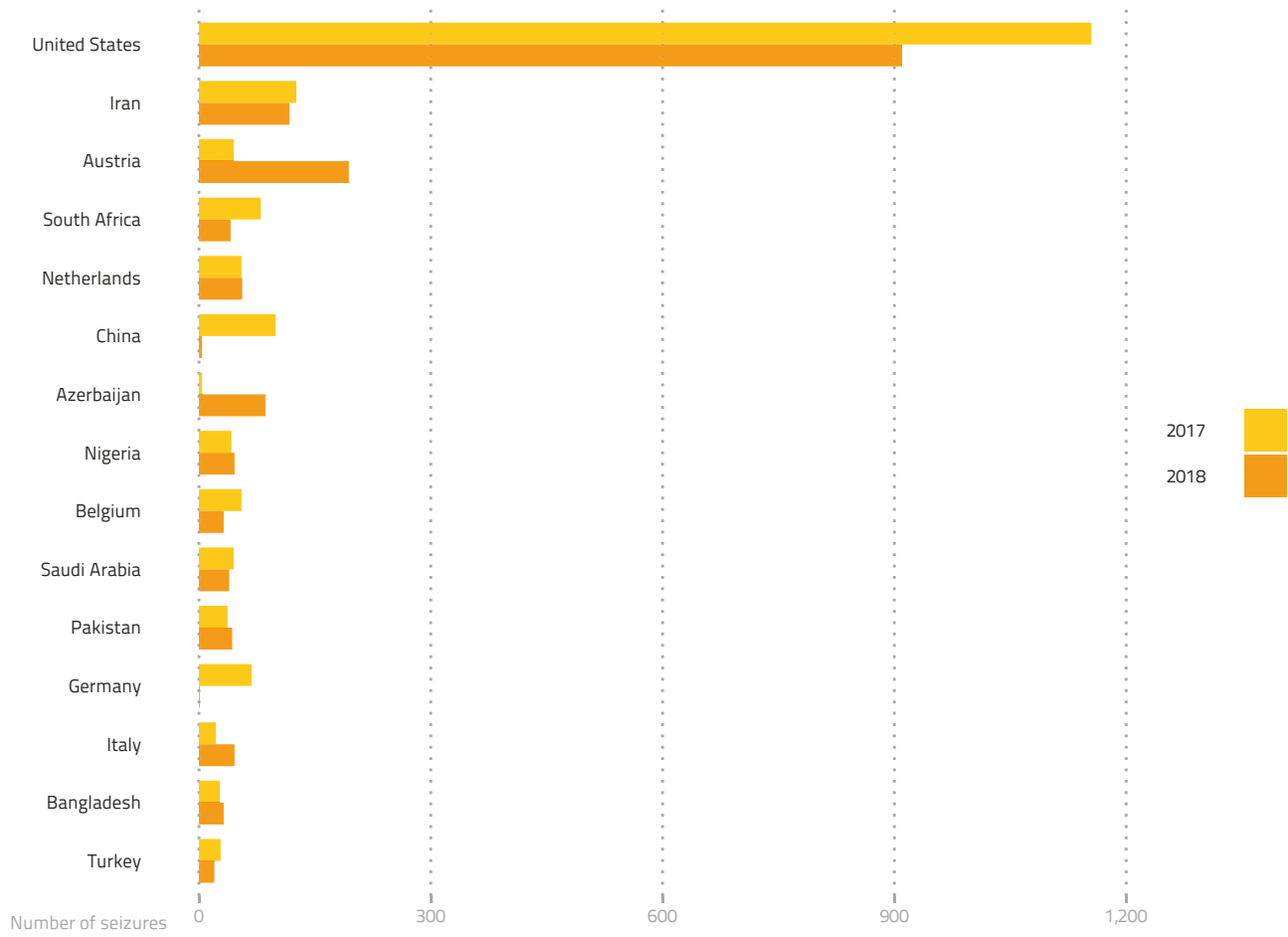
the drug mule, the authorities also determined how the drugs were smuggled into the country. According to Customs data, the supply of seized methamphetamine was officially exported to South Korea, from Thailand, by a Taiwanese drug cartel and was concealed in a screw-thread rolling machine, before being stored at a warehouse in Gyeonggi Province.

Further investigation revealed that the Taiwanese cartel member smuggled in 112 kilogrammes of methamphetamine in a screw-thread rolling machine, of which 22 kilogrammes had already been sold to a South Korean drug syndicate through the brokerage of a Japanese Yakuza member.

Source: Korean Customs.



FIGURE 40: NUMBER OF OPIATES CASES BY COUNTRY, 2017–2018



2.6 – Opiates

Figure 40 compares the number of opiates cases submitted by the top 15 reporting countries in 2018 and 2017. In 2018, 1,922 opiates cases were reported, a drop of 13% from the 2,217 reported in 2017. This aggregate decline was due mostly to the United States reporting 245 fewer cases in 2018. Only three countries represented in Figure 40 reported double-digit increases in opiates cases during this period: Austria (149), Azerbaijan (82) and Italy (24). China reported just four cases and Germany reported only one case in 2018, representing drastic declines of 96% and 98.5%, respectively.



X: 18 kilogrammes of opium seized in Pakistan. Courtesy: Pakistan Customs.

FIGURE 41: NUMBER OF OPIATES SEIZURES AND QUANTITY SEIZED BY TYPE, 2017–2018

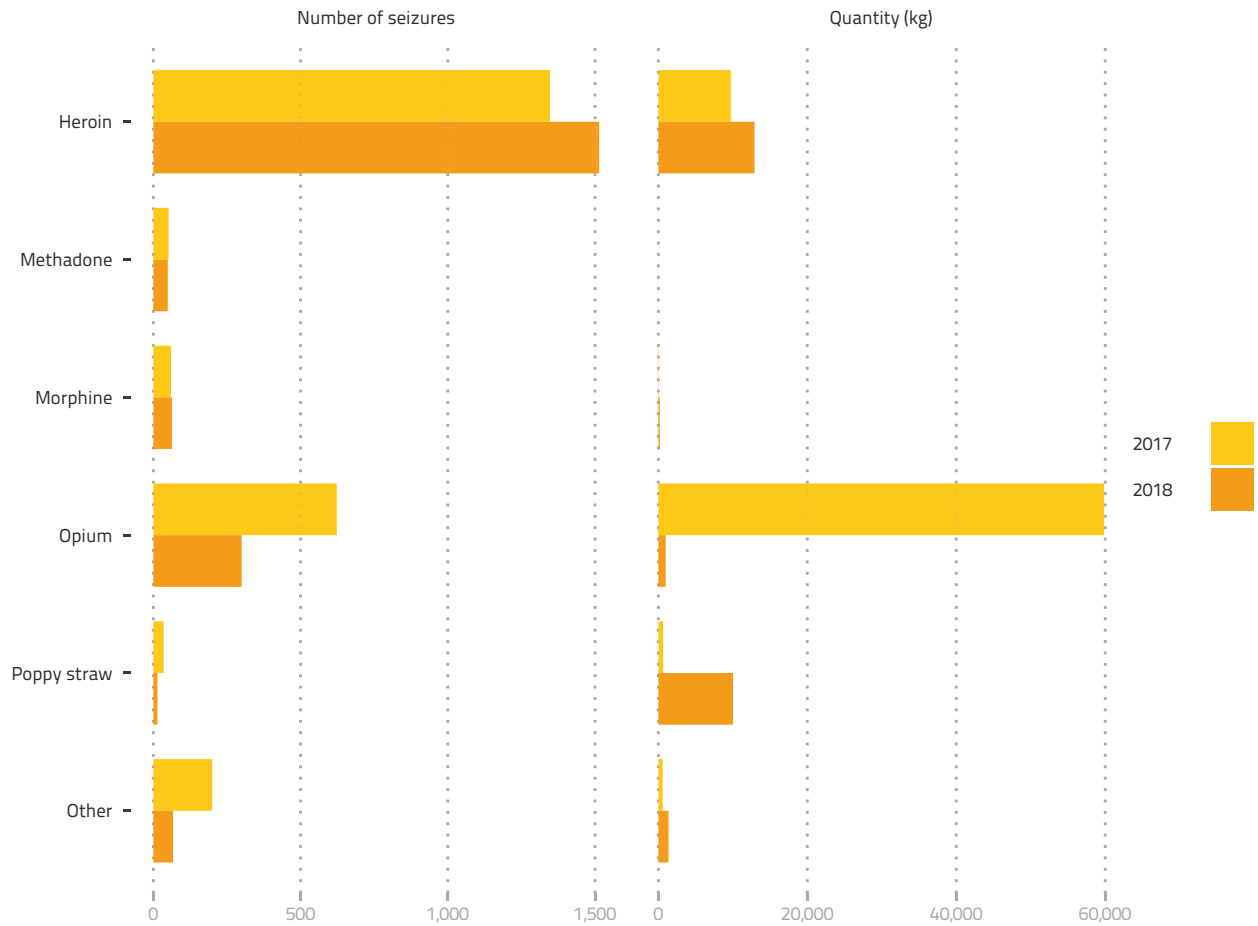


Figure 41 the number of seizures and the quantity of opiates seized, for each drug type, between 2017 and 2018. Overall, 25,497.8 kilogrammes of contraband were seized among the 2,007 opiate seizures reported during this period. Opiate seizures decreased in 2018, with countries recording 13.4% fewer instances and apprehending 45,399.2 (64%) fewer kilogrammes of trafficked opiates. This decline was reflected across all opiate types, with the

exception of heroin, which saw a 12.4% growth in the number of cases and a 32.6% increase in the quantity of heroin seized. Opium was associated with the most severe decrease from 2017 to 2018, with 323 fewer reported instances (51.8%) and a 98.4% drop in the quantity seized.

FIGURE 42: NUMBER OF OPIATES SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

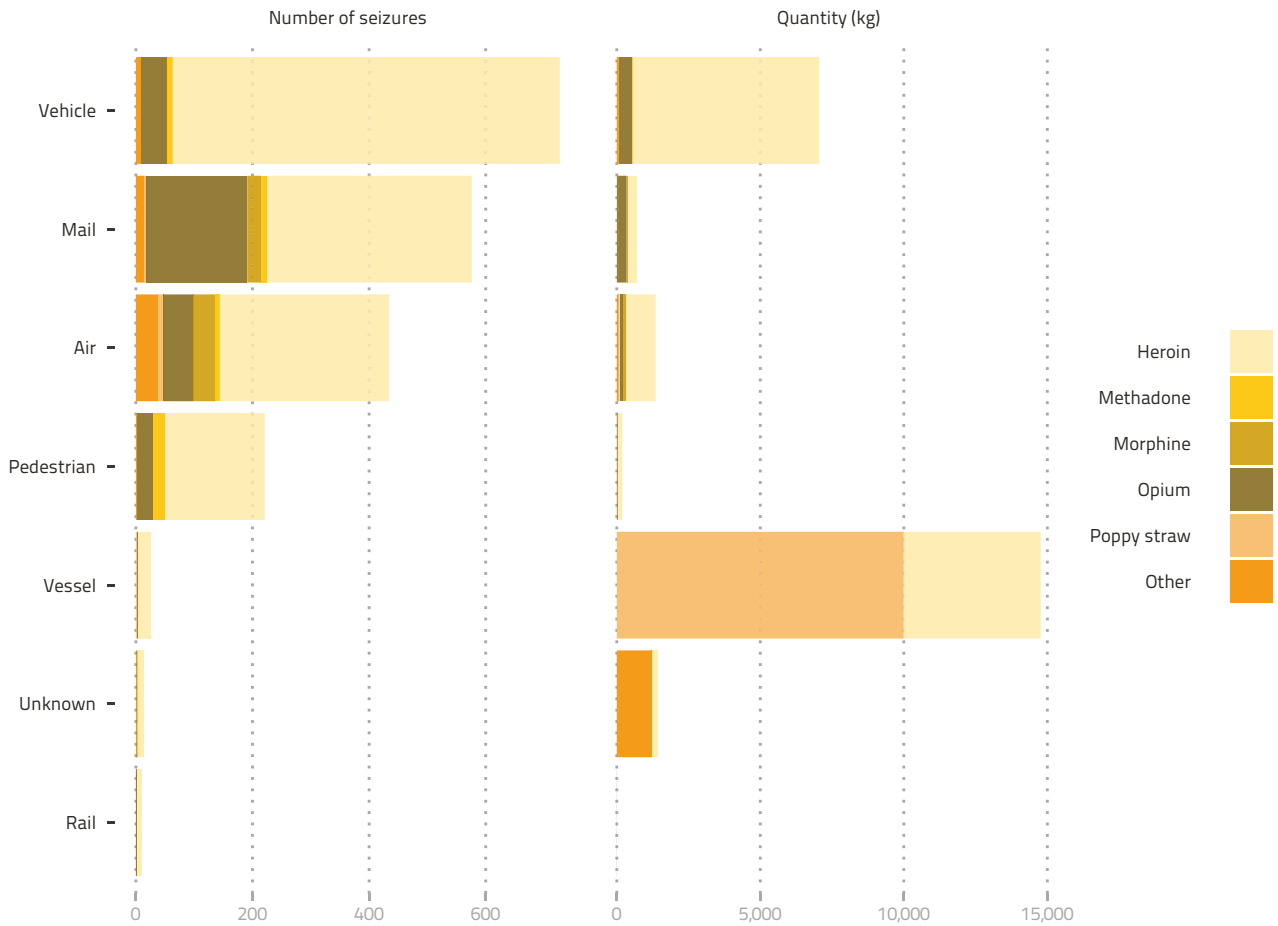


Figure 42 compares, for 2018, the number of seizures and the quantity of contraband seized, according to the conveyance method employed and the type of opiate smuggled. In total, this Figure accounts for 2,007 seizures and a quantity of 25,497.8 kilogrammes. Across all conveyance methods, heroin was the drug most often reported, appearing in 1,514 cases; indeed, heroin made up the most significant proportion of cases associated with seizures executed from vehicles: 664 of 727, or 91.3%. Also of note, considering the 300 seizures of opium represented here, 173 involved trafficking via mail.

This Figure demonstrates that, as was the case for all drugs other than khat, vessels transported a significant quantity of drugs, despite being associated with a proportionally insignificant number of seizures. (See also Figure 11, Figure 17, Figure 29, and Figure 34.) In 2018, 39.2% of all seized opiates came from a single vessel seizure of 10,000 kilogrammes of poppy straw.

Case study 5. Heroin hidden in tomatoes

On 1 May 2018, United States Border Patrol agents in Texas seized 9.97 kilogrammes of heroin (worth approximately USD 3 million) concealed inside cardboard boxes holding tomatoes. The hidden heroin was discovered during a regular inspection occurring at the Pharr International Cargo Bridge; two individuals were smuggling 1.8 kilogrammes of the drug in a 2007 Dodge Caliber. The other 8.17 kilogrammes were discovered in a U-Haul van that the culprits left in a parking lot at a Best Western Hotel in Fort Lee, New Jersey.

The investigation was jointly conducted by the DEA's New York Drug Enforcement Task Force, New York's Office of the Special Narcotics Prosecutor and the New York State Police K-9 unit. The two men arrested were suspected of smuggling the heroin from Chicago to New York, where a customer in the Bronx would ultimately purchase the product.

SOURCES

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- New York Post, DEA: Pair smuggled heroin inside boxes of tomatoes, available at <https://nypost.com/2018/06/07/dea-pair-smuggled-heroin-inside-boxes-of-tomatoes/>, accessed 17 September 2019.
- Daily News, Two suspected drug smugglers accused of hiding heroin in false-bottom tomato boxes, available at <https://www.nydailynews.com/new-york/ny-metro-tomatoes-heroin-20180607-story.html>, accessed 17 September 2019.
- AndNowUKnow, \$1.6 million+ in heroin found in tomato shipment, available at <https://www.andnowuknow.com/headlines/16-million-heroin-found-tomato-shipment/lillie-apostolos/57961>, accessed 17 September 2019.

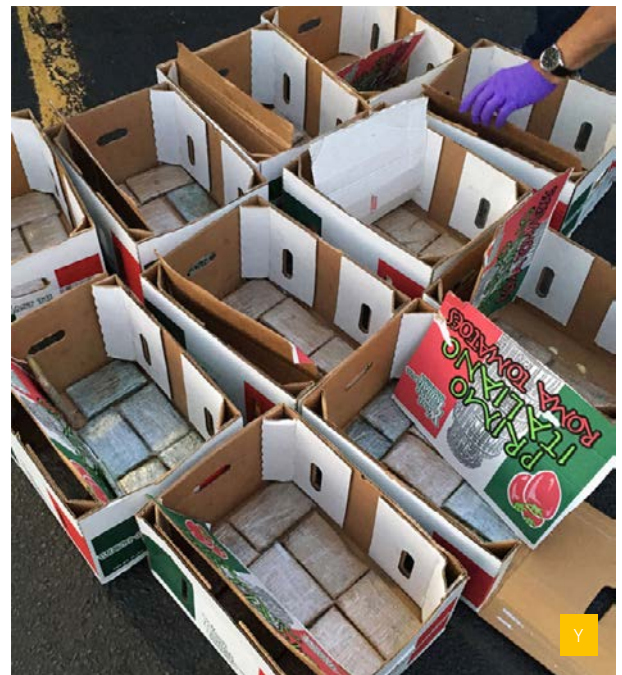


FIGURE 43: PROPORTION OF OPIATES SEIZED BY TYPE AND COUNTRY, 2018

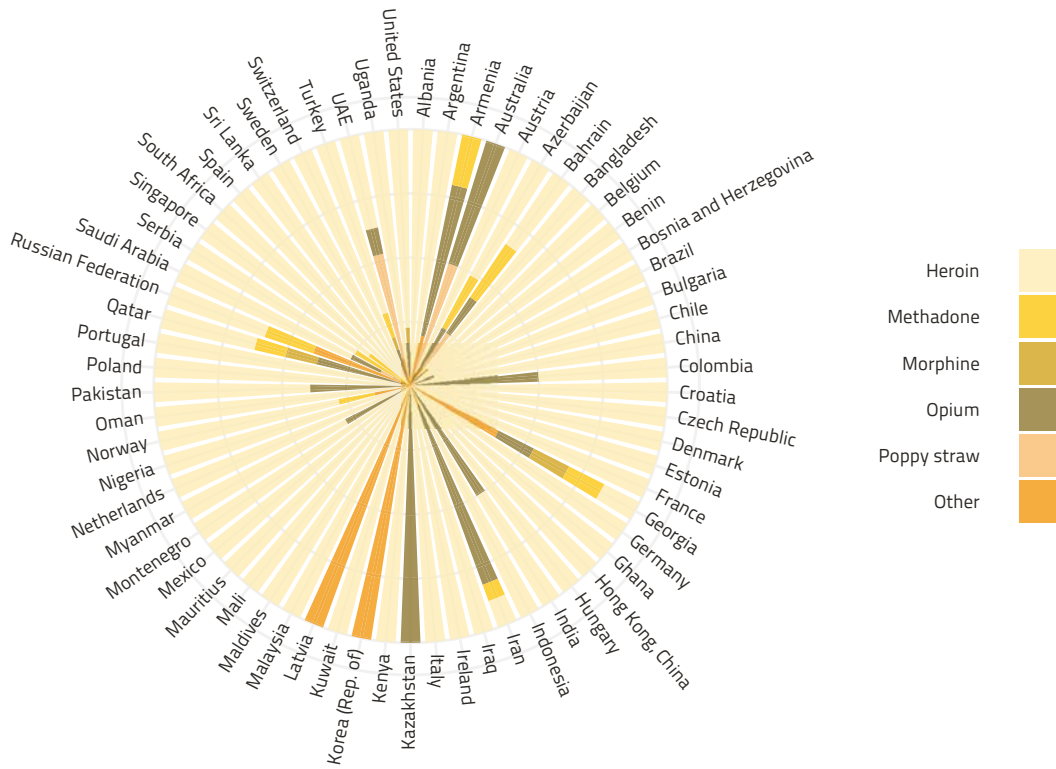
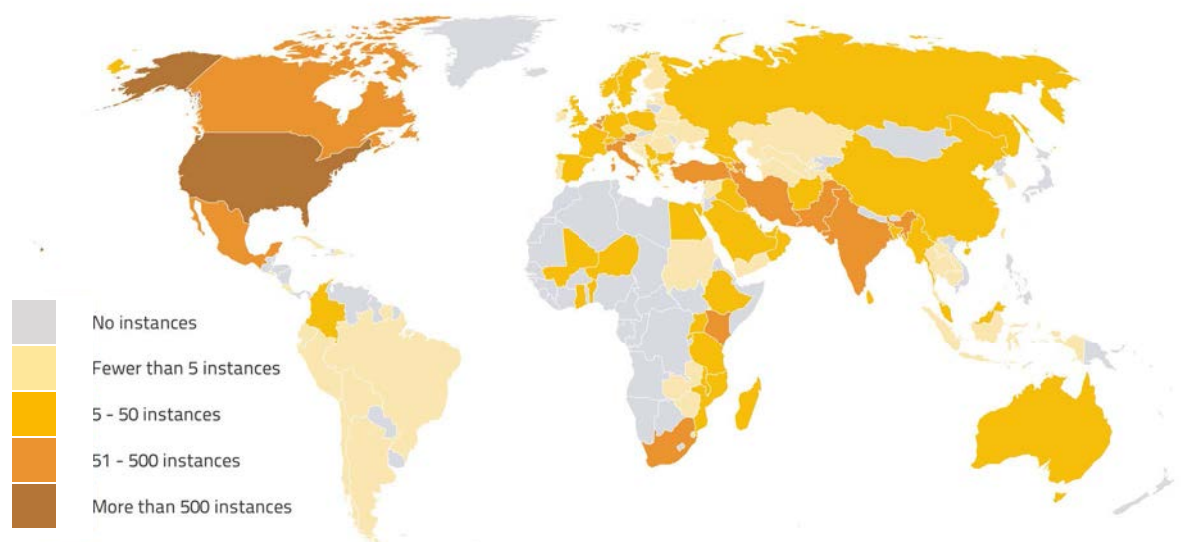


Figure 43 depicts the proportion of seizures for each type of opiate, as reported by countries recording at least one such seizure in 2018. Among the 2,007 seizures accounted for in this Figure, heroin was the opiate most often seized for 52 (80%) of the 65 countries represented. There were no countries that reported seizures within every category of opiate, largely because only a few of them reported seizures of morphine or poppy straw. Indeed, only five countries reported seizures of both morphine and poppy straw.

Figure 44 is a heat map of opiates trafficking instances by country and frequency in 2018. Each country indicated was either the origin, destination or a transit point for one or more shipments of seized narcotics, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 44 represents all countries through which cocaine is known to have been trafficked, or was intended to have been trafficked, in 2018.

Figure 44 accounts for 3,452 trafficking instances and implicates 109 countries within 11 regions. Only the United States was associated with more than 500 instances, reporting 975 of them — 92.8% of which (905) featured the United States as the destination point. The only other country to be featured as a

FIGURE 44: HEAT MAP OF OPIATES TRAFFICKING INSTANCES BY COUNTRY, 2018



destination point in more than 100 instances was Austria (199). The countries most often implicated as points of departure were Iran (227), the Netherlands (190) and Mexico (124). Interestingly, 33 of Ethiopia's 36 trafficking flows involved the country as the point of transit.

Finally, Figure 44 shows that most countries in South America were relatively uninvolved in opiates trafficking in 2018, with the region implicated in only 24 total flows, while the Caribbean was implicated in only seven trafficking flows. Three regions, by contrast, were featured in more than 500 total trafficking flows: North America (1,260), Western Europe (780) and Asia-Pacific (608).

Figure 45 details the illicit flows of opiates, from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases that involved departures from or terminations within 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 and become 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 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 45 shows the entire intended trade route from origin to destination.

FIGURE 45: OPIATES TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

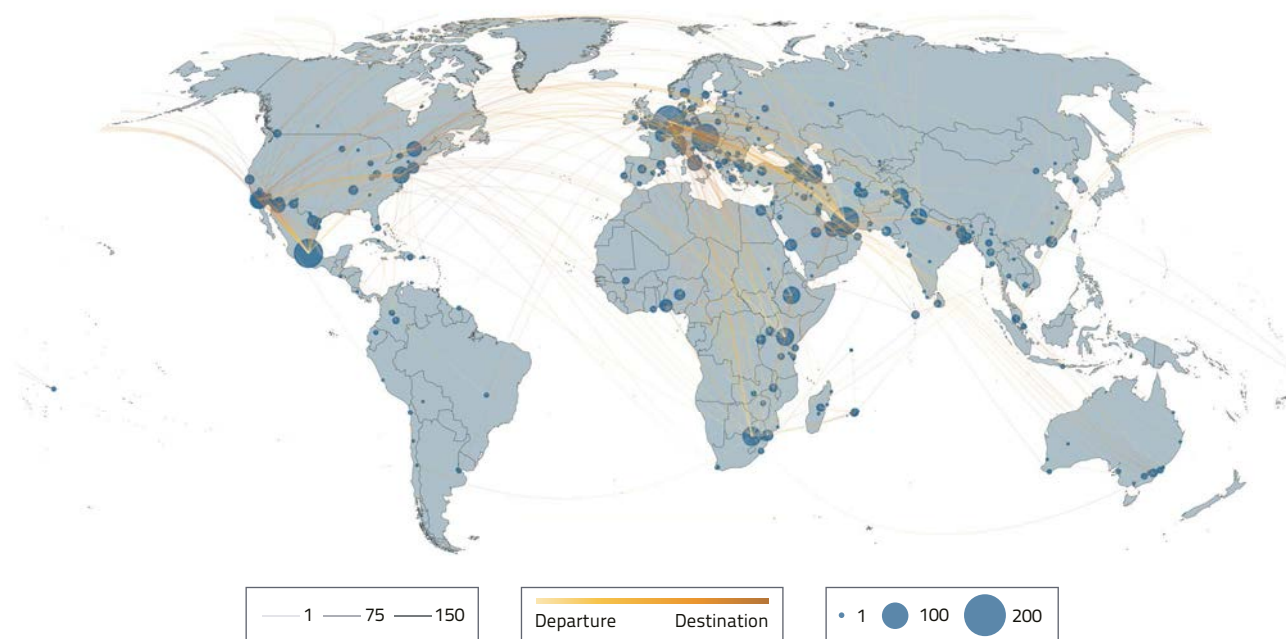


Figure 45 represents 1,503 flows of illicit opiates and implicates 368 cities spanning 107 countries. As was the case with NPS (see Figure 33), khat (see Figure 27) and cocaine (see Figure 21), Amsterdam was the city most often associated with trafficking in illicit opiates, accounting for 262 flows (17.4% of the total). The only other city implicated in more than 200 trafficking instances was Mexico City (with 214 flows), while three regions were implicated in more than 500 flows: Western Europe (798), North America (718) and Asia-Pacific (584).

Intraregional trafficking accounted for the majority (52.2%) of flows represented in Figure 45, and the three most common flows were also intraregional, including movement among countries in North America (269), within Western Europe (264) and throughout Asia-Pacific (123). Only one other trafficking route was implicated in more than 100 total flows: Eastern and Southern Africa to Western Europe (105).

3. PROJECTS AND OPERATIONS

The UNODC–WCO Container Control Programme

The UNODC–WCO Container Control Programme (CCP) was established to assist the global enforcement community in more effectively and efficiently monitoring the movement of containerised cargo. With more than 750 million global container movements reported annually¹, of which an estimated 2% are inspected, CCP plays an important role in both offsetting the risks of this low inspection rate and facilitating legitimate trade. Legitimate containerised maritime trade is threatened, more than ever, by international organised crime groups who operate 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 helping the CCP to intercept illicit goods in the trade supply chain while enhancing global cooperation and the exchange of information.

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

The CCP expanded to include ten geographic regions, with more than 90 PCUs operating in 50 countries. In a number of other countries, the Programme engages with relevant authorities to establish PCUs and to deliver tailor-made training based on the identification of regional threats and needs.

The Air Cargo segment of the CCP was launched in 2015. Building on the infrastructure and concept of the CCP, this segment works to establish dedicated Air Cargo Control Units, which are already operational in countries such as Afghanistan, Bangladesh, Jordan, Georgia, Pakistan, Cuba, Cambodia, Ukraine and Sri Lanka. In total, 19 countries will benefit from this specialised training in managing their air cargo areas.

The phased-training approach continues to be a pivotal component of CCP, from basic theoretical and practical modules to advanced, specialised training. In 2018, 232 training workshops, study tours and mentorships took place, developing the expertise of nearly 2,900 officials. To ensure continuity and sustainability, officials must serve their respective PCUs for a minimum of three years.

Throughout the reporting period, the international donor community has supported the CCP with contributions to enable the Programme's success. At a technical level, it is essential to forge partnerships with donors, because such relationships provide the Programme with additional technical know-how. Several donor countries and WCO Member Customs administrations have provided law enforcement experts to work as trainers.

In 2018, the Programme recorded seizures of 51,341 kilogrammes of cocaine, 2,564 kilogrammes of cannabis, 969 kilogrammes of heroin, 154 kilogrammes of NPS and 76,737 kilogrammes of precursor chemicals for illicit drug production. In addition, large quantities of counterfeit goods (154 containers), medicine, more than 351 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 2018. Due to the expansion of the CCP and the trainings provided, the quantity of seized commodities has grown steadily over the years.

¹ Handbook of statistics 2018, UNCTAD, United Nations, 2018. For further information please see: <https://stats.unctad.org/handbook/MaritimeTransport/Indicators.html>

Project AIRCOP Activities in 2018

In 2008, the WCO conducted the first Operation COCAIR to fight criminal organizations bringing cocaine to European markets, via new routes and with Western Africa as a transit zone. This Operation called for a greater understanding of the new threat, establishing Project AIRCOP, which was financed by the European Union (EU) and Canada in 2010. The Project was led by the United Nations Office on Drugs and Crime (UNODC), in partnership with the WCO and INTERPOL. Its purpose was to enhance national inter-agency coordination through the establishment of Joint Airport Interdiction

for sharing information and intelligence in real time, and INTERPOL databases allow for scrutiny of both the criminal backgrounds of passengers and associated documents.

In late 2018, Project AIRCOP comprised 24 operational JAIFs established in 20 countries throughout the Caribbean, Latin America, Africa and the Middle East. Four new JAIFs are currently being set up, five countries are associated with the Project, and discussions are underway to add eight more countries (see table below).

JAIFs in Latin America and the Caribbean	JAIFs in Africa	JAIF in the Middle East	JAIFs being set up	Associated countries	Countries where discussions are underway
Argentina	Benin	Jordan	Ethiopia	South Africa	Algeria
Barbados	Burkina Faso		Kenya	Brazil	Antigua and Barbuda
Bolivia	Cape Verde		Mozambique	Colombia	Chile
Dominican Republic (Santo Domingo)	Cameroon (Douala and		Cuba	Morocco	Guatemala
El Salvador	Gambia			Peru	Lebanon
Jamaica (Montego Bay and	Ghana				Mexico
Panama	Guinea-Bissau				Trinidad and Tobago
	Mali				Turkey
	Niger				
	Nigeria (Abuja and Lagos)				
	Senegal				
	Togo				

Task Forces (JAIFs) that shared information and intelligence among concerned international airports. Heightened airport crime and more diverse types of modus operandi uncovered by the JAIFs caused the project mandate to be extended to cover all criminal activities associated with airport transport. JAIFs became involved in controlling freight and postal, as well as passengers and express shipments, in cooperation with other competent law enforcement authorities. The WCO CENcomm provides a platform

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 7–9 June 2018, at UNODC headquarters in Vienna. The objective was to take stock of activities conducted in 2018, including Operation COCAIR VII.

Operation COCAIR VII - Result

Products	Number of seizure	Quantity		
		Kg	Pieces	USD
Khat	5	1,802.60		
Cocaine	157	668.05		
LSD	8	316.04		
Cannabis	29	253.73		
Pangolin scales	2	219.40		
Body cream	1	144		
Heroin	11	74.48		
Methamphetamine	4	22.65		
Ketamine	1	14		
Alcohol	-	5.25		
Clonazepam	-	5		
Phenacetine	-	3		
Benzodiazepine	1	1.2		
MDMA (ecstasy)	1	0.2		
Old coins	2		216	
Pieces of informatics	1		1,500	
Pieces of phone	-		184	
Fake visas	1		1	
Tobacco	3		160,112	
Currency	9			1,090,795
Total	236	3,529.6	162,013	1,090,795

In 2018, Project AIRCOP developments focused largely on Operation COCAIR VII, an approximately 10-day effort involving heightened controls at all airports hosting a JAIF, but one 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 Operation made it possible 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 rise in airport crime steered JAIF objectives toward increasingly complex areas of enforcement. Due to seizures made by JAIFs, as well as the diversification in their enforcement, as

illustrated above, these joint units seem capable of adapting to the continuously changing nature of the movement in illegal goods, while also assisting in the global campaign against terrorism. As such, the European Union will maintain financial support for Project AIRCOP through 2019. Canada, Norway, the United States and Japan will also continue to financially support specific, thematic and/or regional actions. Other countries have shown an interest in Project AIRCOP, as well, they are exploring ways to finance the Project's expansion into other regions of the world. Overall, a global and integrated approach, relying on cooperation and partnerships proposed by Project AIRCOP and its JAIFs, can provide a nationally and internationally tailored response to assist in the fight against organized crime.

Project AIRCOP Seizures in 2018

Products	Number of seizure	Quantity		
		Kg	Pieces	USD
Tramadol	6	6,110.39		
Cocaine	302	2,872.27		
Cannabis	28	1,598.08		
LSD	4	320.87		
Ephedrine	11	170.36		
Heroin	23	94.83		
Khat	5	80.79		
Methamphetamine	20	80.07		
Gold	2	37.9		
MDMA (ecstasy)	5	33.51		
Phenacetine	4	14.18		
Codeine	1	10.98		
Alcohol	0	5.25		
Clonazepam	0	5		
Opium	1	1.6		
M30	1	1.25		
Nitrazepam	1	1		
Passports	6		6	
Credit cards	1		6	
Phone pieces	1		184	
Memory cards	0		1,500	
Tobacco	17		166,680	
Currency	17			1,360,593
Total	456	11,438.36	168,376	1,360,593

Operation CATalyst 2 – Commodities Seized

Commodities	Number of cases	Quantity
Drugs (NPS)	419 (134)	49.41 tons (0.89 tons)
Other restrictions and prohibitions	68	181.5 kg / 31,649 pieces
Tobacco	20	21.8 mil pieces / 16 kg
Precursors	7	25.5 kg / 6 pieces
CITES	7	18 metric tons / 6.8 kg / 1,985 pieces
Hazardous materials	6	6.3 tons
Tax and duty evasion	5	3,650 litres
Currency	4	USD value = 242,940
IPR	2	13,500 pieces
Weapons and explosives	1	1 piece
Alcoholic beverages and spirits	1	3,948 litres
Total	540	

Following the success of Operation CATalyst, in 2015, the WCO, in 2018, implemented Operation CATalyst 2, with financial support from the Customs Cooperation Fund of Korea. The Operation worked to thwart NPS trafficking while also strengthening the enforcement capacity of frontline officers in detecting, identifying and seizing NPS, by facilitating timely sharing of information and collaboration at administrative, domestic and international levels.

The information shared during Operation CATalyst 2 helped the international Customs community become better educated on the scale and trend of NPS trafficking at a global level, thus contributing to the international monitoring of NPS and the refinement of the CEN database. The Operation included 95 Member administrations, 10 RILOs and five international organizations and enforcement bodies, including INCB, INTERPOL, EUROPOL, JAITFs and UNODC. During three weeks of intensive control, CATalyst 2 exceeded the success of the first Operation, recording 536 seizures, including 419 drug seizures that netted 49,900

kilogrammes of contraband. In particular, active and real-time information exchange and communication among participating administrations made possible six successful interdictions, as well as a successful international controlled delivery.

The successful outcome of Operation CATalyst 2 did not end with seizures and detection; the Operation contributed to the international Customs community by revealing new global trends of NPS and illicit drugs. These findings are of substantial value to not only law enforcement agencies but also policy makers around the world who are in a position to make evidence-based decisions on proposals to counter abuse and trafficking of NPS and illicit drugs.



SECTION 3.

ENVIRONMENT

INTRODUCTION

While generally underestimated, environmental crime grows more severe every year, with adverse consequences for ecosystems and communities. Considered the fourth-largest criminal enterprise, and linked to other types of organized criminal activities, environmental crime consistently creates new challenges for policy makers, law enforcement agencies and members of civil society. As a sign of the seriousness of this problem, the 2018 Global Risks Report by the World Economic Forum warned of systemic challenges facing humankind and urged global leaders and policy makers to act decisively in this context of instability, uncertainty and fragility.

Customs, along with other enforcement agencies, can mitigate negative consequences by implementing various Multilateral Environmental Agreements (MEAs) with provisions related to international trade, such as the Convention on Trade in Endangered Species of Wild Fauna and Flora (CITES); the Montreal Protocol on Substances that Deplete the Ozone Layer (ODS); the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal; the Stockholm Convention on Persistent Organic Pollutants (POPs); the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade; and the Cartagena Protocol on Biosafety.

The significant rise in Illegal Wildlife Trade (IWT) in the past decade has seriously challenged environmental protection and



conservation efforts, threatening the survival of certain iconic species. Strategically located at border posts, Customs agents are in a position to mitigate this global scourge, particularly by enforcing CITES.

While the public is increasingly aware of poaching and smuggling of protected wildlife and related products, such offenses are often not deemed serious. This stance results in weaker punitive measures for infractions and, thus, an insufficient deterrent effect on the activities of criminal organizations.

Customs administrations from 47 countries reported cases of illicit environmental product trafficking amounting to 2,727 seizures of flora, fauna and waste products in 2018. Traffickers were discovered smuggling 59,150 pieces and 360,495.6

kilogrammes of various CITES-designated flora and fauna products, as well as 270,727 pieces and 458,673.6 kilogrammes of assorted waste products. Officials detected traffickers moving illicit environmental products between airports, over national and international roadways and along maritime passages, among other methods of conveyance. Countries from Western Europe reported the most cases of environmental product trafficking, although countries from the Asia-Pacific region reported the largest quantity of products seized (in kilogrammes). As was the case in 2017, however, nearly all countries were implicated as a known or intended origin, transit or destination point in at least one reported instance of illicit environmental product trafficking.

FIGURE 1: NUMBER OF CASES BY COUNTRY, 2017–2018

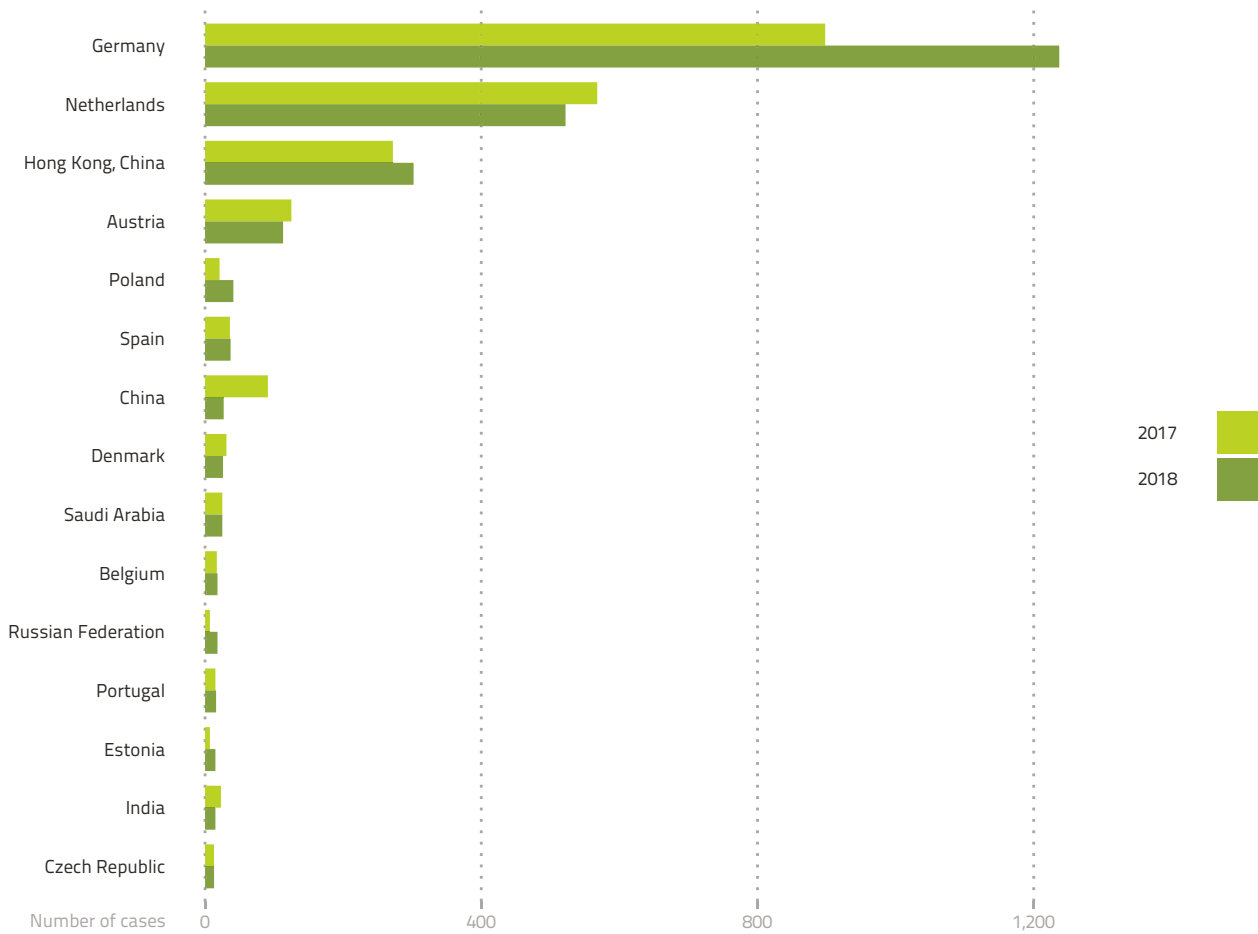
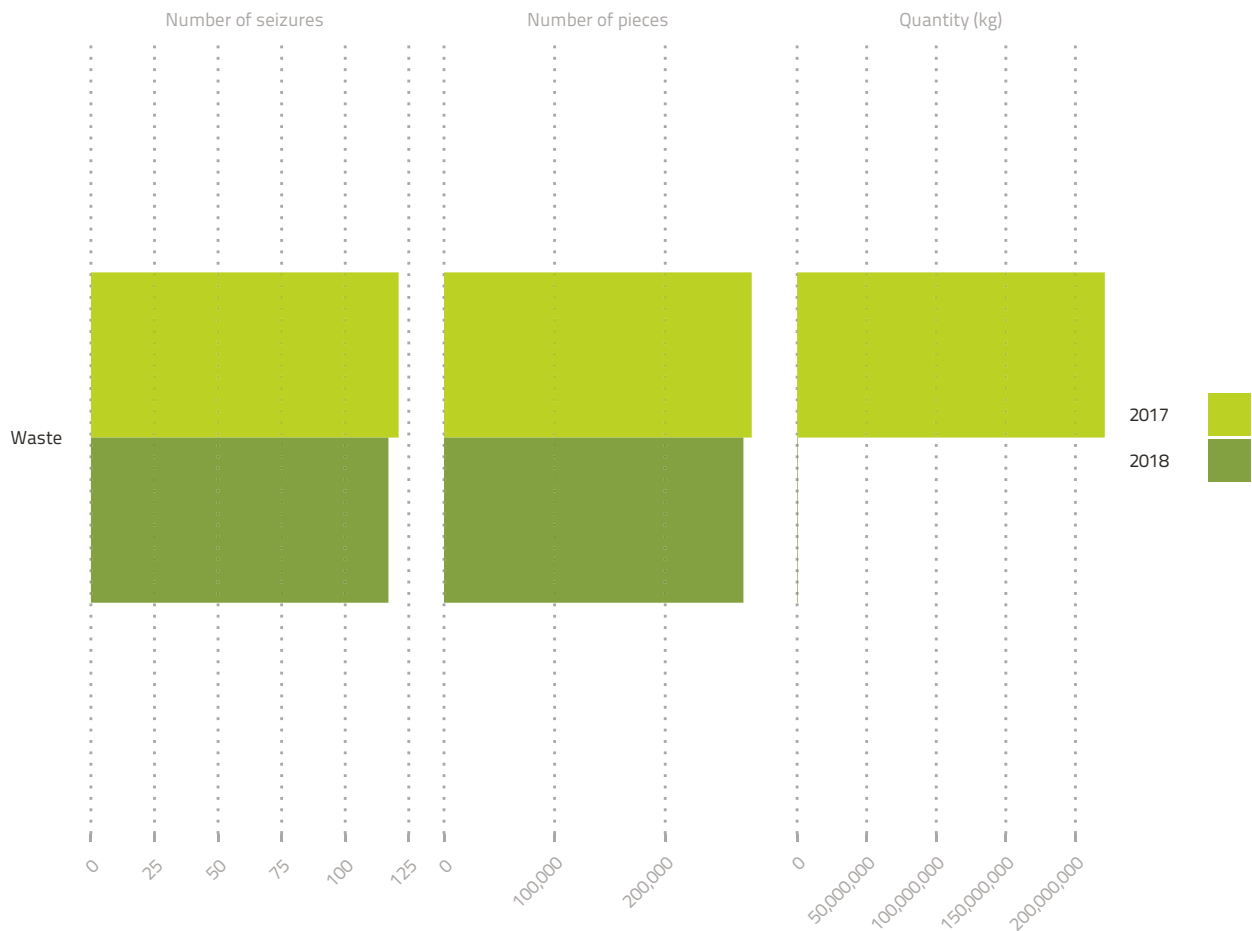


Figure 1 compares data from 2017 (2,149 cases) and 2018 (2,425 cases) with regard to the number of environmental product cases (both CITES and waste) submitted by the top 15 reporting countries. Showing vigilance in addressing environmental product trafficking, Germany reported the most cases in 2017 (898) and had the greatest increase in cases reported for 2018, with its 1,237 cases constituting 51% of the overall total. This number was up from 2017, when Germany's cases accounted for 41.8% of the overall total. Several countries (Austria, China, Denmark and India) reported fewer cases in 2018. China reflected the sharpest decrease in reported cases, plunging from 91 in 2017 to only 27 in 2018 — a decrease of 70.3%. Meanwhile, Saudi Arabia (25 cases) and the Czech Republic (13 cases) reported no change from 2017 to 2018.

The analysis in this section requires a few caveats. First, all conclusions rely on data involving cases and seizures voluntarily submitted at the discretion of WCO Member countries. There are many reasons Customs might 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 might not afford a comprehensive view of trends in the international trade of environmental products. Second, apparent increases in certain categories or routes might simply reflect improved methods and techniques of Customs officials rather than a genuine uptick in environmental product trafficking.

FIGURE 2: NUMBER OF WASTE SEIZURES AND QUANTITY SEIZED, 2017–2018



This Section is organized in the following manner:

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

1. OVERALL TRENDS IN TRAFFICKING OF ENVIRONMENTAL PRODUCTS

Figure 2 compares the number of seizures and the quantity of environmental waste products seized (in pieces and in kilogrammes) between 2017 and 2018. The subcategories of waste are subject to change; in 2017, for example, “waste” included

solid plastic waste, old clothes waste, aluminum compounds and hazardous waste. The reported data for this category in 2018, by contrast, included almost exclusively e-waste, or waste from discarded electric or electronic devices, such as computers and televisions. Due to such shifts, it is difficult to compare the reported waste seizures between 2017 and 2018, especially considering three particularly large cases of plastic and old-clothes waste reported by China in 2017. As a sign of this challenge in accounting from one year to the next, note that the total reported kilogrammes seized decreased by 99.7%, dropping from 221,122,802 in 2017 to 458,673.6 in 2018 — even as 2018 saw only four fewer seizures of waste products (117 seizures) than those reported in 2017 (121 seizures).

Case study 1. China still a destination for hazardous waste

During a routine inspection on June 11, 2018, Hong Kong Customs authorities at Kwai Chung Container Terminal found 9.1 tonnes of batteries labelled as metal scrap in a container shipped from the United States. The container was immediately returned and local United States authorities were notified. The importer, Hong Kong Cheng Ron Trading Company, was fined HK\$10,000 on December 18, 2018 for violating Hong Kong's Waste Disposal Ordinance (WDO).

