



TULLI
TULL · CUSTOMS

Finnish Customs Enforcement 2016



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Editorial

More with less

Several years ago, our previous government started considering how to handle the public sector in the future. It was clear already at that time that there will be ever fewer resources for the public sector each year. At the same time, we are faced with ever-increasing tasks and expectations. Customs also started considering its own future at that time. Some people held the view that society, based on its investment into its loyal public service core, would receive exactly what it deserved; less results based on smaller resources.

At that time, I made a cautious promise from the viewpoint of customs enforcement, and said that we will achieve at least the same results as before with fewer resources. I should have been bolder, and promised more results.

Once again in 2016, Customs showed that its capability and operational efficiency are not debilitated by dwindling resources, pressure from outside parties, an operational environment that requires ever quicker reactions, or by an increasingly fragmented field of information. On the contrary, we are motivated by these circumstances to strive towards better results. At the same time, customs enforcement and investigation personnel have developed their cooperation with great progress. In particular, Operation Tornio served as a learning platform for cooperation. The results produced by the customs enforcement sector improved in 2016 in all areas when compared to previous years. Especially our operative personnel deserve big thanks for this, as do the ground-breaking people responsible for development and new innovations.

However, it is not possible for Customs to be the best in everything in Finland or in Europe. Maybe we do not want or need to be the best in



everything either. This is reflected in the operational plan of the customs enforcement sector, valid now for many years. It entails something old, something new, something borrowed and something blue.

We do not hesitate to hold on to well-functioning practices, and at the same time we are not averse to copying the practices of other agencies and integrating them with our own. On the other hand, we always want to be developing something new, and be vanguard pioneers both domestically and internationally. Above all, we have the energy to think and dream about a better future.

I see Customs personnel as good workers and top professionals, something we should be proud of. The fact that, from time to time, one hears ideas about the integration of Customs with some other organisation, about our agency's transfer under some other management, or about Customs being divided between several agencies, could also be a very positive thing.

Customs performs its tasks with excellent results and with a professional attitude. An indication of this is

that everybody wants to have at least a part of our organisation. I wish for calmer times in the discussion about the changes Customs is facing so that we can all focus on what we are really here for - the service of society.

We have accomplished a lot, but we need to do a whole lot more to shed our skin. It is our task to take part in the great upheaval that will result in a new, modern customs authority. This is our obligation, but it is also an opportunity. In terms of attitude, there are two necessary questions; who wants a change and who wants to change? If you can give a positive answer to both questions, you are more than halfway through the long journey we are on.

Thank you for the past year and all the best for 2017!

*Sami Rakshit
Director of the Enforcement Department*

Crime overview 2016

Customs registered 9 581 **criminal offences** in 2016, slightly less than in 2015. The total number of offences has stayed at approximately the same level since 2012. **The number of tax frauds (914)** was at its highest in five years. The number of detected aggravated tax frauds (109) was at its highest during the five-year comparison period. **The number of medicine offences (854)** was higher than in 2015.

The number of narcotics offences increased clearly in comparison with 2015. Altogether 3 187 offences were uncovered, whereas in 2015 the number was 2 312. The highest increase occurred in standard narcotics offences, a particularly large number of which were uncovered in postal traffic. There were also more aggravated narcotics offences than in 2015.

The quantity of seized narcotics, 1 036 kg, was the lowest in five years. This was due to the popularity of dried khat, a factor which contributed to the decrease in kilograms. Customs seized 107 000 ecstasy tablets, a quantity almost tenfold when compared to the corresponding period in 2015.

The quantity of seized narcotic medicines, about 82 000 tablets, was more than double the quantity seized at the corresponding time in 2015. As for narcotic medicines, Customs seized almost 21 000 tablets of Subutex, which marked an increase of over 10 % in comparison with 2015.

Alcohol-related offences and seizures dropped clearly when compared to 2015. In 2016, Customs seized only 457 litres of alcohol, which was just over one tenth of the 2015 quantity. Also **doping seizures** (ca. 28 000 tablets) dropped by about a quarter from 2015.

Customs seized a record quantity of **snus**, 3 442 kg. In 2015, the seized quantity was 1 200 kg and in 2014 it was 540 kg.

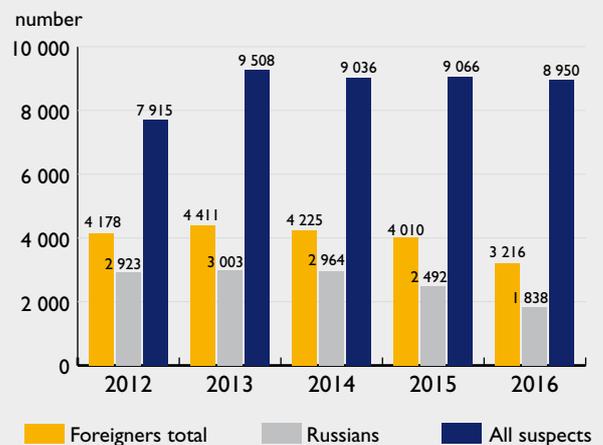
The impact of customs crime prevention during the comparison period amounted to almost 225 million euros, which is clearly the highest amount in five years. When measured in euros, the most significant rise in value occurred with unseized goods (about 197.4 million euros in 2016 and 1.79 million euros in 2015). The dramatic difference in the amounts is due to one single criminal case relating to narcotics. The amount of recovered proceeds of crime, 19.3 million euros, was about 8.6 million euros higher than in 2015.

