



## SINGAPORE CUSTOMS MEDIA RELEASE

### SINGAPORE CUSTOMS' ANNUAL ENFORCEMENT RESULTS

For the first time since 2005, the number of cigarette offenders has declined after three years of consecutive year-on-year increase, as revealed in the annual 2008 enforcement results released by Singapore Customs. This fall is attributed to the effectiveness of Singapore Customs' enforcement and public outreach efforts. In 2008, Singapore Customs' risk assessment efforts not only crushed many attempts to bring in contraband cigarettes, many new concealment tactics used for the first time by syndicates were also uncovered. Year 2008 also saw significant enforcement actions against liquor and motor-vehicle duty-evasion cases.

#### Fall in the Number of Cigarette Offenders Caught

2 In 2008, 20,306 cigarette offenders were caught. This is a fall of 13% compared to 2007, and the first decline since 2005. Singapore Customs attributes the decline in cigarette offenders to the deterrent effects of stringent checks at the checkpoints and stepped-up enforcement inland. Our increased community engagement programme has also served to raise public awareness of the severity of cigarette related offences.

<b>TABLE 1</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Total number of Persons caught	20,306	23,422	9,267	6,751

3 In 2008, 1,382 persons were arrested and charged in court for dealing with illegal cigarettes. This represents a five per cent increase compared to 1,314 in 2007. The increase is attributed to stepped-up enforcement and collaboration with other agencies, such as Immigration &

Checkpoints Authority (ICA) and the Singapore Police Force (SPF) to interdict illegal cigarette shipments and disrupt the supply and subsequent distribution of illegal cigarettes in Singapore.

<b>TABLE 2</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Total number of Persons Arrested and Charged	1,382	1,314	1,186	807

### **Increase in Illegal Cigarettes Seized**

4 In year 2008, 4.6 million packets of cigarettes, involving \$35.5 million in duty and GST evaded were seized by Singapore Customs, five percent more than the quantity seized in 2007. The larger quantity seized was in line with the increase in the number of persons arrested for dealing with illegal cigarettes.

<b>TABLE 3</b>	<b>Duty-unpaid Cigarettes Seized (in packets)</b>	<b>Total Duty and GST Involved (in million)</b>
2008	4.6 million	\$35.5
2007	4.4 million	\$32.9
2006	5.3 million	\$37.6
2005	2.2 million	\$15.6

### **Effective Targetting to Interdict Illegal Cigarette Supplies**

5 Singapore Customs continued to have many successful interdictions of illegal cigarettes supplies before they could be distributed inland, thanks to vigilant risk assessment of inbound cargoes. Singapore Customs tracks and monitors the imports and declarations of goods to prevent syndicates from exploiting trade procedures to by-pass checks and duty and GST payments. The following two cases were examples of the result of effective targetting conducted on import shipments used to smuggle contraband cigarettes.

6 On 9 December 2008, a consignment declared as furniture chairs were targeted for checks after background investigations arouse our suspicion of dubious activities. Follow-up investigations revealed that the consignments were in fact contraband cigarettes. Singapore Customs took action, arrested three Singaporeans and one Bangladeshi and seized 144,110 packets of contraband cigarettes at an industrial park in Ang Mo Kio. The duty and GST involved

amounted to more than \$1.1 million. The men were charged in court, three were sentenced to four years eight months' jail each and the remaining Singaporean was awaiting sentencing.

7 In another earlier case on 21 November 2008, a consignment of goods declared as air filters was targeted by Singapore Customs after we suspected dubious activities arising from our background investigations. The consignment of "goods" arrived by rail. When Singapore Customs seized the consignment suspected to contain contraband cigarettes at a factory in Woodlands, officers found 24,500 packets of cigarettes instead of air filters. The total amount of duty and GST involved was \$190,000. The three Singaporeans and three Vietnamese arrested were sent to three years and one month's jail each.

8 Vigilant risk assessment efforts not only crush cigarette smuggling attempts, it has also revealed many "first-of-its-kind" concealment tactics used by smugglers to hide illegal cigarettes. In 2008, Singapore Customs officers found cigarettes hidden in the arms of excavator machines, sub-woofer systems, decorative Roman pillars, bamboo poles and even live prawn tanks! (refer to attached picture gallery). No matter how ingenious these concealment methods might be, Singapore Customs prevailed in crushing these attempts. Dealing with illegal cigarettes is a serious offence, and offenders will be brought to court and face heavy fines and imprisonment for fraudulent evasion of duty and GST.

#### **Number of Peddlers Fall, Buyers Rise**

9 Last year, the number of peddlers fell from 857 in 2007 to 684 in 2008. Arising from the tougher enforcement presence, peddlers are finding it more difficult to sell contraband cigarettes. Moreover, Singapore Customs' repeated interdictions of sources of contraband cigarettes had disrupted the supply of contraband cigarettes to peddlers, making it harder for them to operate.