In 2018, China curbed not just the illegal trade of waste goods to its borders, but the legal trade as well. China has long been one of the largest consumers of waste globally, importing it from other countries to be recycled at its processing plants. January 1, 2018, however, marked the implementation of China's ban on the import of 24 categories of recyclable materials, including plastic waste. The countries that previously shipped their plastic waste to China met this decision with dismay, not knowing where to put their recyclable materials now that the largest consumer was no longer accepting them. For China, however, the step was necessary due to the cost of processing the recycling on air quality and the environment. The ban has been largely successful, with plastic waste imports to China decreasing by over 95% between January 2017 and February 2018.

SOURCES

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- National Geographic Magazine (2018), *How China's plastic waste ban forced a global recycling reckoning*, available at <https://www.nationalgeographic.com/magazine/2019/06/china-plastic-waste-ban-impacting-countries-worldwide/>, accessed 03 July 2019.
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C, D: Courtesy: Hong Kong Customs.

FIGURE 3: NUMBER OF CITES SEIZURES BY CATEGORY, 2017–2018

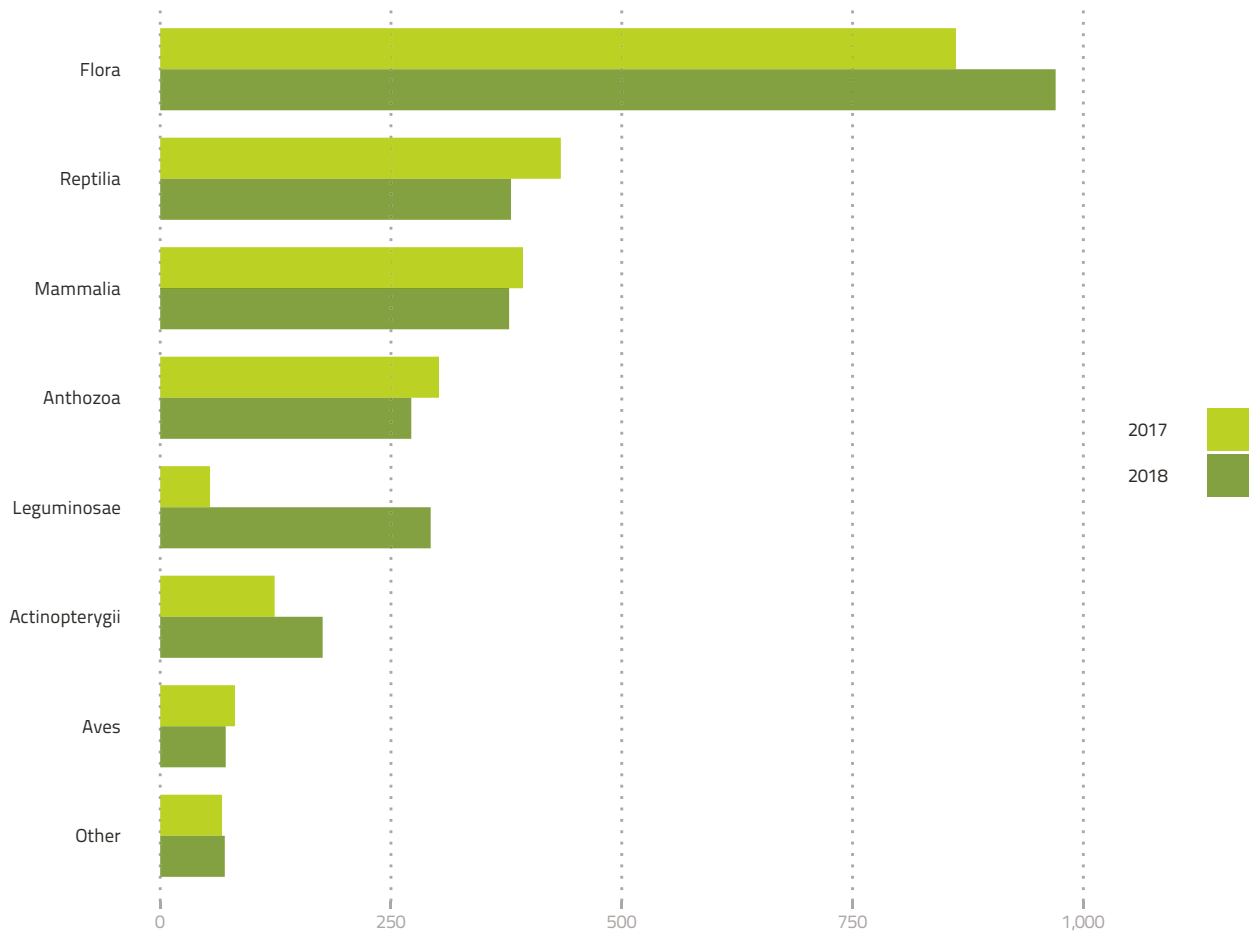
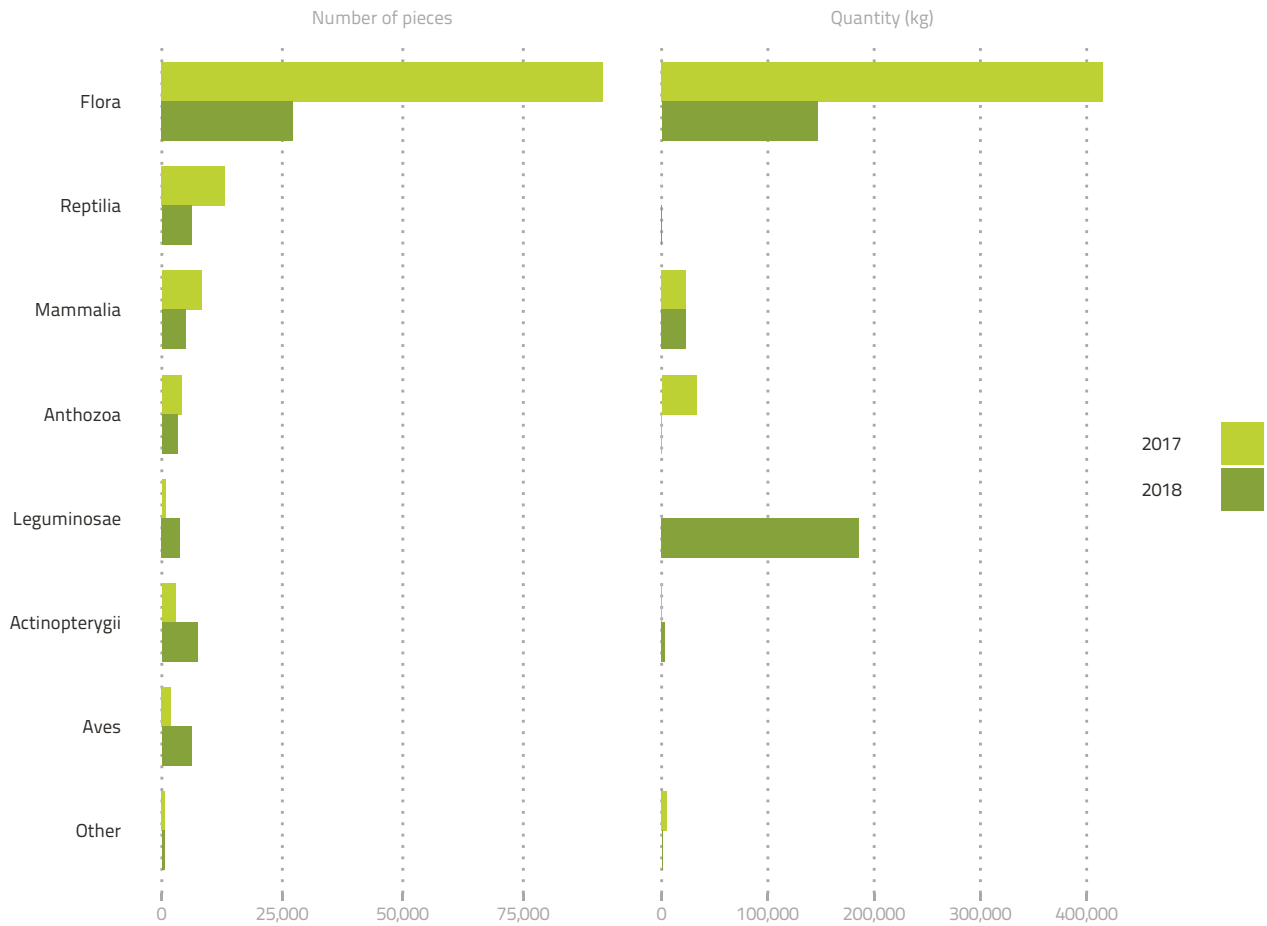


Figure 3 compares the number of seizures for each category of CITES-designated environmental products between 2017 and 2018. This Section refers to the species of fauna by the following scientific classifications: *mammalia*, *reptilian*, *aves*, *anthozoa*, *actinopterygii* and *leguminosae*. The first three of these species — mammals, reptiles and birds — are familiar categories, but the remaining classes may require some explanation. Anthozoa refers to marine invertebrates, such as sea anemones 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. Leguminosae, or legumes, refers to a species of flowering plant that is often farmed for timber production and which, for the purposes of this Section, refers exclusively to rosewood.

As seen in Figure 3, seizures of CITES-designated environmental products increased 10.9% from 2017, which saw 2,325 total seizures, to 2018, which included 2,610 total seizures. Seizures in four categories (flora, *leguminosae*, *actinopterygii* and other) increased in 2018; of these, *leguminosae* increased the most, jumping from 54 seizures in 2017 to 293 seizures in 2018. Seizures within the *actinopterygii*, flora and “other” categories increased by 42%, 12.5% and 4.5%, respectively. Conversely, reported seizures in four categories (*reptilian*, *mammalia*, *anthozoa* and *aves*) decreased in 2018; of these, seizures of *reptilia* and *aves* showed the most significant decreases, dropping just over 12.4% and 12.3%, respectively. There were 380 reported *reptilia* seizures in 2018, down from 434 reported seizures within the same category in 2017, and reported seizures of *aves* decreased from 81 in 2017

FIGURE 4: NUMBER OF PIECES AND QUANTITY SEIZED BY CATEGORY (CITES), 2017–2018



to 71 in 2018. The remaining categories remained relatively constant, with a 10% decrease in *anthozoa* seizures and a 3.8% decrease in *mammalia* seizures.

Figure 4 compares the number of pieces and the quantity (in kilogrammes) seized for each type of CITES-designated environmental product between 2017 and 2018. The total number of pieces seized decreased in 2018, falling to 59,150 from 123,113 the year before, despite an 11.5% increase in the total number of seizures over the same period. In 2018, the greatest number of pieces seized were categorized as flora, a result aligning with the similarly high number of seizures within this category shown in Figure 3 but still representing a 70.3% decrease in seizures of flora pieces from 2017 to 2018. Figure 4 also shows a general decrease

in kilogrammes seized from 2017 to 2018, despite a large increase of *leguminosae* seized in 2018. A relatively few large seizures of rosewood reported in the Asia-Pacific region contributed to most of the *leguminosae* seized in 2018.



E: UK Customs seizes orchid roots. Courtesy: UK HMRC.

FIGURE 5: NUMBER OF FAUNA SEIZURES BY TYPE, 2017–2018

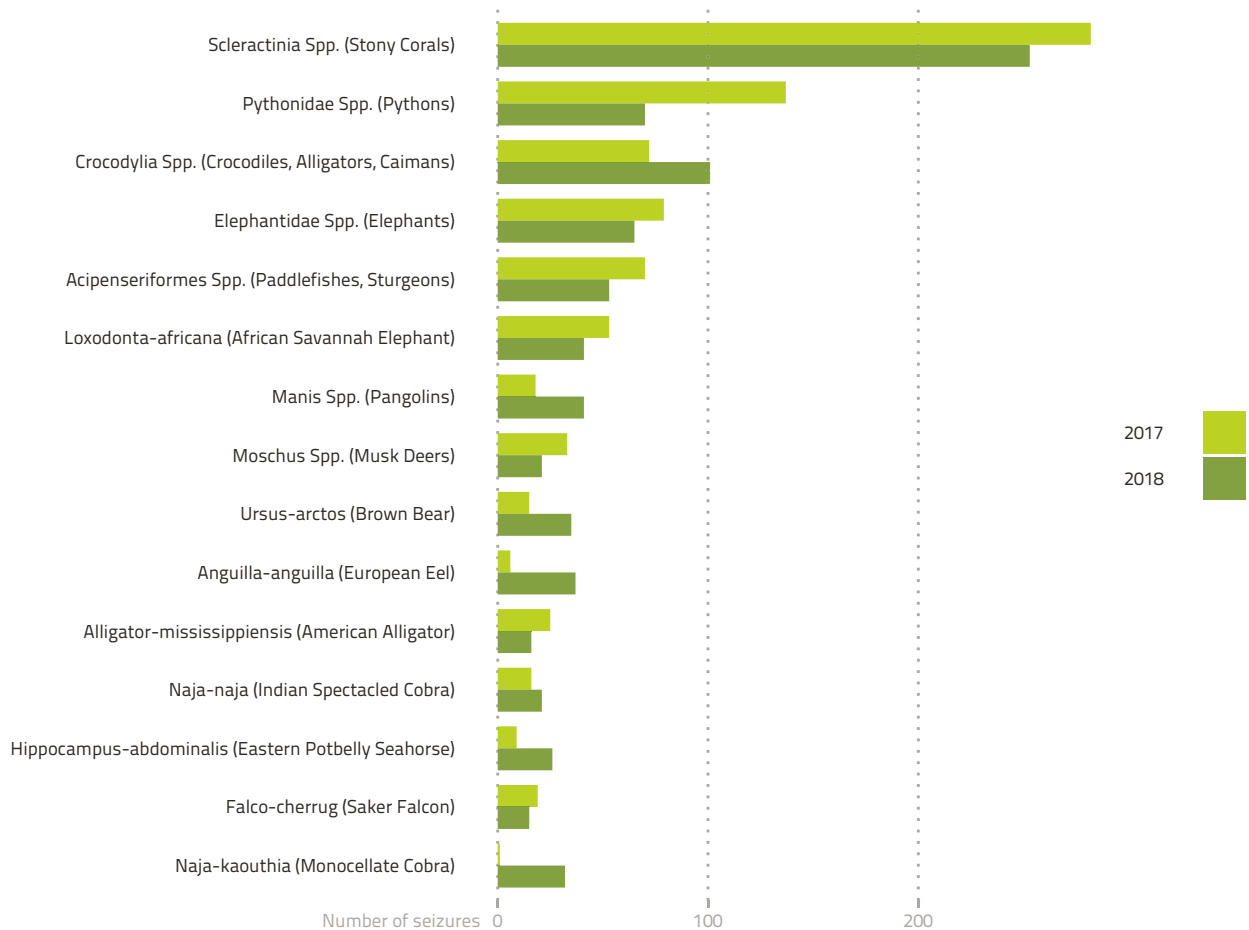


Figure 5 compares the top 15 types of fauna seized between 2017 and 2018 and shows that the overall number of reported seizures dropped by only eight, sliding from 835 cases in 2017 to 827 cases in 2018. Despite a slight decline from its 2017 total, *scleractinia* spp. (stony coral) remained the most trafficked fauna in 2018, comprising 33.8% of all reported fauna seizures in 2017 and 30.6% of such seizures in 2018. That said, there were significant increases in several other categories of fauna in 2018. Although there was only one reported seizure of a *naja-kaouthia* (monocellate cobra) in 2017, for example, in 2018, there were 32 such seizures. Similarly, there were 37 seizures of *Anguilla-anguilla* (European eel) in 2018, a sharp increase from the six seizures reported the prior year. Other species seized more frequently in 2018 included *manis* spp. (pangolin) and *Hippocampus-abdominalis* (eastern

potbelly seahorse), representing increases in seizures from 18 to 41 and nine to 26, respectively.



F: Courtesy: Australian Customs.

Member highlight: Spain - Interception of 267 kilogrammes of glass eels at Madrid-Barajas Airport

On 30 January 2018, the Risk Analysis Unit at Madrid-Barajas Airport, working with Customs Surveillance and Guardia Civil agents, examined a shipment of five packages (totaling 1,015 kilogrammes) destined for Vietnam. An X-ray check revealed that boxes located in the upper part of the shipment held the declared goods (seafood winkles, *Littorina littorea*), while the rest of the boxes contained live glass eels (baby eels), as well as ice bottles for storage.

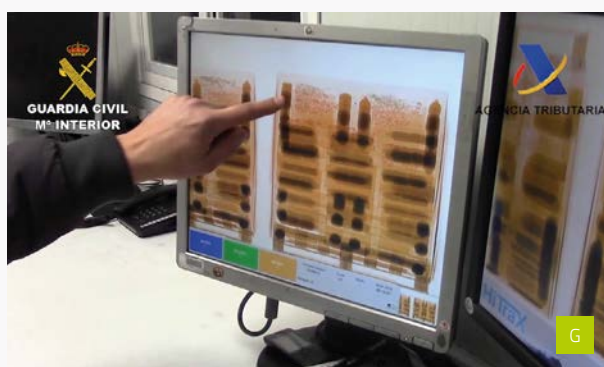
DNA analysis confirmed that the specimens corresponded to the species *Anguilla-anguilla*, included in the Appendix II CITES Agreement and classified by the European Union as an endangered species with an export ban.

The drained weight of the glass eels was 267 kilogrammes, making for an approximate market value of EUR 534,000, and Madrid–Hong-Kong–Vietnam was the intended air-travel route for the specimens.

Both the consignor and the consignee were companies, and the manager of the Spanish company was charged with a crime.

One day after being seized, the glass eels were released, repopulating nine rivers of the Basque Country (Spain).

Source: Spanish Guardia Civil.



G, H: Courtesy: Spanish Guardia Civil.

FIGURE 6: NUMBER OF FLORA SEIZURES BY TYPE, 2017–2018

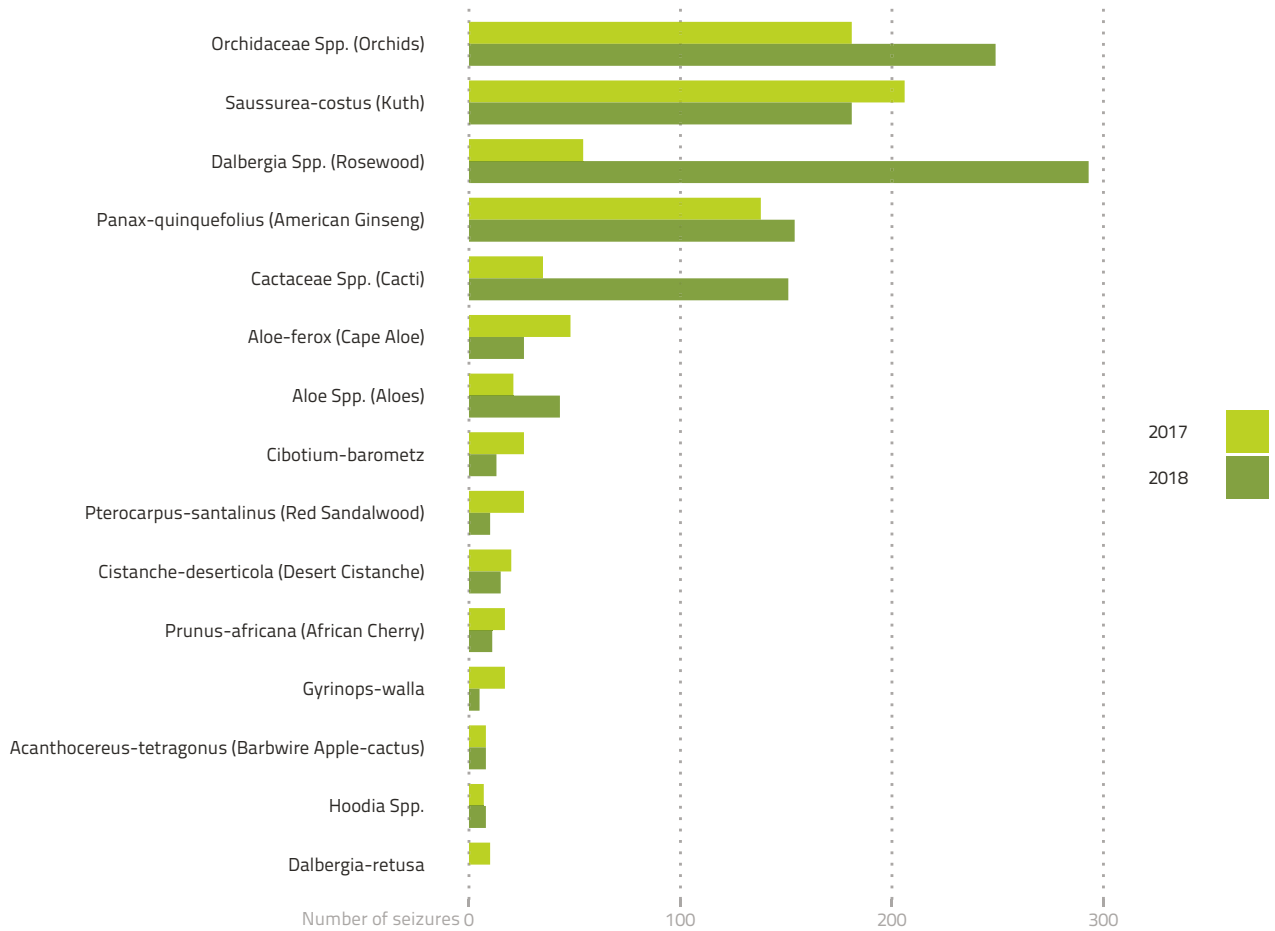


Figure 6 compares the top 15 types of flora and *leguminosae* seized between 2017 and 2018. As seen in Figure 3, flora were the most commonly reported environmental product seized in both years, comprising 3% (862) of total reported seizures in 2017 and 35.6% (970) of total reported seizures in 2018. Figure 6 demonstrates a dramatic 443% increase in reported rosewood seizures in 2018, making them the most commonly reported seizures among types of flora in 2018 and surpassing

both *Saussurea costus* (kuth, the largest category in 2017) and *orchidaceae* spp. (orchids, the second-largest category in both 2017 and 2018). Remarkably, in 2017, reported seizures of rosewood (*leguminosae*) had already increased by 62.5% over their total in 2016. Altogether, rosewood seizures accounted for 25.2% of combined flora and *leguminosae* seizures reported in 2018, indicating why Figure 4 shows such a marked increase in the quantity of *leguminosae* seized in 2018.

Case study 2. Successful prosecution of a timber trafficker

On 16 January 2018, Hong Kong Customs seized 29.232 tonnes of Honduras rosewood. The shipment, originating in Guatemala, was seized at Kwai Chung Customhouse Cargo Examination Compound. According to the Customs administration, officials discovered this cargo during routine port controls. Officials estimated the rosewood was worth HK 2.9 million.

The following day, Customs officers arrested a woman, Cai Huimian, whose name, address and telephone number were listed on the shipment's import documents. Although Cai was described as a "housewife" in court proceedings, she worked part-time for her husband's construction materials business. Cai was aware her contact information was being used in the illegal shipment and was promised money in exchange for cooperation. The magistrate in the case, Ada Yim, stressed both the monetary cost of the illicit goods and the environmental impact of the illegal timber trafficking and consumption.

In the end, Cai pleaded guilty to importing a species protected under Appendix II of CITES. Because Cai had no previous criminal record, on 10 September 2018, the magistrate reduced her sentence to a three-month prison term.

SOURCES

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I, J: Courtesy: Hong Kong Customs.

Member highlights: Hong Kong Customs seized CITES-controlled red sandalwood

Owing to several significant import-smuggling cases, Hong Kong Customs seized 246,200 kilogrammes of timber in 2018, 4.6 times as much as the 44,200 kilogrammes seized in 2017. On 5 June 2018, for example, Customs officers inspected a 40-foot container arriving in Hong Kong, from Malaysia, and bearing a declared cargo of "gypsum drywall boards". Preliminary X-ray images revealed irregularity in the cargo's density and texture and, upon examination, Customs officers found 5,730 kilogrammes of red sandalwood concealed within hollowed-out gypsum boards. The seizure was valued at USD 0.88 million, and this was the first time Customs officers detected smuggled wood logs concealed in such a fashion.

Source: Hong Kong Customs.



Smuggling of 3.5 tonnes of elephant ivory in Singapore

On 5 March 2018, Singapore Customs, Immigration and Checkpoints Authority at the Pasir Panjang Scanning Station, along with authorities from the Agri-Food and Veterinary Authority, jointly seized a container declared to contain groundnuts but actually hiding 61 bags of elephant ivory tusks (1,787 pieces in total),

weighing about 3,500 kilogrammes. The shipment from Apapa, Nigeria, had been flagged for further inspection due to Singapore's robust risk-assessment framework, and the ivory, intended for re-exportation from Singapore to Vietnam, was valued at about USD 2.5 million.

The smuggled ivory was seized and the case is before the courts. Elephants are protected under CITES and international trade in elephant ivory is prohibited. Under the Endangered Species (Import and Export) Act, offenders are, on conviction, liable for a fine of up to SGD 500,000 and/or two years imprisonment, while also being required to forfeit the animals or items. The same penalties apply to transit or transshipment of illegal wildlife species (including their parts and derivatives).

Source: Singapore Customs.



K, L: Courtesy: Singapore Customs.

FIGURE 7: NUMBER OF CITES SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

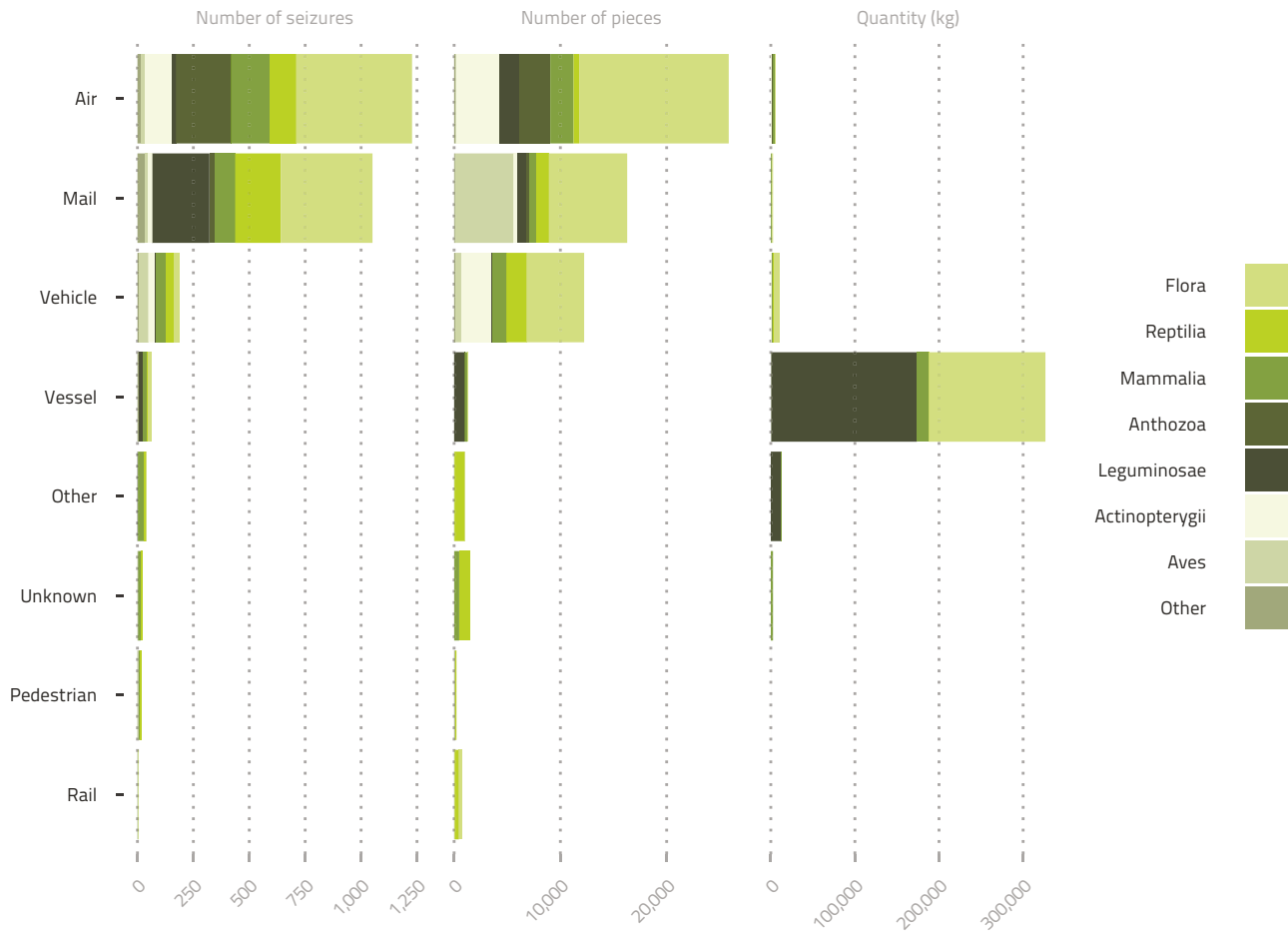


Figure 7 shows the number of seizures and the number of pieces as well as the quantity seized (in kilograms) of CITES-designated environmental products, according to both type and conveyance method. Of the 2,727 environmental seizures in 2018, 1,238 implicated air transport, with flora (519 seizures) being the most commonly seized category in this transportation sector. Still, as Figure 7 indicates, most large seizures occurred on vessels; indeed, in 2018, the 15 largest reported seizures by weight were transported in vessels. The 326,506.1 kilograms of products from seizures conveyed by vessels amounted to 90.6% of the total reported kilograms seized in 2018. Within these seizures conveyed by vessels, *leguminosae* and flora comprised 53% (173,015 kilograms) and 42.5% (138,600 kilograms) of seizure weights, respectively.



M: Courtesy: Australian Customs.

FIGURE 8: NUMBER OF CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2018

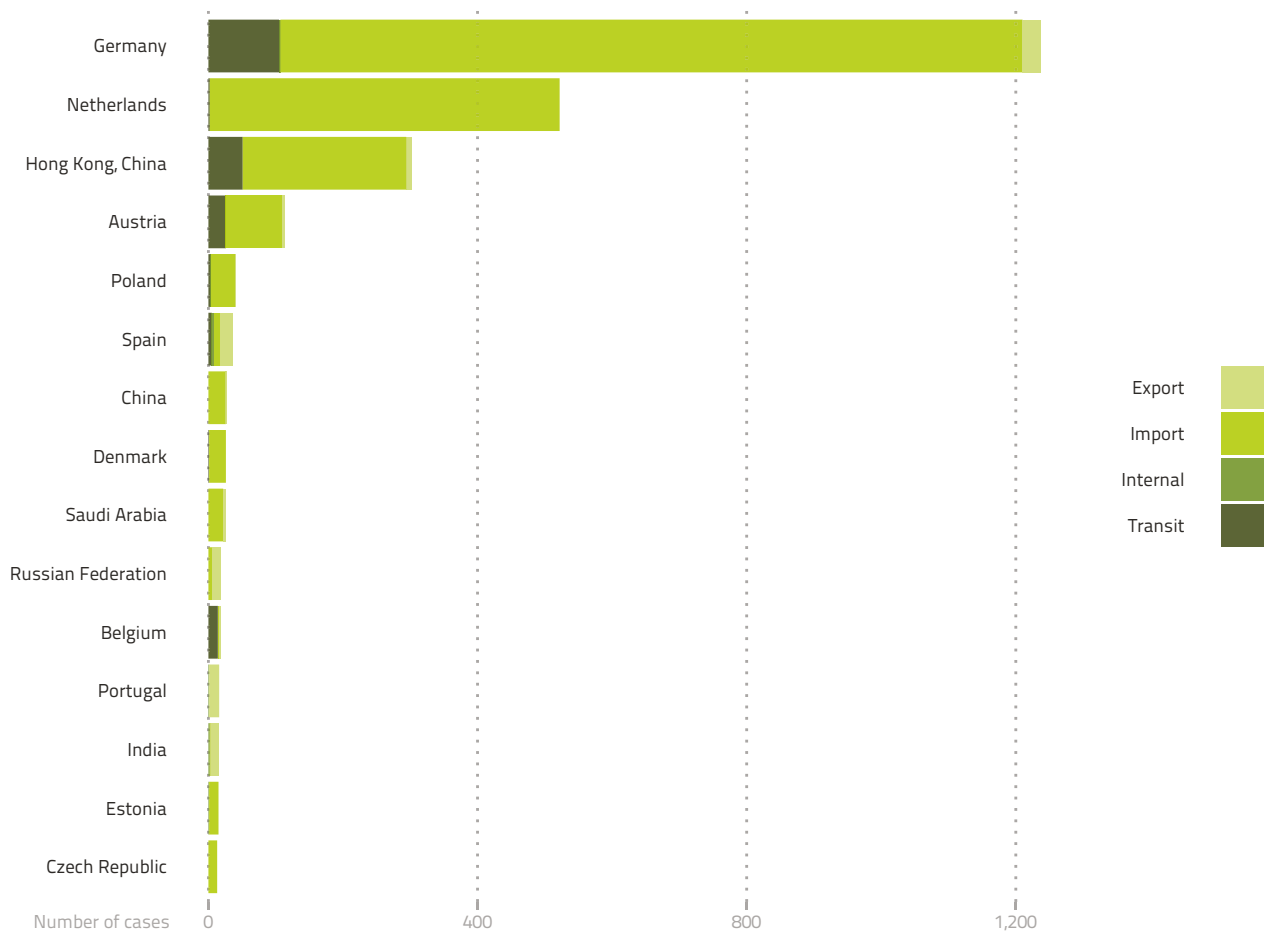


Figure 8 displays the top 15 countries reporting environmental product cases (CITES and waste) in 2018, and it indicates the direction in which target shipments were moving when confiscated. As seen in Figure 1, Germany reported 51% of the cases in 2018, most of which (1,103) were labeled as imports into Germany. This aligns with the data more generally, where 2,105 of the 2,426 reported cases (86.7%) were labeled as imports. This could,

however, be a consequence of how countries reported case data; all 13 cases that the Czech Republic reported, for instance, were labeled imports. Of the top 15 countries listed in Figure 8, all but five reported the majority of their cases as imports. Only India, Portugal, the Russian Federation and Spain reported a majority of their cases as exports, and Belgium labeled 14 of its 18 reported cases as transit.

FIGURE 9: PERCENTAGE OF CASES BY DETECTION METHOD, 2018

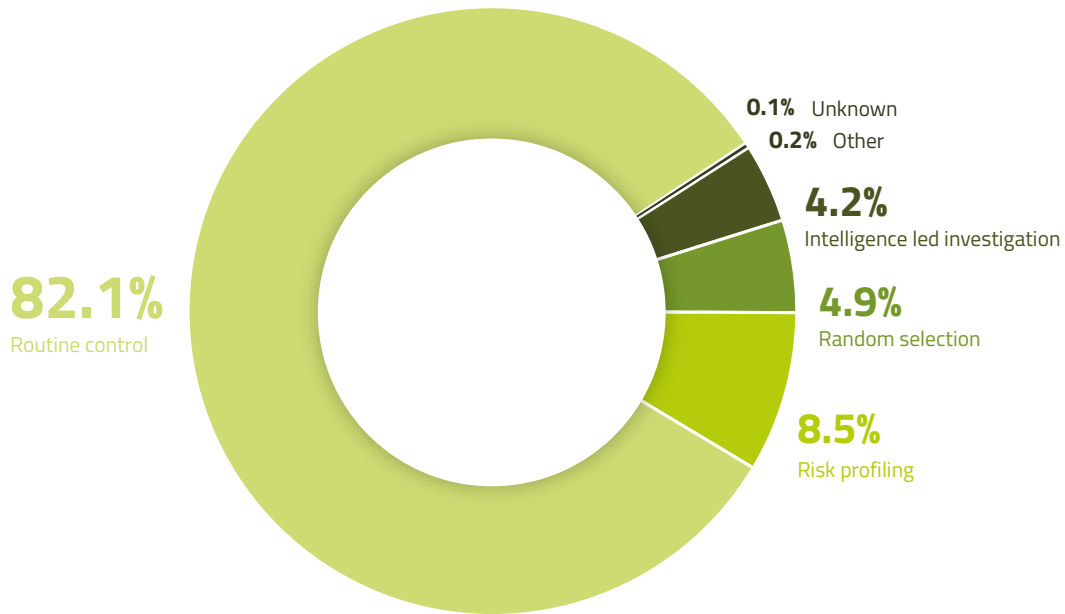


Figure 9 depicts the 2,543 cases of environmental product (CITES and waste products) seizures according to the detection methods used by Customs officers. Routine controls at the world's border crossings, security checkpoints, ports and airports yielded the vast majority of seizures increased from 75.6% of cases in 2017 (1,761 of 2,330) to 82.1% of seizures in 2018 (2,087 of 2,543). Risk profiling was the second-most successful method of detection for environmental product cases in 2018, accounting for 8.5% of total cases. And, finally, of the 2,543 reported cases of environmental products in 2018, only three came from unknown detection methods.



N: Confiscated monitor lizards. Courtesy: Thailand Customs.

FIGURE 10: PERCENTAGE OF CITES SEIZURES BY CATEGORY, 2018

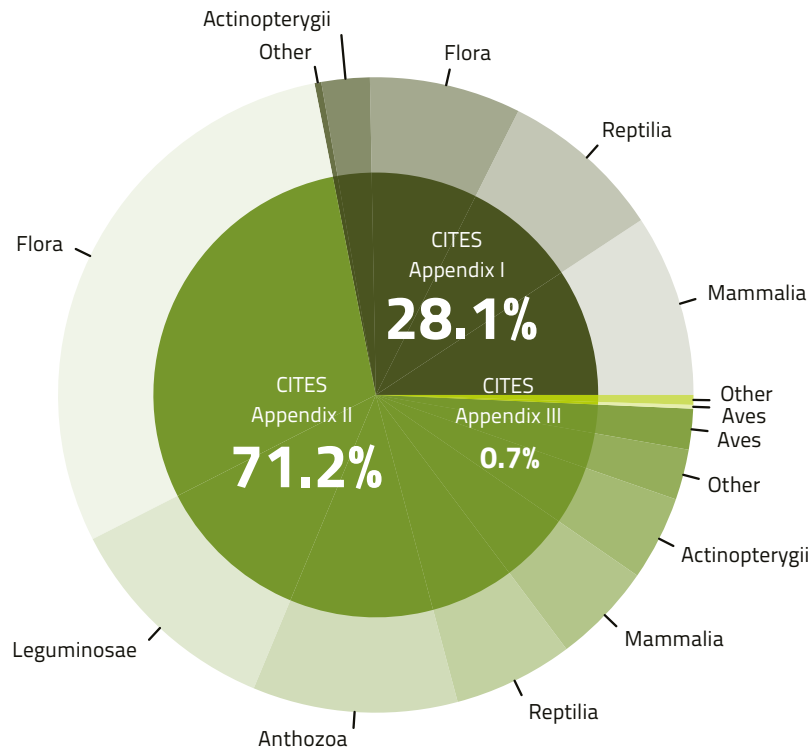


Figure 10 shows percentages of seizures according to their CITES designations. Flora and fauna species listed in CITES Appendix I currently face potential extinction, those listed in Appendix II could face potential extinction if trade remains uncontrolled, and those listed in Appendix III are protected in at least one country that has asked CITES parties for assistance in controlling the trade in that species. All trade in flora and fauna listed under CITES Appendix I is prohibited except in the case of specific circumstances. As seen in Figure 10, the majority of seizures reported in 2018 (1,858) were of Appendix II products; among these, a plurality (767) were of flora. Of the 733 seizures of Appendix I products in 2018, *mammalia* were most commonly seized (242 seizures). Seizures of products from Appendix III were not as well-categorized, with most (72%) belonging to the "other" category.



0: Courtesy: UK Border Force.

FIGURE 11: PROPORTION OF CITES SEIZURES BY TYPE AND COUNTRY, 2018

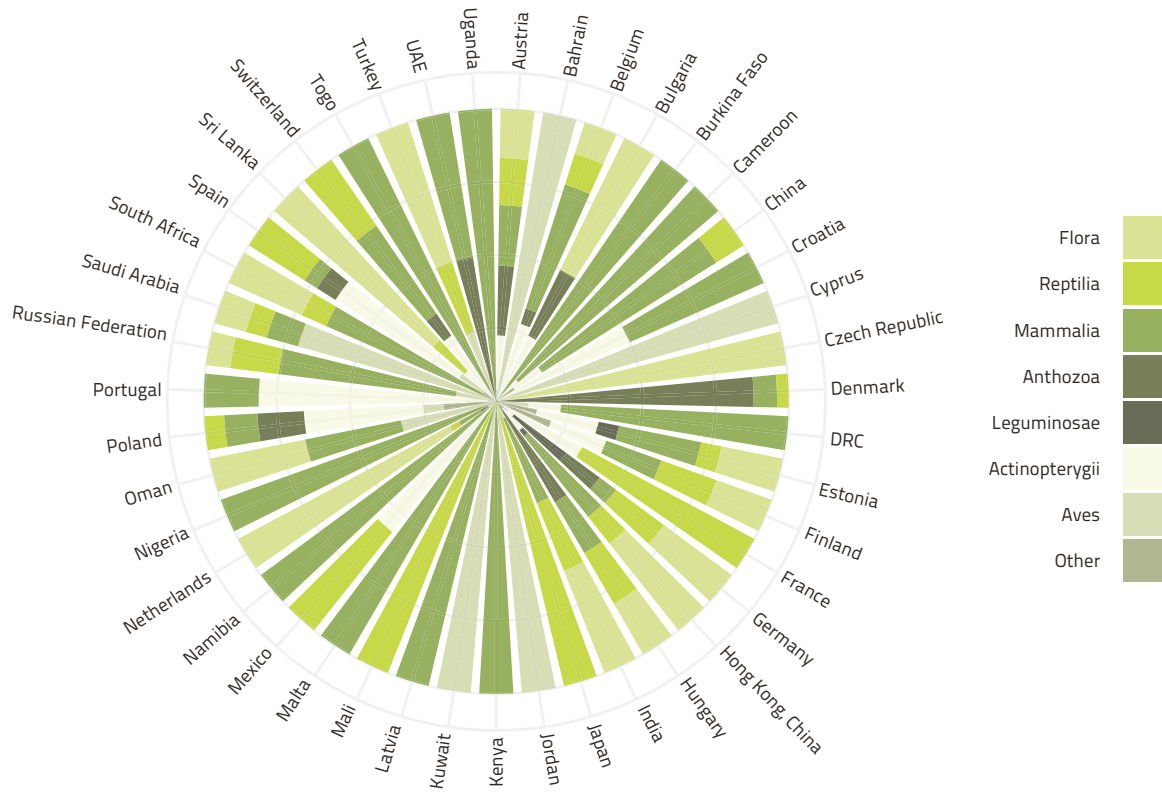


Figure 11 depicts the proportion of seizures for each type of CITES-designated environmental product, as reported by countries recording at least one such seizure. Most countries reporting seizures in just one category (15 countries) reported *mammalia* seizures. Within these 15 countries, however, seven (Bahrain, Burkina Faso, Cyprus, Latvia, Mali, Namibia and Uganda) reported only one seizure each. The other countries reported between two and 13 seizures. The Czech Republic, the only country to report 13 seizures within the same category, reported only seizures of flora.

Germany and the Netherlands were the most diverse in terms of categories of reported seizures, perhaps because, as Figure 8 indicates, they reported the most seizures overall. Both countries reported seizures in all eight categories of products listed in Figure 11. Hungary, Poland, Switzerland and Hong Kong (China) also reported seizures of a variety of products.

FIGURE 12: NUMBER OF CITES SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2017–2018

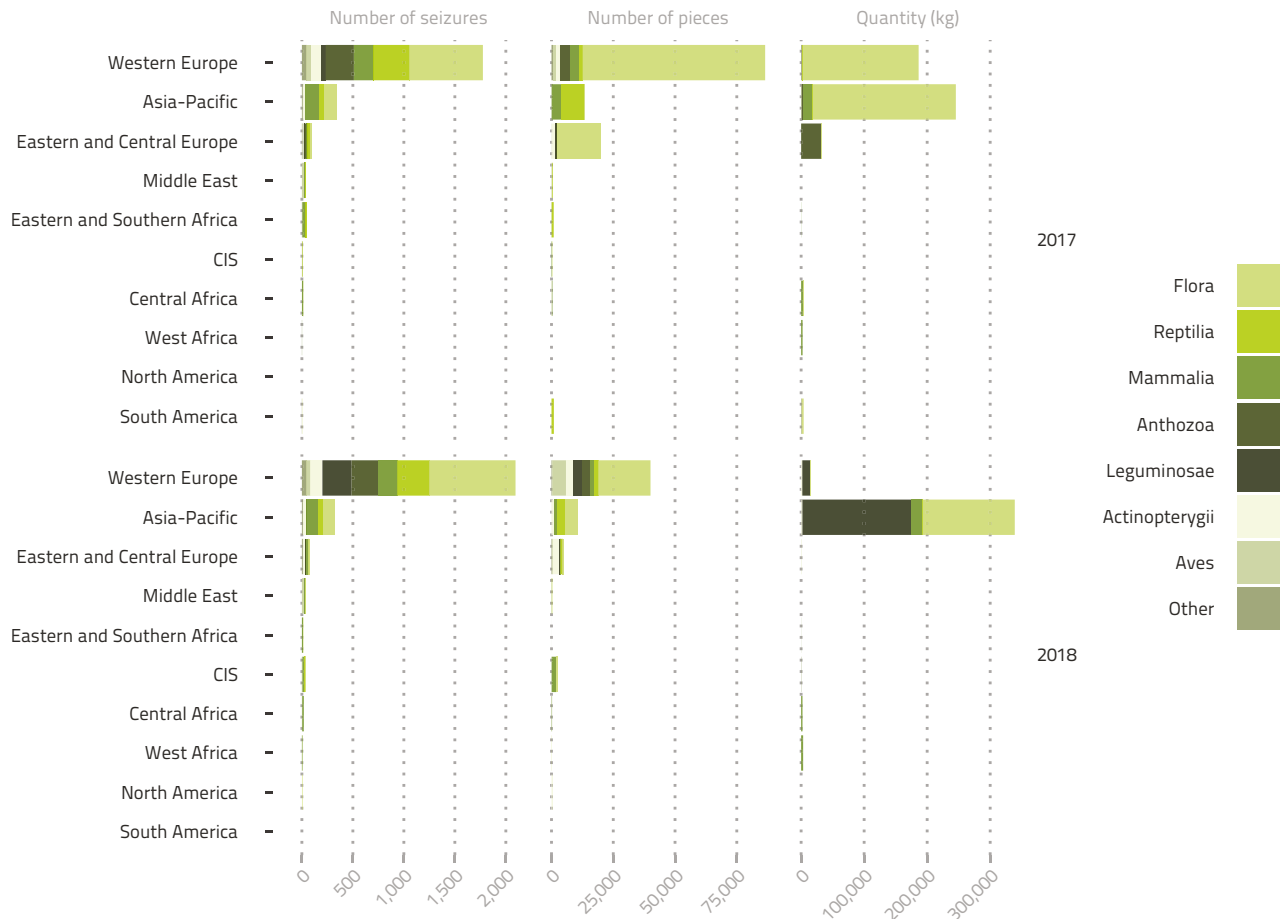


Figure 12 compares the number of seizures and the total quantity seized (in pieces and in kilogrammes) for each type of CITES-designated environmental product within a reporting region, while also comparing these metrics between 2017 and 2018. In both years, the majority of reported environmental product seizures were from Western Europe. In 2018, Western Europe reported 2,095 seizures, representing 80.3% of the 2,610 seizures depicted in Figure 12. In 2017, the same region comprised 76.6% of the 2,317 reported seizures. Products taken from seizures in Western Europe (40,070 pieces) constituted 67.7% of all pieces seized in 2018. Despite Western Europe contributing the majority of seizures and pieces collected, the Asia-Pacific region had the

greatest quantity of products seized by kilogramme. In 2018, countries in the Asia-Pacific region seized a reported 339,029.568 kilogrammes of environmental products, accounting for 94% of the total amount seized worldwide. The greatest amount of these products (22,691.138 kilogrammes) were flora.