As for **the impact of economic crime investigation**, the damages caused in the investigated cases amounted to about 13.7 million euros, an amount almost 6.5 million euros higher than in 2015.

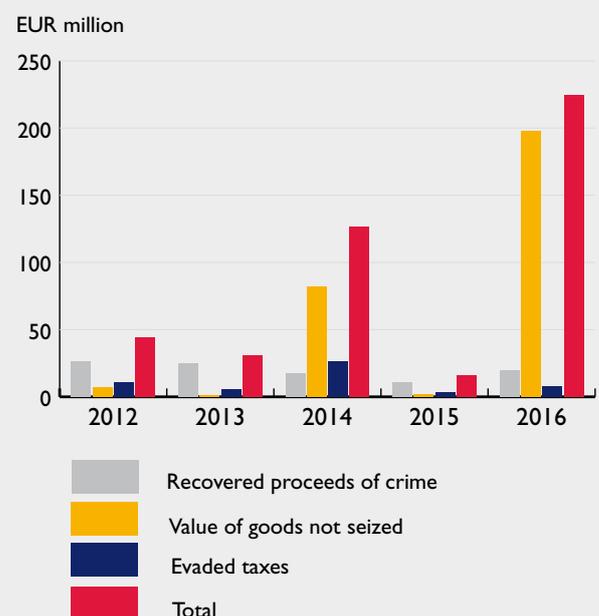
Offences detected by Customs 2012–2016



Suspects of offences 2012–2016



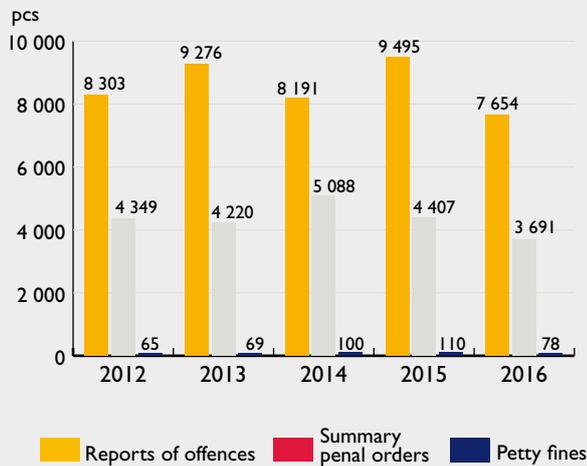
Impact of customs crime prevention 2012–2016



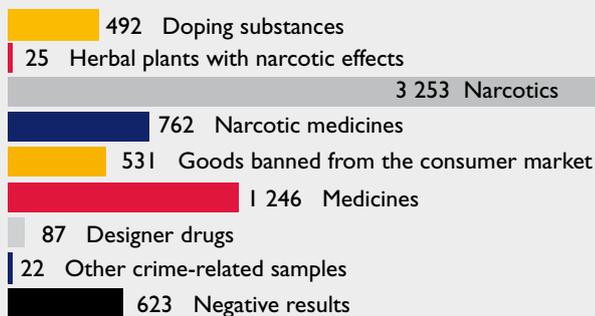
Customs enforcement

Product safety control

Reports of offences, summary penal orders and petty fines 2012–2016



Customs offence investigations (number) – Illegal imports in 2016



Source: Customs Laboratory

In 2016, Customs examined the regulatory compliance of altogether 5 600 consignment samples. The objective was set at 6 000 samples, which meant an actual examination rate of 93 %. In 2015, the examination rate was only 84 %.

Customs examined altogether 2 346 consumer goods samples, which also included supplies that came into contact with foodstuffs. A further 3 254 samples of foodstuffs were examined. The emphasis of consumer goods controls was on third country imports, whereas controls of foodstuffs focused on internal market products.

A total of 439 consignments, which is about 8 % of the examined consignments, was found to be in serious breach of regulations. Decisions on rejection were given on these consignments, prohibiting their import and entry to the market. Some of the decisions were given as conditional, in which cases it was theoretically possible to fix the consignments. Minor errors were found in 515 consignments, which is about 9 % of the examined consignments. Consignments with minor deficiencies do not require any measures.

Altogether 17 % of the products examined in terms of safety turned out to be in breach of regulations in 2016. The share of products that did not comply with regulations was slightly higher in 2015, about 20 %.