10 Singapore Customs' suppression team did not let up in their enforcement checks for buyers and smokers of illegal cigarettes. In 2008, 6,356 offenders were caught for buying and smoking illegal cigarettes, a six percent increase over the previous year. Singapore Customs has beefed up ground enforcement efforts by deploying more than 20 uniformed Auxiliary for ground surveillance and patrol at the various hotspots and heartlands, as well as conducting more joint raids with other enforcement agencies to stamp out peddling and buying of illegal cigarettes. This has enabled more regular and wider coverage of enforcement checks in the various parts of

Singapore. The public are warned to stay away from illegal cigarettes as officers are on the ground round the clock to conduct checks. If caught, offenders can be fined \$500 per packet or be jailed.

<b>TABLE 4</b>	<b>No of Buyers Caught</b>	<b>No of Illegal Peddlers Caught</b>
2008	6,356	684
2007	6,012	857
2006	2,268	763

### **SDPC Markings**

11 Since the implementation of the new SDPC marking regulation on 1 January 2009, more than 570 buyers had been caught with illegal cigarettes within the first month of the law. As an added enforcement measure, the SDPC marking has increased the efficiency of enforcement actions by visually identifying legal cigarettes from illegal ones. Singapore Customs will closely monitor the situation to ensure that the SDPC regulation meets its objectives as an enforcement deterrence to keep illegal cigarettes off the street.

### **Other Significant Duty Evasion Cases in 2008**

12 Apart from tackling cigarette offences, Singapore Customs also had a busy year in 2008 investigating other duty and GST evasion cases. Last year, Singapore Customs brought eight persons to Court for alleged offences relating to fraudulent evasion of liquor duty and GST. The largest liquor duty evasion case brought to the court was in April 2008, when a director of a company had allegedly evaded more than \$6.2 million in duties and GST involving more than 576,300 bottles of liquor.

13 Similarly in 2008, there were also two court cases of fraudulent evasion of duty and GST involving motor vehicles. In June 2008, a Singaporean man was fined \$95,000 by the court for fraudulent duty and GST evasion through under-declaration, as well as falsifying documents when importing a luxury vehicle into Singapore.

14 Commenting on the annual enforcement results, Director-General of Customs, Mr Fong Yong Kian said, "With the current economic downturn, Singapore Customs would like to urge the public not to give in to the temptation of buying illegal cigarettes. There will be no let-up in our enforcement to stamp out contraband cigarettes and cigarette offenders will have to face the consequence of the law."

## **Let's Stamp Out Illegal Cigarettes Together**

15 Singapore Customs recognises the role that the public can play as part of our total enforcement strategy against illegal cigarettes. To announce the SDPC marking regulation, more than 15,000 posters and wobblers had been distributed island-wide to licensed cigarette retailers, 104 community clubs, 84 residents' committees, 16 town councils, 87 neighbourhood police posts and centres, as well as public transport companies in December 2008.

16 Apart from punitive measures and enforcement actions, strengthening community engagement is the next step in Singapore Customs' public education effort. Since January 2009, print notices on the major local newspapers and television carrying public advisory messages have been placed to raise public awareness on the issue. Singapore Customs will also be launching a series of community engagement roadshows island-wide, including hot-spot areas. The roadshows will debut on 27 February - 1 March 2009 at the Tampines Mall, where the public will be able to learn more about illegal cigarettes and how the community can play a part to stamp out illegal cigarettes. Members of the public can check out the Singapore Customs website at [www.customs.gov.sg](http://www.customs.gov.sg) for more details on the dates and venue for the series of roadshows.

17 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. The public are strongly advised not to buy illegal cigarettes. For possessing a packet of illegal cigarettes, an offender may face a minimum fine of \$500 or prosecution in court.

18 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](mailto:customs_intelligence@customs.gov.sg).

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**(Top and Bottom) Tanks containing live prawns were used as cover load to conceal duty-unpaid cigarettes.**



**Packets of duty-unpaid cigarettes were seized from a rubbish dump. The cigarettes were hidden in metal cabinets.**





**Cigarettes hidden in the arms of excavator machines**



**Decorative pillars concealing illegal cigarettes**



**(Left) The subwoofer looks just like any audio equipment. (Right) In fact, it has been hollowed-out to hide contraband cigarettes**



**Pieces of bamboo poles were used as a cover load to conceal packets of contraband cigarettes**



**Singapore Customs seized the largest haul of illegal cigarettes in June 2008 at 233,500 packets**

**Singapore Customs ended 2008 on a high note as enforcement strategies have proven to be effective to control the illegal cigarette situation**



**A total of 20,306 cigarette offenders were caught in 2008, the first time the number has fallen after three years**