The surge in kilogrammes seized in the Asia-Pacific region, portrayed in Figure 12, mirrors the uptick in kilogrammes of *leguminosae* seized (as seen in Figure 4) as well as the increase in conveyance by vessels (shown in Figure 7). These increases are an almost direct result of a relatively few large seizures of rosewood (*leguminosae*) reported in the Asia-Pacific region.

FIGURE 13: TRAFFICKING FLOWS BY REGION, 2018

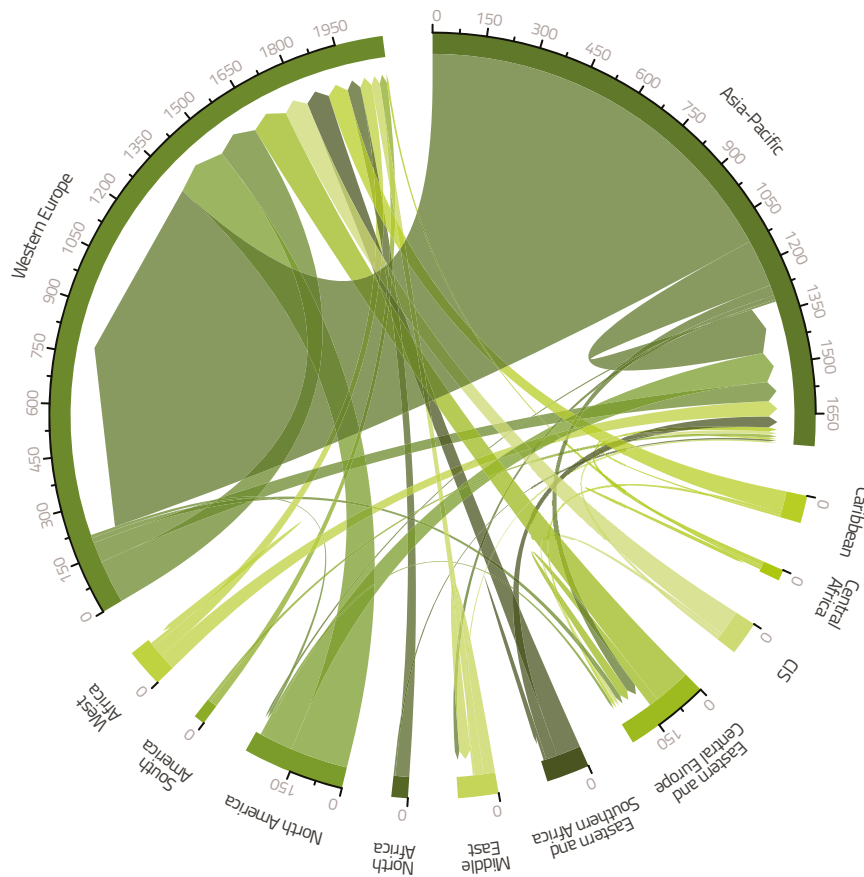


Figure 13 displays intended environmental product trafficking flows (CITES and waste) from, to, and within reporting regions for 2018, although only trafficking routes that appear in five or more trafficking instances are included in these data. Figure 13 reveals 2,484 environmental product trafficking flows, with the majority moving to Western Europe from the Asia-Pacific region. Reporting of seizures by Germany and the Netherlands, two countries in Western Europe, could have disproportionately influenced the flows represented by the map. When environmental products left Western Europe, for example, they were reported to flow back to Western Europe (128 cases) and to the Asia-Pacific region

(60 cases), as well as to Eastern and Central Europe (15 cases) and North America (nine cases). Western Europe was also the only region to record products flowing in from all 11 listed regions.

Of the 1,317 trafficking flows leaving the Asia-Pacific region, 1,126 cases were bound for Western Europe. The other routes brought the environmental products leaving the Asia-Pacific region back to the Asia-Pacific region (141 cases), as well as to Eastern and Central Europe (30 cases), the Middle East (14 cases) and North America (six cases).

FIGURE 14: HEAT MAP OF TRAFFICKING INSTANCES BY COUNTRY, 2018

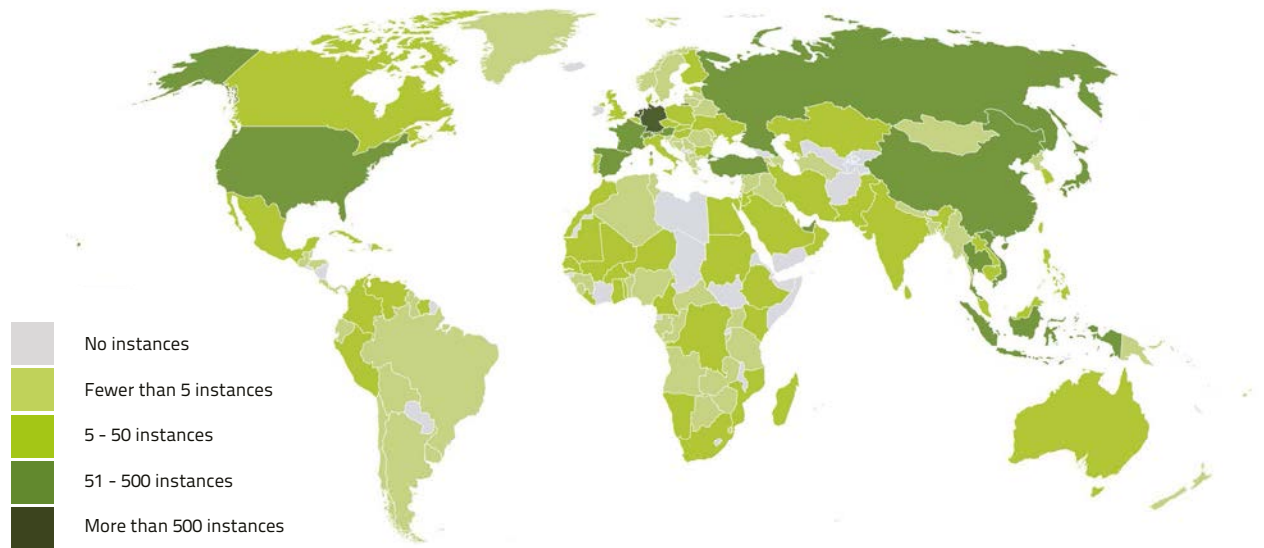


Figure 14 is a heat map of instances of environmental product trafficking (CITES and waste) in 2018, representing country and frequency. Each country indicated was the origin, destination, or transit point for one or more seized shipments of environmental products, regardless of where the seizure took 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, or were intended to have been, trafficked in 2018.

Western Europe is the only region with countries that reported over 500 instances of environmental product trafficking. Germany accounted for 2,161 instances, and the Netherlands accounted for 552 instances. In the Asia-Pacific region, China was involved in 497 instances, the greatest number in the region. The United States was involved in 246 instances, making it the North American country most commonly recognized as an origin, destination, or transit point. This map displays the remarkable scope of environmental product trafficking; there are very few countries not implicated in the trade.

FIGURE 15: TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

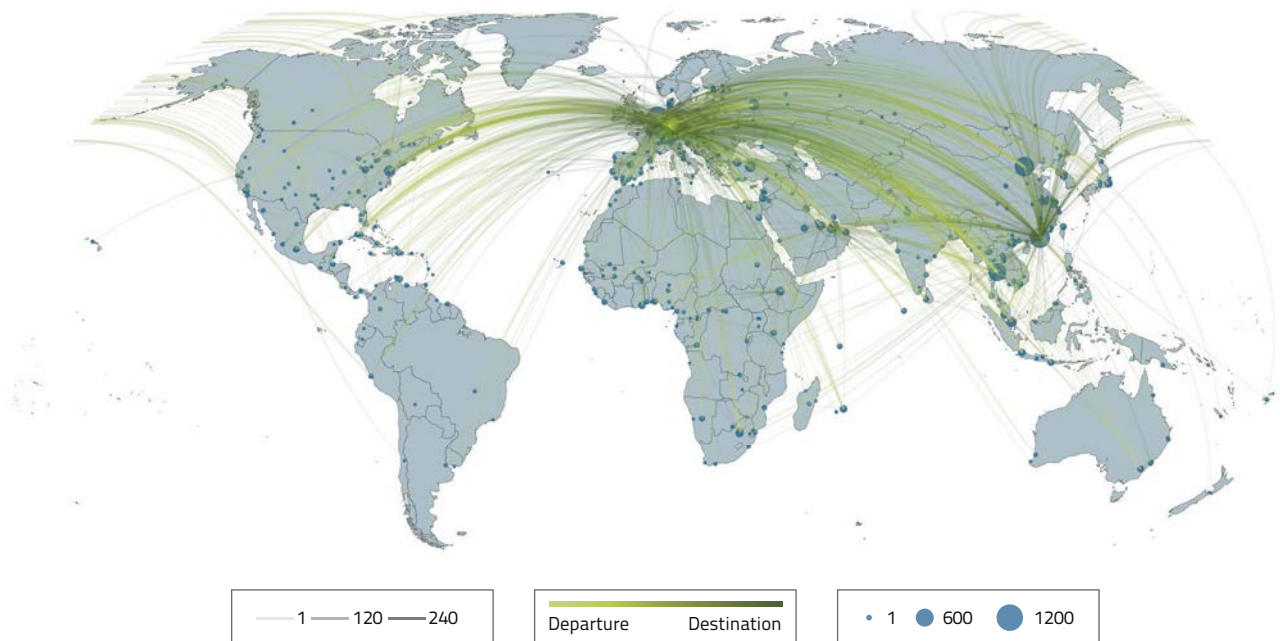


Figure 15 details the illicit flows of environmental products (CITES and waste), from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases that departed from or terminated in a particular city. The capital city of a given country was used when the data were nonspecific about location. 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 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband items were

seized at their origin or in transit. Nevertheless, Figure 15 shows the span of intended trade routes from origin to destination.

Figure 15 shows 1,808 unique trafficking routes used across the 3,925 instances of environmental product trafficking in 2018, revealing the global scope of this activity and highlighting especially frequent connections both between Western Europe and the Asia-Pacific region and between Western Europe and North America. Finally, Figure 15 shows that the most routes begin in, pass through, or end in Germany, the Netherlands, China and Thailand.

Member highlight: The Czech Republic "TROFI" - Tiger Case

At the end of 2017, Czech Customs authorities initiated criminal proceedings in a case involving suspicion of unauthorized handling of protected wildlife and wild plants by an organized group of Czech and Vietnamese nationals. The group intended to produce traditional Chinese medicine products, which are highly desirable in Vietnam and other Asian countries, the Czech Republic and the European Union, due to a belief in these products' extraordinary healing effects.

These illegal products are made from the critically endangered tigers (*Panthera tigris*) listed in both CITES Annex I and Annex A to Commission Regulation (EC) No.2017/160, to which the Czech Republic is bound.

The Czech Republic carried out control actions focusing on illegal exporting and importing of CITES specimens highly valued on the black market. These inspections were carried out mainly at

the Vaclav Havel International Airport, in Prague, from which the protected specimens were most often shipped to Asia.

In July 2018, Czech Customs closed the case, which was known as "TROFI". One hundred seventy-five Czech Customs officers, officers of the Czech Environmental Inspectorate and veterinary authorities helped uncover a group of traffickers illegally trading tigers, an investigation that involved inspections of seven homes and three non-residential domains. Two tiger specimens, four tiger skins and 10 tiger claws were found in street market kiosks, as well as tiger products, products suspected to be ivory, a set of cookware and molds used for production of traditional Asian medicine made from parts of tigers and cash totaling EUR 73,000. Three people were arrested.

Source: Czech Customs.



P

2. PROJECTS AND OPERATIONS

WCO INAMA PROJECT

As part of its ongoing effort to mitigate environmental crime, the WCO and its partners, in 2014, launched the INAMA Project. The Project, funded by the United States Department of State, Sweden and the German Agency for International Cooperation (GIZ), strengthens CITES-enforcement capacities of selected Customs administrations from Asia and Sub-Saharan Africa. Support consists of technical and operational trainings, workshops, expert missions and IWT enforcement operations.

In 2018, the WCO INAMA Project built on successes from prior years by implementing a number of activities, including three Train-the-Trainer and Accreditation Workshops, two Regional Customs-Police Workshops and 21 tailor-made subject-matter expert missions to six beneficiary administrations in Sub-Saharan Africa. In addition, the Project used sensitization campaigns and communication materials to raise awareness of IWT within Customs.

Furthermore, the WCO INAMA Project and the GIZ renewed their partnership to strengthen the IWT risk-management frameworks in three priority administrations. The INAMA-GIZ Project will run until May 2020 and will focus on establishing detailed IWT risk strategies and frameworks while also developing risk profiles.

International Consortium on Combating Wildlife Crime (ICWC)

The WCO also plays a key role as a member of the ICWC; and, as part of the ICWC Senior Experts Group, it finalized its integrated work plan for 2019–2022.

United for Wildlife Transportation Task Force

The WCO is also actively involved in the United for Wildlife Transport Taskforce, or Buckingham Palace Declaration, through which it, with others, conducted two airport assessments and evaluated correspondence to IWT policies, procedures, control measures and responses.

Studies have shown that criminals wishing to move illicit wildlife products from one country to another increasingly do so by air, because transport by air is fast and convenient but also because large consignments can be divided into smaller ones, thus reducing the risk of detection.

Several initiatives are addressing this threat. One of them is the “Reducing Opportunities for Unlawful Transport of Endangered Species” (ROUTES) Partnership, founded in 2015 by the United States Agency for International Development (USAID) and led by TRAFFIC, a nongovernmental organization (NGO) with a focus on wildlife trade, conservation and sustainable development.

The ROUTES Partnership helps the transport sector reduce illegal wildlife trafficking via land, sea and air. Under the umbrella of ROUTES, representatives from government agencies, the transportation and logistics industries, international conservation organizations and donors collaborate on various activities to combat the IWT. One of these activities involves conducting technical assessments at international airports to make key players more aware of the potential misuse of air freight services by criminals and to assess the adequacy of procedures in place to mitigate acts of wildlife smuggling.

These assessments, undertaken by experts from the WCO and the International Air Transport Association (IATA), aim to identify areas for improvement and ways of achieving it with or without specific assistance from ROUTES Partnership experts. Other key objectives include identifying best practices that could be shared, as well as mobilizing commitment and resources to halt the trafficking of wildlife.

While participation remains voluntary, the following airports were selected for assessment because, according to available intelligence, they are within routes regularly used by traffickers:

- Mavalane International Airport (Maputo), Mozambique
- Nội Bài International Airport (Hanoi), Vietnam
- Entebbe International Airport, Uganda
- Jomo Kenyatta International Airport (Nairobi), Kenya
- Kuala Lumpur International Airport in Malaysia;
- Hamad International Airport (Doha), Qatar
- Oliver R. Tambo International Airport (Johannesburg), South Africa

Assessment findings are shared with relevant parties at the national level but are not made public. That said, the following observations, cross-cutting in nature and applicable to most airports, can be shared:

- Stakeholders need to be more aware of the IWT, especially when it involves organized crime and where it has an impact on the economy, the survival of species, ecosystems and governance.

- Most stakeholders require specialized training to detect wildlife and animal parts, as well as illegal products made from endangered species. National training curriculums for law enforcement staff should, therefore, be strengthened. For their part, private-sector stakeholders require basic recognition and handling training.
- Staff and travelers need signage and communication tools to address the IWT.
- Technologies such as X-ray scanners and techniques such as sniffer dogs should be deployed when inspecting baggage and people.
- Higher management must accept the IWT as a priority enforcement concern, and the issue must be discussed at interagency meetings.
- Legislation must enable the exchange of information between all law enforcement agencies, as well as in communications with other relevant partners.

ILLEGAL TRAFFICKING OF WASTE

Illegal trafficking of waste also has tremendous environmental and economic consequences, involving various hazardous substances regulated by the Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal. The WCO is actively engaged in preventing public-health and environmental risks through efficient enforcement of the Convention and active engagement with member administrations worldwide.

OPERATION DEMETER IV

Initiated by China Customs and coordinated by the RILO A/P and the WCO, the joint global operation DEMETER IV was supported by the Secretariat of the Basel Convention and its regional center in Beijing, as well as by INTERPOL, EUROPOL, IMPEL and the UN Environment Office for Asia and the Pacific. Conducted between 4 June and 8 July 2018, the Operation involved 75 Customs administrations and yielded over 326,133 tonnes and 54,782 pieces of waste. Operation DEMETER IV was launched in 2009, when the WCO dedicated itself to environmental issues under the banner “Customs and the Environment: Protecting Our Natural Heritage”. Since 2009, the DEMETER IV effort has considerably expanded both its scope and the number of countries participating, establishing a long-term mechanism for global cooperation in the



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monitoring of transboundary movement of solid wastes and in the combating of relevant smuggling.

Because of its mission to protect society, public health and safety, Customs, with its partner agencies, is particularly well-positioned to mitigate the harmful effects of movement in waste by ensuring high levels of compliance with relevant national and transnational environmental legislation. Preserving natural resources and preventing the extinction of some of the most iconic species is within reach, but it requires dismantling criminal networks through coordinated action, effective enforcement and operational measures, as well as prosecution of those involved in illicit trafficking.



SECTION 4.

IPR, HEALTH AND SAFETY

INTRODUCTION

With the support of its Members, the World Customs Organization (WCO) is responsible for ensuring efficient and safe trade, while protecting consumers and businesses from security and health risks. Counterfeiting and piracy pose serious threats to national economies, the health and safety of populations, especially considering the ramifications of burgeoning relationships between counterfeiters and criminal and/or terrorist networks. While the Customs community is determined to stem this phenomenon, evolving conveyance methods make it increasingly difficult to efficiently enforce intellectual property rights (IPR).

The vast use of e-commerce and its "tsunami" of small shipments is one example of the many challenges facing Customs officers responsible for both securing and facilitating trade.

The IPR, Health and Safety section of this Report examines the global illicit trade in counterfeit IPR and medical goods in 2018. As such, this Section is divided into two broad categories. The first category, IPR Products, discusses counterfeit nonmedical goods, including clothing and accessories, cosmetics and electronic appliances. The second category, Medical Products, looks at all illicitly traded and smuggled medical goods, such as medicines, pharmaceutical products and medical technologies, as well as products that are counterfeit, genuine products that lack appropriate authorization or licenses and undeclared products.



B

In 2018, the WCO received reports documenting 34,120 cases of IPR products trafficking in 61 countries. These cases involved 60,134 seizures and, collectively, yielded 55,144,643 pieces of IPR products. Meanwhile, in 2018, Medical Products (principally medicines) were reported in 5,040 cases spanning 67 countries. These cases accounted for 5,799 seizures and involved the confiscation of 346,086,991 pieces of medical contraband, an amount totaling 43,419 kilogrammes.

According to WCO CEN data, Customs administrations seized significantly fewer IPR products in 2018 than they did in 2017, despite vastly more IPR seizures. IPR seizures rose from 27,357 in 2017 to 60,134 in 2018 — an increase of 32,777 seizures (119.8%). And yet, the number of seized IPR pieces dropped from 372,614,484 in 2017 to 55,144,643 in 2018 — a decrease of 85.2%. Medical Products by contrast, decreased in terms of the number of cases but increased with regard to the quantity seized. Medical Products cases decreased by 1,172 during this period, dropping from 6,212 instances in 2017 to 5,040 in 2018, a decline of 18.8%; however, the

number of Medical Products pieces seized rose by 26.6%, increasing by 72,667,538 from 2017 to 2018.

The analysis of the trends in this Section requires a few caveats. First, the conclusions below rely on case-and-seizure data voluntarily submitted at the discretion of WCO Member countries. There are many reasons why Customs administrations might not report or might underreport their data, including the need to maintain secrecy over ongoing investigations. As a result, the Figures in this Section might not present a comprehensive view of IPR or medical products trafficking. Second, apparent increases in seizures of certain goods could reveal the increasing efficacy of Customs officers rather than a genuinely upward trend in IPR or medical products trafficking.

This Section is organized in the following manner:

1. Overall trends in the trafficking of IPR Products.
2. Overall trends in the trafficking of Medical Products.
3. Operations.

B: Courtesy: Ghana Customs.

1. OVERALL TRENDS IN TRAFFICKING OF IPR PRODUCTS

FIGURE 1: NUMBER OF IPR PRODUCTS CASES BY COUNTRY, 2017–2018

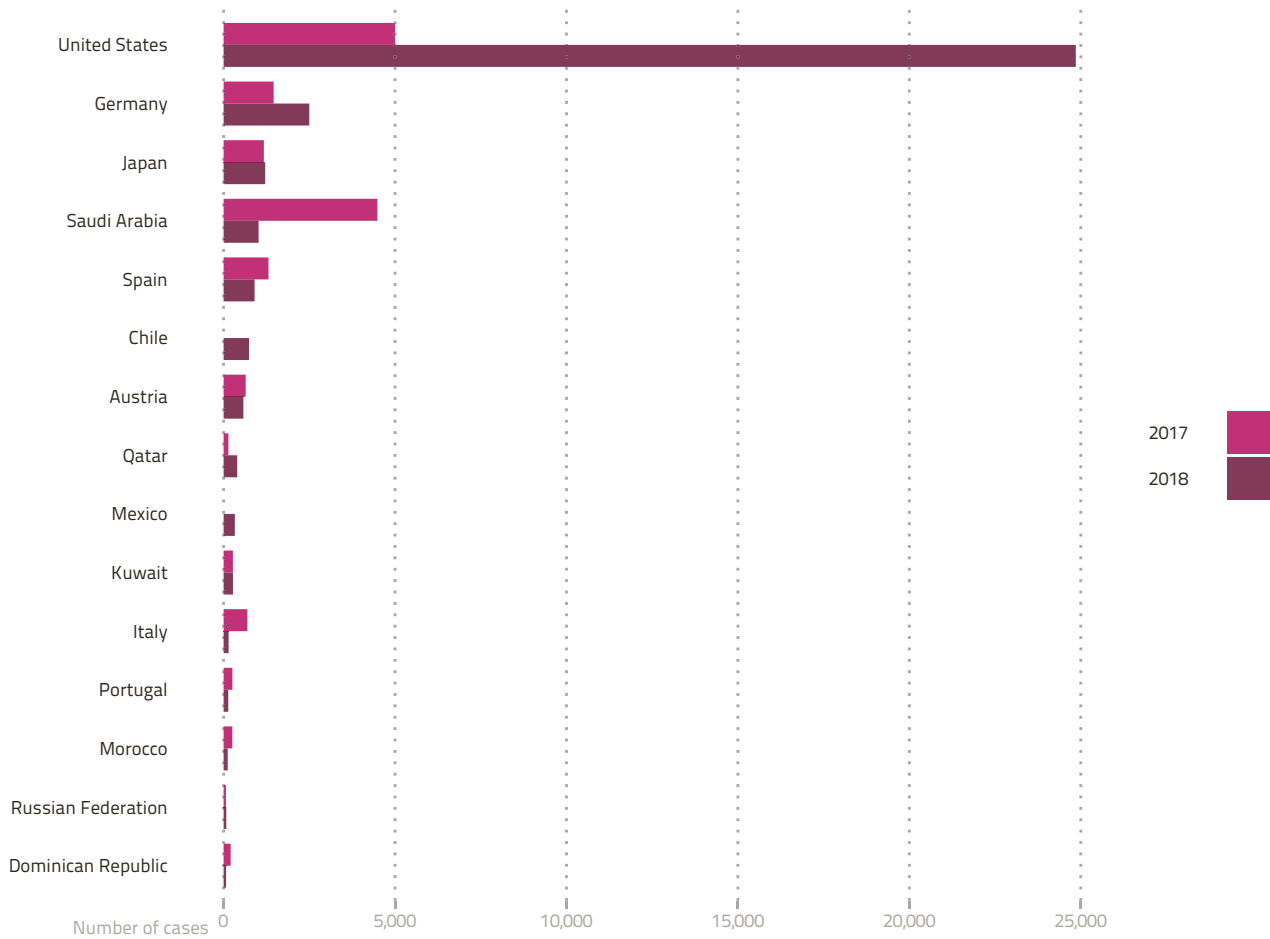


Figure 1 compares the number of IPR cases submitted by the top 15 reporting countries in 2017 and 2018. Overall, the countries represented in this Figure submitted 69% more cases in 2018 than they did the previous year. The majority of this growth was in the United States, which reported 19,621 more cases in 2018, a remarkable 374.9% increase. Notable growth was also reported

by Mexico, which did not report a single case in 2017 but reported 327 in 2018, and Chile, which increased from one case in 2017 to 740 cases in 2018. These 15 countries accounted for 97.8% of the 34,120 IPR cases reported.

FIGURE 2: NUMBER OF IPR PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY, 2017–2018

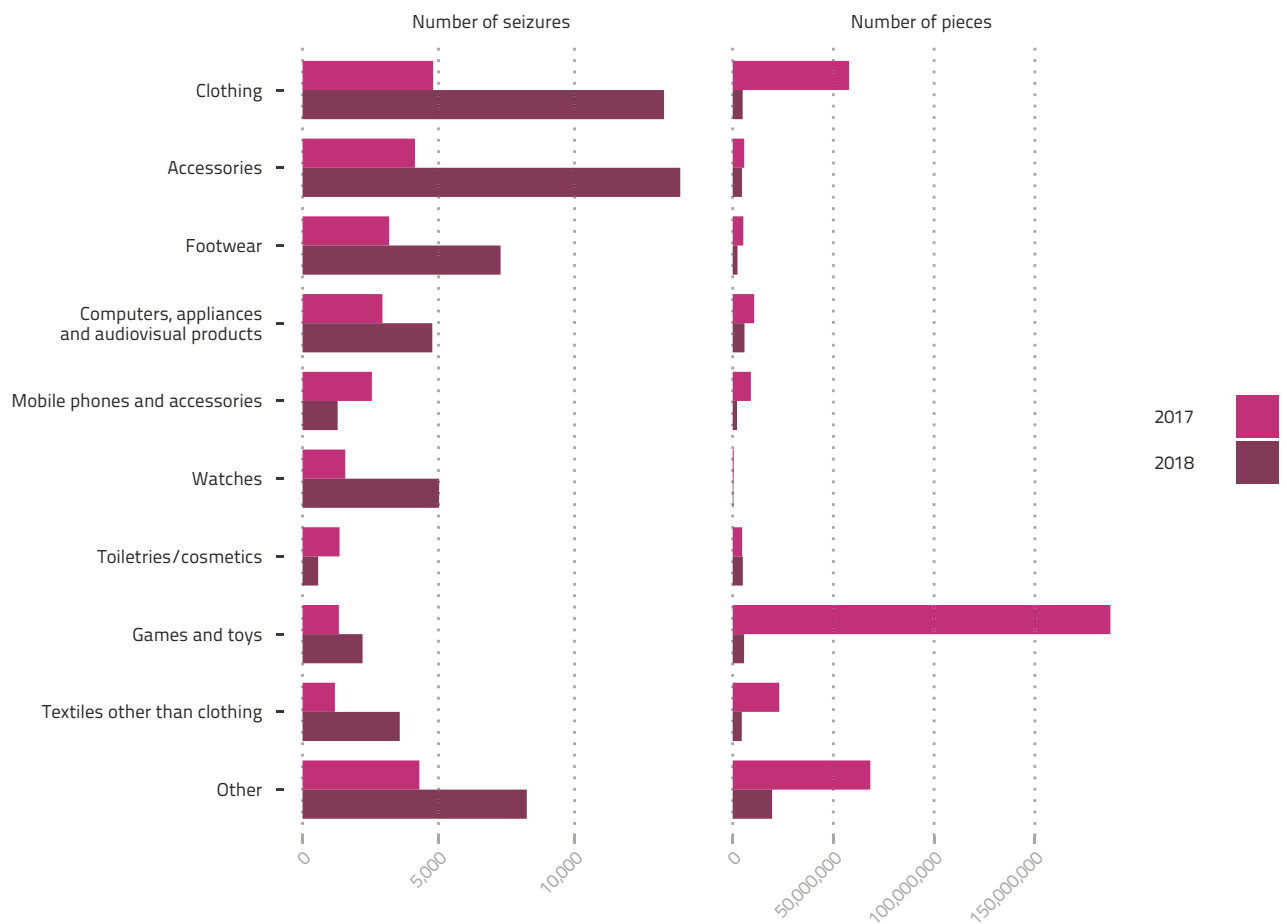


Figure 2 compares, for each category of IPR products, the number of seizures reported and the number of pieces seized in 2017 and 2018. The total number of reported IPR seizures increased from 27,357 in 2017 to 60,134 in 2018, a jump of 119.8%. Despite this increase, however, the number of pieces seized decreased by 85.2%, dropping from 372,614,484 to 55,144,643. Fewer pieces were seized across all categories from 2017 to 2018, but both the games and toys and the clothing categories saw the sharpest declines, plunging 97% and 91.4%, respectively. Because games

and toys accounted for 50.3% of the total number of pieces seized in 2017, the 97% decrease in this category in 2018 accounted for much of the overall decline in the number of pieces seized. This sharp drop owes much to an outlier case in 2017, wherein 18,307,000 Pokémon pieces were seized at the seaport in Montevideo, Uruguay. Notably, the number of seizures recorded increased for all IPR products categories aside from mobile phones and accessories and toiletries/cosmetics.

FIGURE 3: NUMBER OF IPR PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

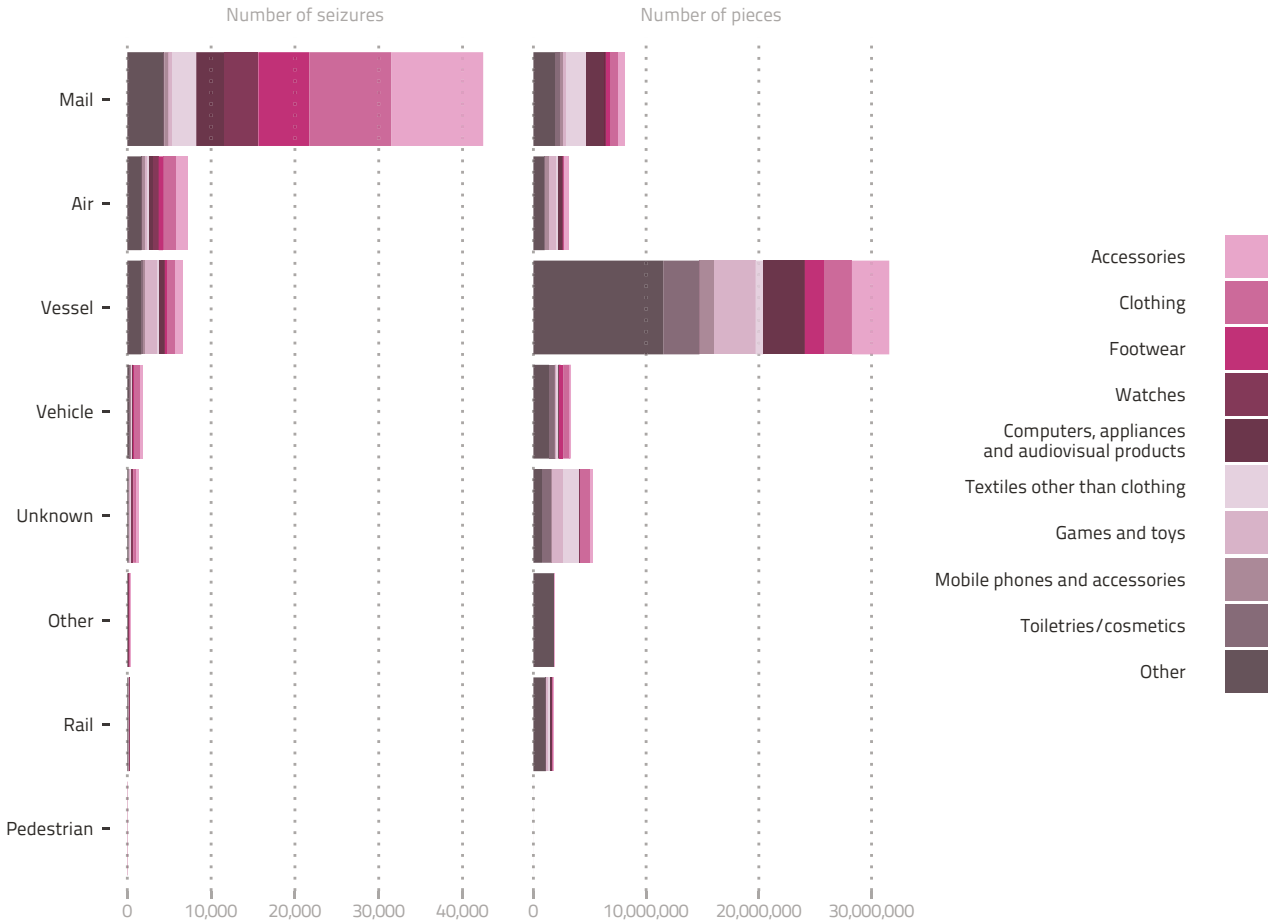


Figure 3 shows both the number of seizures and the number of pieces of IPR products seized by type and conveyance method in 2018. Of the 60,134 seizures in 2018, 70.6% (42,465) were discovered in mail parcels. Despite such a high rate of seizure, however, contraband obtained from mail parcels accounted for only 14.7% (8,106,521) of the total number of pieces of IPR products

seized in 2018. Seizures executed on vessels made up the largest percentage in the number of pieces seized, constituting 57.3% (31,573,528) of the overall total. Meanwhile, the single largest seizure category of IPR products pieces conveyed by vessel was the other category (11,518,446 pieces).

Member highlights: Hong Kong's Operation Snow Leopard

In April 2018, Hong Kong Customs conducted a territory-wide operation, codenamed Snow Leopard, which targeted suspected counterfeit goods as well as suspected engagement in unfair trade practices involving the sale of smartphones. During the Operation, a syndicate distributing suspected counterfeit smartphones and accessories was dismantled. Twelve shops and two storage locations were raided. About 100 smartphones with suspected false trademarks or false trade descriptions were seized, as well as 3,400 pieces of counterfeit smartphone accessories, valued at HK 1.5 million. Nineteen individuals were arrested.

Source: Hong Kong Customs.



C



D

Tajikistan Customs seizes counterfeit chocolate

On 21 June 2018, the Customs department for the Sogdiyskiy region intercepted and seized 660 kilogrammes of chocolate paste — goods originating from the Republic of Kyrgyzstan and acknowledged to be counterfeit. The total value of these products was estimated at USD 30,000. A criminal case was initiated.

Source: Tajikistan Customs.



E



F

C, D: Goods seized during Operation Snow Leopard. Courtesy: Hong Kong Customs.
E, F: Seizure of 660 kilogrammes of counterfeit chocolate paste. Courtesy: Tajikistan Customs.

FIGURE 4: NUMBER OF IPR PRODUCTS CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2018

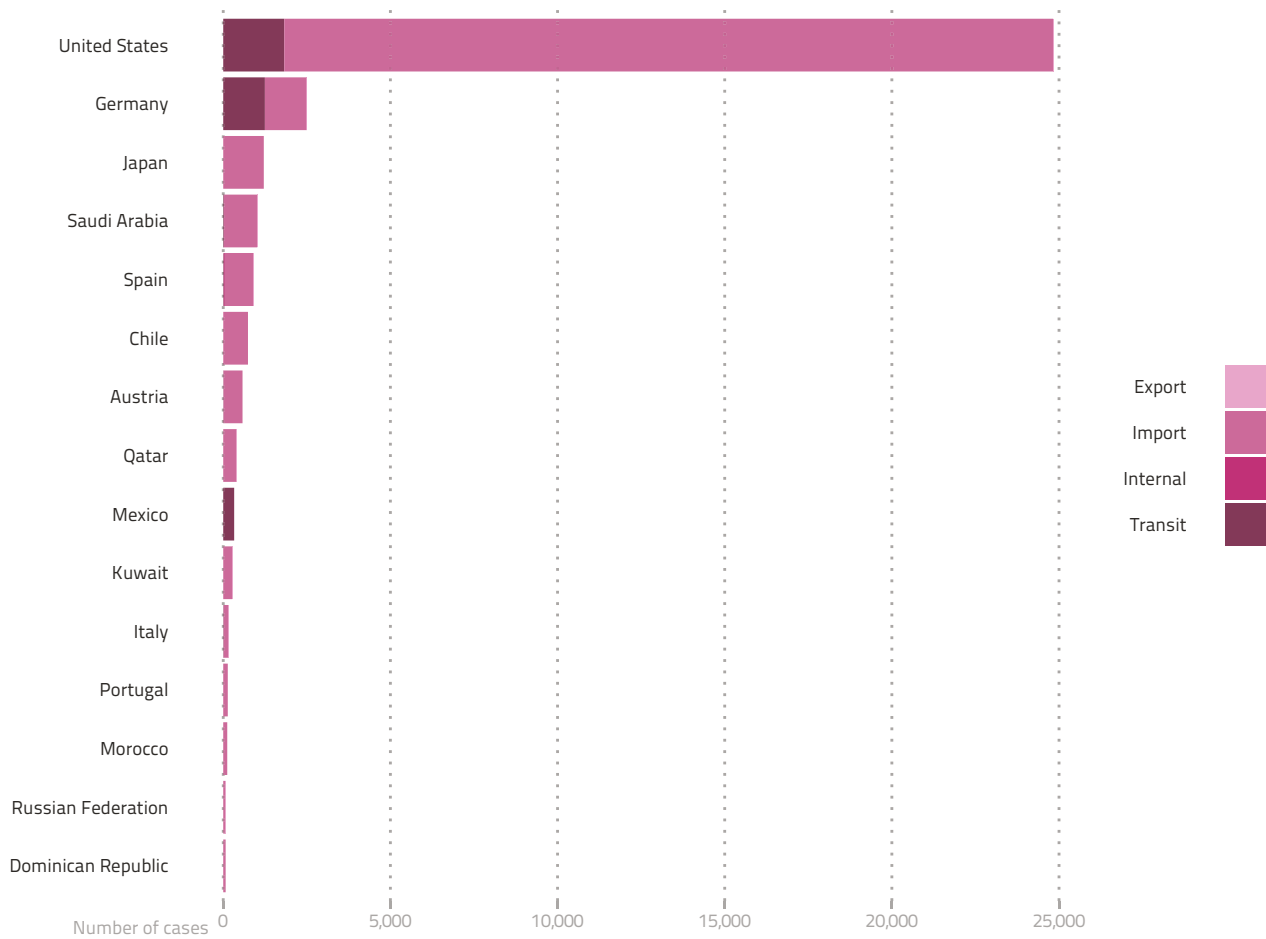


Figure 4 displays the top 15 countries reporting IPR cases in 2018, and indicates the direction in which target shipments were moving when confiscated. Consistent with the trends seen in 2017, the overwhelming majority (89.4%) of IPR products shipments were reported while the contraband was being imported. Indeed, of the 15 countries represented in this Figure, four reported nothing but import cases, with Qatar in almost the same position: reporting only one export case but 396 import cases. Only Italy and Spain reported cases from all four directions. For its part, Mexico

reported only IPR products cases involving seizures conducted during transit (327); and only the United States and the Russian Federation reported more than a single case executed during export, totaling 30 and nine, respectively. The United States accounted for 77.1% of import cases (23,001), 66.7% of export cases (30) and 52.8% of transit cases (1,824). Aside from the United States, only Germany (1,246) reported more than 1,000 transit cases.

FIGURE 5: PROPORTION OF IPR PRODUCTS SEIZURES BY TYPE AND COUNTRY, 2018

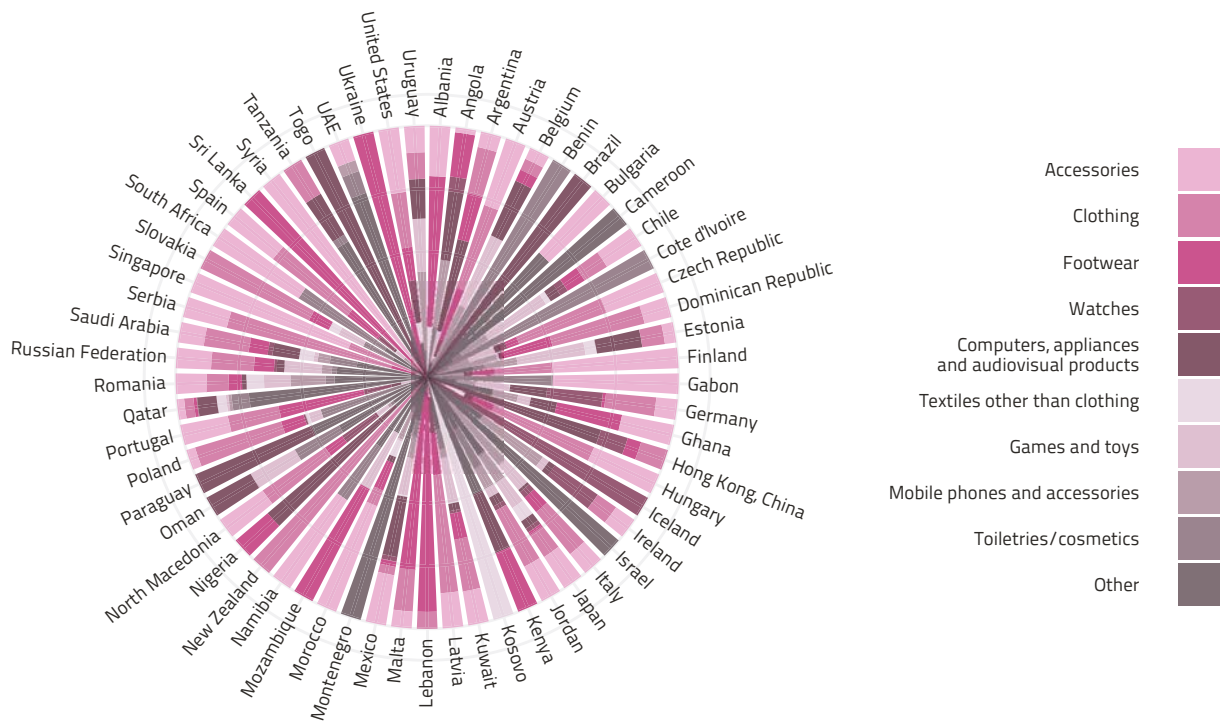


Figure 5 depicts the proportion of seizures for each type of IPR product, as reported by each country reporting at least one such seizure. Each of the 57 countries reporting at least one IPR seizure in 2018 confiscated, on average, 5.3 types of IPR products. The United States and Germany reported the widest variety of product types in the greatest quantities, recording 44,155 and 3,241

seizures, respectively. Textiles other than clothing appeared least often as a category, with only 20 countries reporting seizures of this variety. The three categories that had the most countries reporting more than one seizure were: other (43), accessories (40) and footwear (37).

FIGURE 6: NUMBER OF IPR PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2017–2018

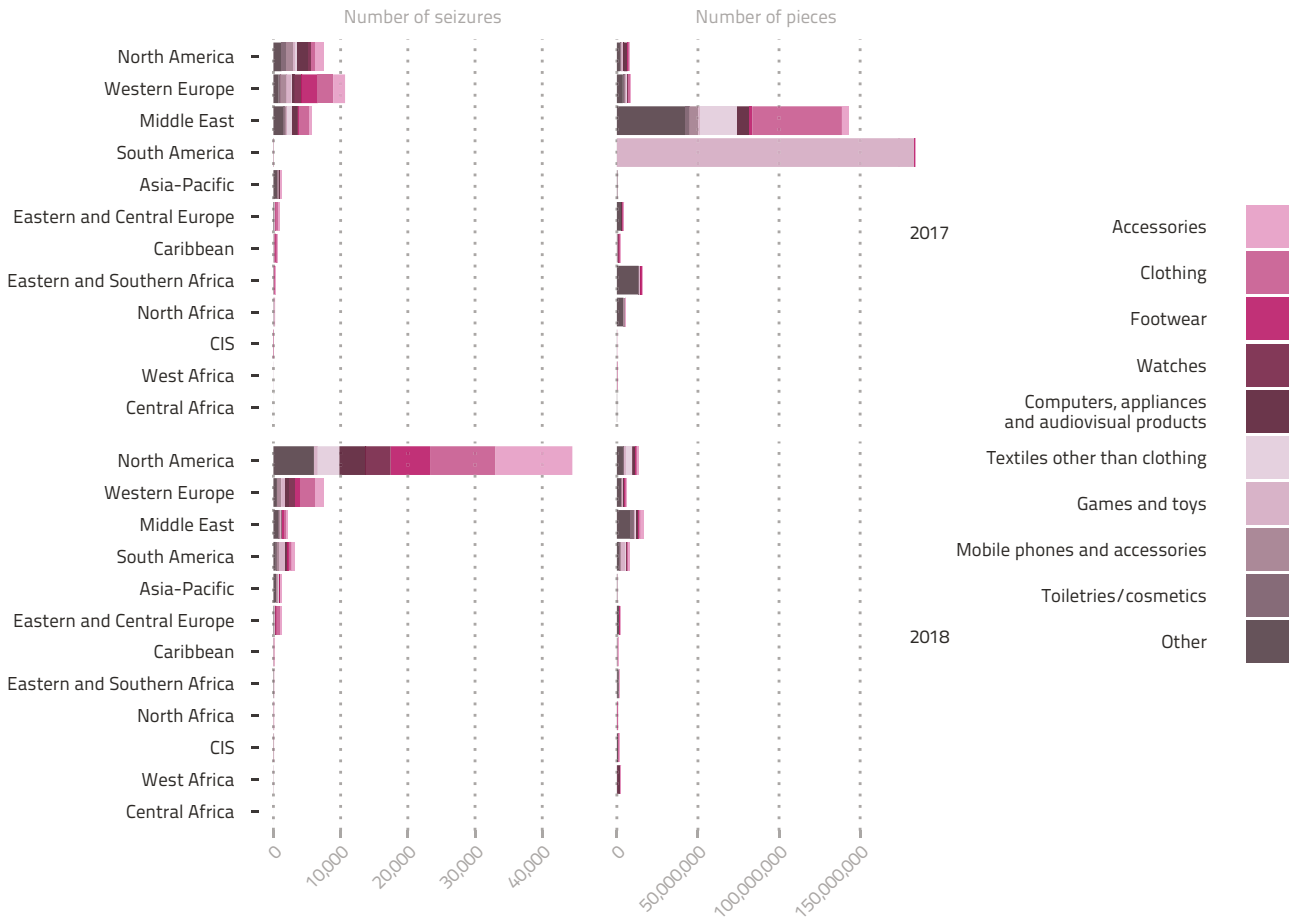


Figure 6 compares the number of seizures and the quantity of IPR products seized by reporting region between 2017 and 2018. As Figure 1 and Figure 2 demonstrated, the total number of seizures increased markedly in 2018, even as the number of IPR products seized decreased significantly. Figure 6 shows this uptick in the number of seizures was largely due to increases in seizures reported by North America. The decrease in the number of pieces seized, on the other hand, could be attributed both to moving beyond an outlier seizure in South America that had boosted the total from the previous year and to a sharp decline in the quantity seized by the Middle East. Although the number of pieces of

IPR products seized in the Middle East decreased across every category in 2018, the sharpest decline occurred in clothing, which reached 54,225,162 fewer pieces in 2018 than it had in 2017. This could be due to 1,083 fewer seizures of clothing reported in the Middle East in 2018, a 77.5% decrease from the prior year's total. The only other category and region to report more than 1,000 fewer seizures in 2018 was footwear in Western Europe, which showed a 68.4% drop. The greatest increase in the number of seizures, on the other hand, was in accessories in North America, which logged 10,122 more seizures in 2018, an increase of 768.6%.