Merilinna

The Merilinna (“sea fortress”) project was established on 1 March 2013 in cooperation by Turku Customs and the West Finland Coast Guard. Since December 2015, Merilinna has comprised a part of the intelligence and analysis operations of the Enforcement Department. Through intelligence and analysis, national-level risk analysis information is obtained on cargo vessels which are in traffic within the EU and which arrive, depart and transit through Finland from outside the EU and Schengen.

The electronic data system for sea traffic, Portnet, is a system that serves various authorities according to the National Single Window (NSW) principle. Customs and especially the Merilinna project have an increasingly important role in the use of the system. Since spring 2016, Merilinna has monitored transports of dangerous substances on Finnish territorial waters and the lodging of related declarations by cargo ships after an inspection by the Commission and according to instructions from the Enforcement Department. The Portnet system, cargo data systems and the declaration system maintained by the European Maritime Safety Agency (EMSA) serve as tools in these operations.

Altogether 13 cases involving deficiencies or negligence in declarations on dangerous substances were entered in the EMSA system, from where the information was sent to other Member States. Any possible further measures, i.e. penalty fees, are the responsibility of the sea traffic group that operates under the Electronic Service Centre of Customs.

Cooperation and communication of risk-related information

In December 2016, a cargo ship arrived in Finland from Russia. According to the Portnet declaration given on the ship, it was carrying cargo which was not to be unloaded. The EORI number given by the representative was incorrect, and there were no ARES declarations available. The Intelligence and Analysis Unit investigated the negligence relating to ARES declarations. A risk notification concerning the ship was sent to the EU customs system. A SafeSeaNet notification was sent to the EMSA system of the Commission (DG MOVE).

The ship arrived in Finland from Russia, and its next reported destination after Finland was Iran, a country under EU sanctions.

In August 2016, Merilinna authorities received information on a 20-year cargo vessel through the West Finland Coast Guard. The ship had, all of a sudden, started sailing under the flag of Palau while in Lithuania. The crew comprised mainly Syrians, and based on the obtained information was headed for Syria, a country in a state of war.

The ship was first en route from Estonia to Sweden and from there to Finland, which meant that there was a risk of smuggling or illegal entry to Finland. The crew was monitored both in Finland and in Sweden, and their movements on the Baltic Sea were tracked closely through the AIS satellite location system. The European Border and Coast Guard Agency,

Frontex, was also notified of the ship after it departed Finland.

In November 2016, Merilinna authorities and the West Finland Coast Guard observed a cargo vessel from Sweden anchoring in Finnish waters south of Hanko without having submitted any required advance declarations and without any intention of entering Finland. The Vessel Traffic Services subordinate to the Finnish Transport Agency provided the contact details for the ship. The authorities were then able to instruct the ship’s crew on the necessary measures related to anchoring in Finnish territorial waters, and on the obligation to provide required information.

Merilinna personnel monitor the situation in Finnish territorial waters, and observed 25 similar cases of anchoring in 2016. Other control targets under the Merilinna project in sea areas include cargo vessels that transfer cargos. Up to 143 such vessels were observed in 2016.

The fact that ships anchored off the coast of Finland was a factor in the implementation of fairway dues. In 2014–2016, the direct economic impact achieved through the Merilinna project amounted to about 75 000 euros and mainly involved failures by ships to declare required information. Controls of export consignments jointly conducted by Merilinna authorities and interest groups of Customs has resulted in subsequent taxation amounting to four million euros.

Smuggling of cigarettes and alcohol

In 2014, Customs personnel working within the Merilinna project received information from German authorities on unusually large supplies involving a cargo ship sailing under the flag of Gibraltar. The supplies comprised especially cigarettes. The movements and port calls of the ship were followed closely, and its crew and warehouse details were scrutinised intensely. The

German authorities provided continuous information on new ship supplies, as the ship was on a fairly regular route. At the same time, enforcement personnel carried out several inspections of the ship’s storage spaces and other general facilities in Finnish ports.

The ship was inspected in Rauma in 2015, at which time the authorities found 520 cigarette cartons and 108

litres of strong alcoholic beverages concealed in the hull of the ship and in utility tunnels. The products had been obtained free of tax at a ship supply shop in Germany, and were not intended for conventional use on board the ship. The case is being investigated by Customs investigation personnel.

Our new sniffer dog

The role of Customs in securing the internal security in Finland has become increasingly important with events in Europe and unstable circumstances elsewhere in the world.

Customs officers have trained a sniffer dog in cooperation with other authorities for searching weapons and explosives mainly in commercial traffic. The customs officer who trained the dog has received training in weapons and explosives for example at the Engineer School of the Finnish Defence Forces and at the Police University College. The dog trainer has also completed a blast training course.

The sniffer dog is trained to detect the most common types of explosives in military and civilian use. The dog is stationed at Airport Customs, but when required will work in different areas throughout Finland according to a separate plan.



New look for customs patrol cars

All PCB authorities have renewed the appearance of their vehicles. Customs has also started using vehicles that have a new look. Pictured here is a car used by Airport Customs.



