



Singapore Customs Media Release

ILLEGAL CIGGIES' NEW HIDEOUTS SMASHED: BUDGET HOTELS

Two foreigners get 20 months' jail each for hiding 140 packets of duty-unpaid cigarettes and 22,500 pouches of chewing tobacco

On 22 September 2009, two foreigners – Marimuthu Palanisamy (male, age 25) and Sethu Pandian Umamaheswaran (male, age 34) – pleaded guilty for hiding duty-unpaid cigarettes and chewing tobacco in a hotel room. The foreigners were sentenced by the Court to 20 months in jail each for committing offences under the Customs and GST Acts. The cigarettes were worth about \$1,300 and the duty and GST evaded for both cigarettes and chewing tobacco totalled close to \$40,000.

Illegal Ciggies Sniffed Out In Hotel

2 On 19 September 2009 evening, an operation was conducted by Police on a budget hotel located along 51 Desker Road in Little India. During the checks on the second floor of the hotel, Marimuthu and Sethu were spotted acting suspiciously in one of the rooms. Officers found something amiss and in the presence of the two foreigners, began a thorough search of their room. Several bags containing duty-unpaid cigarettes and chewing tobacco were left lying in one corner of the room. The cupboards were also checked and officers found one cupboard fully packed with similar illegal goods.

3 Singapore Customs (SC) subsequently took over the case for further investigations. Both Marimuthu and Sethu were arrested immediately. SC also seized 140 packets of duty-unpaid cigarettes of Luffman brand and 22,500 pouches of chewing tobacco of assorted brands.

4 Investigations revealed that Sethu had booked the hotel room under his name and shared it with Marimuthu. Sethu was working for a local construction firm before he was injured during the course of his work. While awaiting the compensation for his work injury from the employer, Sethu was offered free accommodation in the hotel for safeguarding stocks of duty-unpaid cigarettes and chewing tobacco for a distributor.

5 Marimuthu was also formerly a construction worker but became an overstayer when his work permit expired. The same distributor came to know about Marimuthu's plight and tempted Marimuthu with the offer to subsidise half of the rental of \$60 a day for staying in the hotel as well as to pay him a commission of \$20 every time he handed the illegal goods over to the buyers. Being homeless and penniless, Marimuthu happily accepted the distributor's offer.

6 Both men had been staying in the hotel since early September 2009 before their arrest on 19 September 2009.

Modus Operandi Involving Budget Hotels

7 SC's investigations reveal that some syndicates dealing in illegal cigarettes and other tobacco products have been making use of budget hotels to store and/or sell such illegal goods to other distributors, peddlers and at times, end-consumers in the street. The distributors would usually engage cheap labour like Sethu and Marimuthu to help look after the stocks hidden in the hotels and/or hand over such illegal goods to the buyers. These low-cost "guardian angels" could double up as salesmen touting the illegal stuff to other guests in the hotels or to passers-by in the vicinity of the hotels and receive a commission for every successful transaction made.

"Guardian Angels" of Illegal Cigarettes Severely Punished

5 In return for free stay in the hotel and monetary rewards, Marimuthu and Sethu had allowed themselves to be lured to the wrong side of the law. For their offences committed under the Customs and GST Acts, the Court had dished out 20 months' imprisonment to the two foreigners on 22 September 2009.

6 Earlier in July and August 2009, SC raided two other budget hotels in Geylang which were used as storage or distribution centres for illegal cigarettes, with 2,800 packets of duty-unpaid cigarettes seized. Officers also arrested three persons in the two hotels and one of them, a distributor, has been sentenced by the Court to 42 months' jail. In particular, during the raid conducted in July 2009, two men were spotted selling illegal cigarettes to passers-by just outside the hotel located along Lorong 10 Geylang, and replenishing their stocks on-hand from a locked carrier box mounted on a bicycle parked nearby. Officers seized 15 packets of illegal cigarettes in the carrier box and then another 350 packets of such goods hidden in a wooden cupboard and a luggage in their hotel room. The men were arrested and are now awaiting sentencing by the Court.

[For case photos of the raid conducted at Lorong 10 Geylang, please refer to [Appendix](#).]

7 Since January 2009, 10 persons have been arrested in seven such hotels and a total of 4,350 packets have been seized. In 2008, SC caught 50 persons in 20 budget hotels and seized 12,500 packets, with the largest case smashed in Geylang where over 4,000 packets were seized and the distributor sentenced by the Court to 15 months' jail.

Budget Hotels Play An Important Role

8 SC urges hotel management and staff to inform SC whenever they suspect or know of any illegal cigarettes activities going on in their premises. This will help to keep illegal activities out and provide greater level of safety and security to their guests. SC also urges the hotels to maintain proper records of their guests' identities.

9 SC 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. Stiff penalties are imposed for such offences. The vehicles used in the commission of such offence are also liable to be forfeited. The public are strongly advised not to buy duty-unpaid cigarettes. For possessing a packet of duty-unpaid cigarettes, buyers face a minimum fine of \$500 or prosecution in court.

**ISSUED BY: SINGAPORE CUSTOMS
KASTAM SINGAPURA**

新加坡关税局
சிங்கப்பூர் காங்கத்துறை

DATE: 5 OCTOBER 2009

Case photographs for the raid conducted at Lorong 10 Geylang



Officers seized 15 packets of illegal cigarettes in a black carrier box mounted on a bicycle parked near the hotel

Case photographs for the raid conducted at Lorong 10 Geylang (cont'd)



In the presence of the two offenders, officers began a thorough search of their hotel room.

Case photographs for the raid conducted at Lorong 10 Geylang (cont'd)



**Officers found another 350 packets of illegal goods hidden in a wooden cupboard
... ..**

Case photographs for the raid conducted at Lorong 10 Geylang (cont'd)



... .. and a luggage in the offenders' hotel room.