FIGURE 7: IPR PRODUCTS TRAFFICKING FLOWS BY REGION, 2018

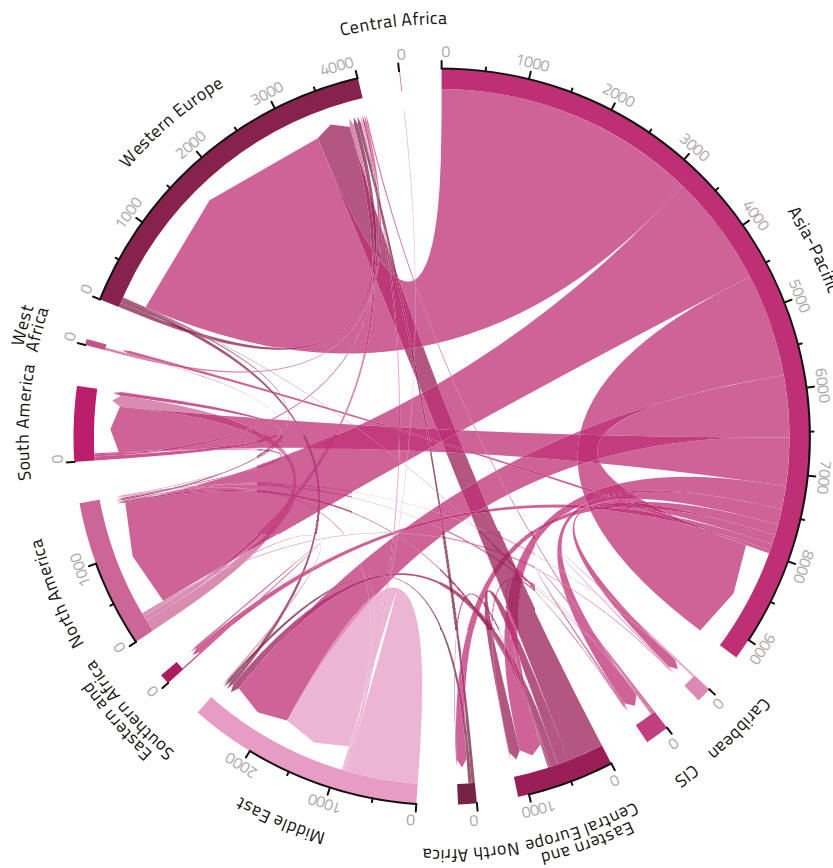


Figure 7 displays intended IPR product trafficking flows from, to, and within reporting regions for 2018, regardless of where a given shipment was seized. Figure 7 shows only trafficking routes that appeared in five or more trafficking instances. Far fewer IPR cases were reported with known routes in 2018 (10,332 cases) than in 2017 (19,730 cases), in large part because the United States, which reported 72.8% of the total number of IPR cases, reported only that country's involvement in the case and not the full route. The Asia-Pacific region, on the other hand, appeared in 77.3% (7,993) of IPR cases with known routes. So, too, was the Asia-Pacific region the origin for the three most common flows: Asia-Pacific to Western

Europe (3,193 flows, 30.9%), Asia-Pacific to North America (1,366 flows, 13.2%) and Asia-Pacific to Asia-Pacific (1,256 flows, 12.2%). The Asia-Pacific region was the point of departure for 99.9% of its total flows, and no other region was involved in that capacity in more than 1,000 flows, although the Middle East came closest, at 933. Of the Middle East's total flows, 868 (46%) were intra-regional. Finally, Western Europe was the region most frequently implicated as a point of destination, playing this role in 3,885 total flows (37.6%).

Case study 1. Nearly USD 1.7 million in counterfeit Nike shoes from China seized in the United States

On 29 November 2018, more than 9,000 pairs of counterfeit Nike sneakers were seized by United States Customs and Border Protection (CBP) officials at the Port of New York and Newark. The sneakers, worth up to USD 1.7 million if sold at in-store prices, were moving from Dongguan, China, to Chino, California. Upon the shipment's arrival, the CBP's Apparel Footwear and Textiles Center for Excellence and Expertise team determined the Nike sneakers were contraband.

The seizure was the result of a three-month investigation by United States CBP and was turned over to Immigration and Customs Enforcement agents in Newark, New Jersey, for further investigations.



SOURCES

- Fox Business, Counterfeit Nike sneakers worth \$1.7M seized in New York, available at <https://www.foxbusiness.com/retail/counterfeit-nike-sneakers-worth-1-7m-seized-in-new-york>, accessed 25 September 2019.
- U.S. Customs and Border Protection, CBP New York/Newark seizes nearly \$1.7 million in counterfeit Nike sneakers, available at <https://www.cbp.gov/newsroom/local-media-release/cbp-new-yorknewark-seizes-nearly-17-million-counterfeit-nike-sneakers>, accessed 25 September 2019.
- Sole Collector, Nearly \$2 million of fake Nikes seized in New York, available at <https://solecollector.com/news/2018/12/nearly-2-million-worth-fake-nikes-seized>, accessed 25 September 2019.

FIGURE 8: HEAT MAP OF IPR PRODUCTS TRAFFICKING INSTANCES BY COUNTRY, 2018

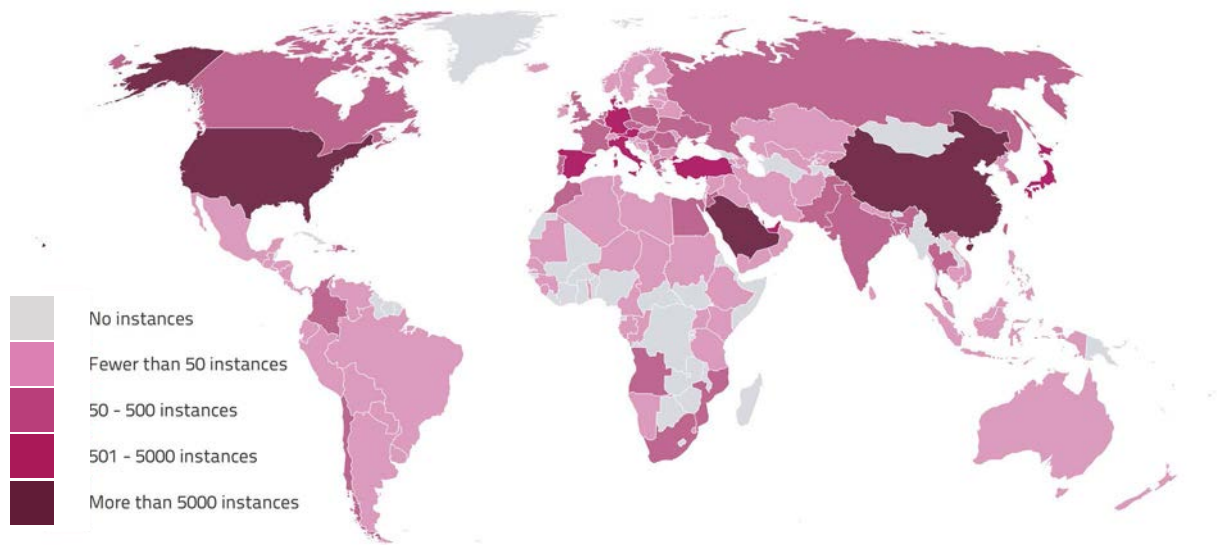


Figure 8 is a heat map of IPR trafficking instances by country and frequency in 2018. Each country indicated was either the origin, destination, or a transit point for one or more seized IPR products shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, **Figure 8** indicates all countries through which IPR products are known to have been trafficked, or were intended to have been trafficked, in 2018.

Figure 8 accounts for 44,455 individual trafficking instances in 2018, revealing 140 countries associated with the global illicit IPR trade, while also underscoring ten countries implicated in over 1,000 instances: China (9,264), the United States (5,274), Hong Kong, China (5,032), Saudi Arabia (5,025), the United Arab

Emirates (2,934), Germany (2,689), Denmark (2,379), Spain (1,432), Japan (1,224) and Austria (1,170). Indeed, 81.9% of global illicit IPR product flows in 2018 were tied to these ten countries. Of China's total flows, 9,224 (99.6%) were executed when IPR products were departing the country, with Hong Kong, China, a close second, executing 97.7% of its flows at departure. The United States, however, demonstrated the opposite phenomenon: 89.2% of its flows were conducted upon arrival. Of the top 10 countries implicated in illicit IPR product flows in 2018, only Germany noted transit cases as the most prevalent variety of flow, totaling 1,842 (68.5%) of its instances.

FIGURE 9: IPR PRODUCTS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

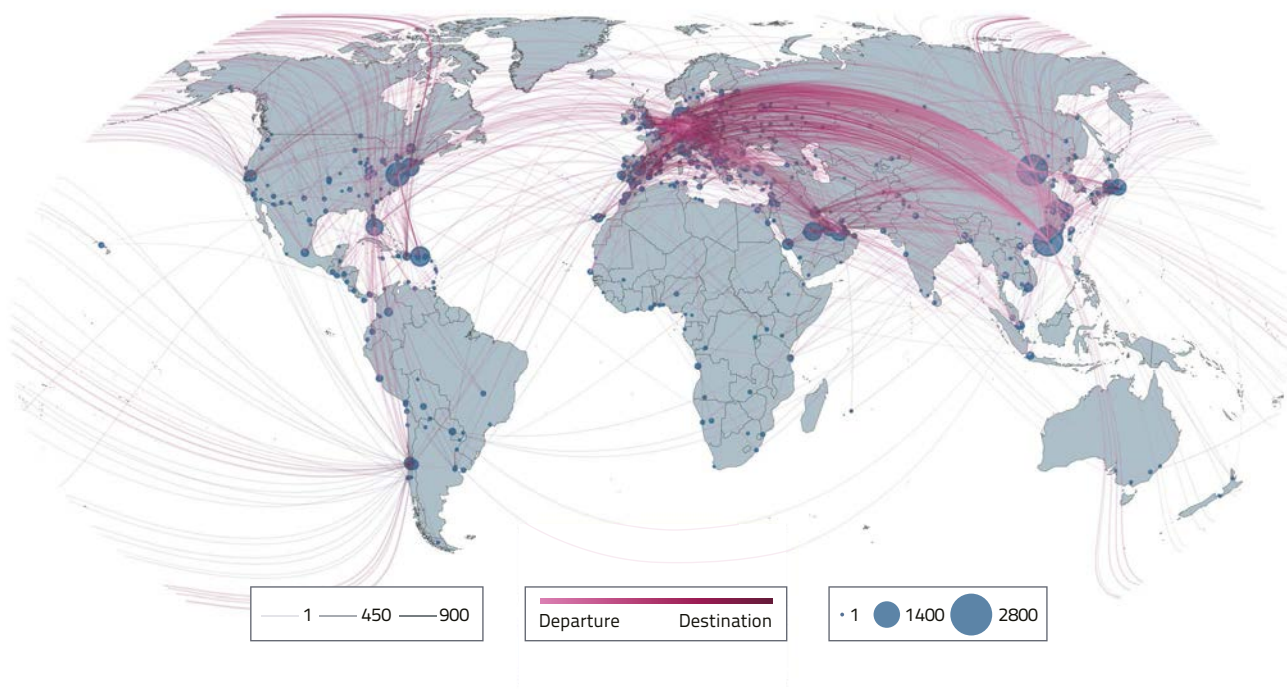


Figure 9 details the illicit flows of IPR products, from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases involving departures from or terminations within a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are pink at their origins and become 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 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, Figure 9 shows the entire intended trade route from origin to destination.

Within the 29,232 instances that included known transit information in 2018, IPR products were smuggled along 2,529 unique trafficking routes implicating 1,334 cities. Forty-two cities appeared in at least 100 instances, and four cities surpassed 1,000 instances: Beijing, China (2,803), Victoria in Hong Kong, China (2,563), Washington D.C., United States (1,531) and Leipzig, Germany (1,325). Together, these four cities were involved with 28.1% of the total illicit IPR flows reported by participating countries in 2018. Leipzig, Germany, is particularly noteworthy in this regard, because, unlike the other three cities exceeding 1,000 instances, it is not a capital. In Western Europe, 81.2% of all instances involving the region were intra-regional (2,348).

Member highlight: Singapore - Close interagency collaboration to stamp out counterfeit goods

In 2018, Singapore Customs mounted joint operations with the Criminal Investigation Department of the Singapore Police Force (SPF) and detected several cases of IPR-infringing goods. On 8 February 2018, 6,097 pieces of counterfeit apparel were seized after a 14-hour joint operation with SPF. The woman involved in importing the counterfeit products was arrested, convicted and sentenced to 10 months in prison.

In another joint operation with SPF, on 11 October 2018, a man was arrested under suspicion of importing and possessing counterfeit items for the purpose of trade. More than 800 pieces of counterfeit bags, which he had imported, were seized during an operation at a logistics company, and more than 4,000 pieces of counterfeit bags, wallets and watches were seized in a follow-up operation carried out at his residence. Investigations by SPF are still ongoing.

Source: Singapore Customs.



I, J: Courtesy: Singapore Customs.

2. OVERALL TRENDS IN TRAFFICKING OF MEDICAL PRODUCTS

FIGURE 10: NUMBER OF MEDICAL PRODUCTS CASES BY COUNTRY, 2017–2018

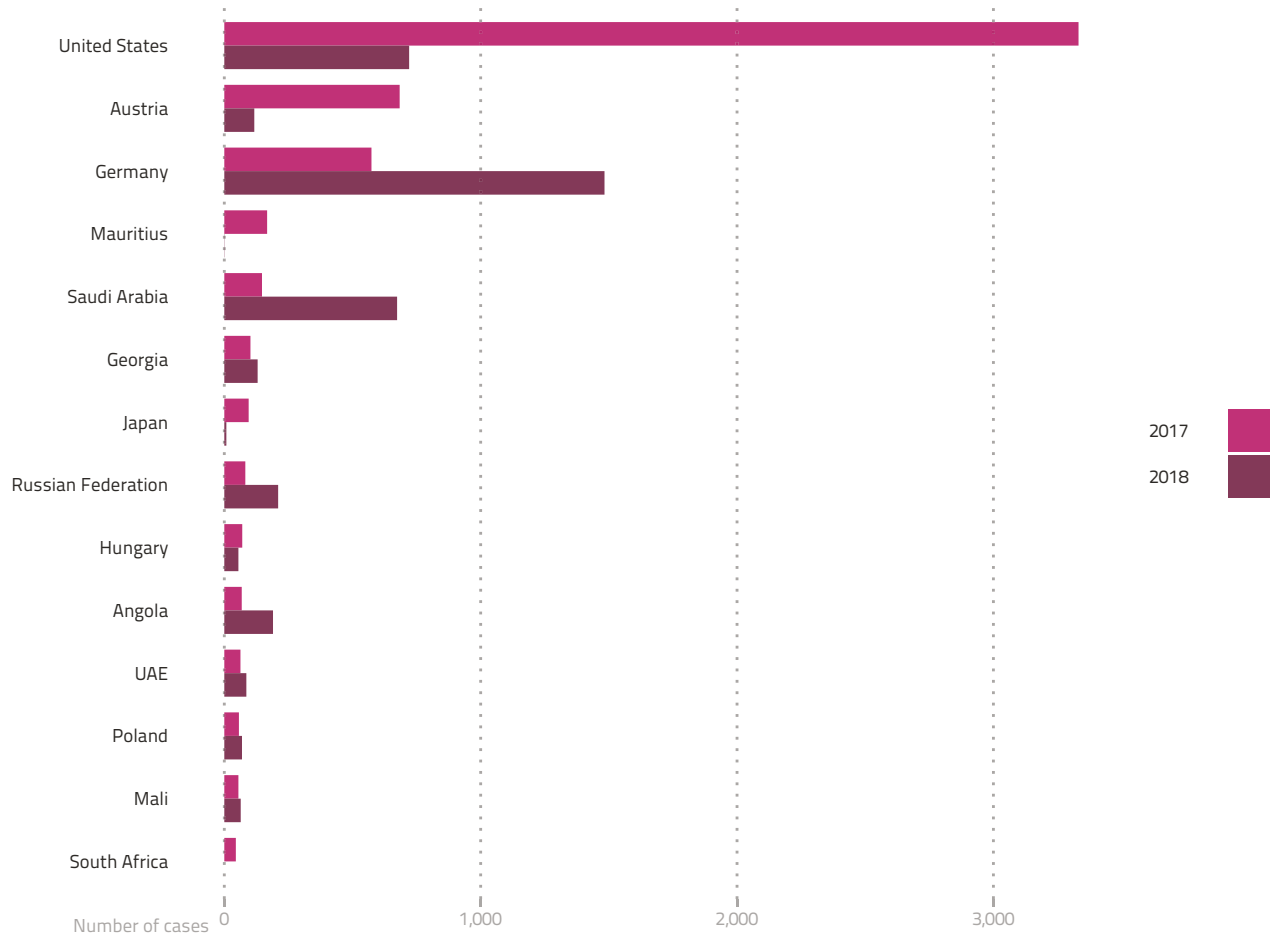


Figure 10 compares the number of medical products cases submitted by the top 15 reporting countries in 2017 and 2018. Overall, the top 15 reporting countries submitted 32% fewer cases in 2018 than they did in 2017, when the top countries totaled 5,624 total cases. This decrease in 2018 was due mostly to the United States and Austria reporting 2,597 (78%) and 567 (82.9%) fewer cases, respectively. Mauritius, however, witnessed the

sharpest decrease in medical products cases, dropping from 167 in 2017 to only a single case in 2018. Only two of the top 15 reporting countries recorded an uptick of more than 500 cases: Germany (increasing by 909, or 158.4%) and Saudi Arabia (increasing by 527, or 358.5%). With such a surge in reported cases, these countries became the most frequent and second most frequent reporters of medical product cases in 2018.

FIGURE 11: NUMBER OF MEDICAL PRODUCTS SEIZURES BY TYPE, 2017–2018

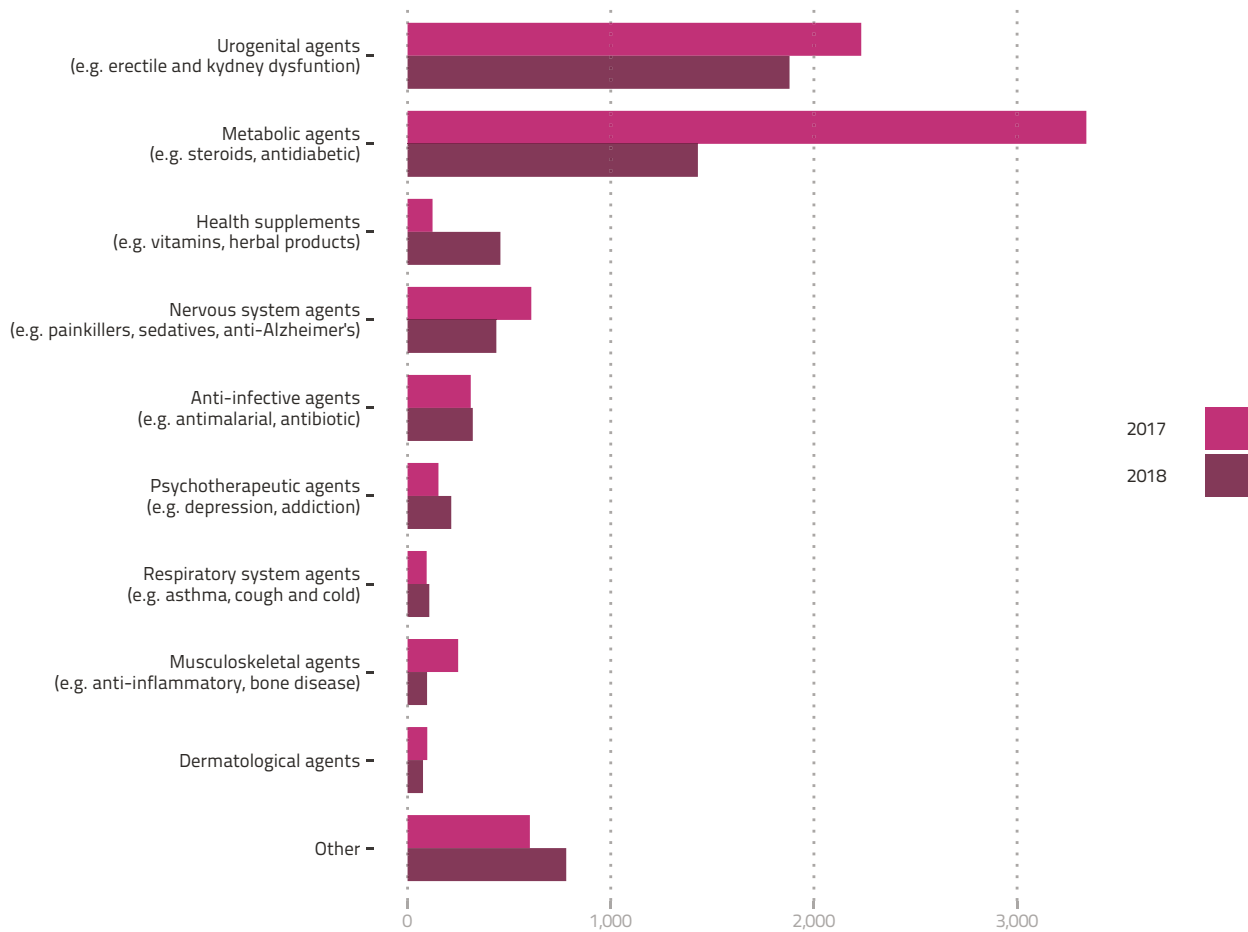


Figure 11 compares the number of seizures of each type of medical product and indicates that, between 2017 and 2018, 25.7% fewer products were seized across all categories, with the overall total dropping from 7,811 to 5,799. The diminished confiscation of metabolic agents was most notable, plunging from 3,341 in 2017 to 1,429 in 2018 (a decline of 57.2%). Urogenital agents, the second most commonly confiscated type of medical product in 2017, and

the most commonly confiscated one in 2018, also saw a decrease during this period, dropping from 2,233 to 1,880 seizures, a decrease of 15.8%. Health supplements showed the greatest percentage increase in 2018, surging by 271.5%, although this reflected only 334 additional seizures of health supplement products.

FIGURE 12: QUANTITY OF MEDICAL PRODUCTS SEIZED BY TYPE, 2017–2018

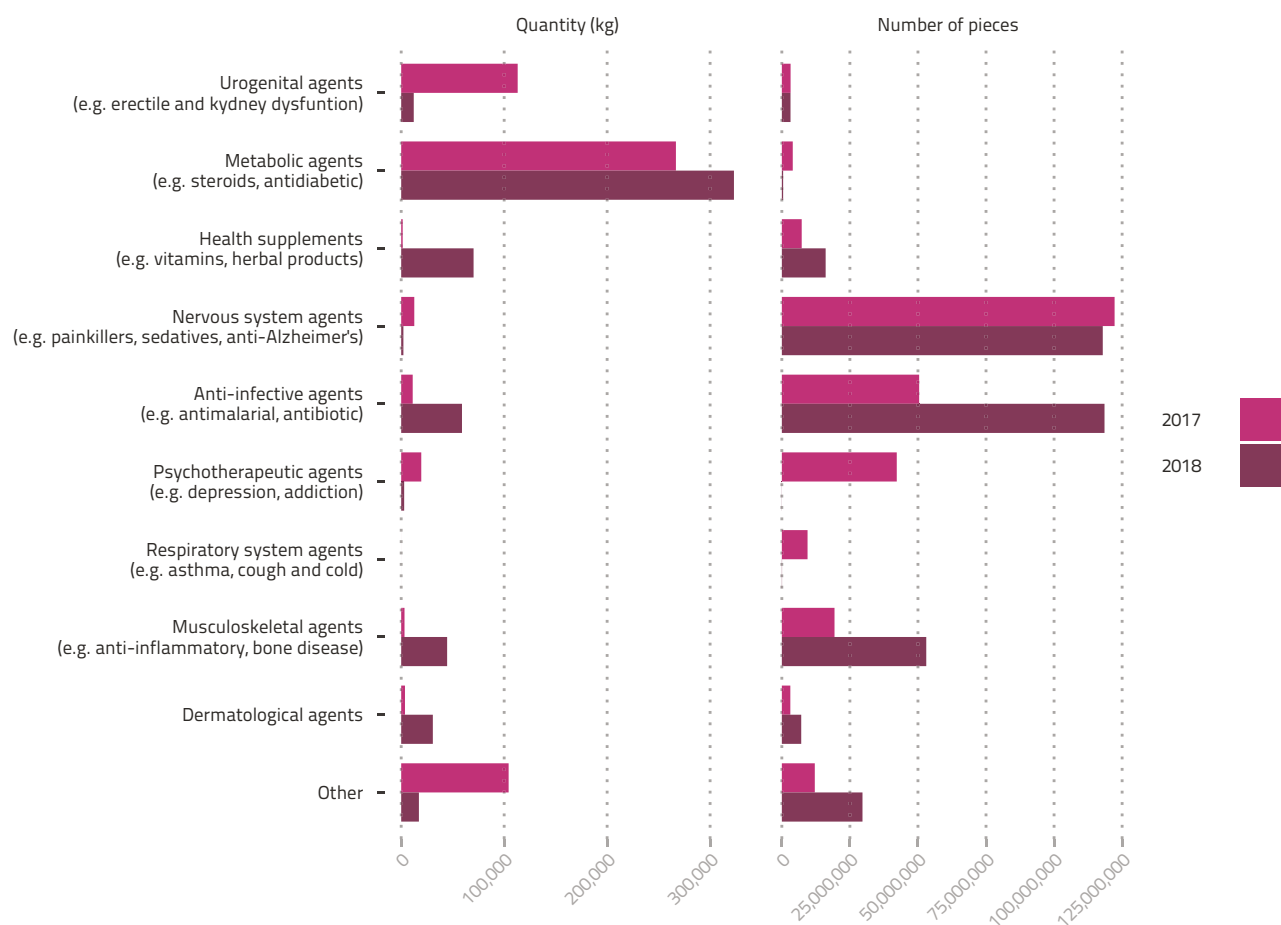


Figure 12 compares the quantity (in kilogrammes) and the number of pieces seized for each category of medical product between 2017 and 2018. Overall, both the quantity and the number of pieces seized increased, although the number of pieces increased by a greater margin than did the quantity of goods confiscated. In 2018, 346,086,991 pieces and 562,219 kilogrammes of medical products were seized, marking increases of 26.6% and 4.9%, respectively, over totals for 2017. Urogenital agents accounted for the greatest change in 2018, with their seized quantity plunging by 100,934.5 kilogrammes, or 89.2%. Overall, this decline was

counterbalanced by a surge in the quantities of seized health supplements and musculoskeletal agents, which increased by 4,751% and 1,284.2%, respectively. Regarding the number of pieces, five medical product categories increased by more than 100%: anti-infective agents, dermatological agents, health supplements, musculoskeletal agents and “other”. On the other hand, the categories psychotherapeutic agents and respiratory system agents both saw a decline of over 99%, registering decreases of 99.9% and 99.1% respectively.

Member highlight: Namibia makes big seizures during various operations

In September 2018, the WCO conducted an operation codenamed MIRAGE (more details on this are provided in the Operation section below) to assess the flow of pharmaceutical goods reaching the African mainland. MIRAGE enhanced cooperation between Customs Administrations by enabling the efficient and timely sharing of inspection results and by drawing on real-time training, provided by WCO IPR accredited experts, which demonstrated new and practical targeting techniques to enhance Customs interdiction capabilities.



During the Operation, agents seized 1,300 cartons consisting of 26,000,000 pieces of co-trimoxazole tablets (480mg), categorized as pharmaceutical products. This consignment was detained due to an expired import permit and on the authority of Section 27 of Medicine Act No. 13 of 2003.

In May 2018, Namibia Customs & Excise participated in a joint INTERPOL operation codenamed Thunderstorm. Thunderstorm primarily attended to the illegal wildlife trade (fauna and flora), forestry crime and any other prohibited and restricted offences. Pharmaceuticals, cosmetics and other IPR infringements were detained or seized during the Operation, as well as 500 pieces of BronClear with Codeine cough syrup (100 ml) and 6,079 pieces of Samsung products. The cough syrup was seized per Namibia's Medicine Regulatory Council Act 13 of 2003, because the medicines were transported via public transport and exposed to the sun.

Source: Namibia Customs.

FIGURE 13: NUMBER OF MEDICAL PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

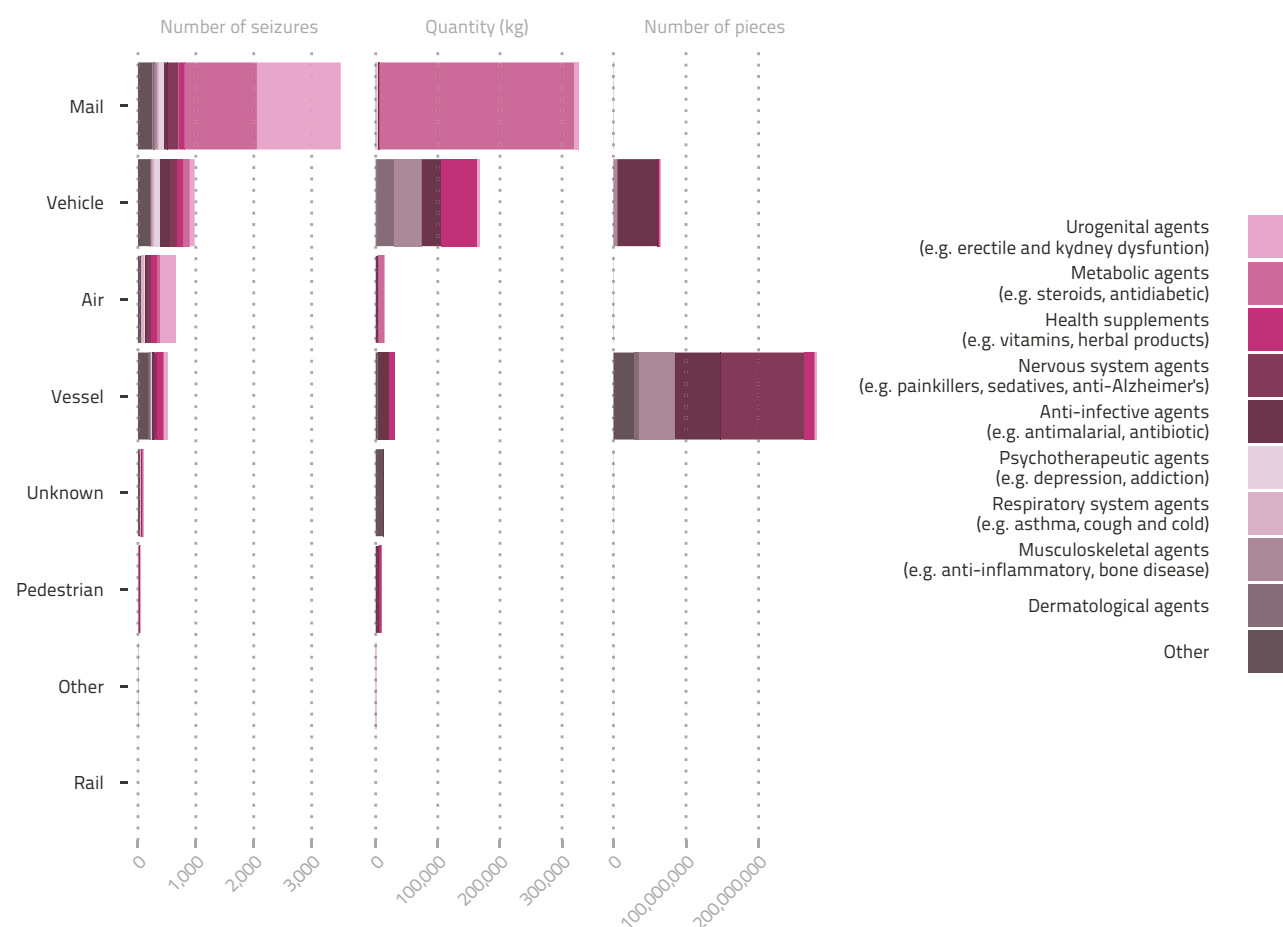


Figure 13 shows the number of seizures, the quantity (in kilograms) seized and the number of pieces of medical products seized by type and conveyance method in 2018. Of the 5,799 medical products seizures reported in 2018, 60.4% (3,503) were executed on parcels of mail, leading to the apprehension of 326,440.9 kilograms and 656,879 pieces of contraband across all ten product types. Metabolic agents and urogenital agents were the most commonly seized types in mail parcels and were, in fact, the only product types, across all means of conveyance, to report more than 1,000 seizures, accounting for 1,246 and 1,448, respectively. Seizures of metabolic agents from mail parcels made up the overwhelming majority of medical products confiscated via mail, yielding 313,971.3 of a total 326,440.9 (96.2%) kilograms. In

fact, metabolic agents seized from mail parcels made up 55.8% of the total quantity of medical products seized in 2018.

In terms of pieces seized, however, seizures conducted on vessels netted the majority of contraband retrieved, responsible for 279,381,340 (80.7%) of a total 346,086,991 pieces recovered. Pieces confiscated from vehicles, the next most common category, accounted for 18.8% of pieces confiscated in 2018. Together, seizures conducted from vessels and vehicles accounted for 99.5% of the total number of pieces seized in 2018.

FIGURE 14: PROPORTION OF MEDICAL PRODUCTS SEIZURES BY TYPE AND COUNTRY, 2018

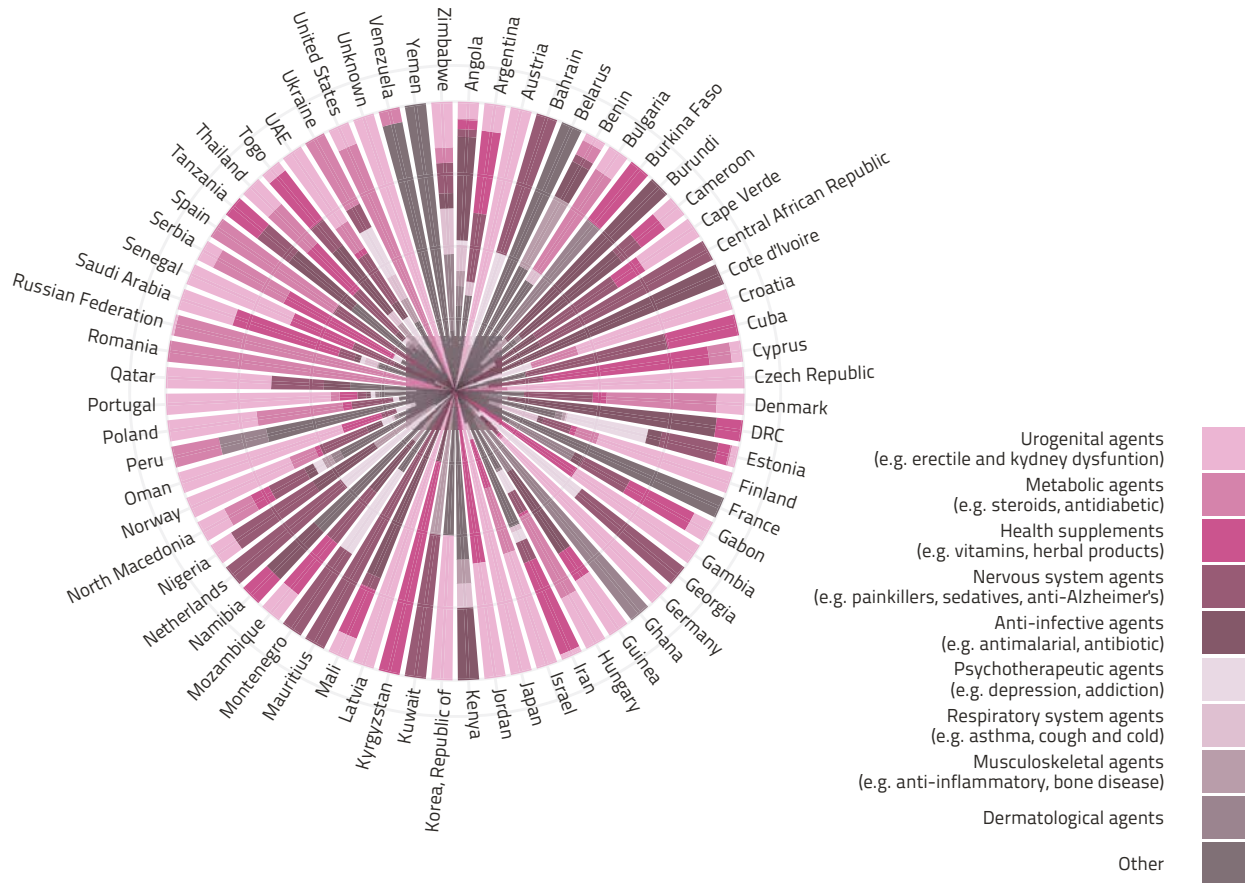


Figure 14 depicts the proportion of seizures for each type of medical product, as reported by each country recording at least one such seizure. Sixty-seven countries reported at least one medical product seizure, with each country seizing, on average, more than four types. Five countries reported at least one seizure of all 10 types of medical products: Angola, Estonia, Germany, Norway and Saudi Arabia. Conversely, nine countries reported seizures of only a single medical product type. Seizures among the “other” category were most widespread, however, with 42 countries

reporting such instances. Urogenital agents were the second most common products seized, apprehended by 39 countries, followed by nervous system agents and health supplements, which were seized by 38 and 31 countries, respectively.

FIGURE 15: NUMBER OF MEDICAL PRODUCTS CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2018

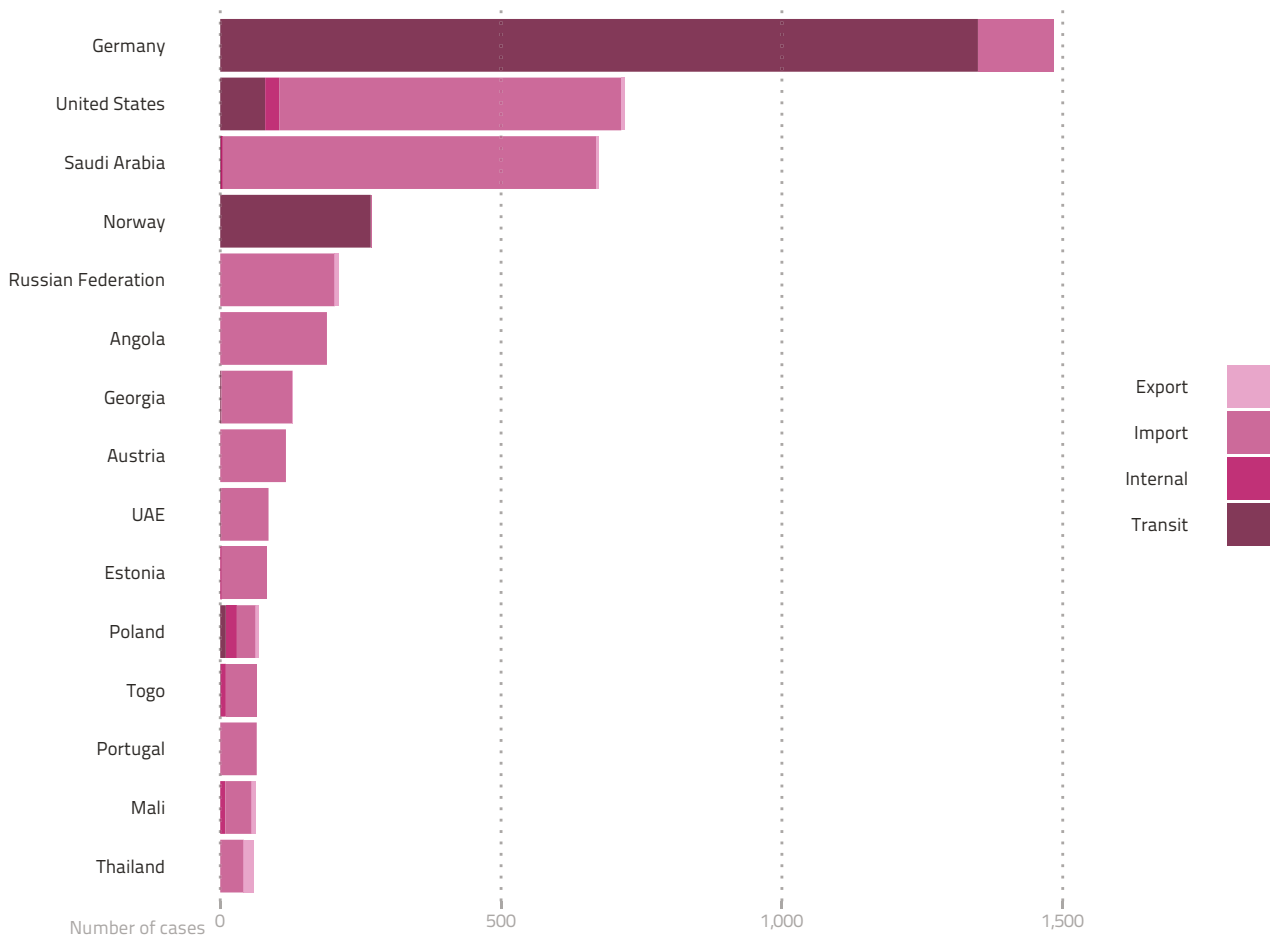


Figure 15 displays the top 15 countries that reported medical products cases in 2018, and it indicates the direction in which target shipments were moving when confiscated. Of the 4,299 cases submitted by the top 15 reporting countries, 2,459 involved cases made upon import — a percentage (57.3%) that, while still a majority, is well below the 92.7% of cases conducted during import in 2017. This significant shift is due largely to Germany, which reported 1,349 cases executed during transit, cases that

constituted 31.5% of all cases represented in Figure 15. Only three countries represented in this Figure reported cases from all four directions: Poland, Saudi Arabia and the United States. Saudi Arabia (666 cases) and the United States (614 cases) accounted for 52% of cases conducted upon import. Cases executed internally or upon export were not a majority case direction for any of the countries represented.

FIGURE 16: NUMBER OF MEDICAL PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2017–2018

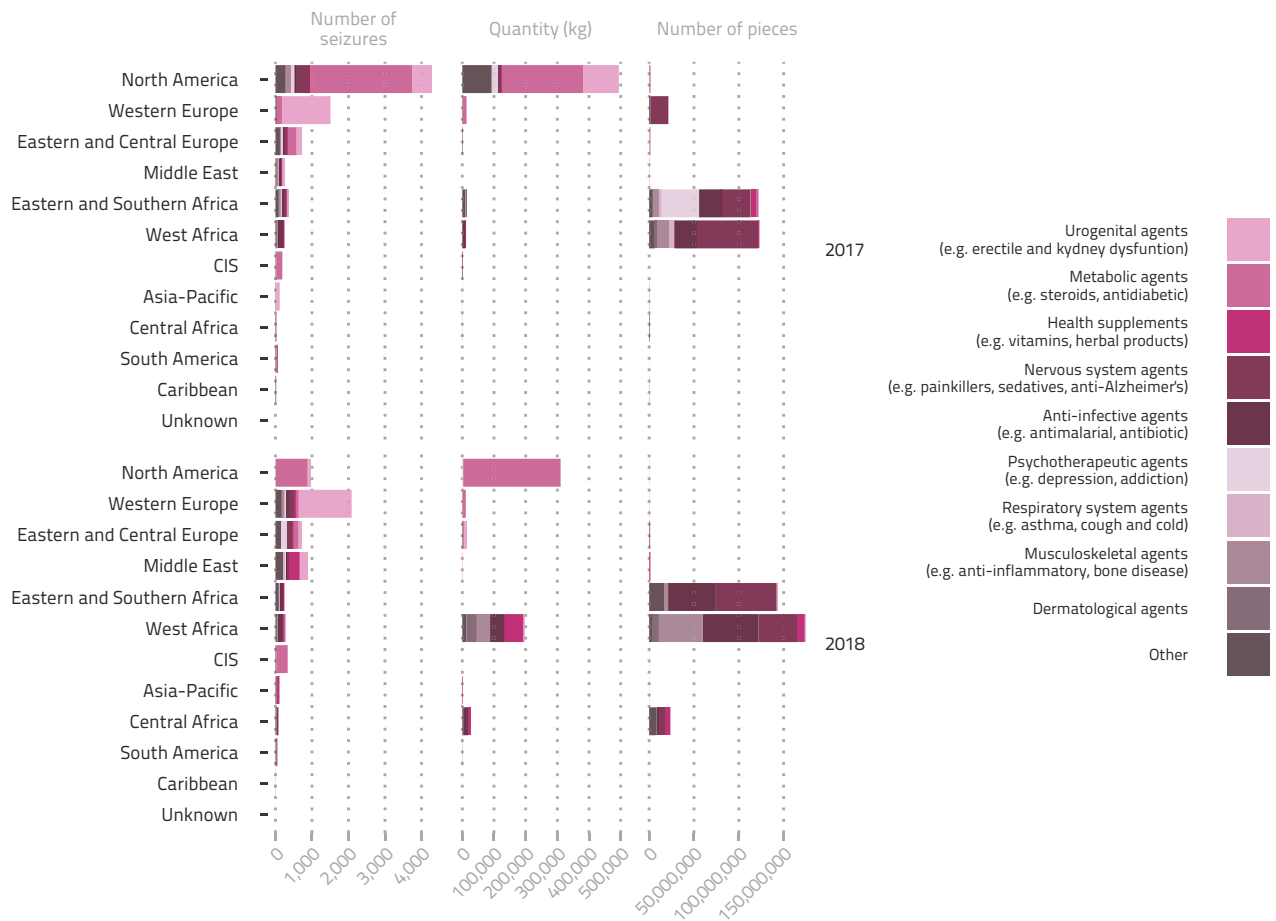


Figure 16 compares the number of seizures and the total quantity of medical products seized by reporting region, while also comparing these metrics between 2017 and 2018. Across all regions and all medical products types, 2018 saw 2,027 fewer seizures, 72,887,538 more pieces confiscated and 26,221 more kilogrammes of medical products seized. The significant drop in seizures was due largely to North America, which reported 3,314 fewer seizures in 2018 than it did in the previous year. The increase in the number of pieces of medical products seized can be attributed to West Africa, which reported 51,292,165 more

pieces in 2018. The second greatest increase in medical products pieces seized came from Central Africa, which reported 23,402,214 more in 2018. These varying numbers in Eastern and Southern Africa, Central Africa, and West Africa follow in part from WCO IPR Operations conducted in Africa in 2017 (ACIM 2) and 2018 (MIRAGE), operations focused on illegal and counterfeit medical products. Varying rates and degrees of participation in Operations can lead to significant increases or decreases in the quantity of seized medical products.

Case study 2. Operation Pangea seized GBP 2 million of counterfeit medicines worldwide

From 9 to 17 October 2018, the United Kingdom's Medicines and Healthcare Products Regulatory Agency (MHRA) seized unlicensed medical devices, anti-depressants, diazepam and medicines associated with epilepsy and diabetes. The MHRA's investigation and seizures were conducted under the umbrella of INTERPOL's Operation Pangea (organized in cooperation with the WCO), an international effort to curb the illegal trade in counterfeit medicines, and one that involves Police, Customs and health regulatory authorities from 116 countries. These medicines and medical devices were hidden inside packages of video games and among clothing.

During this nine-day operation, the MHRA also targeted marketplaces on both the Clear and Dark Webs, shutting down 123 websites and 535 online adverts facilitating the sale of illicit counterfeit medicines. Enforcement in the United Kingdom led to one arrest in northern England, while Operation Pangea, on the whole, netted 859 arrests and seized GBP 10.9 million in counterfeit medicines as of 31 December 2018.



SOURCES

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- European Pharmaceutical Manufacturer Magazine (2018), MHRA cracks down on fake medicines with £2 million haul, available at <https://www.epmmagazine.com/news/mhra-cracks-down-on-fake-medicines-with-%C2%A32-million-haul/>, accessed 25 September 2019.



L, M: Copyright Interpol.