Diverse tasks at Postal Customs

The mobile control team for postal traffic at Airport Customs mainly controls consignments that arrive from outside and inside the EU, and which are in transit and departing from Finland in air traffic. Mobile controls are carried out by four customs offices in the Helsinki region.

The explosive increase in Internet trade has posed challenges to controls of postal consignments from abroad. The activity at Helsinki Airport takes place at a rapid pace, and consumers need their goods delivered quickly.

The work requires knowledge of restrictions, prohibitions, legislation and regulations, as well as keeping up with new trends in the context of designer drugs and consumer goods.

Cooperation with internal and external interest groups is important, and customs and postal processes are taken into consideration in postal controls in many ways. These processes are developed through well-functioning cooperation. Customs has harmonised its training and developed new methods of cooperation with the Po-

lice, the Border Guard and the Defence Forces.

In addition to carrying out controls, customs officers select consignments for customs clearance. The selection of consignments requires strong professional skills and extensive experience. A consignment is selected for customs clearance when its value exceeds 22 euros, or when the value of a gift consignment exceeds 45 euros. The consignment is taken in for temporary storage, and Posti notifies the customer of the arrival of the consignment. Once the customer receives notification of the arrival, they can clear the consignment either

Each year, Postal Customs uncovers about 3 000 criminal offences and carries out over 2 000 administrative seizures. Crime prevention units throughout Finland take part in the work.

through Customs' web service, by visiting a customs office or through postal forwarding.

The mobile control group carries out an increasing number of customer service tasks. Customers are instructed daily by telephone and e-mail in Finnish, Swedish and English. In order to provide professional customer service, customs authorities must have broad knowledge and skills in customs clearance and taxation, and the ability to instruct customers in customs clearance. Customers need guidance especially in using the Import Declaration Service. Customs authorities must know the grounds on which goods can be exempt from customs duties, and be able to decide if the requirements for customs duty exemption are met based on customer interviews and document controls.

Differences in regulations concerning imports by travellers and postal traffic that affect the customs treatment of goods must also be noted in customer service.

Postal Customs carries out several goods controls on a daily basis at the request of the Electronic Service Centre. Customs officers must have broad knowledge of the restrictions, authorisations and prohibitions concerning different products. Controls may result in various further measures such as administrative seizures, reports of offences, or seizures of goods for as long as information on them is found.

Along with Internet trade, designer drugs have become a permanent phenomenon, and detecting them from among legal goods is difficult. The mobile postal control group and the Customs Laboratory work to prevent the entry of designer drugs on a daily basis.

In 2015, Europe received millions of asylum seekers, which was also reflected in the controls of goods that

entered Finland. In 2016, somewhat fewer documents than in 2015 were sent to Finland. However, numerous counterfeit documents were observed among them.

In terms of the internal security in Finland, it is important that the authorities are able to prevent the entry of illegal consignments containing explosives and related precursors into the country. Employees must have a secure work environment, and instructions must be in place in case of changing situations.

In the future, new enforcement

technologies will be taken into use for controls of postal consignments arriving from abroad. These technologies are based on automatic solutions and mobile innovations. The enforcement technology must be up-to-date in terms of combating threats related to CBRNE substances (chemical, biological, radioactive, nuclear and explosive substances), and of countering the extensive and ever-changing range of designer drugs. The new technology will hopefully facilitate enforcement work and enable the allocation of resources for other enforcement tasks.



Seized consignment of cocaine.

Train X-ray facility taken into use in Vainikkala

The train X-ray facility that was previously located in Vuosaari Harbour has been moved to the Vaalimaa border crossing point. Customs and the Traffic Safety Agency cooperated in moving the device. The device was taken into use in early 2017 after it was tested and approved for use by the Radiation and Nuclear Safety Authority. The Vaalimaa X-ray facility is responsible for controlling the device and for interpreting the X-ray images.

The device is used to scan import and export cargo in traffic on the railways between Finland and Russia. Each year, about 250 000 transport units travel through Vaalimaa, which is about 40 % of the railway transport units in traffic between Finland and Russia.

Most of the goods traffic that passes through Vaalimaa compris-

es bulk goods. The X-ray device is an important tool in the supervision of the railway cargo that travels through Vaalimaa.



Economic crime

Customs classifies cases involving breaches of legislation on customs enforcement and tax collection as economic crimes. An economic crime is an offence committed in connection with legal business activities in order to gain financial benefit.

In the cases that Customs investigates, the main offence is usually a standard or aggravated tax fraud. Other offences investigated as economic crimes include cases of forgery, customs clearance violations, environmental offences and accounting offences. Other offences that Customs considers economic crimes include the smuggling of excise products such as alcohol and cigarettes, when the smuggling is comparable to business and professional activity even with the absence of actual business structures.

Customs faces challenges in the prevention of economic crime in the form of new phenomena such as offences involving electronic and internal trade. The Internet is used to an increasing extent in marketing and selling highly taxable products to consumers while evading the tax regulations concerning the products.

