



SINGAPORE CUSTOMS MEDIA RELEASE

SINGAPORE CUSTOMS GETS TOUGH ON CIGARETTE SMUGGLING AS OFFENDERS CAUGHT JUMPS 153% TO OVER 23,000

Singapore Customs has stepped up enforcement action against smuggling, peddling and buying of duty-unpaid cigarettes. Besides going after syndicates to cut off illegal cigarette supplies, Singapore Customs' anti-cigarette smuggling campaign also focussed on stamping out illegal street peddling, actions against end-consumers who buy contrabands and public education. As a result of the intensified operations, 2007 saw a 153 percent hike in the number of cigarette offenders arrested.

2 Singapore Customs attributes the high success rate of arrests to stepped-up island-wide operations to curtail both the supply and demand for contraband, as well as stringent checks at Singapore's entry checkpoints. Singapore Customs will continue to collaborate with its key law enforcement partners to further curtail cigarette smuggling activities.

More Cigarettes Offenders Caught

3 Of the 23,422 persons arrested for cigarette offences in 2007, 22,108 had their offences compounded. Another 1,314 were charged in court. On conviction, they faced court fines of up to 20 times the duty and GST evaded or \$10,000 (whichever is the greater) and/or imprisonment.

Table 1	Total Number of Offenders Caught					
	No. of Persons Arrested and Charged		No. of Persons with Offences Compounded		Total No. of Offenders	
2006	1,186	10%	8,081	174%	9,267	153%
2007	1,314	↑	22,108	↑	23,422	↑

Smuggling Syndicates More Cautious

4 In year 2007, 4.4 million packets of cigarettes, involving \$32.9 million duty and GST evaded were seized by Singapore Customs officers. Compared to the previous year, the 17% reduction in the quantity seized is attributed to the weakening of supply of contraband cigarettes being smuggled into Singapore. Feeling the heat from tough enforcement activities and stiff penalties, smugglers had taken the strategy of handling smaller quantities of contraband for each smuggling attempt. While 2006 saw cases of syndicates smuggling record hauls of duty-unpaid cigarettes, the modus operandi was markedly different in 2007. The syndicates had become more cautious in smuggling smaller quantities each time and inventive in concealing their contraband to avoid detection. During 2007, Singapore Customs enforcement officers uncovered a number of new concealment methods – cartons of contraband cigarettes were hidden in coffins, within rolls of carpets, within laminated table tops and wooden doors, under limestone debris etc. There were also cases of stashing of contrabands in specially constructed compartments in vehicles and amongst legitimate cargo declared as packet drinks, furniture, apparels etc. In 2007, a man was sentenced to nine-year's jail, the toughest sentence in 2007, for smuggling duty-unpaid cigarettes under the guise of importing furniture.

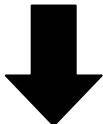

Table 2	Duty-unpaid Cigarettes Seized (in packets)	 17%
2006	5,300,000	
2007	4,400,000	

Table 3	Total Duty and GST Involved	 13%
2006	\$37,600,000	
2007	\$32,900,000	

5 Singapore Customs warns smugglers not to take any chances in 2008. Commenting on the annual enforcement results, Director-General of Customs, Mr Fong Yong Kian said, “We will not relent in our pursuit against offenders, even though 2007 was successful judging by the large numbers caught. We will spare no efforts to crush smuggling syndicates and to clamp down on street peddling and purchase of contraband by end-consumers. While Singapore Customs has stepped up enforcement efforts against cigarette smuggling, our actions will be more effective if end-consumers stop buying contrabands from illegal peddlers. We have recently increased the

composition sum to up to \$500 per packet of contraband cigarettes found in possession. We want to send a strong deterrent message that smoking duty-unpaid cigarettes is an offence with severe penalties.”