FIGURE 17: MEDICAL PRODUCTS TRAFFICKING FLOWS BY REGION, 2018

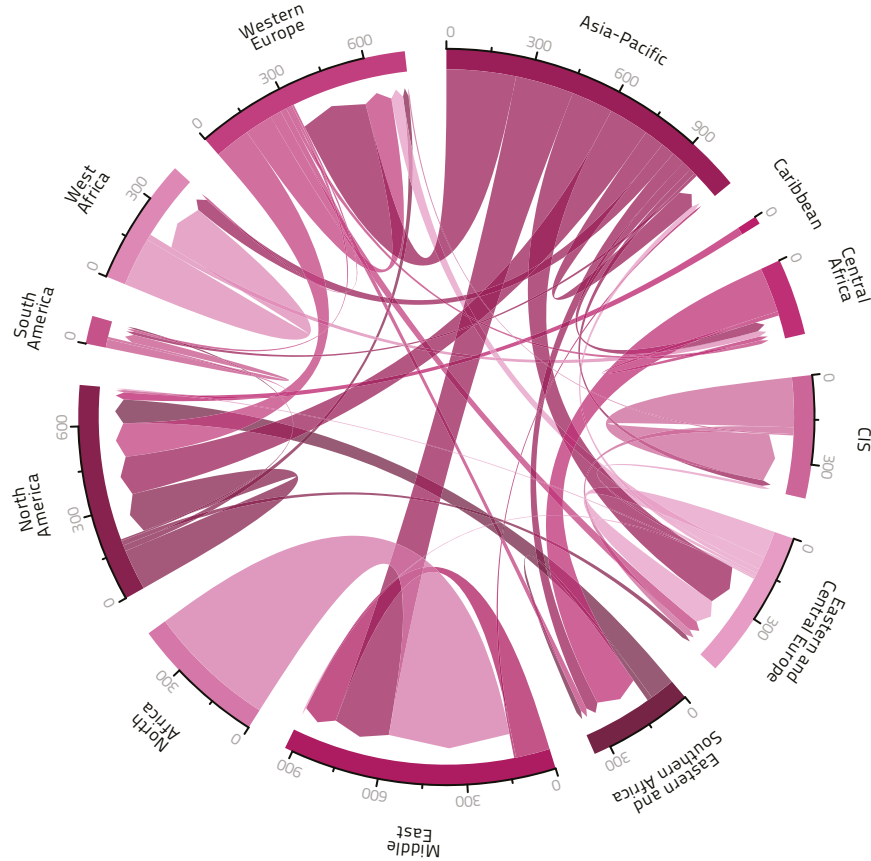


Figure 17 displays intended medical products trafficking flows from, to, and within reporting region for 2018, regardless of where a given shipment was seized. The Figure shows only trafficking routes that appeared in five or more trafficking instances. It reveals that the Middle East and North America were the top destinations for medical products in 2018, receiving 26.2% (806) and 17.9% (552), respectively, of the total 3,072 cases with known trafficking information. Asia-Pacific functioned as the most common region of departure by a wide margin, implicated as the point of origin in 988 cases (32.2%). The second most common

region of departure was North Africa, implicated in 464 (15.1%) cases; although, in that this region was noted as a destination in only three cases, it did not generally receive counterfeit medical products. The top three flows represented in this Figure are North Africa to the Middle East (461 cases), Asia-Pacific to Western Europe (248 cases) and Asia-Pacific to the Middle East (209 cases).

FIGURE 18: HEAT MAP OF MEDICAL PRODUCTS TRAFFICKING INSTANCES BY COUNTRY, 2018

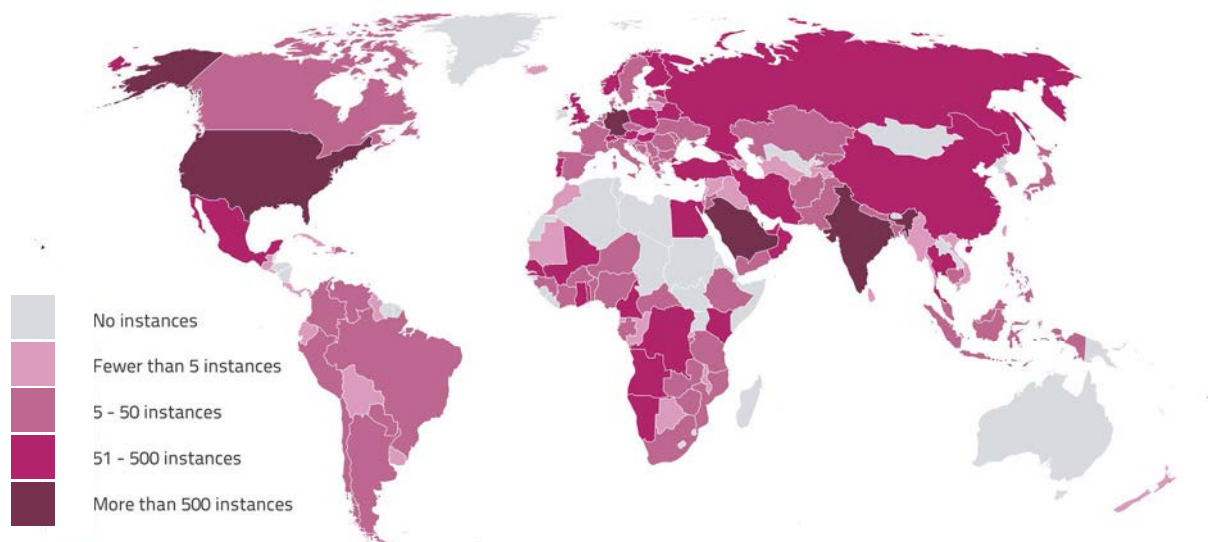


Figure 18 is a heat map of medical products trafficking instances by country and frequency in 2018. Each country indicated was either the origin, destination, or a transit point for one or more seized medical products shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 18 indicates all countries through which medical products are known to have been trafficked, or were intended to have been trafficked, in 2018.

In 2018, and across 10,617 instances, 142 countries were implicated in medical products trafficking, with four countries appearing in more than 600 cases: Germany (1,677), India (1,436), the United States (919) and Saudi Arabia (687). India, despite being the second most implicated country in medical products

trafficking flows, was primarily listed as an origin country and reported just 6 medical products cases. Germany, the most commonly implicated country for medical products trafficking in 2018, was a frequent point of transit, implicated as such in 1,506 of its total 1,677 cases (89.8%). Saudi Arabia, despite being the fifth most implicated country across all three directions, was most commonly implicated as a point of destination, with 666 of its 687 (96.9%) cases executed upon arrival. Interestingly, while Norway was associated with 269 total cases, 268 of them were conducted during transit and only a single instance was executed upon arrival.

FIGURE 19: MEDICAL PRODUCTS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

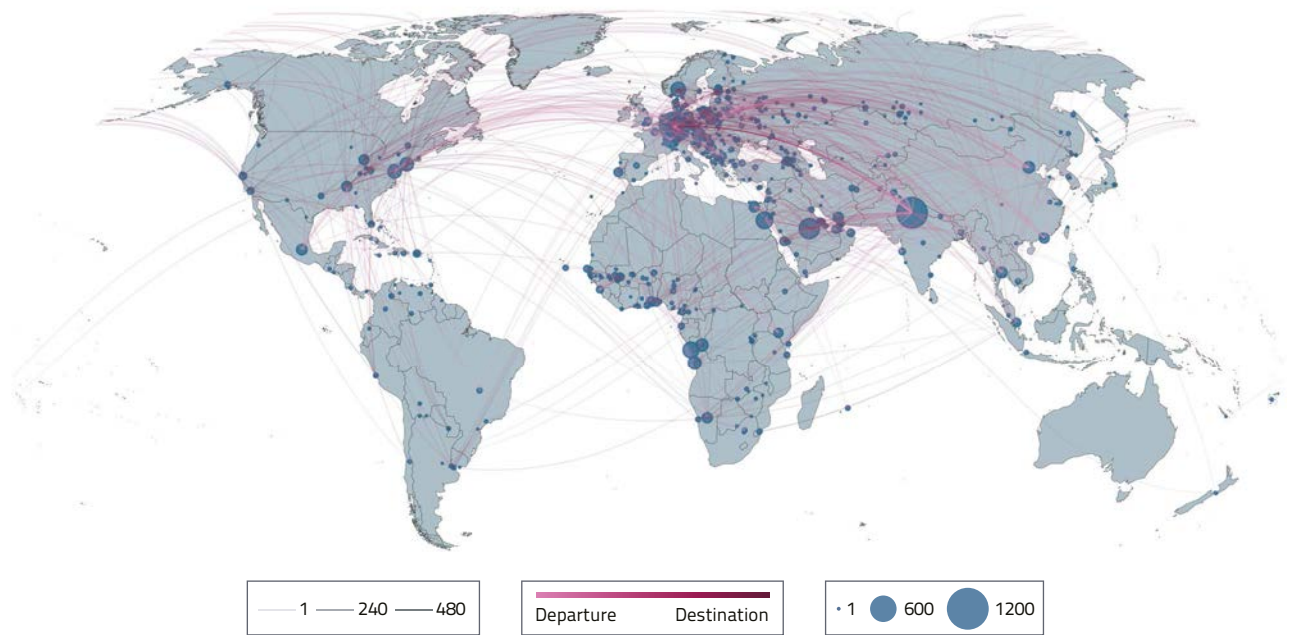


Figure 19 details the illicit flows of medical products, from origin to destination, for all routes that appeared in one or more trafficking instances. Point size indicates the number of cases involving departures from or terminations within a particular city. The capital city of a given country is used when a specific location was not found in the data. The flows connecting points on the map are pink in colour at their origins and become 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 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit. Nevertheless, **Figure 19** shows the entire intended trade route from origin to destination.

In 2018, smugglers used 1,112 unique routes to traffic medical products through 640 cities and in the context of 10,818 unique trafficking instances. Two routes emerged as particularly at risk, each appearing in over 300 instances: New Delhi, India to Frankfurt, Germany (859) and Safaga, Egypt to Riyadh, Saudi Arabia (343). Individually, these four cities appeared as the four most commonly implicated cities for medical products seizures in the following order: New Delhi (1,358 cases), Frankfurt (1,256 cases), Riyadh (549 cases) and Safaga (355 cases). Only two other cities were implicated in more than 300 reported trafficking routes: Cabinda, Angola (323 cases) and Bern, Switzerland (319 cases). Two regional routes were implicated in more than 500 trafficking instances: Asia-Pacific to Western Europe (1,280) and Western Europe to Western Europe (526).

3. OPERATION MIRAGE

From 10 to 19 September 2018, the WCO organized an IPR, Health and Safety Operation on the African mainland. The Operation was conducted under the codename MIRAGE, referring to the deception and delusion inherent to substandard and counterfeit medicines.

A workshop, organized in close cooperation with Benin Customs in Cotonou from 5 to 7 September 2018, preceded the Operation. Sixteen countries from Eastern and Southern Africa and West Africa participated in the workshop; fourteen of these nations include major seaports on the African mainland, and two landlocked countries joined on their own initiative.

The World Health Organization (WHO), the World Organisation for Animal Health (OIE) and INTERPOL took part in the workshop. Their participation encouraged greater understanding of the roles of different authorities and the importance of improving cooperation.

The Operation was focused on counterfeit and illicit medicines; however, other goods that could jeopardize the health and safety of African citizens were also targeted.

In the majority of participating countries, the national focal points from the WHO, as well as veterinary authorities, assisted Customs officers inspecting pharmaceutical consignments during the Operation. The relevant Regional Intelligence Liaison Offices (RILO), Southern African Customs Union (SACU) representatives and local Container Control Programme (CCP) teams supported the Operation. After just one week, millions of illicit medicines and thousands of counterfeit items had already been intercepted. A new modus operandi had also been discovered.

During the operational phase, 267,659,987 units and 15,316 kilogrammes of all types of goods were intercepted and organized into 520 cases. By October 2018, 190,891,021 units and 9.52 kilogrammes of all types of goods had been seized or stopped (419 cases).





N, O: Inspections carried out during Operation MIRAGE. Courtesy: Benin Customs.



SECTION 5.

REVENUE

INTRODUCTION

Customs play a significant role in ensuring that global trade conforms to international requirements and that all tax duties are paid. Excise duties or taxes are indirect taxes on the sale or use of specific products and are often imposed either to reduce consumption of such products or to protect home markets. Products subject to excise duties or taxes can vary between jurisdictions; in general, alcohol and tobacco are most often subject to these taxes.

Where products are highly taxed, easily portable and susceptible to relatively light penalties for trafficking, transnational criminal organizations can profit by taking advantage of weaknesses in Customs enforcement or other border controls. Such organizations flout laws, endanger the health of consumers, deprive governments of revenue, and threaten the livelihood of legitimate business operations.

Revenues acquired through illicit activities can serve as an enduring source of funding for organized criminal groups who reinvest their acquired profits into other illicit activities. As a result, cross-cutting efforts to curtail illicit trade have become more complex.

A: Cigarettes concealed in a tire. Courtesy: German Customs.



Customs administrations worldwide are committed to meeting this challenge by implementing a strategic and multi-faceted approach that emphasizes capacity-building and international cooperation.

From a Customs and law-enforcement perspective, the primary arenas of excise fraud are:

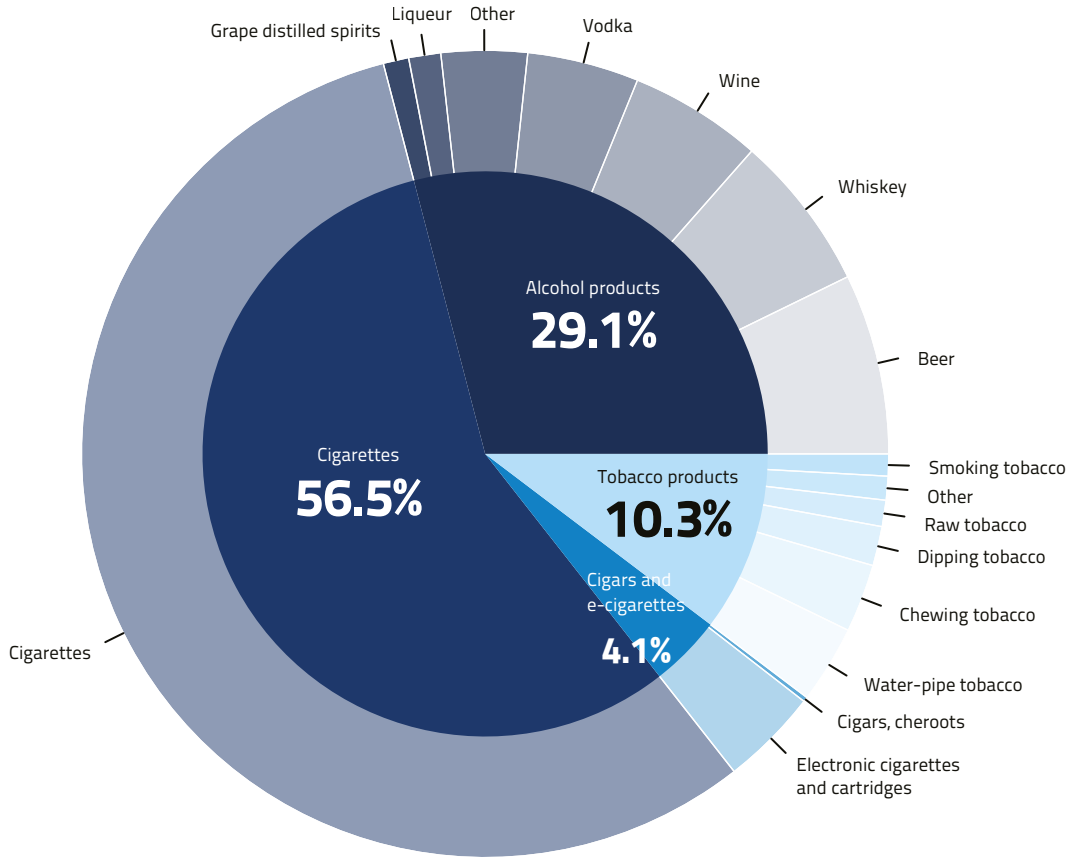
- smuggling or illegal importation of excise goods;
- illegal manufacture of excise goods;
- diversion of goods without paying excise duties.

Because counterfeiting and the movement of contraband excise products are clandestine activities in constant fluctuation, it is

difficult to precisely determine the value of the illicit excise market. Substantial profits derived from trafficking excise goods and successful law-enforcement interdiction efforts have encouraged perpetrators to continually develop new and more sophisticated smuggling techniques. Customs authorities reported 26,220 cases of excise-goods smuggling in 2018, involving 31,150 seizures of products spanning 94 countries. This was a 98.7% increase over the total for 2017, when 15,671 seizures of alcohol, cigarettes and other tobacco products were reported to the WCO. In both 2017 and 2018, Saudi Arabia reported the greatest number of alcohol and tobacco products seizures.

B: Illicit cigarettes awaiting professional destruction. Courtesy: Argentinian Customs.

FIGURE 1: PERCENTAGE OF SEIZURES BY PRODUCT, 2018

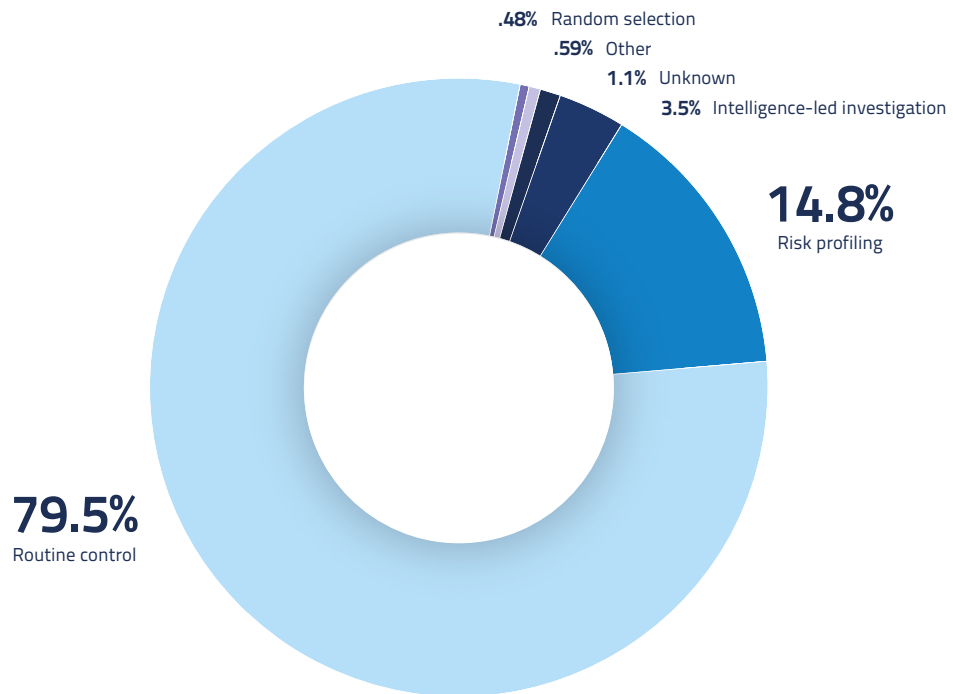


The 31,150 seizures of excise goods reported in 2018 are broken down into four components in Figure 1: cigarettes, alcohol products, tobacco products and cigars and e-cigarettes. Cigarettes were the most commonly seized goods in 2018, accounting for 56.5% of all seizures (17,606). This is similar to 2017, when 47.7% of reported seizures involved cigarettes. The second most commonly seized items were various combinations of alcohol products, totaling 29.1% of all seizures of excise goods. Within the category of alcohol products, beer was seized 2,253 times, whiskey was seized 1,956 times, wine was seized 1,660 times and vodka was seized 1,393 times. Although it remains the smallest category, cigars and e-cigarettes seizures increased from 1.9% to 4.1% of the total

number of seizures between 2017 and 2018. (Unless otherwise specified, for the rest of this Section, tobacco products will refer to cigarettes, e-cigarettes, cigars, chewing tobacco and dipping tobacco.)

Figure 2 shows that routine control was by far the most effective detection method for excise goods in 2018, accounting for 22,734 (or 72.98% of) cases. As in 2017, risk profiling was the second most effective detection method. There were 6,506 cases detected by risk profiling in 2018, nearly double that of the 3,505 cases detected through this method in 2017. Because of the differences in total reported cases from 2017 to 2018, however,

FIGURE 2: PERCENTAGE OF SEIZURES BY DETECTION METHOD, 2018



the percentage of cases made through risk profiling in 2018 (20.89%) was smaller than the percentage of cases involving risk profiling in 2017 (22.3%). In 2018, there were fewer cases made through intelligence-led investigations (1,276) than there were in 2017 (1,382), and the percentage of these cases dropped from 8% to 4% in the same span of time.

The analysis of the trends in this Section requires a few caveats. First, the conclusions below rely on case-and-seizure data voluntarily submitted at the discretion of WCO Member countries. There are many reasons why Customs administrations might not report or might under-report their data, including the need

to maintain secrecy over ongoing investigations. As a result, the Figures in this Section might not depict a comprehensive view of efforts to avoid taxes or skirt prohibitions. Second, apparent increases in seizures of certain goods could reveal the increasing efficacy of Customs officers rather than a genuinely upward trend in alcohol and tobacco trafficking.

This Section is organized in the following manner:

1. Overall trends in the trafficking of tobacco products.
2. Overall trends in the trafficking of alcohol products.
3. Projects and operations.

1. OVERALL TRENDS IN TRAFFICKING OF TOBACCO PRODUCTS

FIGURE 3: NUMBER OF TOBACCO PRODUCTS CASES BY COUNTRY, 2017–2018

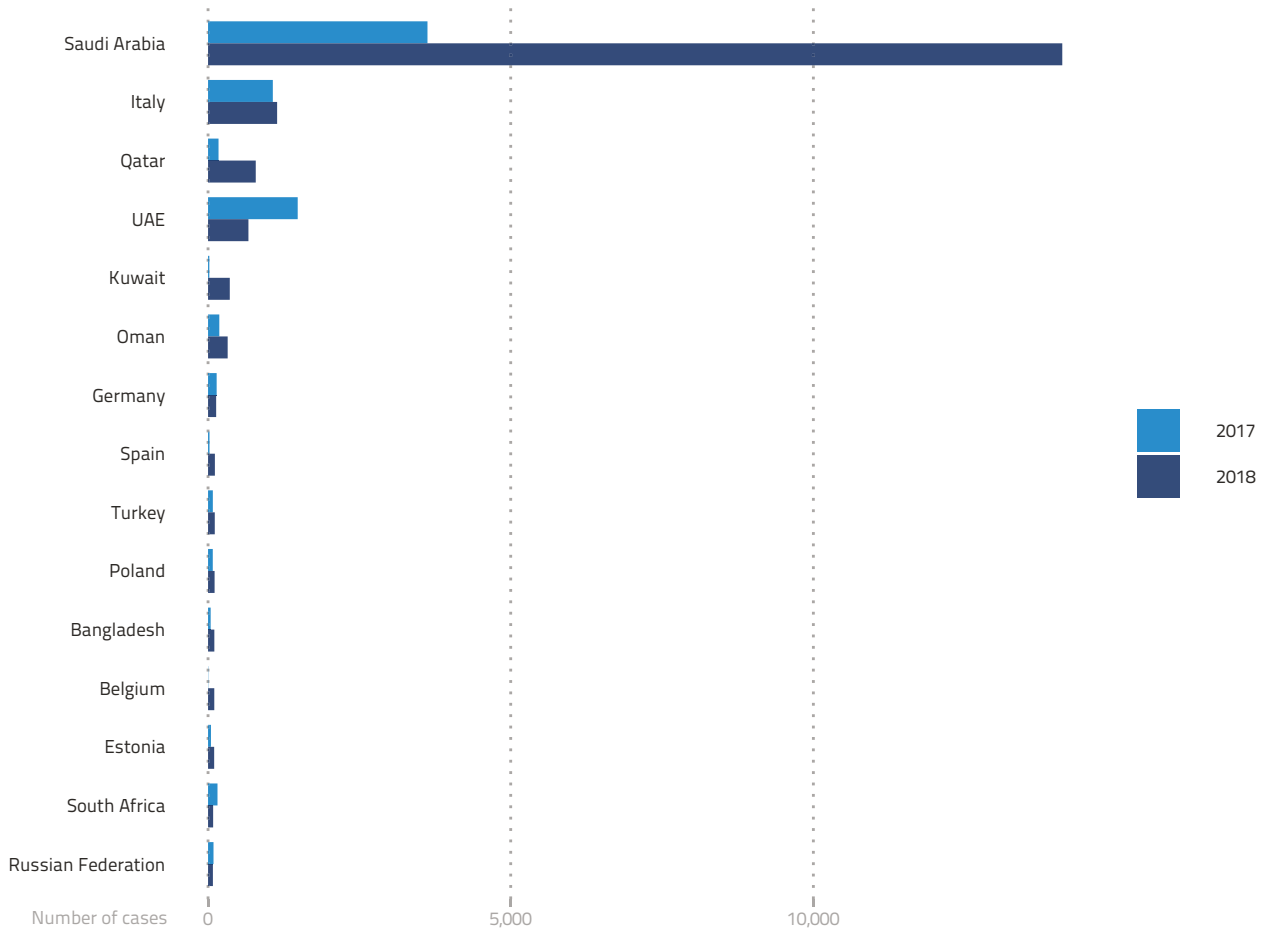
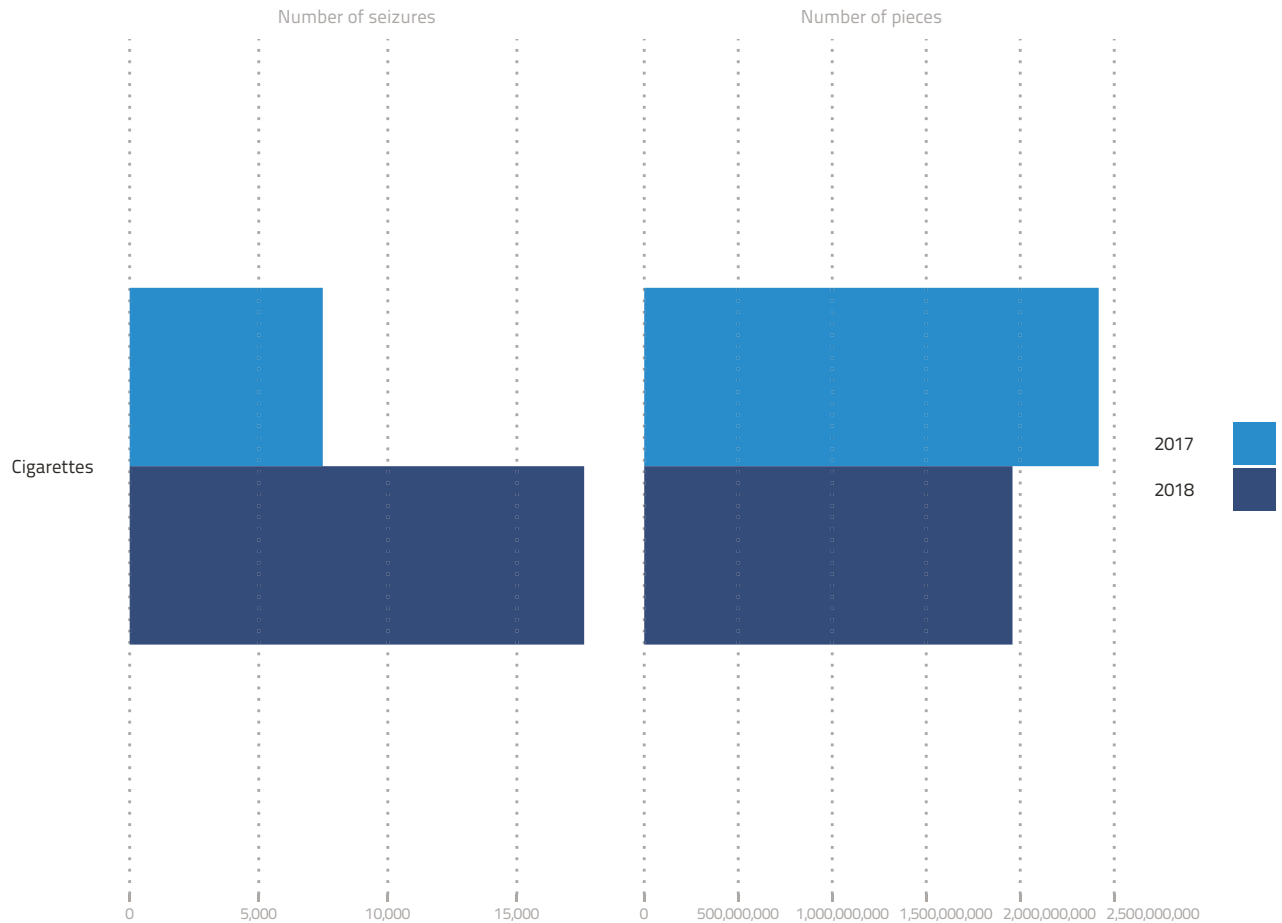


Figure 3 displays the top 15 reporting countries for all tobacco products cases in both 2017 and 2018. Saudi Arabia reported by far the most cases in 2017 (3,625) and continued to lead in 2018, increasing its cases by 289.3%, reaching a total of 14,112. Italy reported the second-greatest number of cases of tobacco

products in 2018 (1,141). Meanwhile, the UAE reported a significant decrease in cases in 2018, dropping from 1,481 in 2017 to just 667 in 2018. Overall, the total number of cases reported in 2018 increased by 14,415 (or 104.76%), from 2017 to 2018.

FIGURE 4: NUMBER OF CIGARETTES SEIZURES AND QUANTITY SEIZED, 2017–2018



By comparing the number of seizures and the quantity of cigarettes seized between 2017 and 2018, Figure 4 demonstrates that, while the number of seizures increased, the number of pieces seized actually decreased in 2018. The number of cigarettes seizures increased 135.34%, from 2017 to 2018, growing from 7,481 to 17,606; however, this considerable uptick was not accompanied

by a similar increase in the number of pieces seized from 2017 to 2018. In fact, the number of pieces seized decreased from 2,417,517,059 to 1,958,979,082, representing a reduction of 18.9%. Comparative data from 2016 and 2017 showed the same trend: more seizures of cigarettes but fewer pieces seized.

Case study 1. Unusual smuggling method for cigarettes

Lithuanian border guards on the Neris River intercepted cigarettes being smuggled in two ice blocks on January 19, 2018. The ice blocks held 1,500 packets of NZ Gold Super Slim cigarettes, and had GPS trackers attached to them. Although the source of the cigarettes is unknown, the ice blocks were discovered close to the border with Belarus. According to local officials, cigarettes in Lithuania are up to four times more expensive than in Belarus.

Local officials also stated that the section of the river on which the cigarettes were found is often exploited by smugglers, but that they had not seen cigarette smuggling there in the past. The week before, about 1,000 packs of cigarettes were discovered being smuggled in this same way. These cigarettes, also NZ Gold Super Slims, were smuggled from Belarus.



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FIGURE 5: NUMBER OF E-CIGARETTES AND CIGARS SEIZURES AND QUANTITY SEIZED, 2017–2018

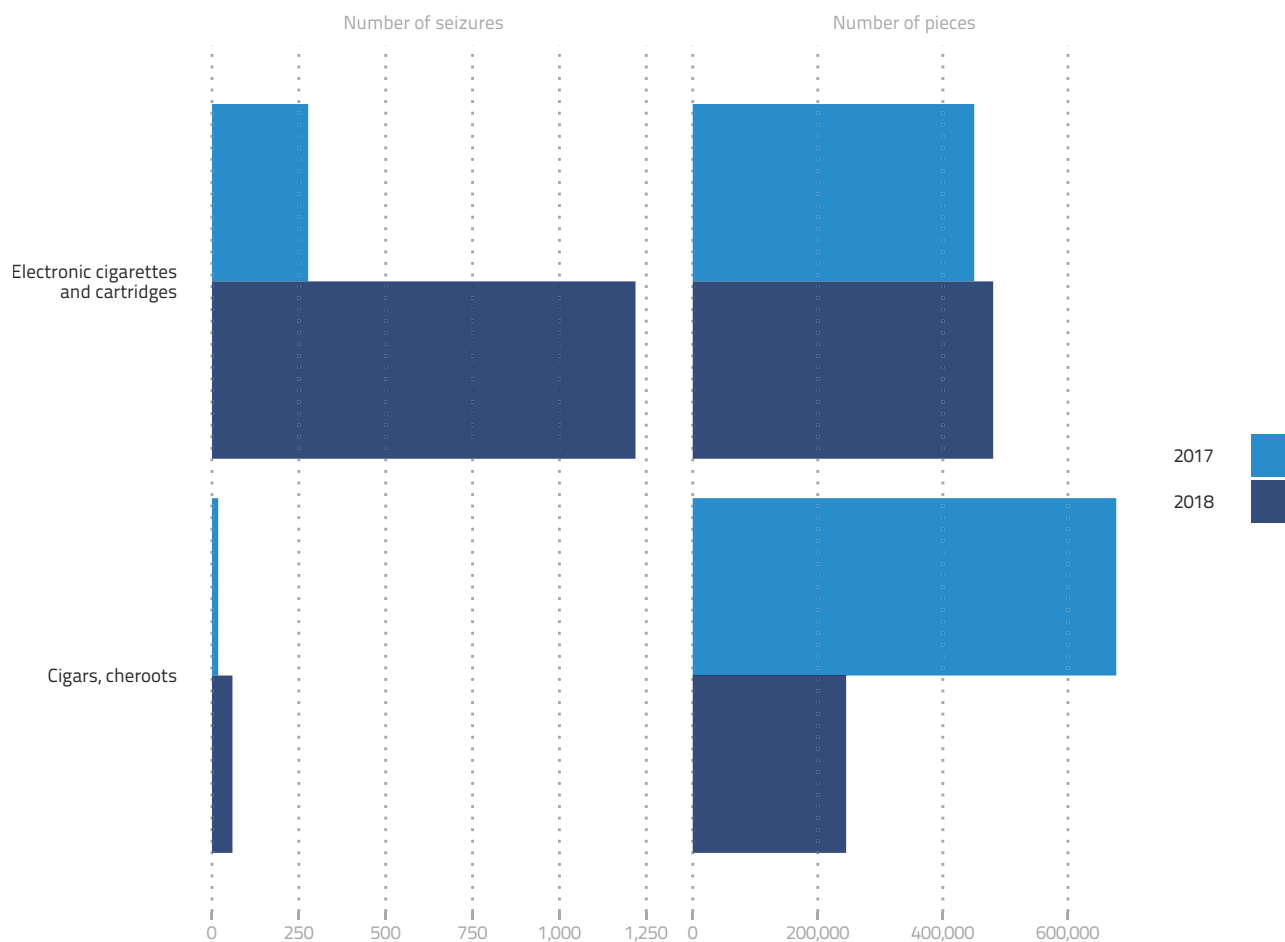


Figure 5 compares the number of seizures and the quantity of pieces seized for e-cigarettes and cigars between 2017 and 2018. Seizures of both e-cigarettes and cigars increased in 2018. In 2017, WCO Member countries reported 18 seizures of cigars; in 2018, they more than doubled this amount, reporting 59 seizures.

Seizures of e-cigarettes increased 340% between 2017 and 2018, rising from 277 in 2017 to 1,219 in 2018. The number of pieces of e-cigarettes and cartridges also increased in 2018, although somewhat more modestly (6.7%). By contrast, the number of seized cigars and cheroots decreased by 63.7% from 2017 to 2018.

FIGURE 6: NUMBER OF OTHER TOBACCO PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE, 2017–2018

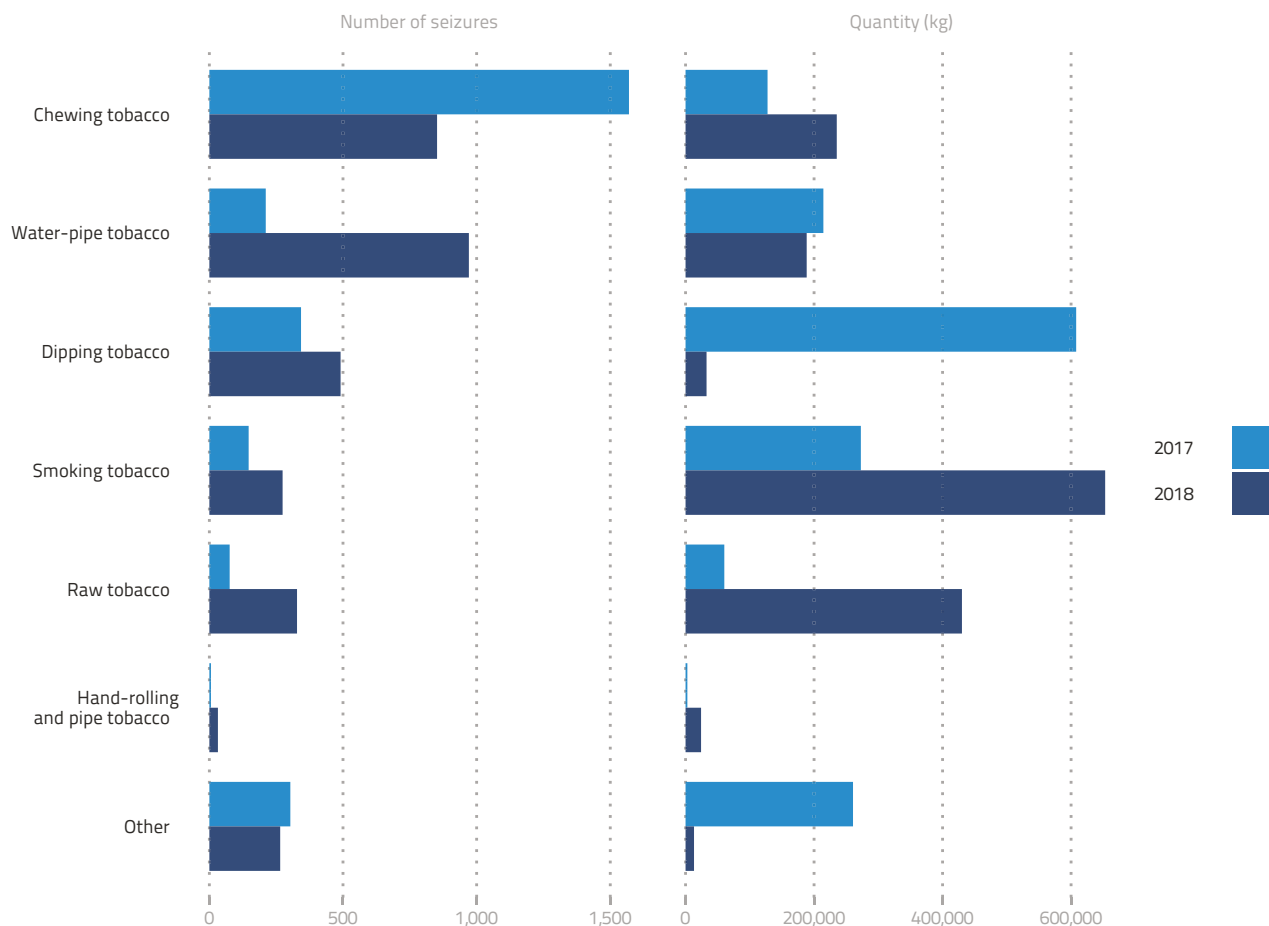


Figure 6 compares the number of seizures and the quantity (in kilogrammes) seized for each offering from the category *other tobacco products* between 2017 and 2018. There were 3,213 seizures of these products in 2018, up from 2,656 in 2017. Notwithstanding this 20.9% increase in the number of seizures, and despite significant changes within several categories, there was only a 1.9% increase in the quantity of tobacco products seized. The greatest number of seizures in 2018 involved water-

pipe tobacco, surpassing seizures of chewing tobacco. Seizures of smoking tobacco accounted for the most kilogrammes, however, surpassing the quantity of seized dipping tobacco, which dropped 94.6% in 2018, even though it had been the most seized tobacco product (in terms of quantity) in 2017. The quantity of seized raw tobacco, by contrast, rose from 60,334.744 kilogrammes in 2017 to 430,160.815 kilogrammes in 2018.

FIGURE 7: NUMBER OF TOBACCO PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

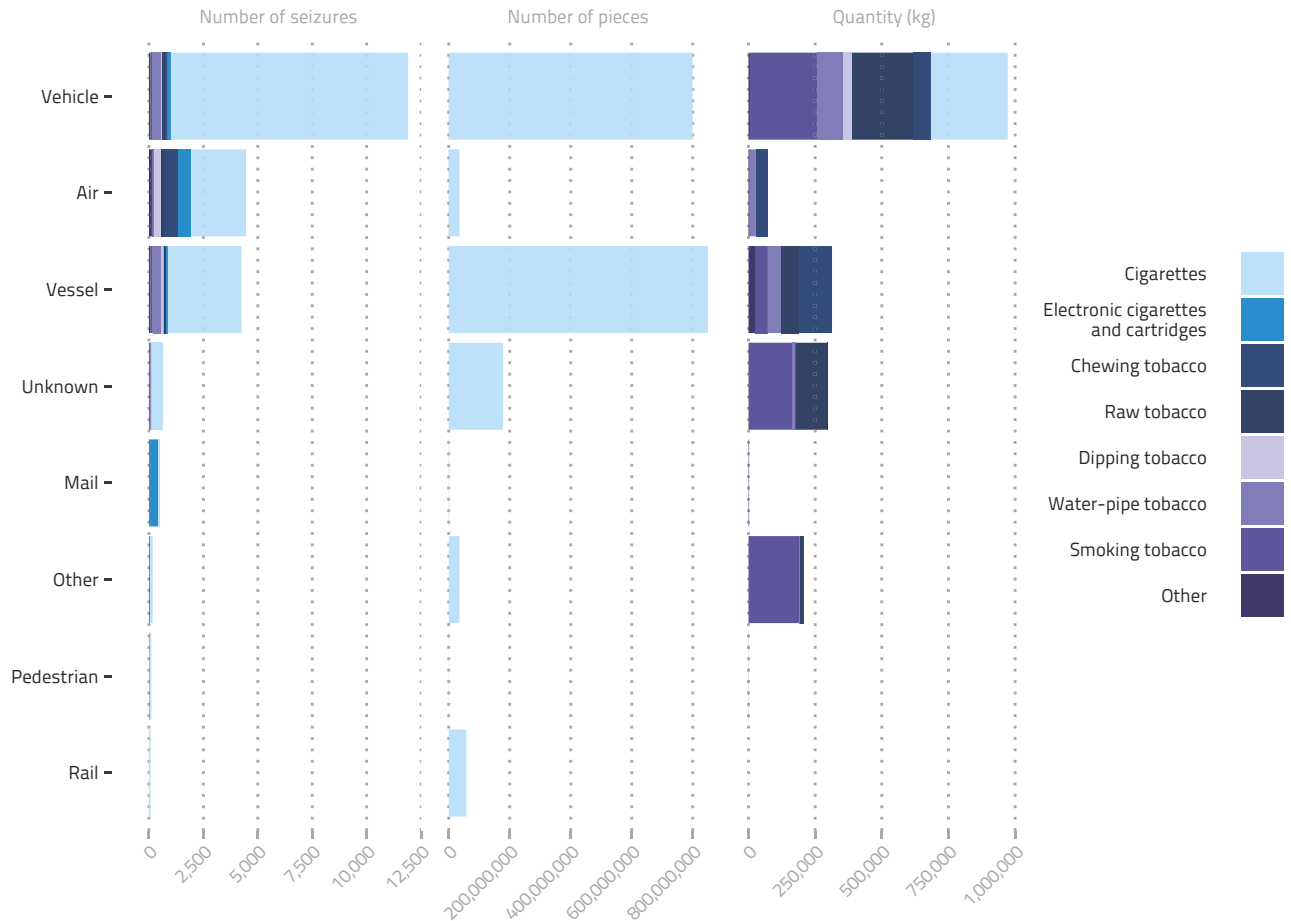


Figure 7 shows the number of seizures and the quantity of all tobacco products seized (in number of pieces and quantity in kilogrammes), including cigarettes, tobacco and e-cigarettes, by type and conveyance method. The Figure shows that most tobacco products seizures were from vehicles, although the conveyance method accounting for the greatest number of pieces was vessels. Interestingly, only seizures of cigarettes were reported in terms of number of pieces seized for any conveyance

method. Vehicles accounted for 11,906 seizures in 2018, with the vast majority (10,901 or 91.5%) involving cigarettes. Water-pipe tobacco comprised 3.2% and e-cigarettes comprised 1.3% of these seizures from vehicles. In total, 1,865,090.806 kilogrammes of tobacco products were seized in 2018, with cigarette products representing 15% of this weight, smoking tobacco amounting to 35% and raw tobacco constituting 23%.

Member highlights: Cross-border smuggling

The Financial Administration of the Republic of Slovenia carried out a major cigarette seizure at the border crossing point with Croatia, discovering 1,099,980 pieces of cigarettes (brand name: Regina) in a tanker used to transport gas. The tanker was checked for security reasons and later ventilated by the fire brigade.

Source: Slovenian Customs.



Singapore - Innovative ways of concealing tobacco products

In January 2018, Singapore Customs arrested men in the midst of transferring duty-unpaid cigarettes from the hollow undercarriage of a fuel-carrying bowser onto a lorry, for subsequent distribution to buyers. The lorry, bowser and more than 4,560 cartons of duty-unpaid cigarettes were seized.

In another operation, in May 2018, Singapore Customs arrested the driver of a bowser that had a specially constructed compartment at the base. A scan of the bowser, which was carrying 21 tonnes of oil, detected anomalies. The chassis of the bowser showed no external signs of tampering, and thus further checks were conducted until the exact location of the compartment could be identified. The bowser and 2,999 cartons of duty-unpaid cigarettes were seized.

The total duty and Goods and Services Tax (GST) involved in these two cases amounted to SGD 611,130 and SGD 45,080, respectively.



E, F: Cigarettes concealed in a tanker used to transport gas. Courtesy: Slovenian Customs.
G: Duty-unpaid cigarettes found in the base of a bowser transporting oil. Courtesy: Singapore Customs

In August 2018 Singapore Customs arrested a driver and seized a prime mover with a modified trailer that was carrying more than 47 tonnes of granite meant to obscure the smuggling of 1,220 cartons of duty-unpaid cigarettes.

The amounts of the total duty and GST evaded were SGD 110,330 and SGD 8,060, respectively.

Source: Singapore Customs.



H, I: Granite to obscure duty-unpaid cigarettes. Courtesy: Singapore Customs.

FIGURE 8: NUMBER OF TOBACCO PRODUCTS CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2018

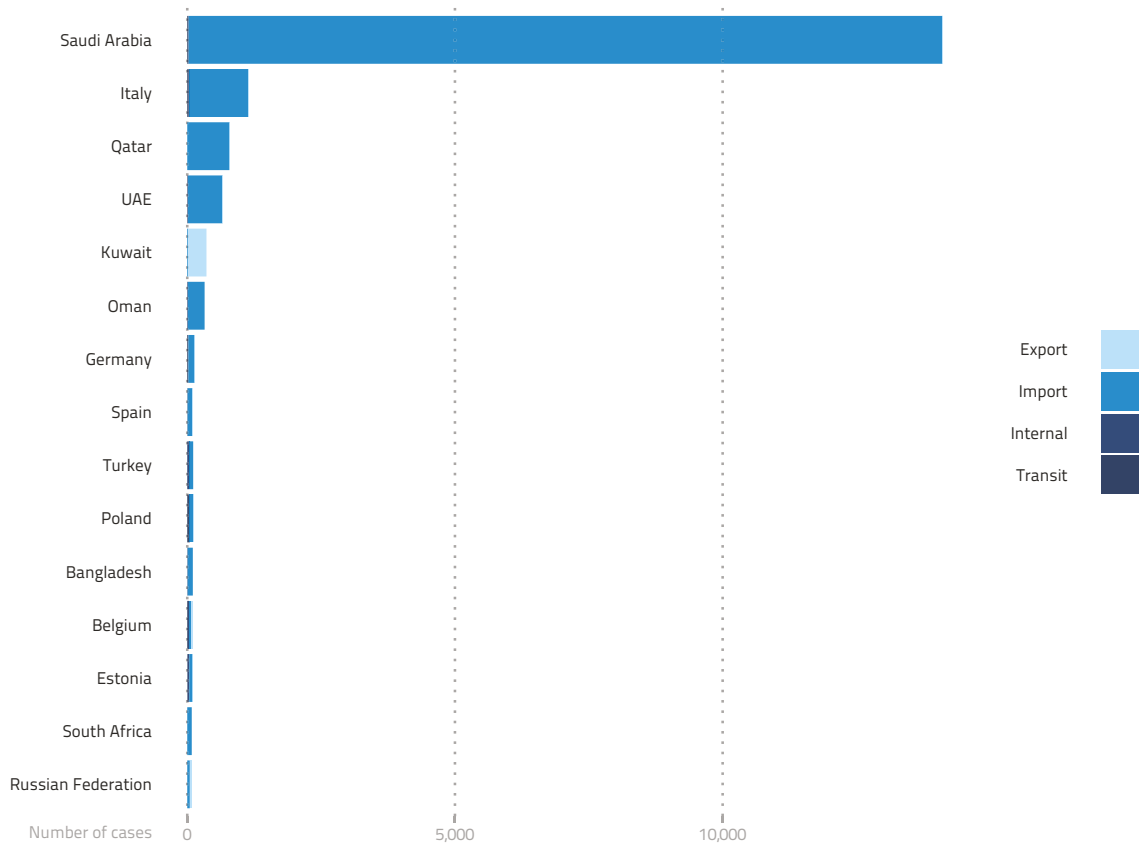


Figure 8 displays the top 15 countries reporting tobacco products cases in 2018, and it indicates the direction in which target shipments were moving when confiscated. The graph, representing 18,329 cases, shows that these confiscations overwhelmingly occurred at import. Of the 14,112 cases reported by Saudi Arabia, 14,084 (99.8%) involved imports. Similarly, Italy

reported 1,093 of its 1,141 cases as imports, while Qatar reported 787 of its 788 cases as imports. Finally, while South Africa reported only import cases, Kuwait was distinguished among the top 15 countries for having nearly all of its cases (342 of 359) involving exports.