In 2016, the overall number of tax frauds investigated by Customs continued to increase. Customs uncovered 914 tax frauds, which is 58 cases more than in 2015. A lower number of standard tax frauds, 183 cases, was uncovered. The number of aggravated tax frauds increased by 40 cases in comparison with 2015.

The cases of aggravated tax fraud classified as economic offences and investigated by Customs were mainly cases of illegal import of cigarettes, alcohol and snus. Cases classified as economic offences involved car tax, waste tax, excise duty, value added tax and customs warehousing.

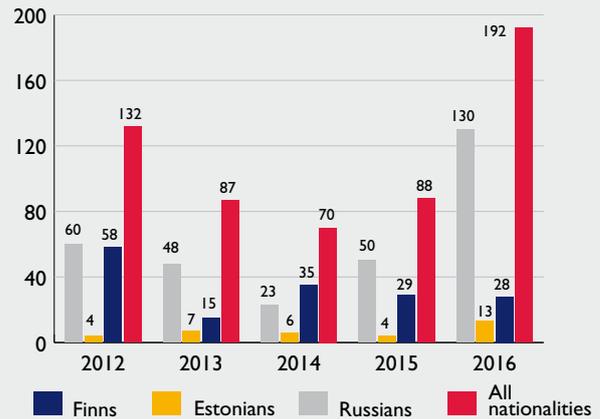
Uncovered economic offences

In late 2016, the number of open economic crime cases under investigation by Customs dropped by three cases in comparison with 2015. The number has dropped by half to about a hundred cases since the end of the peak year of 2012.

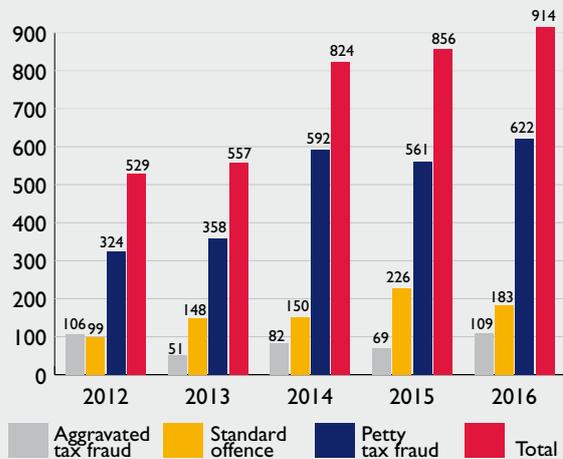
Also, Customs registered fewer new cases of economic crimes than in 2015, when Customs registered 149 new criminal cases, which is under the 2006–2015 average of 165 criminal cases per year. In 2016, Customs concluded the investigation of 173 economic crime cases, a number slightly lower than in 2015.

On average, the investigation of economic crimes by Customs took an increasing amount of time until 2011, after which the investigations

Aggravated tax frauds, suspects 2012–2016

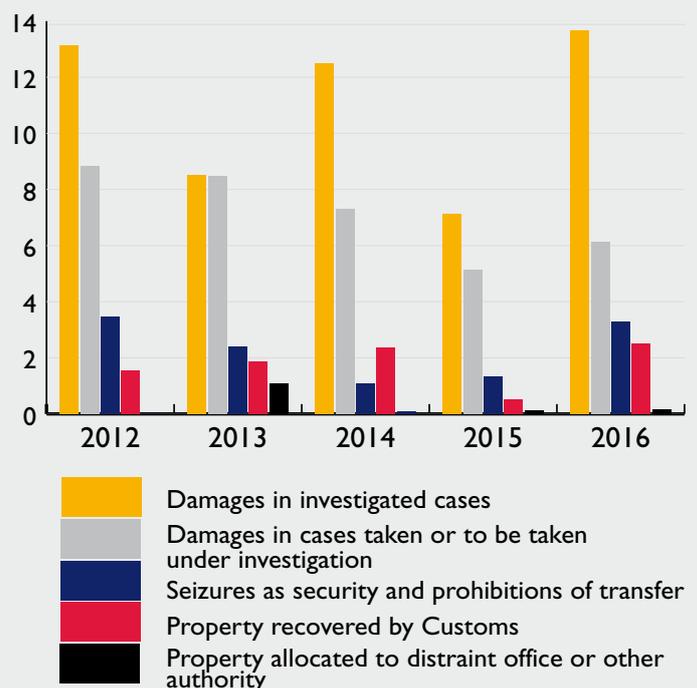


Tax frauds 2012–2016



Impact of customs investigation into economic crime 2012–2016

EUR million



have clearly lasted a shorter time. In 2016, investigations took an average of 252 days, that is, they lengthened somewhat from the 230 days in 2015. However, in 2012–2015, the average investigation time of concluded economic crime cases was clearly longer than in the first decade of the 2000s. The international networking of criminals, the task distribution in criminal operations and their implementation in several brief periods demands more and more effort from crime intelligence and investigation. This in turn explains the longer durations of investigations.

The overall processing time of economic crime cases by Customs was longer again in 2016. The average duration was 273 days.