Strengthening Public Education and Awareness

6 Singapore Customs recognises the role that the public can play in bringing about a total enforcement strategy against cigarette smuggling. Therefore, apart from punitive measures and enforcement actions, public awareness and education are important. Besides organising community outreach sessions and talks at foreign worker quarters, Singapore Customs has recently launched a public awareness campaign using public buses to warn the general public about the severe penalties for those caught dealing in or smoking contraband cigarettes. The awareness campaign involves full bus advertisements on buses plying routes along hotspots such as Yew Tee, Geylang and Tampines. This campaign, which commenced in December 2007, will run till March 2008. Similarly, to warn travellers not to smuggle cigarettes upon returning to Singapore at the checkpoints, warning notices and deterrent messages on penalties have been posted on buses plying Singapore and Johor Bahru.

7 Singapore Customs warns that buying, selling, conveying, delivering, storing, keeping, having in possession or dealing with contraband cigarettes are serious offences under the Customs and GST Acts. On conviction by the Court, offenders can be jailed as well as fined. The vehicles used in the commission of the offence are also liable to forfeiture.

8 Members of the public with information on smuggling activities or evasion of Customs duty or GST should contact the Singapore Customs Hotline at 1800-2330000 or email to customs_intelligence@customs.gov.sg.

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Contraband cigarettes hidden within coffins – the first time ever case foiled by Singapore Customs officers.



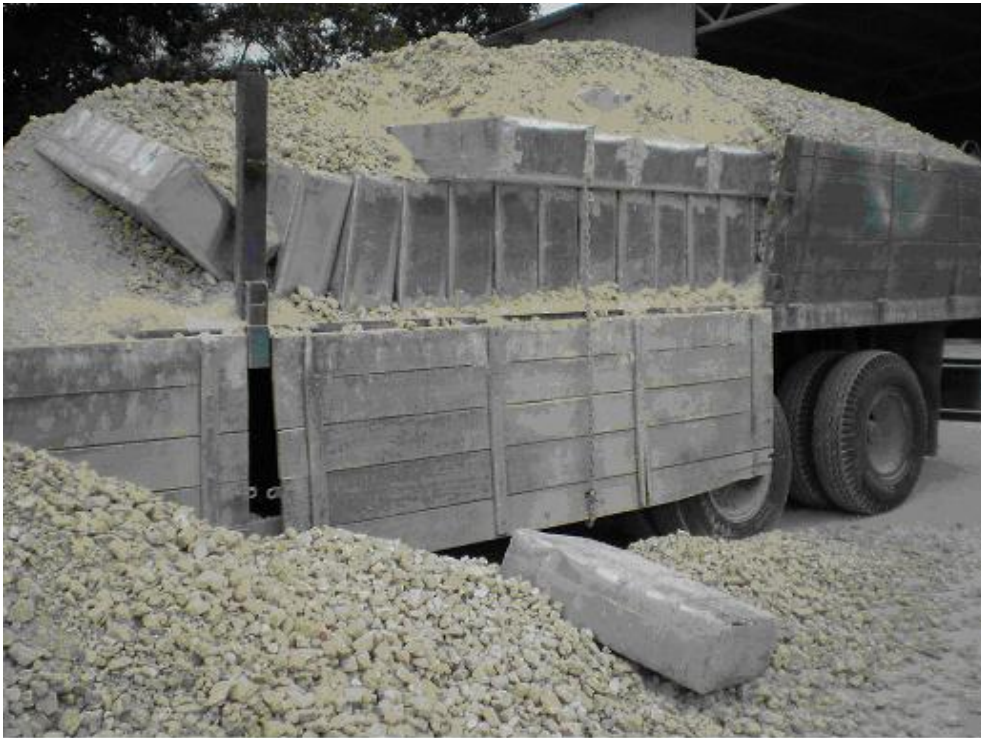
Sacks of chemical compounds used to conceal duty-unpaid cigarettes.



Specially constructed hollow-out wooden doors used to hide packets of cigarettes.



Carpets? Smugglers used carpet rolls to hide duty-unpaid cigarettes.



Duty-unpaid cigarettes seized from under limestone debris.



Cigarettes camouflaged by a container load of can drinks.



**Contraband cigarettes hidden within a hollow created by paper-angle bars
(cigarettes removed)**