FIGURE 9: PROPORTION OF TOBACCO PRODUCTS SEIZURES BY TYPE AND COUNTRY, 2018

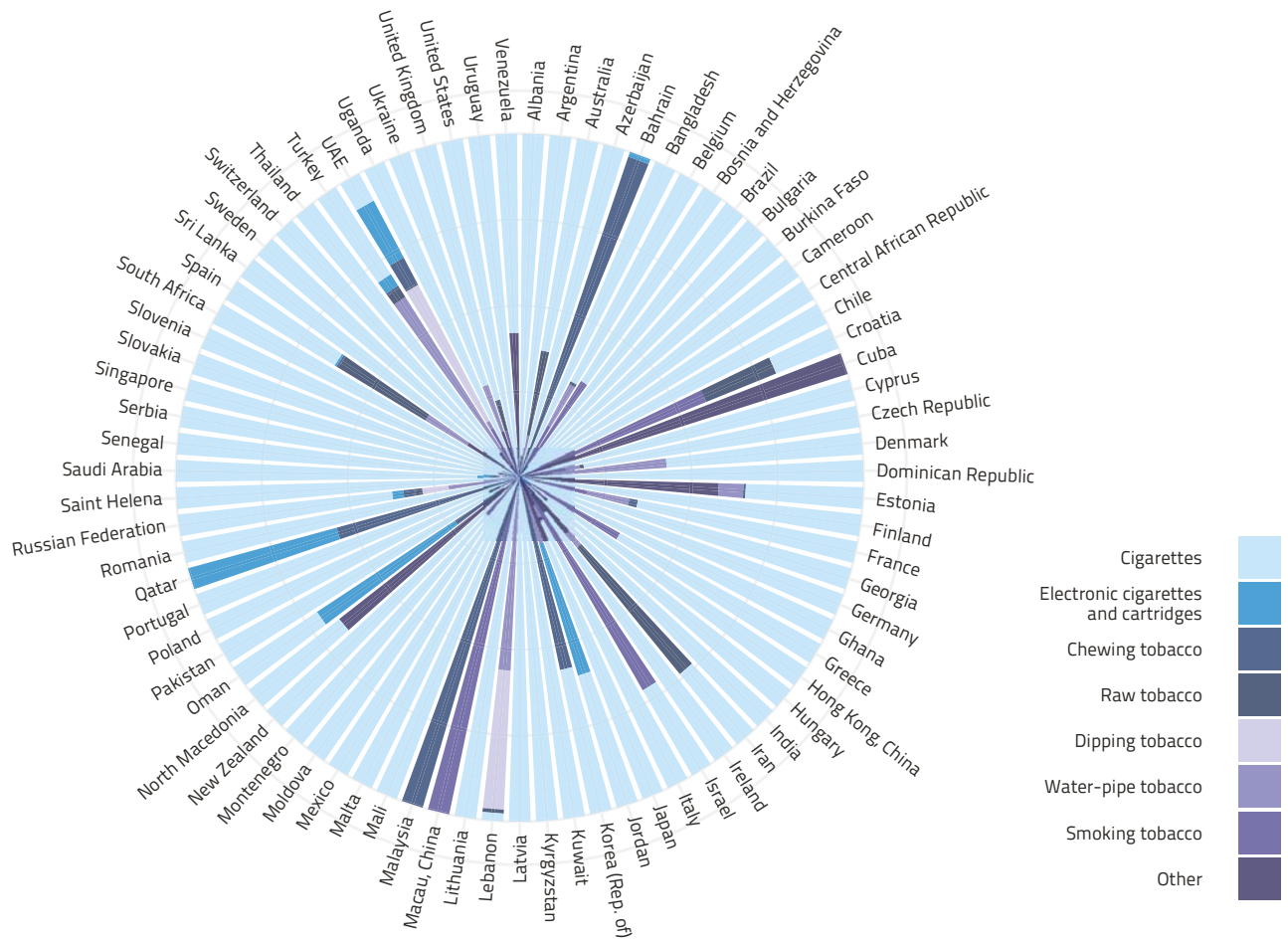


Figure 9 depicts the proportion of seizures for each type of tobacco product, as reported by each country recording at least one such seizure. The Figure includes hand-rolling tobacco, pipe tobacco, cigars and cheroots in the *other* category. Saudi Arabia and UAE were the only two countries to report tobacco product seizures in all eight categories. In Saudi Arabia, cigarettes were the most-

seized product (13,181), followed by water-pipe tobacco (665), e-cigarettes and cartridges (547) and raw tobacco (217). In the UAE, the products with the most seizures were dipping tobacco (300) and e-cigarettes and cartridges (126).

FIGURE 10: NUMBER OF TOBACCO PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2017–2018

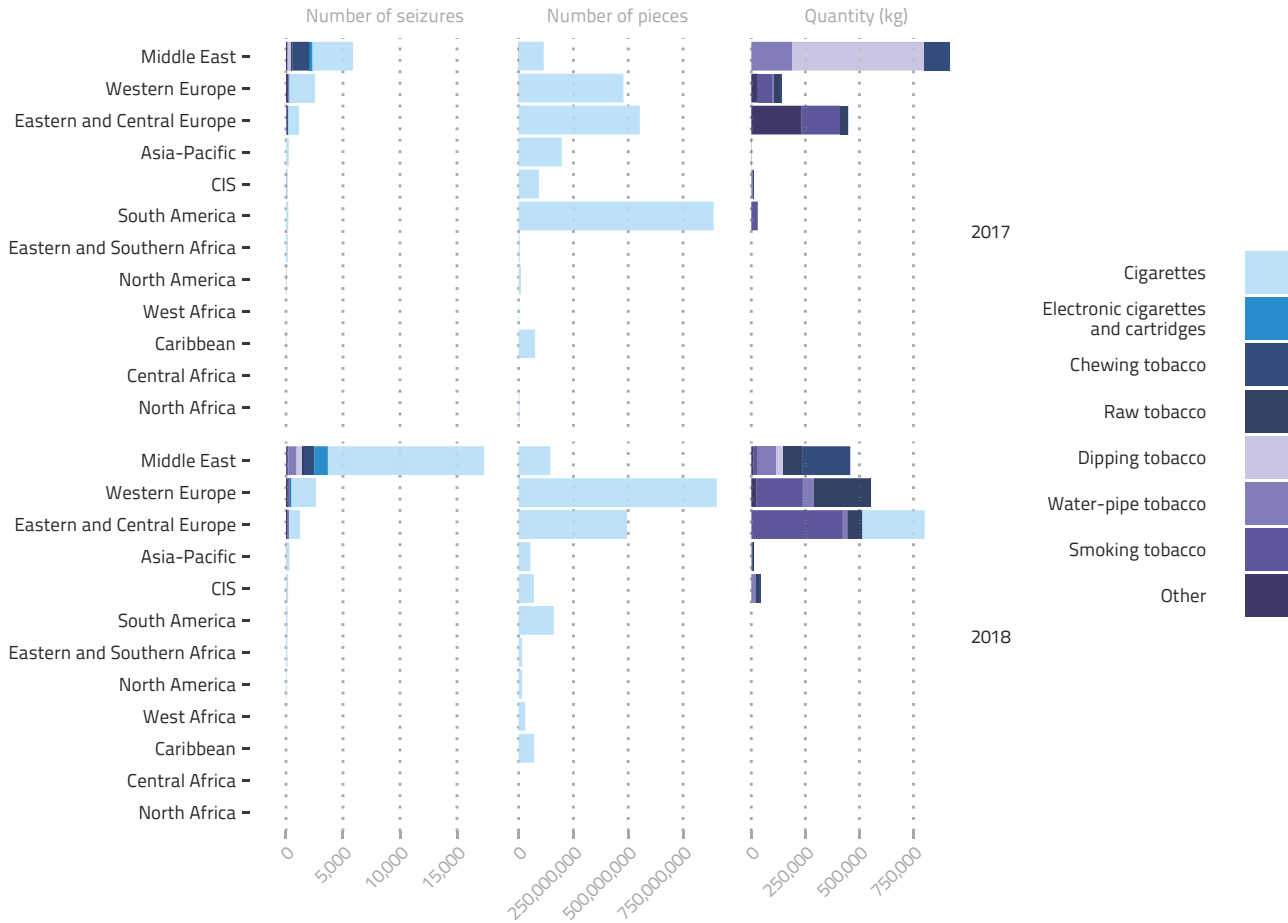


Figure 10 compares the number of seizures and the total quantity (by number of pieces and by quantity (in kilogrammes)) of tobacco products seized by reporting region in 2017 and 2018. This notwithstanding, in 2017, South America was responsible for the greatest number of pieces seized (as opposed to the greatest

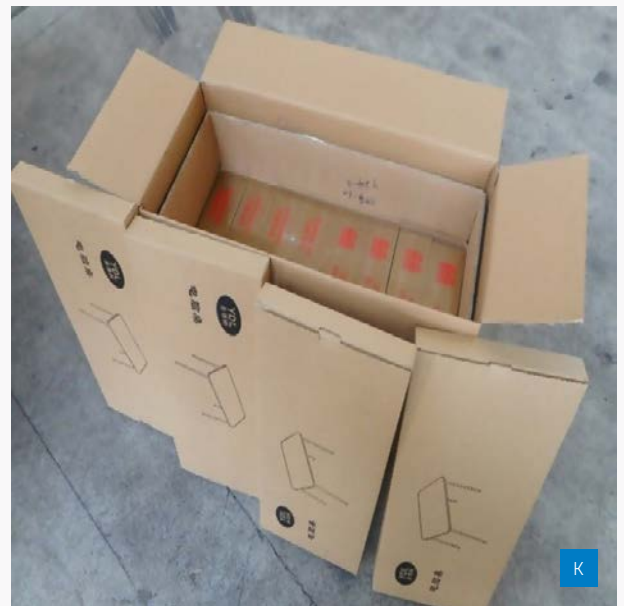
number of seizures), while Western Europe claimed a plurality of pieces seized (46.1%) in 2018. Finally, countries from Eastern and Central Europe reported the greatest weight of tobacco products seized (801,621.797 kilogrammes), an amount representing 42.9% of the total quantity seized in 2018.

Member highlight: Effective enforcement strategy

Tight control and stringent enforcement are the best means for combatting illicit trafficking in cigarettes, according to the World Health Organization, and Hong Kong Customs follows this approach with great success. Illicit cigarettes in the local black market of Hong Kong, China, are mainly smuggled across the land boundary from Mainland China. As such, interdicting these products by tightening boundary controls should effectively reduce their supply.

Apart from enhanced sharing of intelligence with neighbouring economies and authorities in Mainland China, Hong Kong Customs has improved target profiling techniques by applying the Road Cargo System. Traders must now provide their electronic declarations in advance, thereby improving enforcement and increasing deterrence. Hong Kong Customs will continue seeking opportunities to cooperate with local and overseas enforcement agencies to curb illicit cigarette activities.

Source: Hong Kong Customs.



J, K: Illicit cigarettes mix-loaded with tables. Courtesy: Hong Kong Customs.

FIGURE 11: TOBACCO PRODUCTS TRAFFICKING FLOWS BY REGION, 2018

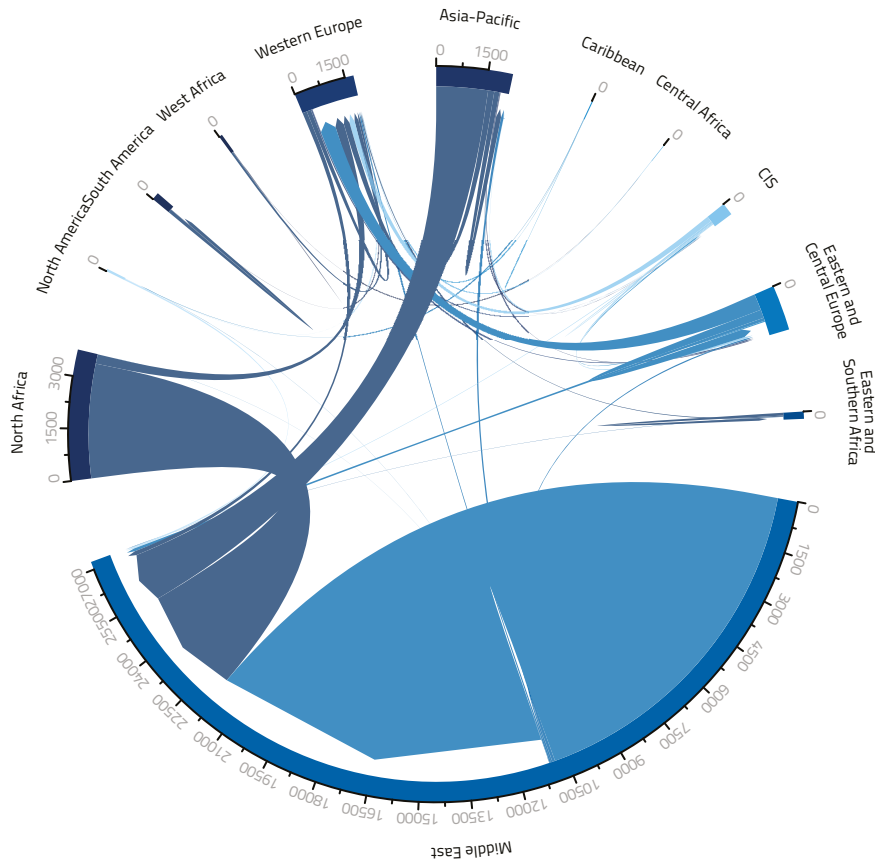


Figure 11 displays intended tobacco products trafficking flows from, to, and within reporting regions for 2018. The Figure only shows routes that appeared in five or more trafficking instances, representing 18,632 tobacco trafficking flows. The vast majority of this trafficking occurred in the Middle East; indeed, 87.9% of tobacco trafficking flows involved either departures from or

destinations within that region. Of these flows, 10,849 (66.2%) were intra-regional, meaning both their points of departure and final destinations were within the Middle East. The other region that accounted for the most trafficking routes to the Middle East was North Africa. Tobacco products trafficked from that region accounted for 3,475 flows to the Middle East.

FIGURE 12: HEAT MAP OF TOBACCO PRODUCTS TRAFFICKING INSTANCES BY COUNTRY, 2018

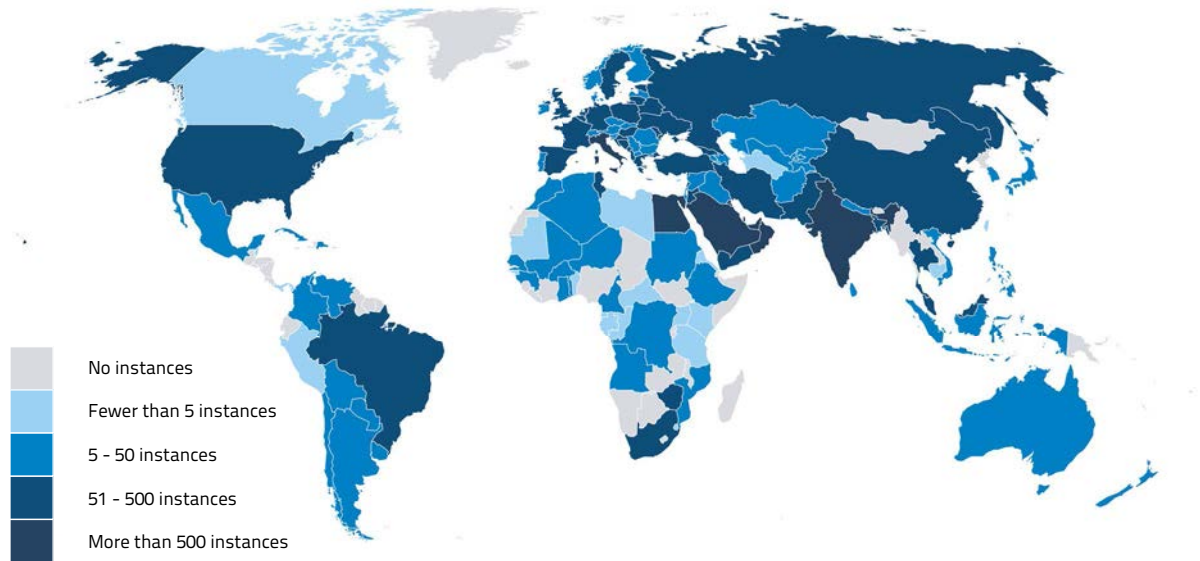


Figure 12 is a heat map of tobacco products trafficking instances by country and frequency in 2018. Each country indicated was either the origin, transit point, or destination for one or more seized tobacco shipments. The Figure represents countries implicated in the flow of tobacco products, regardless of where a seizure actually took place. Saudi Arabia claimed the greatest number of trafficking instances (likely due to its reporting practices). Of its 14,567 reported instances, 14,425 (99%) were

destined for Saudi Arabia while a mere 83 reported cases from Saudi Arabia. The opposite trend exists in Kuwait, where 99.6% (8,133 of 8,158) of trafficking instances involved departures from the country, with only 20 reported cases listing Kuwait as the destination for tobacco products. In Egypt, the directionality of the tobacco trafficking flows was even more apparent: of the nation's 3,531 trafficking instances, only four were reported as bound for Egypt, while 99.8% were documented to be departing the country.

FIGURE 13: TOBACCO PRODUCTS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

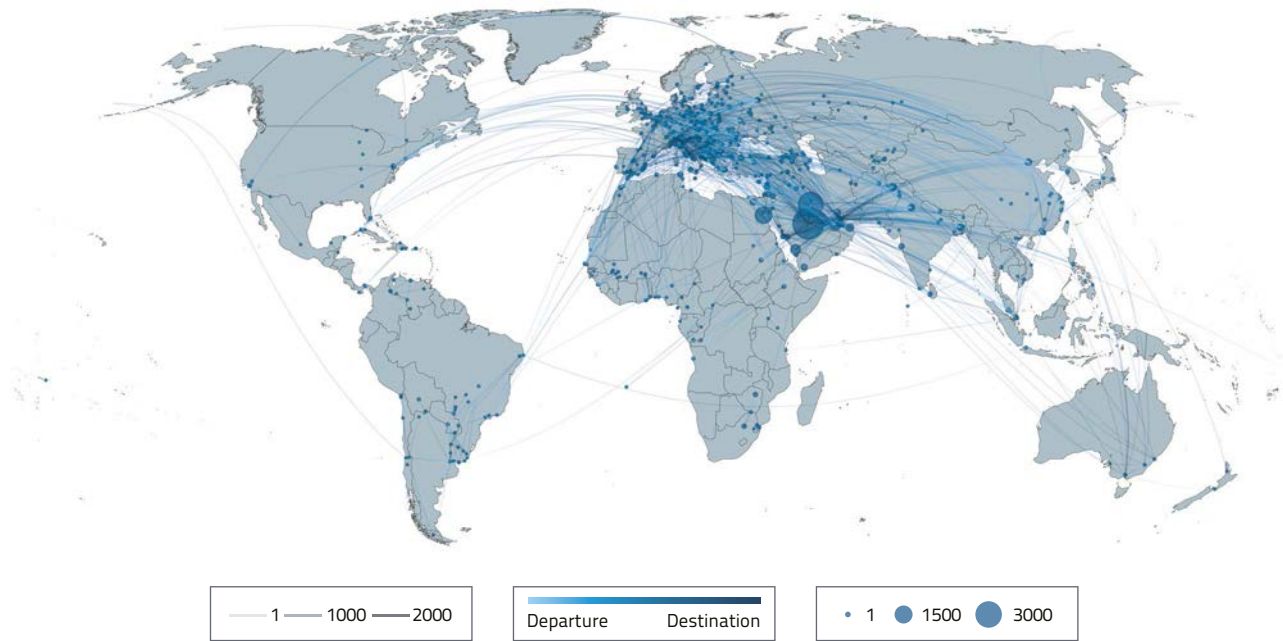


Figure 13 details the illicit flows of tobacco products, from origin to destination, for all routes that appeared in one or more trafficking instances. The number of cases involving departures from or destinations within a particular city is indicated by the size of the point on that city. Where no city was specified in the data, the capital city of a country was used as a proxy. The flows connecting points on the map are light blue at their origins and become darker as they near their destinations. The more frequently a route appeared in the 2018 data, the darker the overall tone of the flow. It is important to note that these flows do not necessarily indicate a successful or completed smuggling attempt; in many cases,

contraband was seized at its origin or transit. The entire reported route of the tobacco products, however, appears in Figure 13.

The Figure shows 38,528 flows of tobacco products, the plurality of which (13,317 seizures, or 34.5% of the total number) came from Riyadh, Saudi Arabia. The next most common flows originated in Kuwait, Egypt and Abu Dhabi, constituting 8,156, 3,266 and 1,446 flows, respectively. Although many of the points in Western Europe and Eastern and Central Europe are small, indicating fewer cases, Figure 13 shows many flows to and from these regions.

Member highlights: Clandestine cigarette factories dismantled

Operation KILLER QUEEN—The Italian Guardia di Finanza discovered a site, near Naples, that was illegally producing cigarettes. Within the site, which spanned more than 1,000 square meters, 30 tonnes of illicit tobacco, a large quantity of precursors (filters, maps and packaging materials) and machinery for producing counterfeit cigarettes (brand name: Regina) were detected. The criminal organization involved in this illicit production maintained another sizable warehouse, located in Caserta, to store its smuggled cigarettes.

Investigations conducted by the Judicial Authority on December 2018 yielded arrest warrants for 12 individuals and led to the seizure of both illicit sites. This operation was the first known case involving the production of counterfeit cigarettes in the Acerra's district of Naples.



Source: Italian Guardia di Finanza.

In 2018, eight illegal cigarette and tobacco factories were detected in the Czech Republic, each of which was controlled and organized by foreign-language criminal groups. Customs authorities of the Czech Republic detected more than 37 million pieces of illegally manufactured cigarettes and nearly 48 tonnes of tobacco in these illegal factories.

The Czech Republic has also become one of the countries used by smugglers of tobacco, non-stick materials (adhesives, filters, cigarette and filter paper, tinfoil and aluminum paper, box blanks, etc.) and cigarette-making machines. Czech Republic officials identified established “mailbox companies”, where the executives

and owners were either non-existent foreign nationals or other individuals who were difficult to trace. Companies of this sort were buying tobacco, non-smoking materials and manufacturing equipment to produce cigarettes; these goods were subsequently sold to illegal cigarette manufacturers.

Source: Czech Republic Customs.

Two illegal factories producing smuggled cigarettes were identified in the district of Korwpi, Attica, in the Hellenic Republic. In May 2018, the Directorate of Financial Police dismantled a criminal organization after finding and seizing 29,125,880 pieces of cigarettes of various brands, 9.5 tonnes of unmanufactured tobacco and 5.5 tonnes of raw tobacco for cigarettes. Vehicles, mechanical equipment and packaging materials were also seized. In the second instance, in October 2018, Thessaloniki's Security Directorate of Police dismantled a criminal organization after finding and seizing 3,670,360 pieces of cigarettes purporting to be the Marlboro brand, as well as 14.4 tonnes of raw tobacco and mechanical equipment.

Source: Hellenic Republic Customs.



L: Counterfeit cigarettes seized in a warehouse. Courtesy: Italian Guardia di Finanza.
M: Courtesy: Slovakian Customs.

Project Crocodile

Since 2004, RILO AP has served as regional intelligence hub and has coordinated efforts to combat the illicit cross-border trade of tobacco and tobacco products. In this regard, it developed Project Crocodile, which detects suspicious cigarette shipments through a mechanism of export and arrival notifications between countries, including all phases from departure through arrival.

The Project has included 24 Customs administrations from RILO AP, 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, Philippines, Singapore, Sri Lanka, Thailand, Tonga and Vietnam.

Through Project Crocodile, Member administrations have exchanged information in a timely manner while also monitoring suspicious shipments, thereby suppressing tobacco smuggling. In 2018, RILO AP handled 189 export notifications and five arrival notifications pertaining to shipments of suspicious cigarettes. Members also reported the seizure of 17.2 million pieces of cigarettes. The success of Project Crocodile resulted from the exchange of intelligence, the cooperation of Members, and the synergy of its notification mechanism.

On 3 September 2018, the Australian Border Force, acting on an export notification from Singapore, intercepted one container that had departed from Singapore. Upon examining the container, the Australian Border Force seized 10.2 million pieces of cigarettes falsely declared to be instant noodles.

Project RITEP

The Regional Illicit Tobacco Enforcement Package (RITEP), coordinated by RILO AP in collaboration with the Australian Border Force, was an initiative to strengthen Customs enforcement against illicit trade and smuggling of tobacco and its products.

The operation commenced on 4 June 2018 and ended on 29 June 2018, involving 18 Customs administrations in the Asia-Pacific Region (Australia, China, Hong Kong [China], India, Indonesia, Kiribati, Korea, Macau [China], Malaysia, Maldives, New Zealand, Pakistan, Solomon Islands, Singapore, Sri Lanka, Thailand, Vanuatu and Vietnam) and three Customs administrations in the Middle East (Bahrain, Lebanon and Saudi Arabia), as well as RILO AP, RILO ECE and RILO ME.

Throughout the operation, 60 seizure messages were received from participating administrations. Members reported seizing 17.2 million pieces of cigarettes, 28,700 pieces of heated tobacco products, 3,930 kilogrammes of raw tobacco (loose tobacco), 3,850 kilogrammes of water-pipe tobacco (molasses), 3,012 kilogrammes of chewing tobacco and 100 cigars.

Source: RILO AP.



Member highlight: Operation WHITETHORN

On November 2018, New Zealand Customs conducted a covert examination of a sea-freight consignment from China. The consignment was declared to be furniture (weighing approximately 7,430 kilogrammes) but actually contained 1,700 cartons of cigarettes (340,000 cigarettes) packed inside cabinets at the back of the container.

New Zealand Customs later executed a search warrant on the importer's address, leading to the seizure of:

- 1,456,257 cigarettes
- NZD 2,000,000

Subsequent seizures were also made from sea-freight consignments in December 2018 (yielding 700,800 cigarettes).

Source: New Zealand Customs.



2. OVERALL TRENDS IN TRAFFICKING OF ALCOHOL PRODUCTS

FIGURE 14: NUMBER OF ALCOHOL PRODUCTS CASES BY COUNTRY, 2017–2018

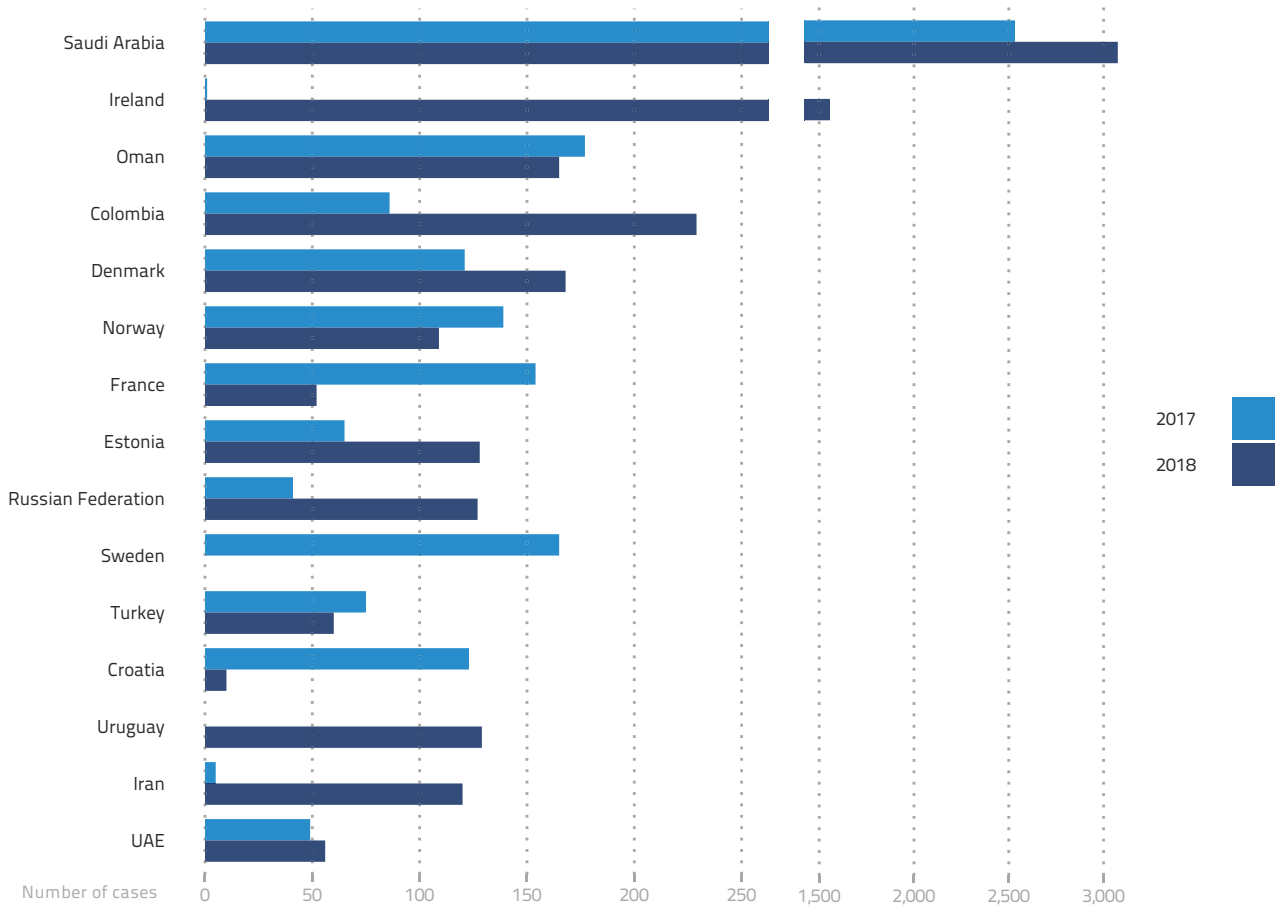
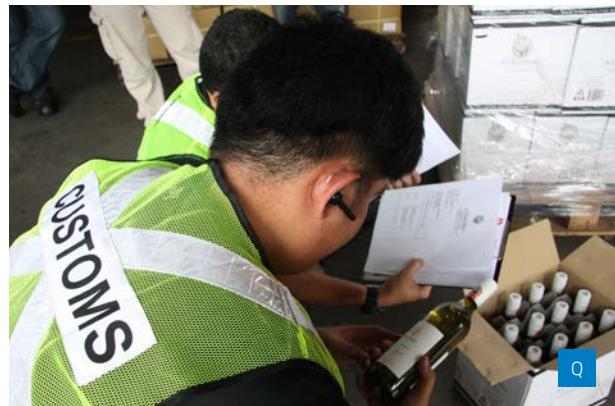


Figure 14 compares the number of cases submitted by the top 15 countries in both 2017 and 2018. Saudi Arabia and Ireland reported far more alcohol seizures than the other countries represented in the Figure; in fact, the graph splits at 250 cases to reflect this disproportionate reporting. Saudi Arabia continues to report the greatest number of cases of alcohol products trafficking, with the number growing by 35%, from 2,533 in 2017 to 3,420 in 2018. Ireland, for its part, reported just one case in 2017 but claimed 1,557 cases in 2018. The third-highest reporting country, Colombia, reported 229 cases in 2018, an increase from the 86 it had reported in 2017. Although Sweden was one of the highest reporting countries in 2017, recording 165 cases, it did not report any alcohol cases in 2018. Alternatively, Uruguay reported

no cases of smuggled alcohol products in 2017, yet it was one of the most active reporting countries in 2018, with 129 cases.



Q: Inspection of suspicious shipment of alcohol. Courtesy: Singapore Customs.

FIGURE 15: NUMBER OF ALCOHOL PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY, 2017–2018

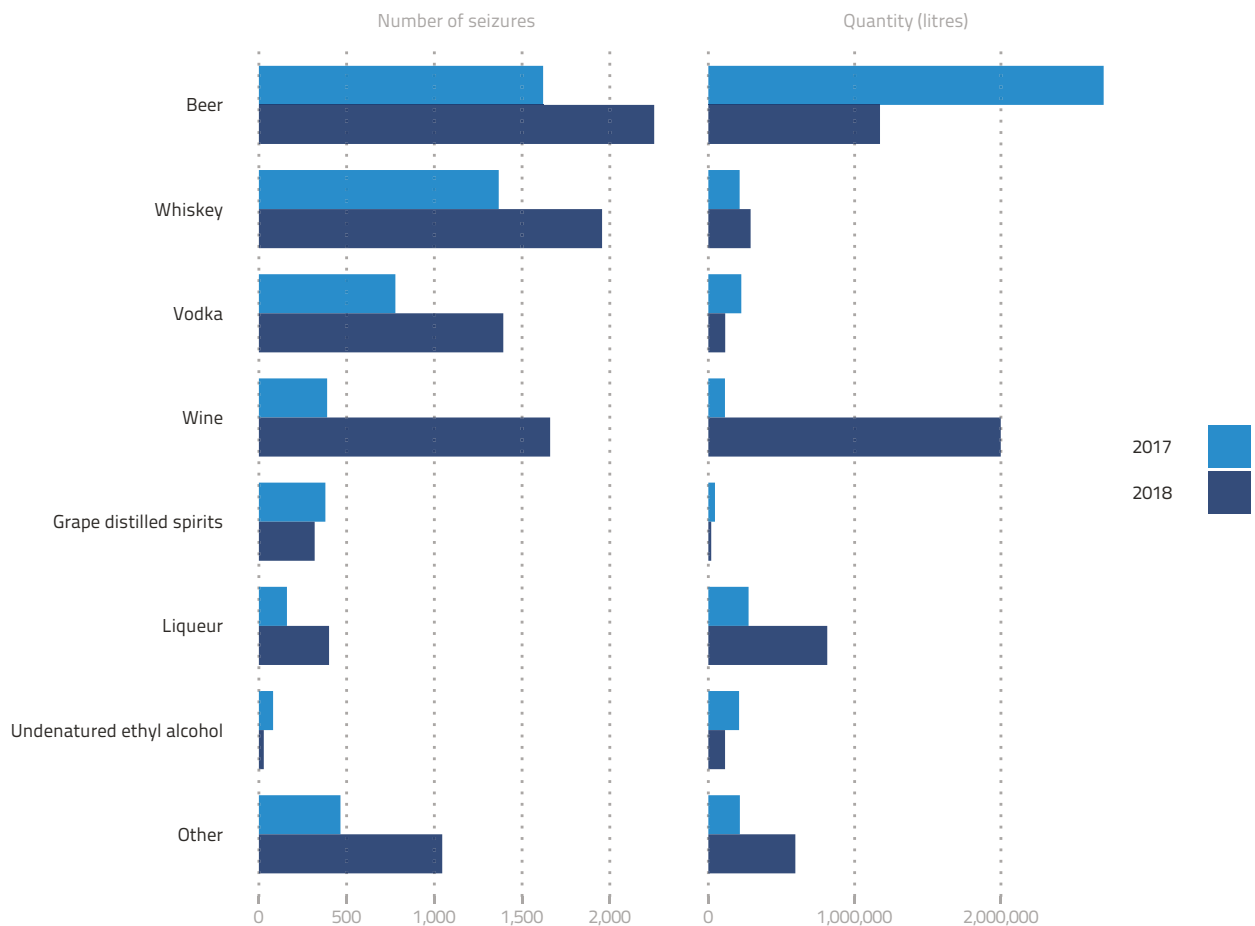


Figure 15 compares the number of seizures and the quantity of alcohol seized for each type of alcohol product considered in these data between 2017 and 2018. Overall, there were 5,239 reported seizures in 2017 and 9,053 reported seizures in 2018. Beer was the alcohol product most often seized in 2017 and 2018, comprising 30.9% of seizures (1,620) in 2017 and 24.8% of seizures (2,253) in 2018. Although beer was the alcohol product with the largest quantity of litres seized in 2017, wine saw the largest number

of litres seized in 2018. Despite an increasing number of beer seizures, the quantity of beer seized declined from 2,702,136.450 litres in 2017 to 1,173,461.856 litres in 2018 (a 56.5% decrease). Wine seizures, however, which comprised 7.4% of alcohol seizures (389 of 5,239) and 2.8% of litres of alcohol seized in 2017, increased dramatically, making up 18.3% of alcohol seizures and 39% of litres seized in 2018.

FIGURE 16: NUMBER OF ALCOHOL PRODUCTS SEIZURES AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

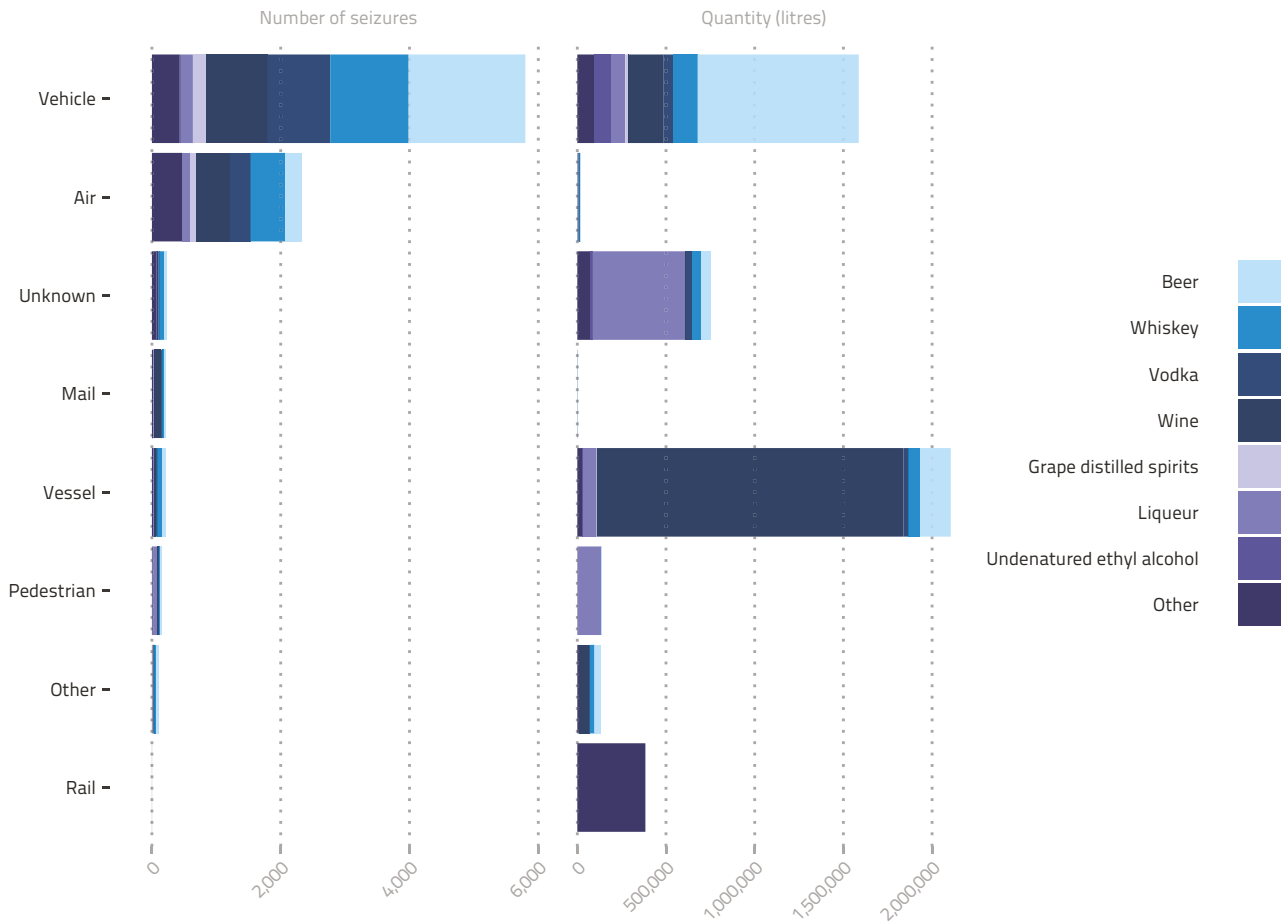


Figure 16 shows the number of alcohol products seizures and the quantity of alcohol seized by type and conveyance method in 2018. Most alcohol products were seized while being conveyed on vehicles or while moving by air. Of the 9,053 reported seizures of alcohol products, 5,799 (64%) involved vehicles (mostly cars and passenger vans) and 2,326 (25.6%) implicated air transport options. In many cases, alcohol was concealed in or under seats, in the load-transport area or in the trunk of the car. In 33% of all cases, alcohol was carried in baggage. The greatest quantity

of alcohol products, however, were seized from vessels. Of the 5,118,217.278 litres of alcohol seized in 2018, 2,105,230.596 (41.1%) were conveyed by vessel. Of these seizures involving vessels, wine was the product recovered in the greatest quantity. In fact, a single seizure of 1,661,808 litres of wine, travelling from France and detained in Saudi Arabia, accounted for 78.9% of the alcohol seized by vessel and a remarkable 32.4% of the total quantity of alcohol seized in 2018.

Case study 2. Beer smuggled on ferries to Ireland

In the period of just over one month, Customs authorities in Ireland made several large seizures of beer that had entered the country on ferries.

On August 23, 2018, authorities found 24,400 litres of beer at Rosslare Europort. The truck that carried this illicit beer had travelled on a ferry from France. A man in his 50s drove the truck. Local media reports that the beer was worth more than €108,000.

On September 5, 2018, a 50-year-old man from the UK arrived in Dublin in a vehicle on a ferry from Liverpool. Customs authorities seized 24,000 litres of beer upon inspection. According to local media reporting, the beer was worth over €106,000.

Soon afterwards, on September 26, 2018, authorities in Dublin stopped a truck carrying 25,700 litres of beer. The driver of the truck, a man in his twenties, had smuggled the beer on the ferry from Holyhead.

According to the Irish Revenue Customs authorities, these seizures represented a €116,400 potential loss to the Exchequer.



R



S

SOURCES

- WCO data.
- Irish Tax and Customs Department (2018), *Revenue seize alcohol worth over €108,000 at Rosslare Europort*, available at <https://www.revenue.ie/en/corporate/press-office/press-releases/2018/pr-240818-revenue-alcohol-worth-108000-rosslare-europort.aspx>, accessed 18 July 2019.
- Irish Tax and Customs Department (2018), *Revenue seize alcohol worth over €106,000 at Dublin Port*, available at <https://www.revenue.ie/en/corporate/press-office/press-releases/2018/pr-060918-alcohol-dublin-port.aspx>, accessed 18 July 2019.
- TheJournal.ie, *Revenue seizes 24,000 litres of beer at Dublin Port*, available at <https://www.thejournal.ie/revenue-beer-seizure-4223282-Sep2018/>, accessed 18 July 2019.
- Irish Tax and Customs Department (2018), *Revenue seize alcohol worth over €165,000 at Dublin Port*, available at <https://www.revenue.ie/en/corporate/press-office/press-releases/2018/pr-270918-revenue-seize-alcohol-worth-over-165000-at-Dublin-Port.aspx>, accessed 18 July 2019.

FIGURE 17: NUMBER OF ALCOHOL PRODUCTS CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2018

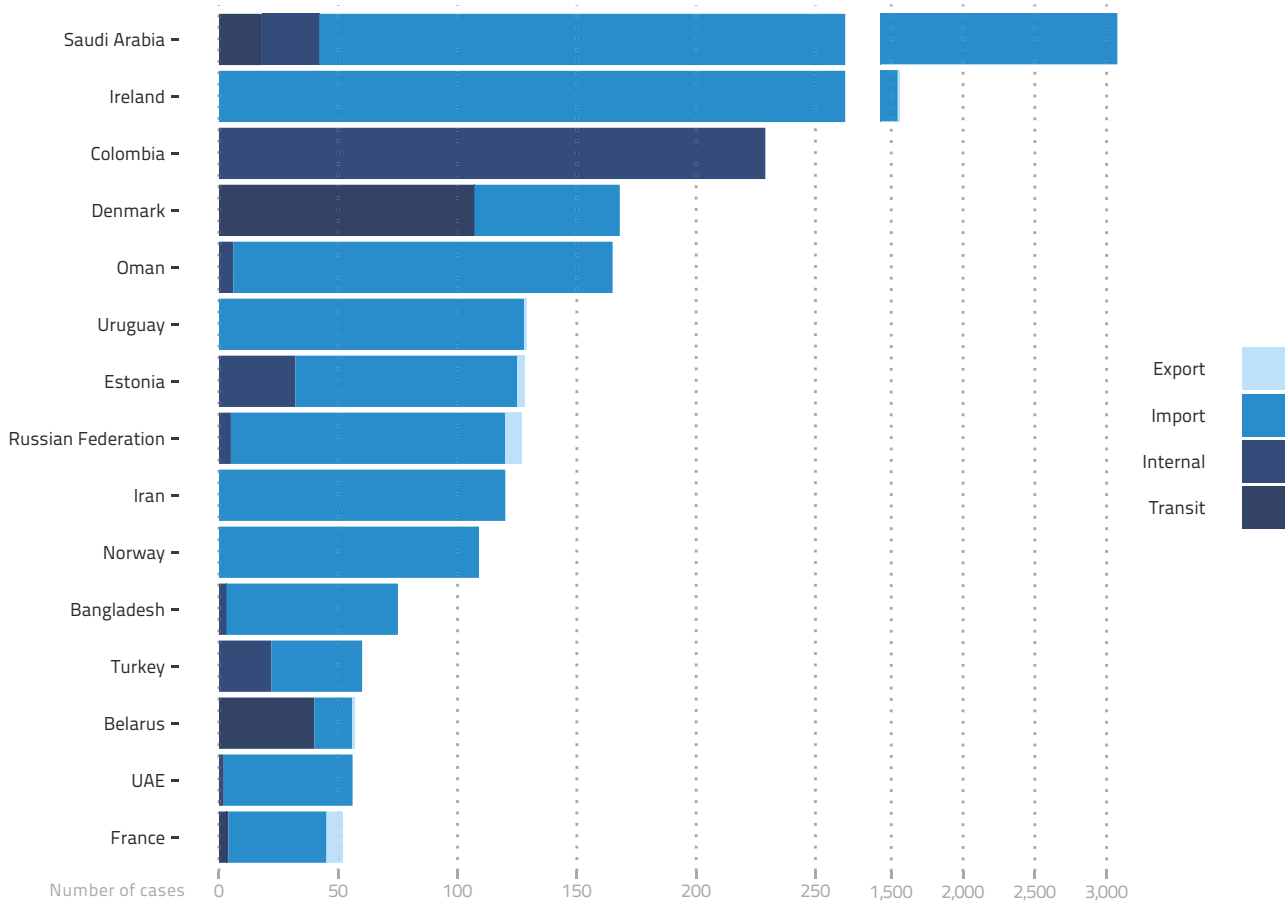


Figure 17 displays the top 15 countries that reported alcohol products cases in 2018, and it indicates the direction in which the target shipments were moving when confiscated. Because Saudi Arabia and Ireland reported far more alcohol cases than other countries did, the graph splits at 250 cases. The 6,453 cases represented by Figure 17 comprised 95.1% of all reported cases in 2018. The majority of goods were reported as imports

to their destination countries. Goods seized on import comprised 91.8% (5,928 of the 6,453) of cases made in the top 15 reporting countries. Even with this high number of import cases, only two countries (Iran and Norway) exclusively reported cases of this variety, documenting 120 and 109, respectively. Colombia, which reported the third-highest number of cases, reported only internal cases.