The impact of economic crime prevention

The societal impact of customs crime prevention amounted to 25.77 million euros, almost 12 million eu-

ros more than in 2015. The impact of economic crime prevention by Customs comprises damages resulting from the cases investigated, damages resulting from cases under investigation or yet to be investigated, and recovered proceeds of crime. The damages recorded in cases investigated by economic crime investigators amounted to almost 14 million euros in 2016. In 2015, the corresponding figure was 7.1 million euros. The amount of damages resulting from cases under investigation or yet to be investigated also increased by almost one million euros.

The amount of recovered proceeds of crime consists of property recovered by Customs, of confiscations as security and prohibitions of transfer, of property assigned to distraint officers, and other property.

In 2016, the total registered amount of recovered proceeds of crime was 5.97 million euros, whereas in 2015 the amount was 1.98 million euros. The growth in recovery is mostly explained by the fact that the

registered value of property seized by Customs was just over 2.5 million euros, which was about 2 million euros more than in 2015.

In addition, the value of property confiscated as security and under prohibitions of transfer reached 3.28 million euros. In the two previous years, the registered value of property seized by Customs has only been just over one million euros. There were no significant changes in the value of property assigned to distraint officers or other authorities.

The amount of recovered proceeds of crime and their share of registered damages caused by criminal offences vary depending on the nature of criminal cases each year. More resources and cross-border cooperation are required for investigating criminal offences and for recovering proceeds of crime, as criminals engage in international networking and divide their tasks across borders with the help of data networks, and split their criminal operations into small-scale activities.

Illicit import of explosives

The Customs Economic Crime Investigation Unit investigated a suspected offence involving explosives in 2015–2016. During the spring of 2015, Customs intercepted five packages addressed to the post box number of a person in Hamina.

Customs officers found the packages to contain tens of thousands of pistol and rifle primers, bullets and cartridges, as well as machine gun clips. It was established in the preliminary investigation that, according to the Finnish government decree on explosives, the primers comprised explosive material and their import is subject to licence. There were altogether 30 000 primers for which a licence was required. It would have been possible to manufacture the same number of ammunitions of various calibres from the intercepted goods.

Investigation officers uncovered information based on which they

could identify the person who ordered the primers. He was found in Finland and questioned on suspicion of an offence. The suspect was a Russian who often visited Finland and who had ordered the primers from Germany to Finland through the Internet.

The suspect said that he ordered the goods to Finland due to the reliable postal logistics in the country, and was supposed to take the primers to Russia. The suspect also said that all of the goods he had ordered were meant for his own use, and he had not found out in advance if their import was subject to licence.

A firearm licence valid in Finland would have been required for the primers. Furthermore, the import quantity of primers is restricted to 1 000 primers or two kilograms of gunpowder. The importer did not have the required licence for importing the primers, and it was not pos-

sible to obtain a licence afterwards. The import of the goods from Finland to Russia would also have been subject to restrictions. Charges are being considered in the case, and it will be processed by Vantaa District Court during the winter of 2017.



Removal vehicle brought to Finland on false grounds

The import of a removal car to Finland on false grounds resulted in a district court sentence for tax fraud and counterfeiting, and the subsequent collection of about 13 000 euros in taxes.

The suspect in the case imported two BMW X5 cars as removal vehicles to Finland in 2008 and 2011. He received altogether 26 900 euros in car tax reductions for the vehicles. The taxation value of the cars, which was used in calculating taxes and other import costs, was about 70 000 euros in 2008 (car tax ca. 19 000 euros), and about 75 000 euros in 2011 (car tax ca. 21 000 euros).

The Finnish Car Tax Act provides that a vehicle for which a car tax reduction is granted is placed under a transfer restriction when a decision on taxation is granted. The expiry of the time limit for the transfer restriction continues only when the person moving and the removal vehicle are simultaneously in Finland.

In autumn 2010, the suspect applied for a waiver of the transfer restriction concerning the removal vehicle which he imported in 2008. The suspect had withheld information needed for the application by omitting to mention trips abroad he made during the transfer restriction, even though the application form had specific instructions on the required information. Once the transfer restriction no longer applied, it was possible for

the suspect to sell the car sooner than what he was entitled to, and without any consequences in terms of taxation.

This meant that the suspect was not entitled to a tax reduction for the vehicle he imported in 2011 either, as the regulations in the Car Tax Act concerning removal vehicles provide that the time limit of the sale and transfer restriction of a previously imported removal vehicle should have ended prior to the move to Finland. Furthermore, the suspect gave false information on circumstances affecting the imposition of tax in a car tax declaration lodged upon the import of another removal vehicle in autumn 2011. On the form related to the tax declaration, the suspect stated that he had been abroad between 7 June 2010 and 30 June 2011, and that he had spent 25 days in Finland during the year preceding the removal date. He also stated that he had used the removal vehicle abroad for the required minimum time period of six months between 20 December 2010 and 22 September 2011.

The preliminary investigation revealed that the information in the car tax declaration lodged in 2011 on the duration of the suspect's stay abroad and in Finland, and on the time of use of the removal vehicle abroad, were not accurate. The information given by the suspect was proven wrong through written evidence and witness statements. The suspect had, among

other things, notified Customs that he was abroad at certain times, but had in fact been in Finland playing golf. The investigation revealed several similar discrepancies.

The importer was also suspected of having presented Customs with a false document as an attachment to the car tax declaration. Customs Car Taxation had requested further information from the suspect about his move to Finland. On 28 September 2011, the suspect gave Customs a copy of an air ticket to serve as documentation concerning his move. The suspect was under the obligation to provide a truthful account. According to information obtained by customs investigation authorities, the air ticket details including information on the passenger, flight date and travel route had been falsified.

With the amended Car Tax Act, tax allowances are no longer granted for removal vehicles. Transitional regulations concern vehicles on which a binding purchase agreement was made no later than on 31 December 2014, and which are used by persons relocating to Finland by the end of 2017.

The car below is not involved in the case.



Charges considered in tax fraud involving Internet trade of electronics

In summer 2016, the Customs Economic Crime Investigation Unit transferred an extensive tax fraud to the prosecutor for consideration of charges. The investigation of the case started in 2013. The case involved five instances of aggravated tax fraud and one aggravated accounting offence concerning sales of electronics to Finnish consumers through several websites.

The electronics were purchased in countries where the price level of electronics is lower than in Finland. After purchase, the products were sold to Finland through the Internet with prices lower than those offered by Finnish contenders, and without any value added tax paid in Finland. Persons both formally and factually re-

sponsible for companies behind the websites were suspected of criminal offences.

The investigated business activity was arranged internationally in a complex way between several countries with the purpose of avoiding VAT payments and to hinder investigation efforts. The business arrangements covered Finland, Estonia, the United Kingdom, Malta, Cyprus, Seychelles, China and the United Arab Emirates. Payments by customers were directly transferred to foreign accounts. Through complex business arrangements, the perpetrators sought to conceal the actual ownership arrangements of the companies and tried to hide their operations behind foreign businesses in order to mislead tax au-

thorities.

The offences that constituted the case were committed in Helsinki between 11 June 2009 and 12 March 2014. According to calculations by the Tax Administration, the perpetrators evaded taxes for a total sum of over 2.2 million euros for the accounting periods 2009–2012.

During the preliminary investigation, Customs requested legal assistance from authorities in several other countries, a factor which delayed the investigation. The matter was transferred to the Helsinki Prosecutor's Office for consideration of charges in the summer of 2016, and possible charges in the case will be brought during 2017.

Effective combat against the shadow economy

In 2016, Customs levied a total sum of 10.8 billion euros in taxes and other payments to the state of Finland. Back taxes amounted to only 0.08 % of the total sum. In 2012–2015, Customs levied 41.5 billion euros in taxes. The share of back taxes was 0.15 % during that period.

Customs collected 170 million euros in subsequent tax recoveries through corporate audits and document controls during the stepped-up shadow economy prevention programme for 2012–2015 that was based on a decision-in-principle by the Finnish Council of State. During the same period, the societal impact of customs crime prevention amounted to 87.1 million euros.

As regards 2016, the amount of subsequent tax and payment recovery proposed on the basis of corporate audits and document controls reached 60.7 million euros, that is, just under 36 per cent of the amount of subsequent recovery in 2012–2015.

In 2016, the societal impact of Customs' prevention of economic crime amounted to a total of 25.7 million euros. Recovered proceeds of economic crime amounted to 5.97 million euros in 2016. The results achieved during 2012–2016 show that Customs' economic crime prevention efforts have been efficient and well-aimed.

Finnish Customs' actions against the shadow economy had a direct and indirect impact amounting to almost 86 million euros in 2016.

Two million euros in subsequent taxes from distance sellers of alcohol

As part of the combat against the shadow economy, Customs took stepped-up measures in monitoring distance sellers of alcohol in 2016. By means of analysis and customs control as well as other measures, Customs has intervened in the distance sale of alcohol which has seen a steady growth with the rise of online commerce.

In 2016, the Customs Excise Taxation Unit collected almost two million euros in excise duties, including tax increases and surcharges, as subsequent recovery from distance sellers of alcoholic beverages. At the turn of the year, Customs' tax collection tasks changed significantly, as car and excise taxation were transferred to the Tax Administration in accordance with the government programme on 1 January 2017. The Tax Administration recovered value added tax from dis-

tance sellers of alcohol, and Customs levied excise duties.

In 2016, the Economic Crime Investigation Unit investigated the biggest distance sellers of alcohol that operated online. The companies in these cases have been operating from Estonia and running online stores in Finnish for sale of alcohol. The companies have not had a tax representative in Finland, and no excise duties or import VAT have been paid to Finland. The amount of evaded excise duties in the cases investigated in 2016 was over 1.7 million euros. Investigations are still ongoing in some cases.