FIGURE 18: PROPORTION OF ALCOHOL PRODUCTS SEIZURES BY TYPE AND COUNTRY, 2018

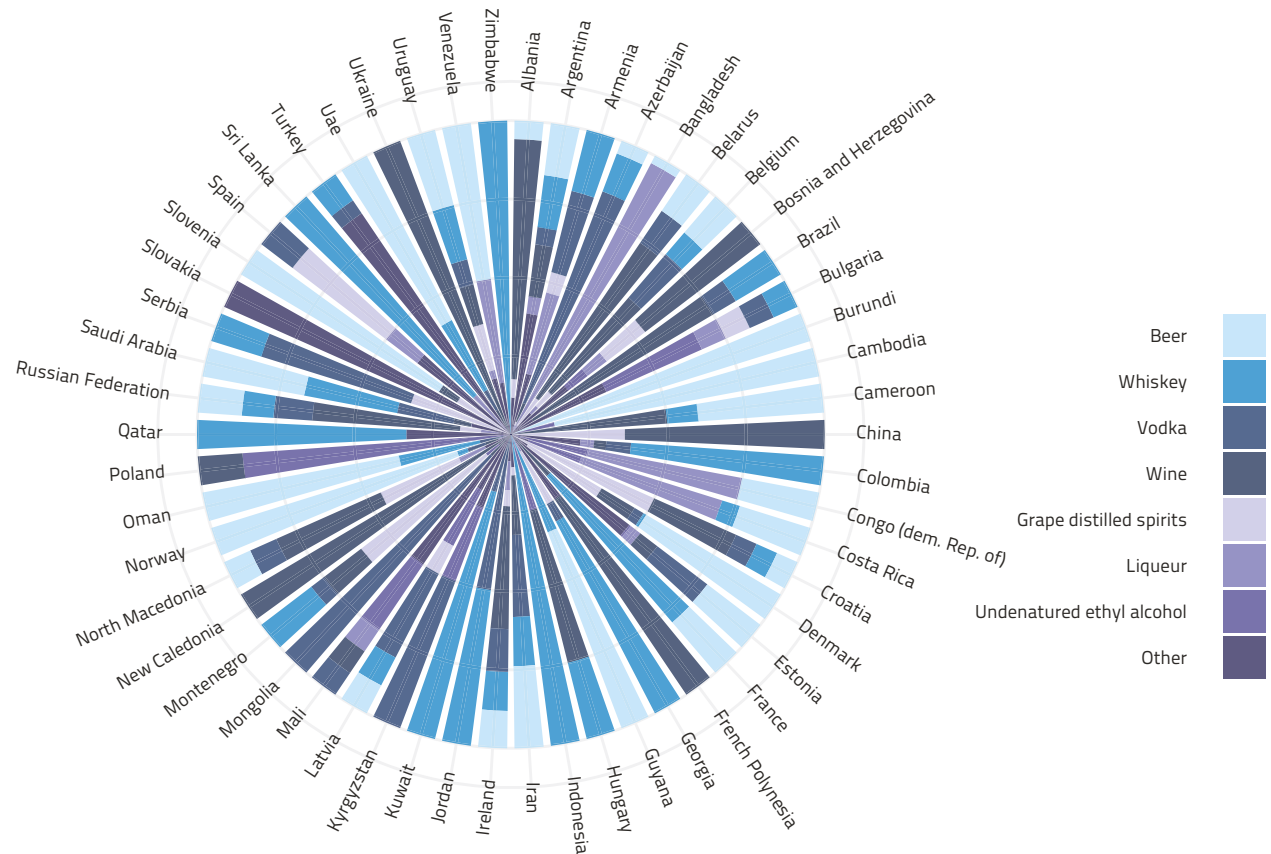


Figure 18 depicts the proportion of seizures for all types of alcohol products as reported by each country recording at least one seizure. The Figure represents 9,053 seizures from 54 countries in 2018. Of these seizures, beer accounted for 2,253 instances, across all the countries considered, and it was the alcohol produce seized in 1,304 instances in Saudi Arabia alone. Only two countries reported seizures of a single type of alcohol product. These two countries, Burundi and Zimbabwe, made two seizures of beer and one seizure of whiskey, respectively. Several countries, including Mali, Montenegro and Bulgaria, seized a wide variety of alcohol products, even as they were not among the top 15 reporting countries.



T: Moonshine machine. Courtesy: Estonian Customs.

FIGURE 19: NUMBER OF ALCOHOL PRODUCTS SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2017–2018

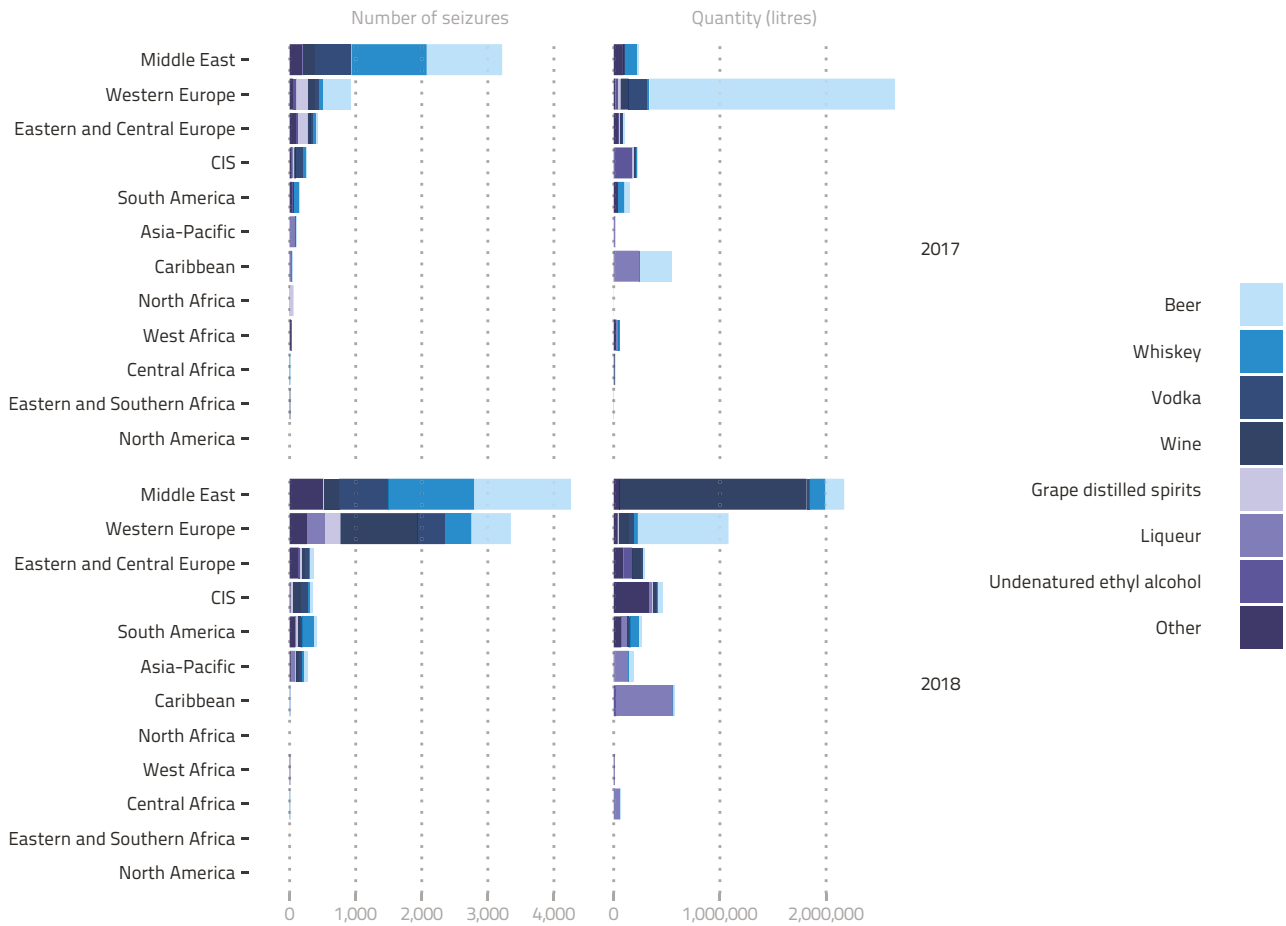


Figure 19 compares the number of alcohol products seizures and the total quantity of alcohol seized by reporting region and type in 2017 and 2018. Alcohol products seizures went from 5,239 to 9,049 between 2017 and 2018, increasing by 72.7%. In both years, countries in the Middle East reported more alcohol products seizures than any other region, accounting for 61.4% of the total in 2017 and 47% of the total in 2018. The percentage of seizures reported by countries in the Middle East region went down in 2018, even as individual seizures increased. This is because reported

seizures in Western Europe rose dramatically from 2017 to 2018, jumping from 922 to 3,349. Figure 19 also compares the quantity of alcohol seized between 2017 and 2018. In total, 9,118,606.021 litres of alcohol were seized in both years. While countries in Western Europe reported seizing the most litres of alcohol in 2017, in 2018, countries in the Middle East reported seizing the most. Wine was the alcohol product seized in the greatest quantity in the Middle East; but, as Figure 16 demonstrated, this was due to a single seizure of 1,661,808 litres (32.45% of the total quantity of alcohol) in Saudi Arabia.

FIGURE 20: ALCOHOL PRODUCTS TRAFFICKING FLOWS BY REGION, 2018

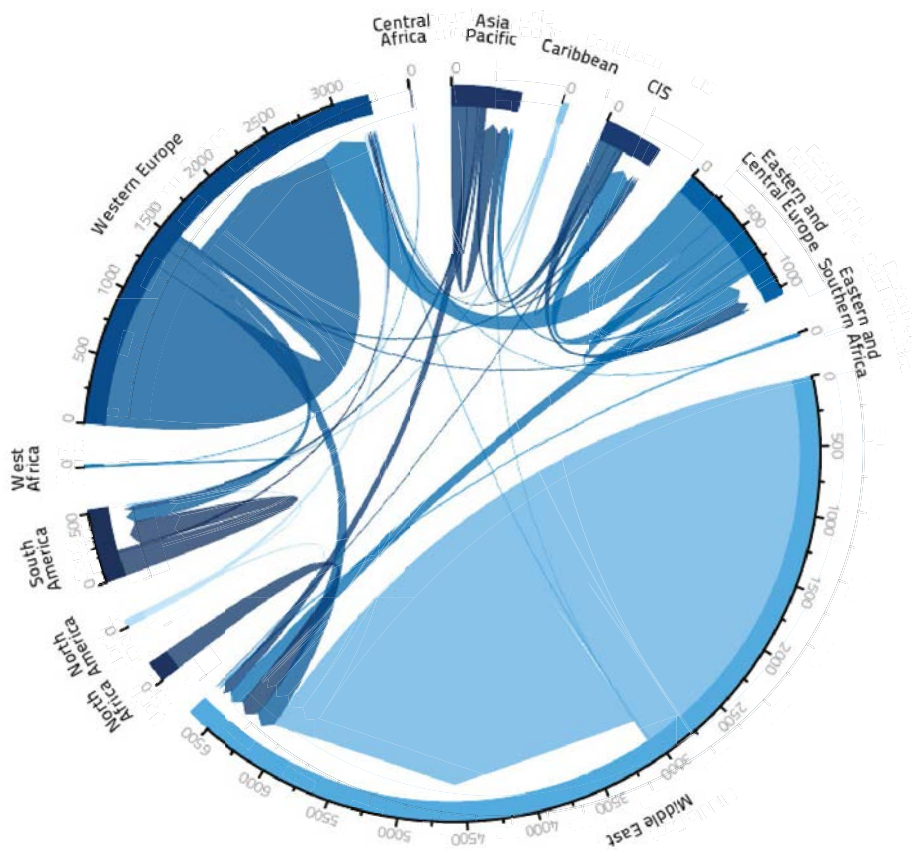


Figure 20 displays intended alcohol trafficking flows from, to, and within reporting regions for 2018, regardless of where a given shipment was seized. The Figure shows only routes that appeared in five or more trafficking instances, but it represents 6,366 trafficking flows, the majority of which implicated the Middle East. In fact, of the 3,063 reported cases involving departures from the Middle East, a staggering 99.4% (3,047 seizures) involved, as

well, destinations within the Middle East. This high level of intra-continental flow is not unique, however; of the 1,898 reported cases involving destinations in Western Europe, for example, 1,250 involved, as well, points of origin in Western Europe. Additionally, 90.8% of all reported cases involving departures from South America also involved destination-countries within South America.

FIGURE 21: HEAT MAP OF ALCOHOL PRODUCTS TRAFFICKING INSTANCES BY COUNTRY, 2018

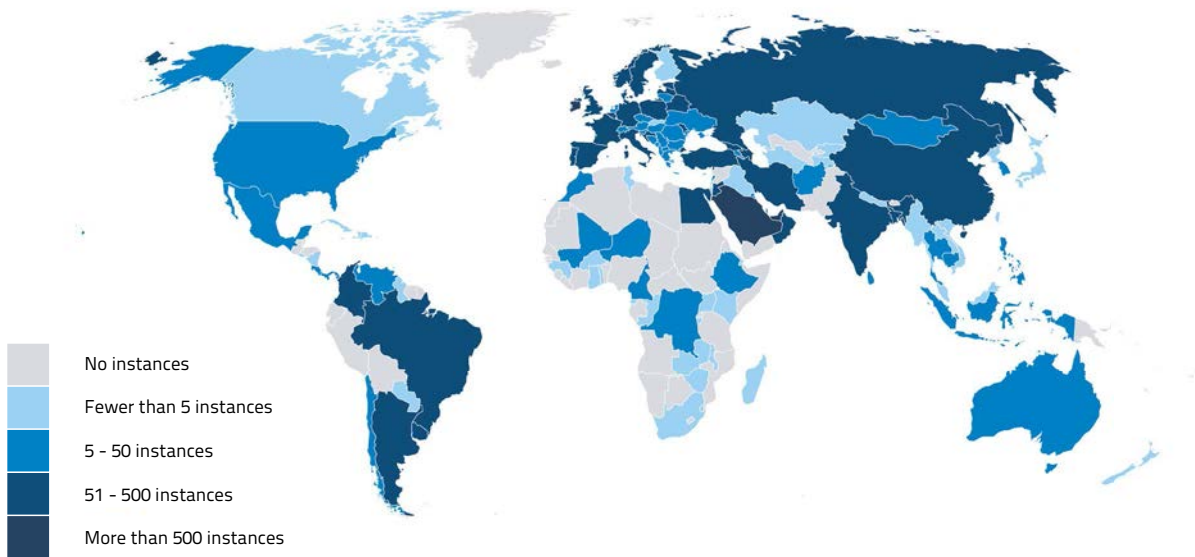


Figure 21 is a heat map of alcohol products trafficking instances by country and frequency in 2018. Each country indicated was either the origin, transit point, or destination for a seized alcohol shipment or shipments. Figure 21 indicates all countries through which alcohol products were known or intended to be trafficked in 2018, regardless of whether the country reported a case.

Four countries were reported in more than 500 instances of trafficking. Three of these (Saudi Arabia – 3,469 instances, Bahrain – 2,056 instances, and United Arab Emirates – 739 instances) are

in the Middle East. Ireland, the fourth country with more than 500 instances, was involved in 1,558 trafficking instances. Although the greatest number of alcohol products seem to be flowing through the Middle East, the region does not appear to have a set role as either the origin or the destination for these goods. In Saudi Arabia, for example 97.9% (3,398 of 3,469) of instances involved products flowing into the country. In Bahrain, by contrast, 99.6% (2,048 of 2,056) of instances involved products that were recorded leaving the country.

FIGURE 22: ALCOHOL PRODUCTS TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018

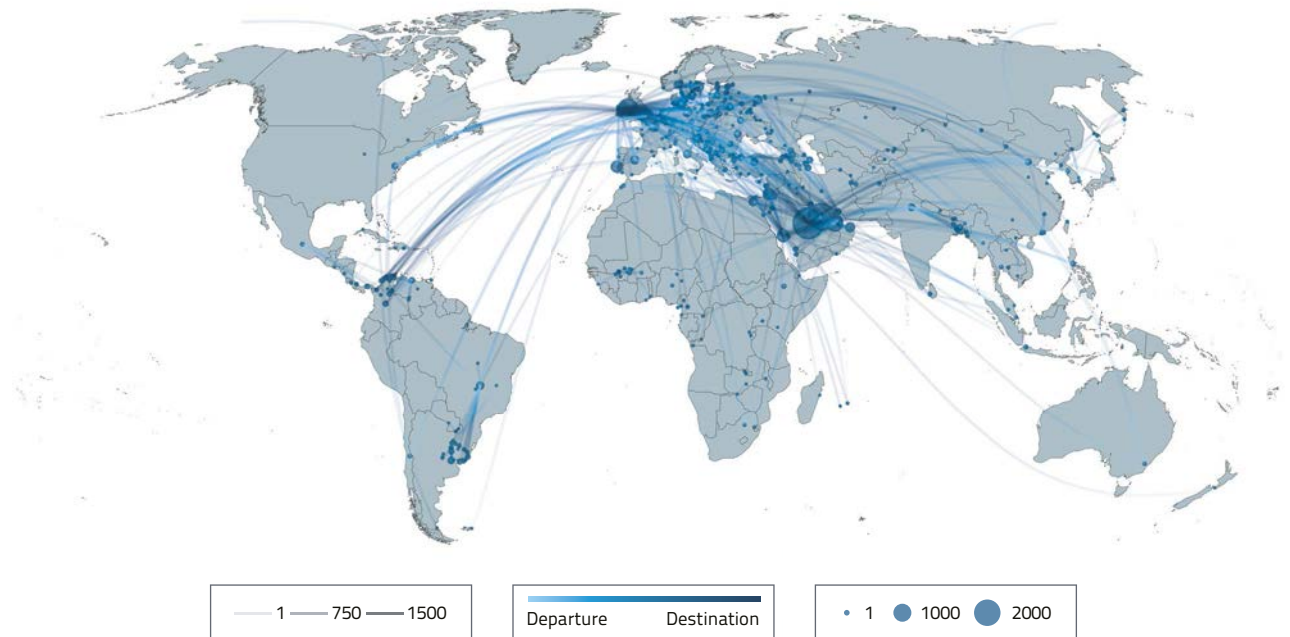


Figure 22 details the illicit flows of alcohol products, from origin to destination, for all routes that appear in one or more trafficking instances. The size of each point indicates the number of cases that involved departures from or destinations within a particular city. When no specific location was found in the data, the capital city of a country was used as a proxy. 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 those trafficking routes appeared in the data for 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or while in transit.

Nevertheless, Figure 22 shows 13,178 unique intended alcohol trafficking routes from origin to destination, routes similar to the trafficking routes for tobacco products demonstrated in Figure 13. It is possible that the similarities are due to the countries that report both types of products to the WCO. Unlike Figure 13, however, Figure 22 shows a clear flow from Europe to South America. The most common departure countries were Bosnia and Herzegovina, United Arab Emirates and Great Britain, while popular destination countries were Saudi Arabia, Ireland and Oman.

Project SHOT

In response to the growing danger of illicit trade in alcohol, during the 3rd Meeting of the WCO Working Group on Revenue Compliance and Fraud and the 13th Meeting of the WCO Counterfeiting and Piracy Group (CAP), the Regional Intelligence Liaison Office for Eastern and Central Europe (RILO ECE) proposed its candidature for analyzing global trends in alcohol fraud. Initially expected to operate in only the first half of 2017, the SHOT Project was expanded to cover the entire year. In March 2019, the 38th Session of the Enforcement Committee again extended the project for the duration of the year.

The primary objectives of the SHOT Project are to:

1. Exchange information on alcohol seizures among the 182 WCO Member States within the 11 RILO regions;
2. Produce a report reviewing alcohol-smuggling activities covering all the geographical regions of the existing 11 RILOs;
3. Improve the quantity and quality of data incorporated into the CEN system;
4. Improve the quality of the common analytical products;
5. Promote cooperation within the RILO Network;
6. Identify areas of risk.

According to the Terms of Reference, every RILO will request that its National Contact Points (NCPs) incorporate data concerning alcohol seizures into the CEN database.

Gathering data relates to the seizures performed by Customs and Joint Customs-Police Units. Entities in charge are supposed to input the required data on seizures along with the photos in the defined deadline. Every RILO is responsible for checking the quality and validating the data added to the CEN database. RILO ECE is then responsible for the final report.

The SHOT Project focuses on the illicit turnover of both genuine and counterfeit alcohol, as well as information on seizures of machinery and components utilized in the illegal production of alcohol. Additionally, cases involving illegal alcohol factories are considered.

The first phase of the project, based on the CEN database, included all alcohol seizures from 1 January 2017 to 30 June 2017 but was then extended for the duration of 2017 and carried out by Customs and/or Joint Customs-Police Units.

Owing to Project SHOT, 40% more alcohol was reported seized in 2017 than was reported in 2016. Meanwhile, the 6,211 seizures in 2018 represented an increase of 46% over the total for 2017.

Seizure data for 2018 were taken mostly from the CEN database, but some countries provided data in separate files and Excel spreadsheets. Units of different types have been converted into litres.



In 2018, 42 WCO Member countries delivered data concerning alcohol seizures; these countries were affiliated with nine of 11 RILOs. Saudi Arabia claimed the most cases in 2018, but Ireland and Denmark also reported large numbers of cases.

Slovakia also seized alcohol beverages at the land boundary (Ukraine/Slovakia) on entry to the EU. In most of these cases, alcoholic beverages were seized without control marks or with older, invalid control marks. They were found in restaurants, shops, and more.

A case from Latvia, in the ECE Region, is worth mentioning among seizures involving the largest amounts of alcohol. In September 2018 over 64,000 litres of ethyl alcohol were transported from

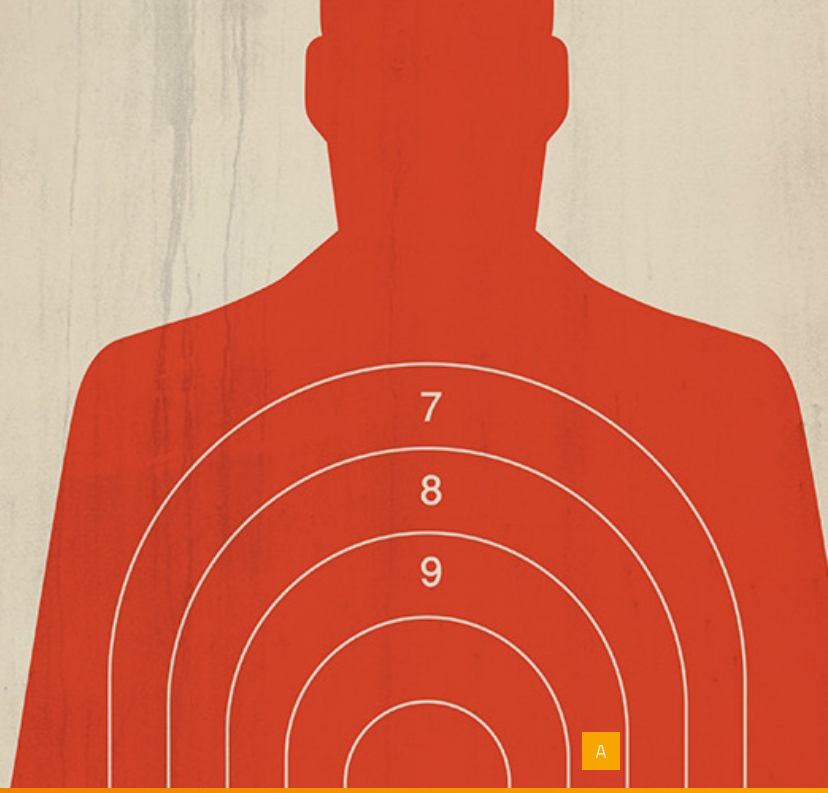
Belarus to Latvia in a cargo tank. The smuggled whiskey was discovered following a routine control in August 2018, at the land boundary between United Arab Emirates and Oman. Investigators had received a tip and the goods were found to be concealed in the structure of a truck.

The third-most significant seizure occurred at a seaport in March 2018 and involved wine transported from Belgium to Cameroon. One man was arrested.

As these examples indicate, this Project has already been successful. That said, even more involvement from Member countries and the RILO network would improve the quality and quantity of data while promoting WCO applications.



W: Seizure of illicit beverages. Courtesy: Norwegian Customs.



SECTION 6.

SECURITY

INTRODUCTION

In response to high number of terrorism related casualties which peaked in 2014 with nearly 35,000 terrorism related deaths (Global Terrorism Index 2018¹) the WCO decided to take action by issuing the Punta Cana Resolution in December 2015. The Punta Cana Resolution highlights the important role that Customs administrations play as the first line of defense in ensuring border security and countering acts of terrorism. Although deaths resulting from acts of terrorism have been in decline since 2014 (Global Terrorism Index 2018²) more than 2,000 terrorist attacks took place in 2018, resulting in nearly 10,000 fatalities around the world (ESRI³).

As a result of this ongoing threat the WCO Security Programme continues to engage in security related activities as part of its five security focused initiatives which are:

1. Promoting effective passenger controls to identify foreign terrorist fighters through the use of API/PNR targeting systems such the WCO's Global Travel Assessment System (GTAS).
2. Countering the threat posed by IED's through the WCO's Programme Global Shield (PGS) activities.
3. Countering the proliferation of Weapons of Mass Destruction (WMDs) through the WCO's Strategic Trade Control Enforcement (STCE) Programme activities.



4. Restricting the illicit trade in Small Arms and Light Weapons (SALW) by delivering SALW training to Customs administrations.
5. Countering terrorist financing by conducting operations targeting bulk cash smuggling and money laundering by suspected terrorists.

In addition to the activities undertaken as part of these five initiatives the WCO also actively engages with international partners such as the Organization for the Prohibition of Chemical Weapons (OPCW), International Atomic Energy Agency (IAEA), International Criminal Police Organization (INTERPOL) and various other international organizations and bodies to ensure that Customs is engaged in different international security related initiatives. In 2018 the WCO also became a signatory of the United Nations Global Counter-Terrorism Coordination Compact, which brings together 36 UN entities, INTERPOL and the WCO to help implement the United Nations Global Counter-Terrorism Strategy. As part of the Compact the WCO participates in several inter-agency working groups and serves as Co-Chair of the Working Group on Border Management and Law Enforcement related to Counter-Terrorism.

For the 2018 edition of the Illicit Trade Report, 43 countries reported 2,849 unique cases, involving trafficked weapons and ammunition. This marks a decrease in both the number of reported cases and countries reporting weapons and ammunition data in 2017 which

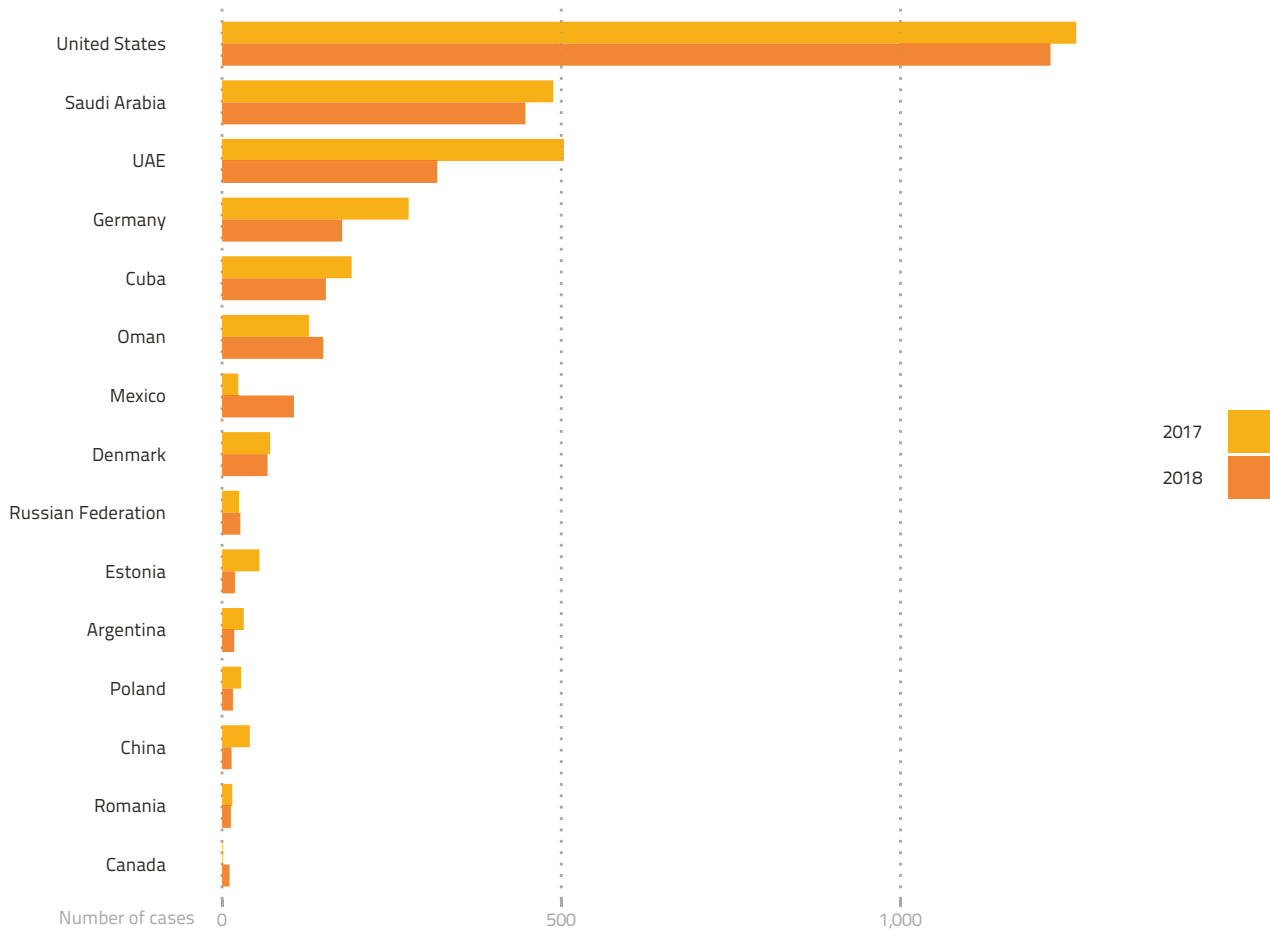
includes data from 50 countries totaling 3,232 unique cases. These 2,849 cases accounted for 5,512 seizures and resulted in the recovery of 747,178 articles of ammunition or ammunition components and 319,393 weapons or weapons components, ranging from firearms to fireworks. Customs officers intercepted these items at airports, train stations, border crossings and internal checkpoints. The majority of weapons seizures are not the result of large scale weapons trafficking. However, the average number of items recovered per seizure was 193 pieces, including weapons and/or ammunition. In fact, the average number of pieces of ammunition seized per case was 352, while the average number of firearms or slash-and-stab weapons seized per case was 115.

From 2017 to 2018, the number of reported cases involving weapons and ammunition decreased by 15%, dropping from 3,352 to 2,849, while the number of items seized plunged from 5,728,662 to 1,066,571, a decrease of 81.3%. Importantly, however, this drastic reduction in items seized was mostly a function of steep declines in only limited categories, such as fireworks and pyrotechnic devices.

When considering the trends discussed in this Section, it is important to offer two caveats. First, all conclusions are only as valid and complete as the case and seizure data submitted at the discretion of WCO Member Customs administrations. There are many reasons Customs administrations may choose not to report

¹ <http://visionofhumanity.org/app/uploads/2018/12/Global-Terrorism-Index-2018-1.pdf>
² <http://visionofhumanity.org/app/uploads/2018/12/Global-Terrorism-Index-2018-1.pdf>
³ <https://storymaps.esri.com/stories/terrorist-attacks/>

FIGURE 1: NUMBER OF WEAPONS AND AMMUNITION CASES BY COUNTRY, 2017–2018



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 illicit trade in weapons and ammunition.

Second, apparent increases in certain categories could reveal the increasing efficacy of Customs officers rather than a genuine uptick in weapons and ammunition smuggling.

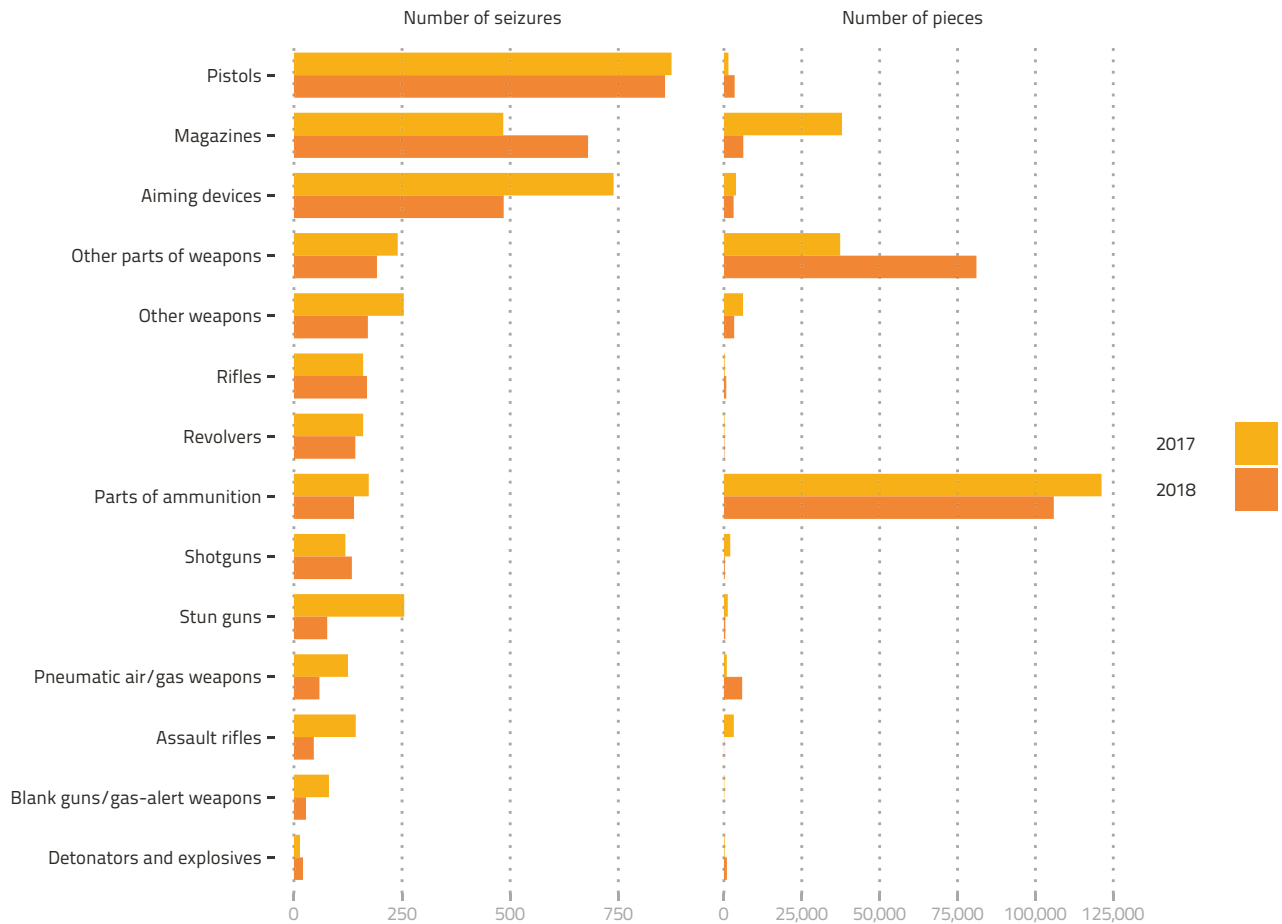
This chapter is broken down into two parts:

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

1. OVERALL TRENDS IN TRAFFICKING OF WEAPONS AND AMMUNITION

Figure 1 compares the number of weapons and ammunition cases submitted by the top 15 reporting countries in 2017 and 2018. The top reporting countries submitted 3,137 cases to the WCO in 2017 and 2,755 cases in 2018, a decrease of 12.2%. This decline represents a reduced number of reported cases across several countries: The five nations reporting the most cases in 2018 (the United States, Saudi Arabia, the UAE, Germany and Cuba) reported, on average, 20.9% fewer cases in 2018 than they reported in 2017. Of these countries, the UAE accounted for the greatest relative

FIGURE 2: NUMBER OF WEAPONS SEIZURES AND QUANTITY SEIZED BY TYPE, 2017–2018



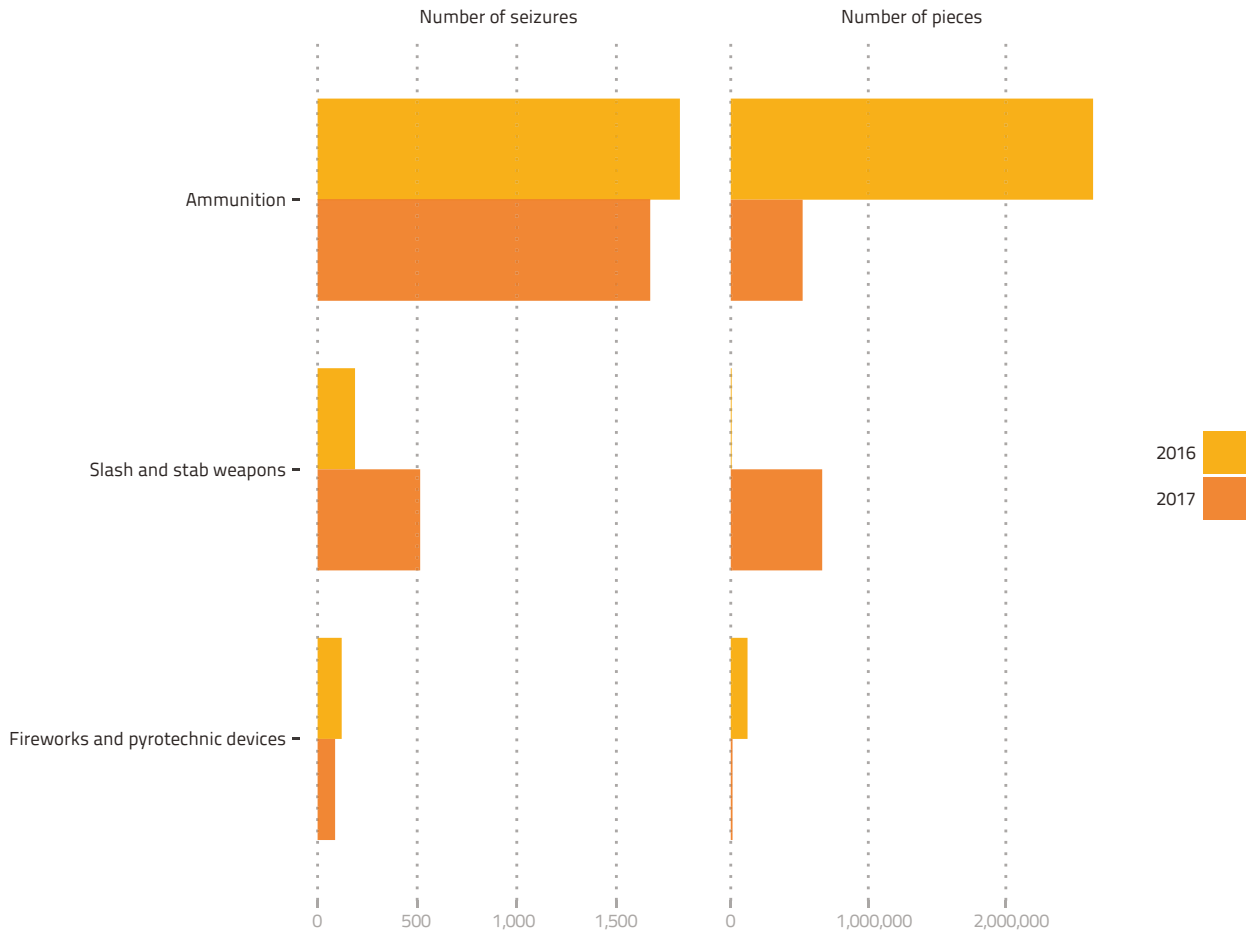
decrease in reported cases between 2017 and 2018 (dropping by 37.1%), while the United States saw the smallest relative decrease in reported cases (dipping by only 3%).

Of the countries included in Figure 1, only four (Oman, Mexico, the Russian Federation and Canada) reported more cases in 2018 than in 2017, with Mexico claiming the greatest increase in cases, jumping from 24 in 2017 to 106 in 2018. As with all changes depicted in Figure 1, this result could reflect changes in Customs procedures or it could indicate a spike in weapons and ammunition trafficking.

Figure 2 compares the number of seizures and the number of pieces of weapons seized for 2017 and 2018. (Given that there were

so many seizures and pieces seized in cases involving ammunition, slash-and-stab weapons and fireworks and pyrotechnic devices, Figure 3 presents data for these categories separately.) Most of the seizures reflected in Figure 2 involved the interdiction of pistols, magazines or aiming devices, with these three categories accounting for 54% of represented seizures in 2017 and 63% of the represented seizures for 2018. At the same time, pistols, magazines and aiming devices were not the most-seized items. Indeed, in both 2017 and 2018, the category with the greatest number of individual pieces seized was parts of ammunition, accounting for 121,232 pieces apprehended in 2017 and 105,898 pieces in 2018.

FIGURE 3: NUMBER OF AMMUNITION, SLASH-AND-STAB WEAPONS, AND FIREWORKS AND PYROTECHNICS DEVICES SEIZED AND QUANTITY SEIZED, 2017–2018



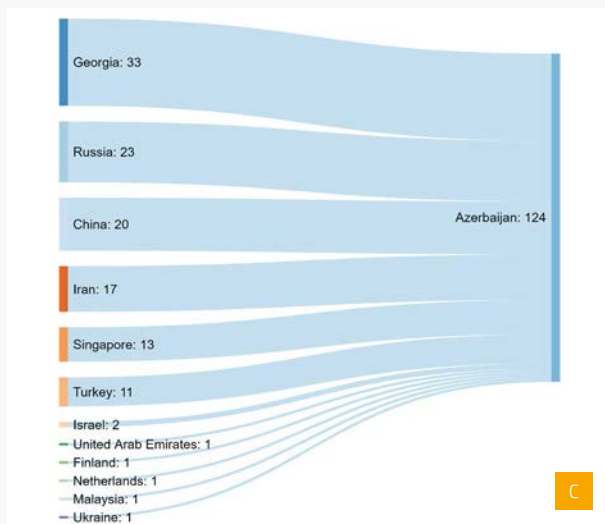
Between 2017 and 2018, there was considerable variation in the seizure trends among categories of lethal firearms such as shotguns, rifles and assault rifles. While seizures of shotguns increased by 12.6%, climbing from 119 to 134, the number of shotguns seized plummeted by 85.5%, dropping from 2,028 in 2017 to a mere 293 in 2018. In the same timeframe, the number of seizures of assault rifles decreased by 67.8%, falling from 143 to 46, and the number of assault rifles seized plunged by 97.5%, sinking from 3,174 to 78. Finally, the number of seizures of rifles increased by a modest 5.6%, moving from 160 to 169, while the number of rifles seized spiked by 194.5%, climbing from 257 to 757.

Figure 3 considers ammunition, slash-and-stab weapons and fireworks and pyrotechnics devices, comparing the number of seizures and the number of pieces seized between 2017 and 2018. In 2018, the 2,311 seizures associated with these three categories led to the recovery of 854,981 items. Ammunition accounted for the greatest number of seizures between these two years, with a total growing by 18% (from 1,543 to 1,822), while also claiming the most pieces seized (641,280) among the three categories. On average, authorities seized 352 pieces of ammunition per seizure, with a

Member highlights: Azerbaijan Customs detect 124 attempts to smuggle weapons and ammunition into the country

In 2018 the Republic of Azerbaijan State Customs Committee detected 124 attempts to smuggle weapons and ammunition into the country. Popular methods of concealment include: in handbag (36%), in mail (29%) and in passenger car (25%). The figure below provides an overview of the most frequently used routes for weapons trafficking into Azerbaijan during the 2018 calendar year.

Source: RILO CIS.



higher-than-expected rate of apprehension per incident owing -to the fact that a small number of seizures involved large quantities of ammunition. Indeed, while 1,366 seizures of ammunition contained fewer than 100 items, 90 contained 1,000 or more items.

Fireworks and pyrotechnic devices trailed ammunition in terms of the number of pieces seized in 2018 (195,977), with the total plunging by 95.5% since 2017, when 4,424,013 pieces were seized.

Russian Federal Customs Service seize handgun concealed in music equipment

The Russian Federal Customs Service initiated a criminal case concerning the illegal trafficking of revolver (.44 Magnum) parts which were concealed in acoustic equipment, traveling from Paraguay via the mail.

Source: RILO CIS.



In both 2017 and 2018 a single seizure accounted for the vast majority of pieces seized. Customs officers in Kuwait carried out a seizure netting 97.6% of the fireworks and pyrotechnic devices seized during 2017, while a seizure by German officials (involving 140,605 pieces) represented 71% of the total number of items seized for this category in 2018.

FIGURE 4: NUMBER OF WEAPONS AND AMMUNITION SEIZED AND QUANTITY SEIZED BY TYPE AND CONVEYANCE METHOD, 2018

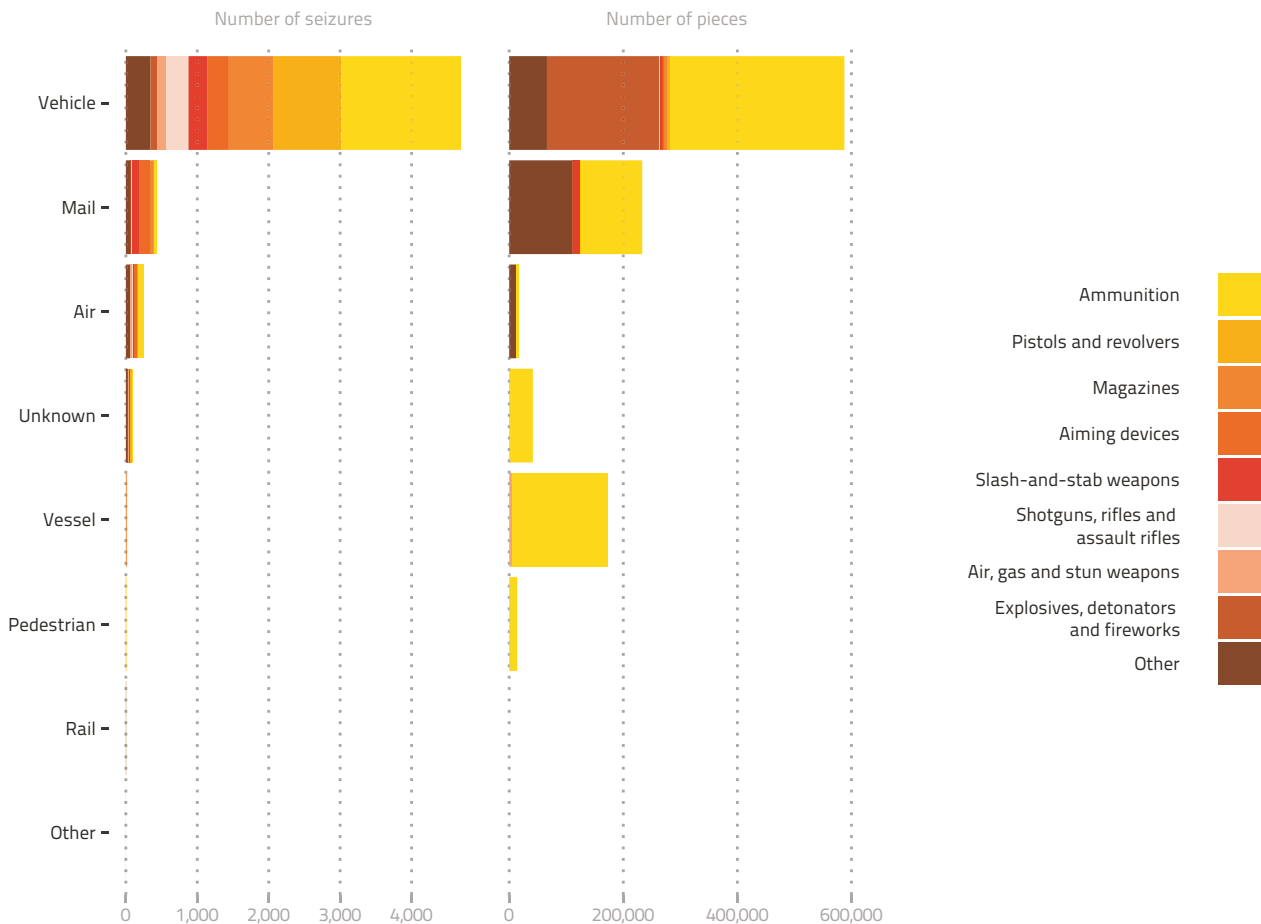


Figure 4 shows the number of seizures and the quantity of pieces of weapons and ammunition seized by type and conveyance method in 2018. Pieces from every category of weapons and ammunition were conveyed to some extent by three modes of transport (vehicle, air and mail); conversely, only ammunition and items from the other category were documented as moving by rail.

Of the 5,512 seizures of weapons and ammunition in 2018, 85.1% (4,693) involved transportation by vehicle, with only 7.9% (439) involving mail transit. More than one third (35.7%) of seizures of items moving by vehicle involved ammunition, and nearly one third (33.2%) of seizures of items moving by mail involved aiming devices. Taken together, the top three categories implicated in vehicle seizures (ammunition, pistols and revolvers and magazines) accounted for 69.2% of the seizures for this conveyance

type. The average number of pieces of ammunition seized per vehicle seizure was 182; the average number of pieces seized from all other categories per vehicle seizure was 93.

While there were comparatively fewer mail and vessel seizures, each of these incidents tended to result in the recovery of a disproportionate number of weapons and ammunition. Because ammunition items tend to be seized in higher quantities, it is interesting to consider them separately. Mail seizures, for example, netted an average of 2,774 ammunition items, while only yielding an average of 312 other product items. Similarly, vessel seizures yielded an average 33,373 ammunition items, while only netting an average of 486 other product items. Even though a mere 0.3% (17) of seizures of weapons involved vessels, vessel seizures accounted for 16% of all the weapons seized in 2018.

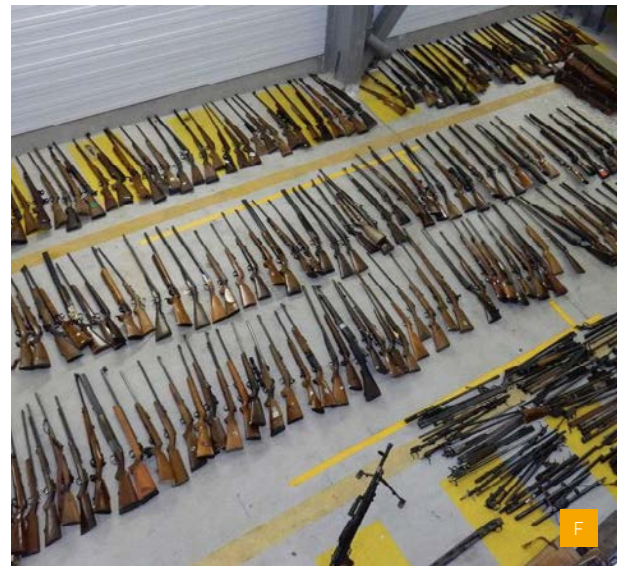
Case study 1. Large stockpile of antique and military weaponry recovered by French authorities

The single largest reported seizure of firearms in 2018 was carried out by French law enforcement on 14 February of that year. Customs officers detected a suspicious package being sent from France to the Netherlands on 08 February, and found that the package contained a weapon — a smooth-bore rifle. This led law enforcement to a search of the sender's automobile, his home, and a rented storage facility. In the course of this investigation, authorities found that the man, a sporting goods salesman and unlicensed gunsmith, possessed a large quantity of firearms. The owner of these weapons was not able to provide the required permits for ownership, and he was placed under arrest.

Among the items seized by law enforcement were 488 firearms, including a variety of rifles and machine guns. 5,000 rounds of ammunition, 1,309 accessories and components, and 13 hand grenades. Also in the warehouse was a workshop for the reactivation of inert weapons.

Imagery released by French customs, documents the large volume of long guns seized, from hunting rifles and shotguns to antique military weapons. Components and accessories appear to include tripod mounts for a number of belt-fed machine guns.

This case is unusual in that weapons seized were not captured in transit. This case is one of only 73 internal cases reported in 2018, and one of only 38 that included firearms. This case began with the interdiction of just one weapon, which led to the recovery of nearly 500 illicit firearms, demonstrating the potential preventive impact of customs enforcement.



SOURCES

- BFMTV, *Boulogne-sur-Mer: 488 armes et plus de 100 kilos de munitions saisies chez un ex-armurier*, <https://www.bfmtv.com/police-justice/boulogne-sur-mer-488-armes-et-plus-de-100-kilos-de-munitions-saisies-chez-un-ex-armurier-1373414.html>, accessed 9 August 2019.
- France Télévisions, AFP, *Boulogne-sur-Mer : 488 armes et plus de 100 kg de munitions saisies chez un ex-armurier*, <https://france3-regions.francetvinfo.fr/hautes-de-france/pas-calais/boulogne-mer/boulogne-mer-488-armes-plus-100-kg-munitions-saisies-ex-armurier-1423809.html>, accessed 9 August 2019.

FIGURE 5: NUMBER OF WEAPONS AND AMMUNITION CASES BY CUSTOMS PROCEDURE AND COUNTRY, 2018

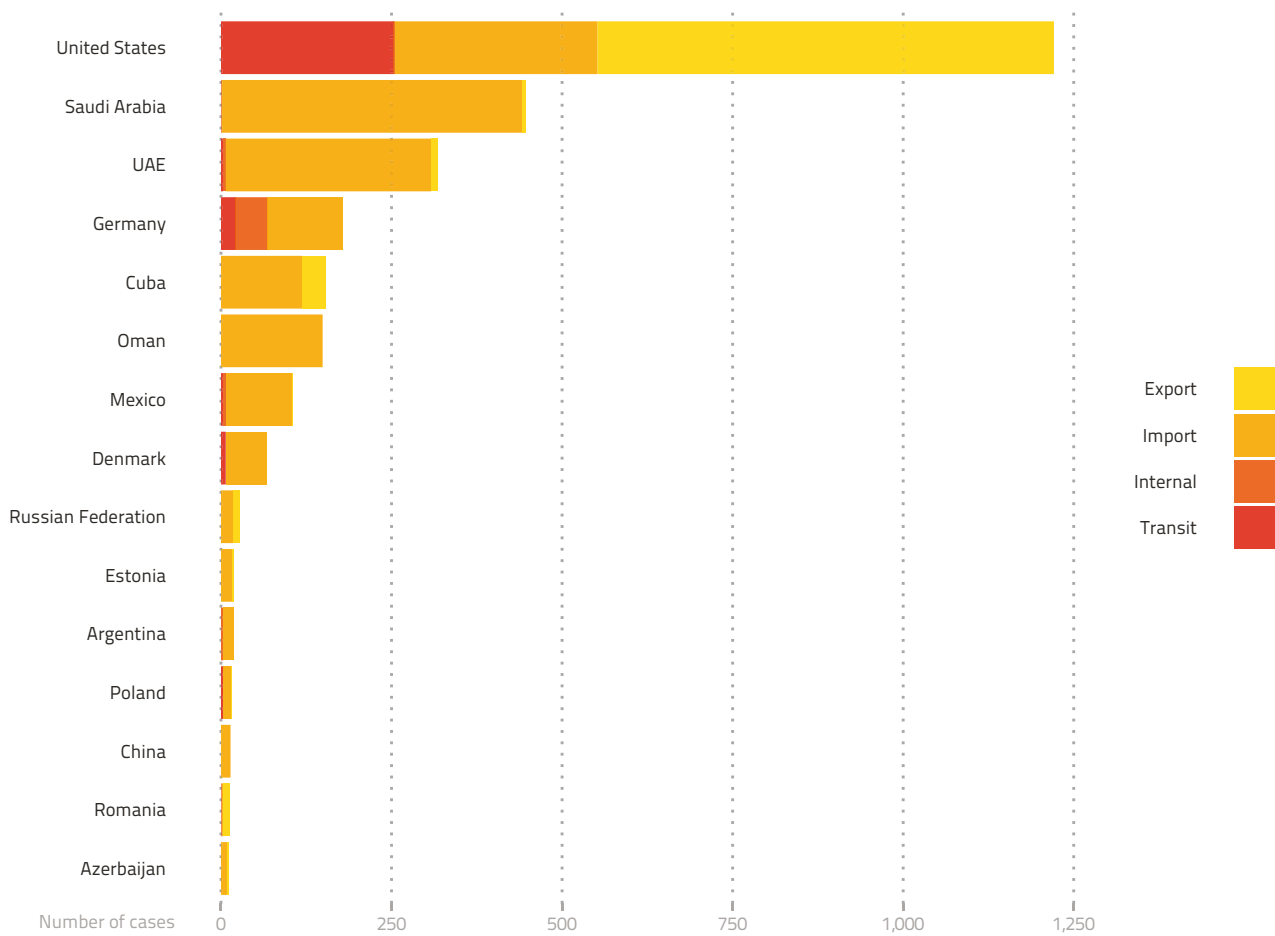


Figure 5 displays the top 15 countries that reported weapons and ammunition cases in 2018, as well as the direction that seized shipments were moving when interdicted. The top reporting countries in 2018 were the United States (1,221 cases), Saudi Arabia (447 cases) and the UAE (317 cases). These three countries reported a combined 72% of the 2,757 cases included in Figure 5.

Of these 15 countries, 13 reported the majority of their cases during import; only the United States and Romania reported most of their cases during export. In all, 61% of the cases represented in Figure 5 were reported as import cases, a result consistent with

trends in weapons seizures during 2017 and trends in seizures of contraband, more generally, in 2017 and 2018. Among these top 15 countries, only China and Oman reported one type of customs procedure exclusively (import cases).

Only five of the top 15 countries reported any cases during inland customs procedures, with Germany accounting for the greatest number (47). Similarly, only eight of these 15 countries reported transit cases - and here, the United States led by a large margin, reporting 253 of them in 2018.

Case study 2. Seizure of firearms, ammunition and accessories in Nogales, Mexico

On 25 September 25 2018, authorities in Mexico seized 24 rifles and in excess of 6,000 rounds of ammunition in a single case in Nogales, Sonora. Federal Police officials stopped a Chevrolet pick-up truck at the Dennis DeConcini border crossing, after the driver reportedly attempted to convince Police to not investigate his vehicle. The driver ultimately agreed to a search by Police, whereupon officers discovered the rifles and ammunition as well as magazines and firearms accessories and components in the cargo bed of the truck.

Five units of the Federal Police were supported by Mexican Army personnel, as well Tax Administration Service (SAT) patrol officers assisted in seizing and documenting the weapons and ammunition. Law enforcement officers determined that the driver did not possess the necessary legal documentation for the firearms he was transporting across the border. Twenty of the rifles seized were 5.56 caliber, while others were chambered in .308 and .223. A number of rifles appeared to be AR-15 pattern assault rifles of unknown make.

Other items seized included high-capacity magazines of various calibers, and approximately 6,173 rounds of ammunition, ranging from .22 caliber to .303 caliber. Other items included mounting rails, conversion kits, tactical lights, holsters and action components.

There was a total of 167 seizures reported by US and Mexican Customs officers in the Nogales border region in 2018, resulting in the seizure of 86 firearms and 30,283 articles of ammunitions, components and accessories. Firearms seized in this area consisted largely of 9mm pistols and AR-15 pattern rifles, including at least one rifle that was unbranded and un-serialized.



SOURCES

- El Imparcial, *Frenan armamento en garita de Nogales*, <https://www.elimparcial.com/sonora/nogales/Frenan-armamento-en-garita-de-Nogales-20180926-0154.html>, accessed 9 August 2019.
- Nuevo Día, *Incautan federales 24 rifles de asalto y miles de cartuchos*, <http://nuevodia.mx/impresoi/edicionimpresa20180927.pdf>, accessed 9 August 2019.

FIGURE 6: PERCENTAGE OF SEIZURES BY DETECTION METHOD, 2018

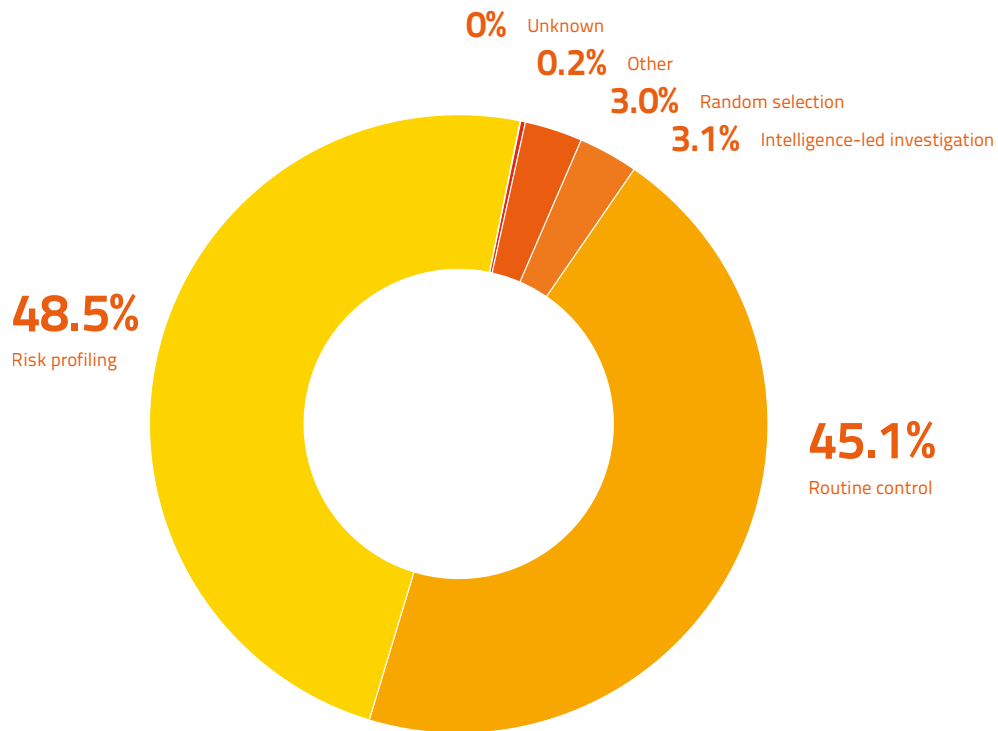


Figure 6 depicts the proportion of different methods of detection used in cases reported in 2018. Risk profiling and routine control were the two most commonly reported detection methods for this year, appearing in 48.5% and 45% of cases, respectively. In 1,382 reported cases, Customs officers relied on risk profiling – a careful evaluation of indicators of possible illicit activity – to initiate a seizure. These cases resulted in the recovery of 414,820 pieces of weapons and ammunition. Meanwhile, routine control was used in 1,248 cases, leading to the recovery of 599,672 items. Intelligence-led investigation was a detection method relied on in only 3.1% of cases (89), random selection was utilized in only 3% of cases (86), other methods were used in a mere 0.2% of cases (7) and in only one case was the reported detection method

designated unknown. Collectively, these four methods resulted in the recovery of 1,054,951 items of weapons and ammunition in 2018.

Figure 7 conveys the proportion of seizures for each type of weapon or ammunition reported by each country recording at least one seizure in 2018. Of the 43 countries included in the Figure, 25 reported five or more seizures. Ammunition accounted for the plurality of seizures, overall (33%); and, as identified in Figure 6, for three of the top five reporting countries in 2018 (the United States, Mexico and Cuba), ammunition was the top seizure category.

FIGURE 7: PROPORTION OF WEAPONS AND AMMUNITION SEIZURES BY TYPE AND COUNTRY, 2018

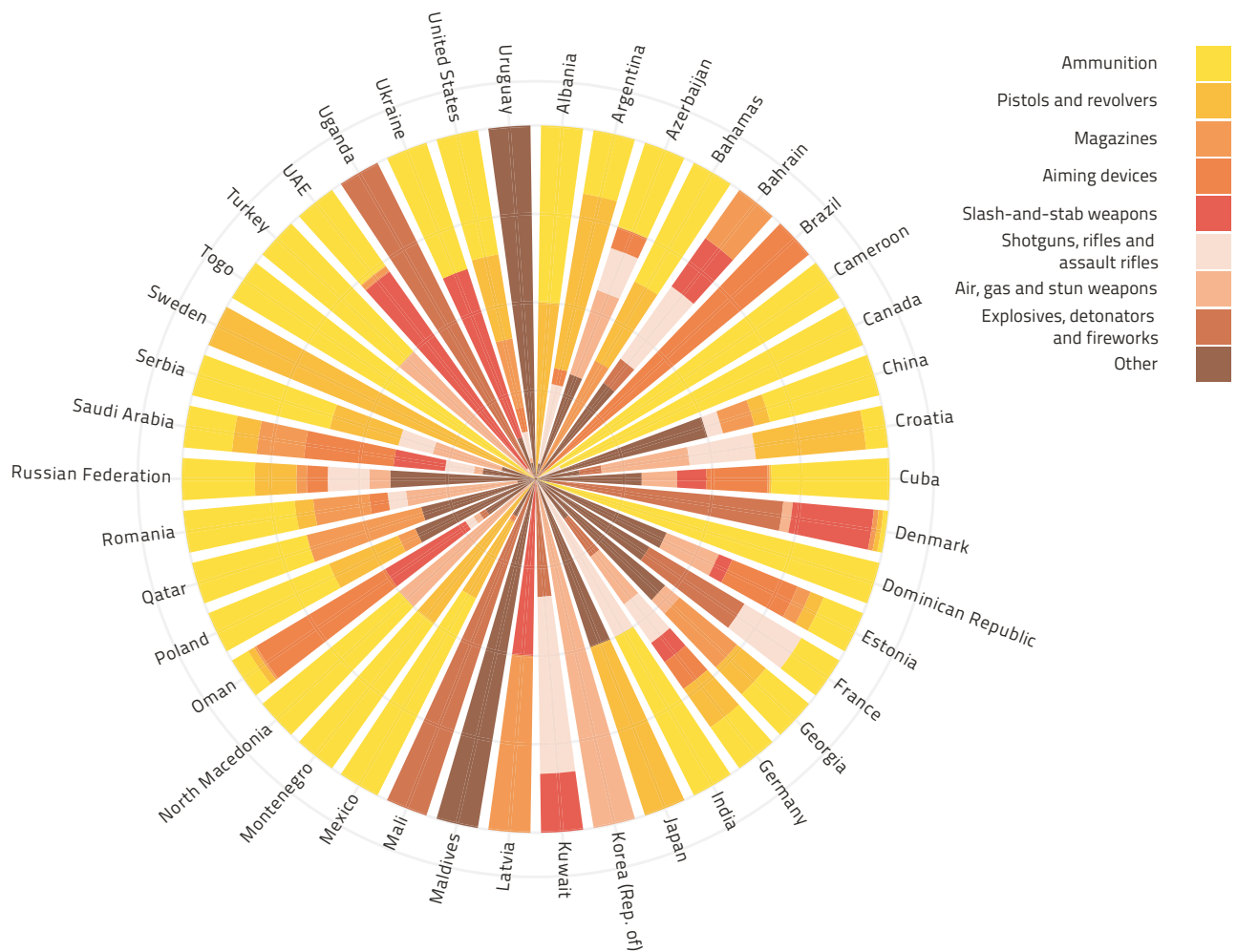


Figure 7 captures the diversity of the global illicit trade in weapons and ammunition, in terms of both the countries affected and the types of items trafficked. Only nine of the 43 countries depicted in the Figure reported seizures in a single category, and each of those nine countries also reported five or fewer seizures. Conversely, 25 countries reported seizures in three or more categories, while the UAE, Oman and Saudi Arabia reported seizures in all nine categories. Finally, countries reporting more seizures generally recorded them across a broader range of categories: Each of the seven countries reporting more than 100 seizures, for example, reported them in six to nine different categories.



J: Courtesy: Afghanistan Customs.

FIGURE 8: NUMBER OF WEAPONS AND AMMUNITION SEIZURES AND QUANTITY SEIZED BY CATEGORY AND REGION, 2017–2018

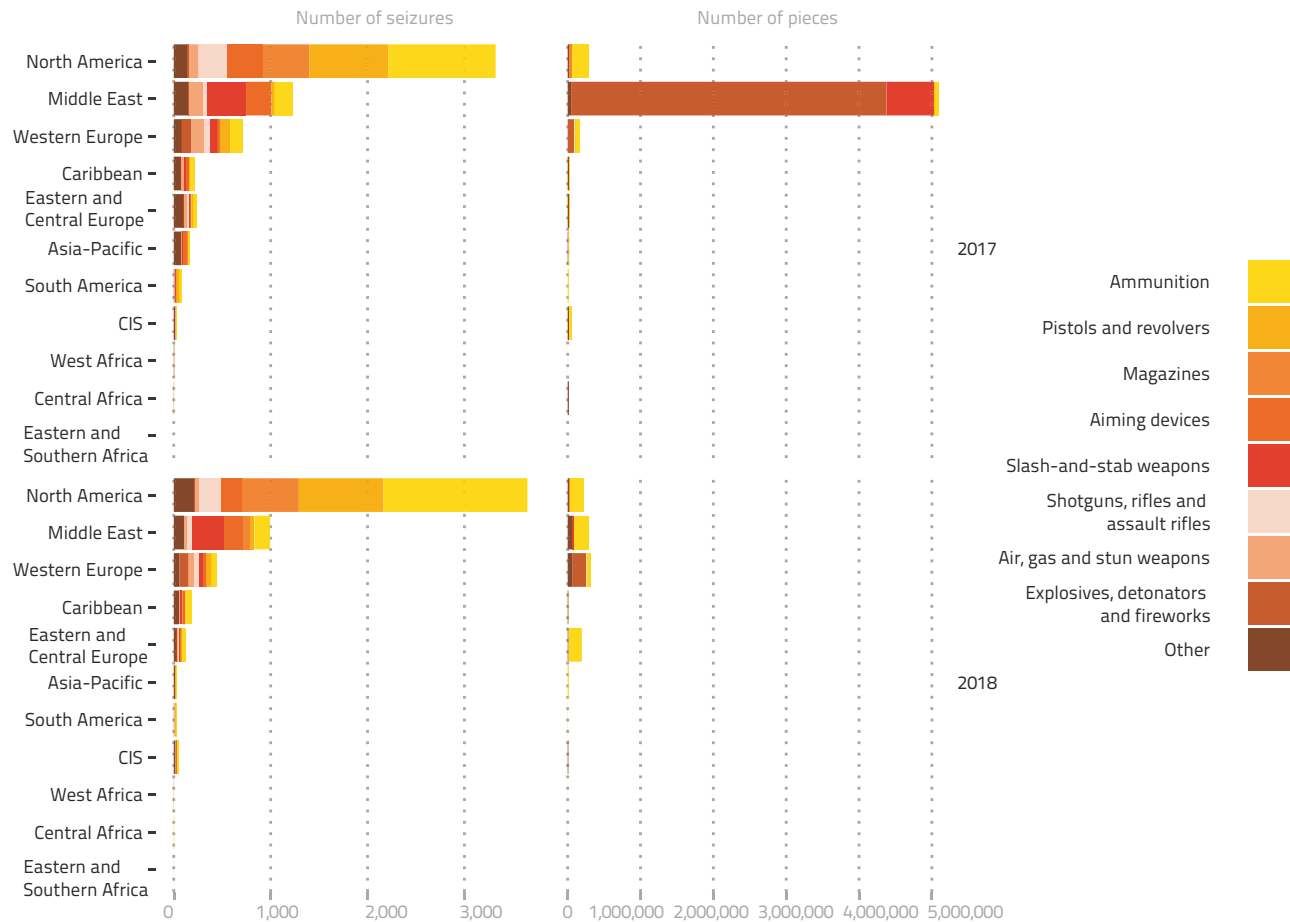


Figure 8 compares the number of seizures and the quantity of items seized by reporting region in 2017 and 2018, providing additional geographic context for the phenomena depicted in Figure 2 and Figure 3. There was, in 2018, an 8.2% decrease in the number of seizures around the world, as well as an 81.3% decrease in the number of items seized. The regional distribution of seizures in 2017 was generally similar to that of 2018; in both years, North American countries reported the most seizures, accounting for 55.2% of the total in 2017 and 66.2% of the total in 2018. In both years, ammunition was the largest category of seizure reported by North American countries.

At the same time, the number of seized items changed considerably in 2018. In 2017, Middle Eastern countries reported the most items seized, though this result was skewed by the seizure

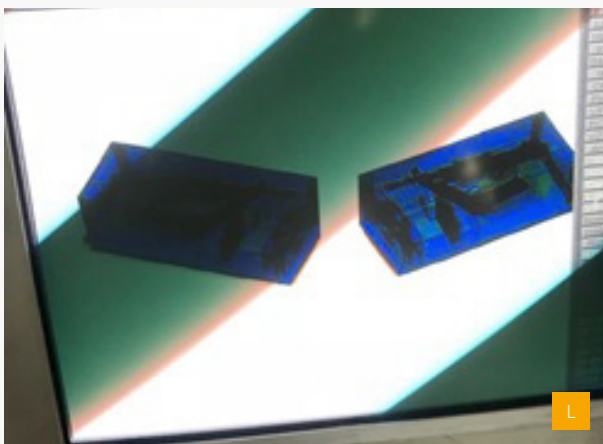
of a massive cache of fireworks and pyrotechnic devices reported in Kuwait and addressed, as well, in Figure 3. This seizure alone accounted for 84.6% of items seized by Middle Eastern countries in 2017.

Countries in Western Europe reported the greatest number of items seized in 2018, followed by nations in the Middle East (a region that saw a decrease of 94.3% from the previous year), North America, Eastern and Central Europe and the Caribbean. In the Middle East, North America and Eastern and Central Europe, most of the items seized were ammunition, while in Western Europe, most of the seized items were explosives, detonators and fireworks. Finally, in the Caribbean, most of the seized items were classified as other.

Member highlights: Armenian Customs seize weapons concealed in power supply units

In May 2018 as a result of joint activities between staff from the National Security Service and State Revenue Committee (Armenian Customs), officers identified two pistols, one machine gun and two magazines which were discovered in a mail consignment originating from the United States. The weapons and magazines which were identified through the use of an x-ray scanner and were being concealed in power supply units.

Source: RILO CIS.



Hong Kong Customs restrict the trade in strategic goods

Hong Kong's Strategic Trade Control System is backed by an extensive licensing system administered by the Hong Kong Trade and Industry Department and enforcement by Hong Kong Customs. As part of its efforts to restrict the illicit movement of strategic goods in 2018, Hong Kong Customs examined more than 100,000 packages being imported/exported, checked more than 3,500 import/export licenses and conducted nearly 200 investigations which resulted in the prosecution of 59 people/companies and the issuance of more than \$100,000 U.S. Dollars in fines.

Source: Hong Kong Customs.



FIGURE 9: WEAPONS AND AMMUNITION TRAFFICKING FLOWS BY REGION, 2018

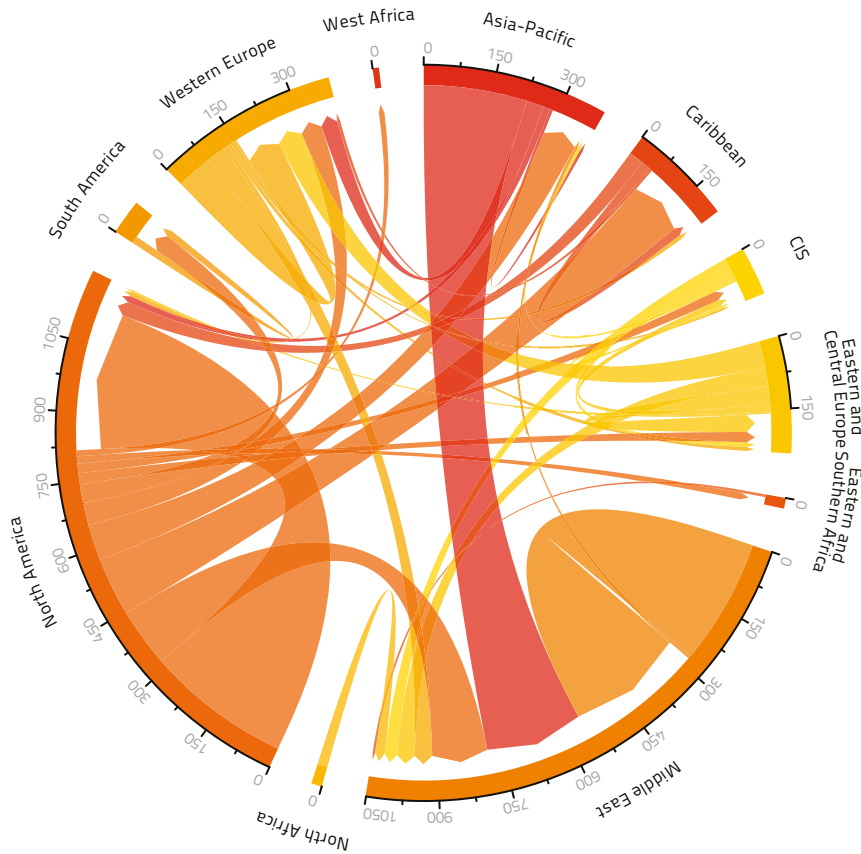


Figure 9 illustrates intended trafficking flows of weapons and ammunition from, to and within reporting regions in 2018. These flows indicate both reported points of origin and final destinations, regardless of where shipments were interdicted. This Figure represents 1,854 trafficking flows derived from data involving reported seizures. Intended trafficking flows for seized weapons and ammunition in 2018 were diverse: Every region except North Africa and West Africa appeared as both points of origin and final destinations in at least one instance. Intra-regional flows were also prolific in 2018, particularly in the top reporting regions of North America and the Middle East (see Figure 8). Of the 817 trafficking flows involving departures from countries in North America, 317 (38.8%) had as their destination locations within North America. Meanwhile, intra-regional flows were still more prominent in the Middle East, comprising 275 of the 282 outward flows (97.5%).

While these data indicate that most regions were both points of origin and final destinations in 2018, sharing flows across a variety of other regions, every region was inclined to be more of one than the other. For example, North America was listed as the point of origin in 92.8% of the trafficking flows in which this region appeared, while the Middle East, by contrast, was the final destination in 99.1% of the trafficking flows in which the region appeared.

This Figure also reveals various bilateral relationships. The Middle East, for example, was the destination associated with the most varied set of points of origin, accounting for trafficking flows arriving from eight distinct regions. And North America, for its part, was the origin associated with the most diverse range of corresponding destinations, accounting for trafficking flows leading to 10 distinct geographic regions.

FIGURE 10: HEAT MAP OF WEAPONS AND AMMUNITION TRAFFICKING INSTANCES BY COUNTRY, 2018

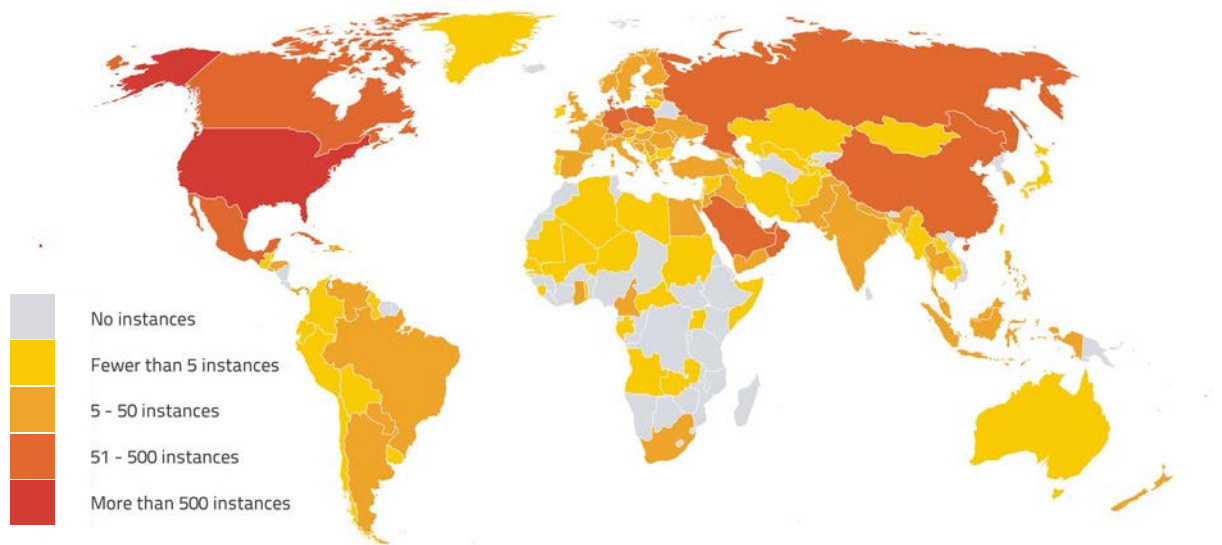


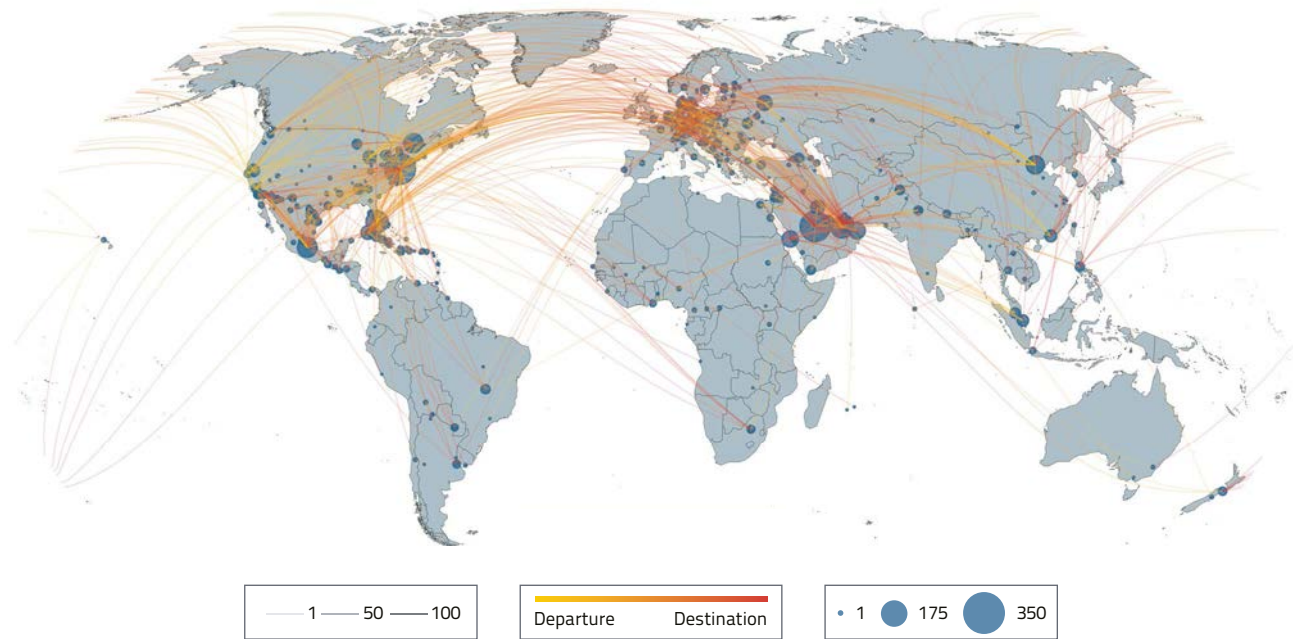
Figure 10 is a heat map of reported weapons and ammunition trafficking instances by country in 2018. Each country included in the Figure was either the origin, destination or a transit point for one or more seized weapons or ammunition shipments, regardless of where the seizure took place or which country reported it. By disaggregating individual seizures in this way, Figure 10 indicates all countries through which weapons or ammunition were known or intended to have been trafficked in 2018. Notably, no countries from South America nor any region in Africa appeared in more than fifty instances, perhaps due to inconsistent reporting or gaps in Customs enforcement capacity.

In 2018, 129 different countries contributed to a collective total of 5,222 reported trafficking instances. The top three countries in this regard (the United States, Saudi Arabia and the United Arab

Emirates) appeared in nearly half (49.1%) of all instances. As was the case in Figure 9, reported data often indicates a particular role in the trafficking of weapons and ammunition for a country; the United States, for example, appeared as a point of origin 57.6% of the time, while Saudi Arabia was a destination country in 94% of its instances and the UAE was the final destination in 83.4% of its instances.

The United States and China were the most prolific origin countries for trafficking weapons and ammunition, with the United States being the origin country in 993 instances and China assuming the same role in 96 instances. These results were despite the divergent patterns in reporting by the United States and China, as represented in Figure 5. Even if China does not, itself, report as many cases, diligent reporting by destination countries reveals

FIGURE 11: WEAPONS AND AMMUNITION TRAFFICKING ROUTES AND INSTANCES BY LOCATION, 2018



China's status as an origin state for trafficked weapons and ammunition.

Figure 11 details the illicit flows of weapons and ammunition, from origin to destination, for all routes that appeared in one or more trafficking instances. This includes details at the city level, where point size indicates the number of cases involving departures from or destinations within a particular city. The capital city of a given country was used when the data did not reveal a specific location. The flows connecting points on the map are yellow at their points of origin, 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 2018. These flows do not necessarily indicate completed smuggling attempts; in many cases, contraband was seized at its origin or in transit.

Figure 11 depicts 1,049 unique trafficking routes for weapons and ammunition involving transit between 589 different cities and derived from 4,584 trafficking instances. The largest number of reported instances occurred on the routes from Washington D.C., United States, to Riyadh, Saudi Arabia. This route does not reflect its genuine point of origin, however, because none of these instances have a reported city of origin within the United States. Instead, they primarily involved ammunition and magazines interdicted during import to Saudi Arabia.

The next most common routes were: Kuwait City, Kuwait, to Riyadh, Saudi Arabia; Singapore to Jeddah, Saudi Arabia; and Ottawa, Canada, to Blaine, Washington (United States). Eight of the top ten routes for trafficked weapons and ammunition terminated within a country in the Middle East. Riyadh was the

most common destination city, overall, followed by Abu Dhabi and Washington, D.C., while Washington, D.C., Miami and Beijing appeared most often as origin cities. Finally, Germany and the United States showed considerable variance in these data, with each country accounting for 40 or more distinct destination points within its borders.

2. PROGRAMMES, PROJECTS AND OPERATIONS



STRATEGIC TRADE

The Strategic Trade Control Enforcement (STCE) Programme was developed in response to United Nations Security Council Resolution 1540 (UNSCR 1540) which was adopted by the UN Security Council in 2004 and sought to prevent the illicit trafficking and smuggling of Weapons of Mass Destruction (WMD), their related components as well as conventional weapons. Following the success of the WCO's first global strategic trade enforcement operation, Operation Cosmo which took place in 2014; the WCO launched a second global strategic trade enforcement operation, Operation Cosmo 2 which took place in April 2018. Cosmo 2 brought together Customs officers from 114 countries to participate in the Operation. During the two week long operation 30,000 shipments were risk assessed, resulting in over 8,000 physical inspections, 18 seizures as well as the initiation of nine criminal investigations.



Member highlight: Pakistan Customs increases its capacity to control strategic goods

Pakistan Customs was first introduced to the WCO's STCE Programme in June 2016 when a Customs Official from Pakistan attended a WCO STCE Train the Trainer Workshop. Since then Pakistan Customs have significantly increased their capacity to control strategic goods. Following consultation with a WCO delegation which briefed Customs senior management at the Federal Board of Revenue (FBR) on international best practices for creating a National Counter Proliferation Unit (NCPU) for effectively enforcing strategic trade controls, the FBR issued an administrative order for the creation of a National Counter Proliferation Unit and Counter Proliferation Training Cell in their national training facility.

The NCPU is responsible for creating counter proliferation teams at all file offices which deal with the clearing of exports as well as updating the national risk management system and provides support in the selection of companies engaged in the export of strategic goods as well as coordinating STCE capacity building activities. Pakistan's creation of an NCPU can serve as a model for other WCO Members looking to increase their capacity to effectively enforce strategic trade controls.

Source: Pakistan Customs



N: OCU at WCO headquarters for Operation Cosmo 2. Courtesy: WCO.
O: Courtesy: Pakistan Customs.

SMALL ARMS AND LIGHT WEAPONS

The majority of Small Arms and Light Weapons (SALW) activities conducted by the WCO in 2018 fell under the auspices of the Asia Pacific Security Project which provided countries in the Asia Pacific region with SALW training activities as well as handheld backscatter x-ray devices to assist Members in the region with the detection of SALW and their component parts.



ASIA PACIFIC SECURITY PROJECT

The Asia Pacific Security Project (APSP) continued to deliver activities in the Asia Pacific region as part of the Project's security initiatives which include awareness raising and training on PGS, SALW and Passenger Controls (API/PNR).

In addition to these regional activities the APSP organized a Global Security Conference at the WCO headquarters in October 2018. The Conference brought together over 150 delegates representing more than 75 Member administrations and international organizations to Brussels to discuss the various security challenges Customs administrations face following the three year anniversary of the Punta Cana Resolution. In his keynote address the WCO Secretary General, Dr. Kunio Mikuriya discussed how Customs administrations' unique position as the facilitators of global trade at the borders places them in the ideal position to counter terrorists who seek to exploit international supply chains and travel as part of their nefarious activities. Some of the key outcomes of the Conference include the need to incorporate security strategies into Customs annual strategic plan and insert security as a key priority within a Customs administrations mandate. In addition, the importance of interagency cooperation between Customs and other government agencies involved in security was highlighted.



P: SALW Training in the Philippines. Courtesy: Philippine Customs.

Q: Backscatter X-Ray Device acquired through the APSP being used by Thai Customs to detect SALW. Courtesy: Thai Customs.

R: Photos Courtesy of WCO Secretariat.



SECURITY PROJECT FOR WEST AND CENTRAL AFRICA

In April 2018 the WCO launched the Security Project for West and Central Africa (SPWCA) which helps WCO Members in the West and Central Africa regions respond to the security challenges posed by improvised explosive device (IED's) by delivering PGS training in the region. PGS training activities are aimed at reducing the threat of IED's by monitoring the movement of the 13 most commonly used chemical precursors and other materials that are used to manufacture IED's. In addition to the Project's PGS activities the project is assisting Members in the region in improving their analytical and risk management capabilities by providing them with the National Customs Enforcement Network (nCEN) system. The nCEN is a version of the WCO's Customs Enforcement Network (CEN) system which enables Customs administrations to collect and store seizure data for analytical purposes at the national level.



Case study 3. UK Businessman jailed for circumventing international arms embargo and trafficking in strategic goods

In 2018 a businessman from the United Kingdom received a two and a half year prison sentence for trafficking in strategic goods. The businessman used a sophisticated network of companies

registered in different countries to ship military hardware, including Russian MiG and U.S. F4 Phantom fighter jet components to circumvent international weapons of mass destruction control sanctions.

Her Majesty's Revenue and Customs (HMRC) investigators uncovered that the businessman had used companies he owned in several countries in Asia and the Middle East to ship the military aircraft parts to a country which is being subjected to sanctions between 2010 and 2016. During this time investigators believed that he made more than £5m from engaging in these illicit activities.

He first came onto the radar of HMRC investigators when HMRC officers questioned him about his business dealings in August 2010 at Heathrow. During his questioning he told officers that he was not dealing in aircraft parts and that he was simply dealing in goods such as wheelbarrows, goggles and gloves used in the construction industry. Following this contact with HMRC officers the business man took additional steps to hide his illicit trade activities by incorporating additional companies in the Caribbean and Europe into his complex smuggling operation. These additional attempts to circumvent international arms embargoes on strategic goods proved to be in vain when he was ultimately convicted of knowingly exporting controlled military and dual use goods by the UK Crown Court.

The Director of HMRC's fraud and investigation service said, "This was a calculated and cynical attempt to undermine strict trade embargoes and internationally agreed controls. They knew the rules and weaved increasingly elaborate plans to stay under the radar." The case provides a good example of the level of sophistication that is needed for traffickers to get around existing strategic trade controls and international weapons sanctions. At least one rifle that was unbranded and un-serialized.

SOURCES

- *The Guardian* (2018), Somerset man jailed for trafficking fighter jet parts to Iran, available at <https://www.theguardian.com/uk-news/2018/nov/22/somerset-man-jailed-for-trafficking-fighter-jet-parts-to-iran>, accessed on 8 August 2019.

⁴ <http://www.wcoomd.org/en/media/newsroom/2018/april/wco-launches-the-security-project-for-west-and-central-africa.aspx>

T: WCO Secretary General Kunio Mikuriya addressing the audience at the launch of the SPWCA during the 23rd Conference of Directors General of Customs of the WCO West and Central Africa Region in Conakry Guinea⁴ (Source: WCO Website).

Case Study 4. Weapons trafficking in Libya

In September 2018 Turkish Customs seized more than 5,500 air/gas handguns as well as more than 160,000 rounds of ammunition that were being shipped to an unknown destination in Libya. This was one of several large weapons seizures which saw Turkish made pistols and ammunition being smuggled to Libya. These seizures both took place only a few months after the UN agreed to extend the arms embargo that has been in place for Libya since March 2011 following the issuance of UN Security Council Resolution 1970 which called on member states to “prevent the direct or indirect supply, sale or transfer to [Libya], from or through their territories or by their nationals ... of arms and related material of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment [etc.]” (S/RES/1970 (2011)).

This seizure makes for an interesting case study for several reasons. Firstly, it demonstrates the effectiveness of Security

Council Resolutions in preventing countries from allowing the large scale transfer of weapons which can be used to fuel conflicts within a country. Secondly, it draws attention to the emerging risk of weapons conversions which enables relatively harmless pneumatic weapons/blank firing weapons to fire live ammunition. Due to the high build quality of certain Turkish made replica weapons manufacturers petty criminals, organized crime groups and terrorists have sought to acquire replica weapons such as the ones seized in this case which are suitable for conversion.

SOURCES

- Small Arms Survey (2018), From Legal to Lethal - Converted Firearms in Europe, available at <http://www.smallarmssurvey.org/fileadmin/docs/U-Reports/SAS-Report-Europe-Conversion.pdf>, accessed on 8 August 2019.



U: Courtesy: Turkish Customs.



V

ABBREVIATIONS

AFP	Agence France-Presse
AIRCOP	Airport Communication Programme
AP	Asia-Pacific
API	Advance Passenger Information
APSP	Asia Pacific Security Project
ASI	Archaeological Survey of India
C4ADS	Center for Advanced Defense Studies
CAP	Counterfeiting and Piracy Group Meeting (WCO)
CBP	Customs and Border Protection (United States)
CDIB	Customs Drug Investigation Bureau (Hong Kong, China)
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 Trade in Endangered Species of Wild Fauna and Flora
DRI	Directorate of revenue intelligence (india)
ECE	Eastern and Central Europe
EUROPOL	European Police Office
GiZ	German Agency for International Cooperation
HKD	Hong Kong dollars
HMRC	Her Majesty's Revenue and Customs (United Kingdom)
HSI	Homeland Security Investigations (United States)
IAEA	International Atomic Energy Agency
IATA	International Air Transport Association
ICCWC	International Consortium on Combating Wildlife Crime
ICE	Immigration and Customs Enforcement (United States)
IED	Improvised explosive device
INCB	International Narcotics Control Board
INTERPOL	International Criminal Police Organization
IPR	Intellectual Property Rights
IWT	Illegal Wildlife Trade
JAITF	Joint Airport Interdiction Task Force
KCS	Korea Customs Service
LSD	d-Lysergic acid diethylamide
MDMA	3,4-Methylenedioxy-n-methylamphetamine (ecstasy)
ME	Middle East

MENA	Middle east and north africa
MHRA	Medicines and Healthcare Products Regulatory Agency
nCEN	National Customs Enforcement Network
NCP	National Contact Point
NPS	New psychoactive substances
OCU	Operational Coordination Unit
ODS	Ozone depleting substance
OIE	World Organisation for Animal Health
OPCW	Organization for the Prohibition of Chemical Weapons
PCU	Port Control Unit
PITCH	Preventing Illicit Trafficking of Cultural Heritage
PGS	Programme Global Shield
PNR	Passenger Name Record
RILO	Regional Intelligence Liaison Office
SALW	Small Arms and Light Weapons
STCE	Strategic Trade Control Enforcement
UAE	United Arab Emirates
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNODC	United Nations Office on Drugs and Crime
UNSC	United nations security council
UNSCR	United nations security council resolution
UPU	Universal Postal Union
USAID	United States Agency for International Development (USAID)
USD	United States Dollar
WCA	West and Central Africa
WCO	World Customs Organization
WHO	World Health Organization

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