It can be difficult for consumers to realise that the cheaper selling price of products is due to the fact that the company in question does not pay taxes. Unpaid taxes have a negative impact on the national economy and distort competition between companies, thus hampering the activities of law-abiding tax-paying companies.

VAT fraud prevention in Community trade through international crime prevention

Customs acts as the national coordinating authority and represents Finland in EMPACT MTIC (European multidisciplinary platform against criminal threats, missing-trader and intra-community fraud).

Customs and the Tax Administration are currently conducting economic crime investigations into several cases involving Community trade VAT where several millions of euros in tax benefits have been gained illegally. Efficient and real-time domestic and international crime prevention cooperation plays indeed a key role in solving cross-border offences by professional criminals.

The fight against the shadow economy goes on

Customs will continue its efficient actions against the shadow economy in cooperation with other authori-

ties. In line with its strategy for 2016–2020, Finnish Customs will combat the shadow economy efficiently, as well as protect society by ensuring product safety and preventing serious cross-border crime.

A national strategy for the years 2016–2020 has been drawn up regarding the shadow economy and economic crime prevention, as well as an action plan. Customs will participate in the implementation of 11 projects listed in the action plan. Customs has drafted a shadow economy prevention programme that includes 23 projects for 2016–2020. Customs' own shadow economy prevention programme comprises legislative cooperation projects, organisational development projects, and development and targeting of activities.

Customs combats the shadow economy in all areas of its activities, a task shared by all Customs personnel. The objective for the combat against the shadow economy is to efficiently prevent the problems caused by criminal activity to society and businesses.



Intellectual property offences

In 2016, Customs detained 95 consignments of IPR products on which 164 IPR notices were sent to right holders. Altogether 83 % of the notices resulted in further measures.

Customs detained a total of 45 873 products based on the EU anti-counterfeiting regulation (608/2013). The value of products on which Customs took measures based on the notices was 3 129 822 euros.

Of the IPR notices, 82 % involved mail or fast freight deliveries, whereas in 2015 the figure was 38 %. It should be noted that the consignments in these traffic forms are small compared to, for example, freight consignments in transit traffic.

Of the detentions, 90 % involved import goods and 10 % took place in transit traffic. However, detentions of transit goods covered 81 % of all IPR notices sent to right holders, as well as most of the value of goods detained from entering the market.

Airport Customs handled 95 % of the detentions. Of these, 68 % were done in controls of postal traffic. Other customs offices that took part in detentions were Turku Customs (Tampere), Nuijamaa, Vaalimaa and Kotka.

The detained consignments contained for example car spare parts, mobile phone accessories and spare parts, sports shoes, clothes, handbags and dish sets, and even a counterfeit sleeping bag.



IPR stands for intellectual property rights.

	2012	2013	2014	2015	2016
Suspected counterfeit products, pcs	279 603	193 636	90 336	92 836	45 873
Share of imports, pcs	129 166	38 309	84 605	89 792	4 587
Calculated value (euros)	6 426 147	5 292 792	2 048 436	525 724	3 129 822
Reports to trademark holders	179	126	86	91	164



Measures taken with small consignments

The most important single-most change when compared to previous years was the significant increase in detentions of goods under the small consignments procedure. Article 2 of Regulation (EU) No. 608/2013 defines a small consignment as being a postal or express courier consignment, which a) contains three units or less, or b) has a gross weight of less than two kilograms. Article 2 is applied in responding to the continuous IPR enforcement challenges resulting from Internet trade.

Right holders must request for the small consignments procedure to be applied when lodging applications for action for processing by customs administrations of EU Member States. According to Commission statistics, the years since 2010 have seen an explosive increase in Internet trade, and there is no end in sight.

Counterfeiters strive to send their products via postal traffic, as large postal volumes mean a smaller risk of getting caught. Controls of goods in postal traffic require resources, as for example a trademark infringement cannot be detected through an X-ray scan, and packages must be physically opened.

Transit traffic

Finland has traditionally been a transit country for counterfeit products. In late 2011, the Court of Justice of the European Union decided that customs authorities may not detain transit consignments without direct information on attempts of circulating consignments back into the territory of the EU. The decision decreased the number of detained consignments in Finland dramatically. Before 2012, altogether 80 % of IPR detentions occurred in transit traffic.

However, the new EU trademark regulation (2015/2424) entered into force in spring 2016, allowing customs administrations, under certain conditions, to detain transit goods that infringe registered EU trademarks. However, the right to detain goods does not apply to copyright of design or patents.

Immediately after the regulation became valid, Airport Customs intercepted several eastbound consignments that arrived in Finland by air freight. However, after these detentions, counterfeiters soon noticed that customs authorities were able to detain consignments in the terri-

tory of the EU, and similar consignments have not passed through Helsinki Airport since. After the regulation entered into force, transit consignments have also been inspected in Nuijamaa, Vaalimaa and Kotka. However, the consignments turned out to contain authentic goods.

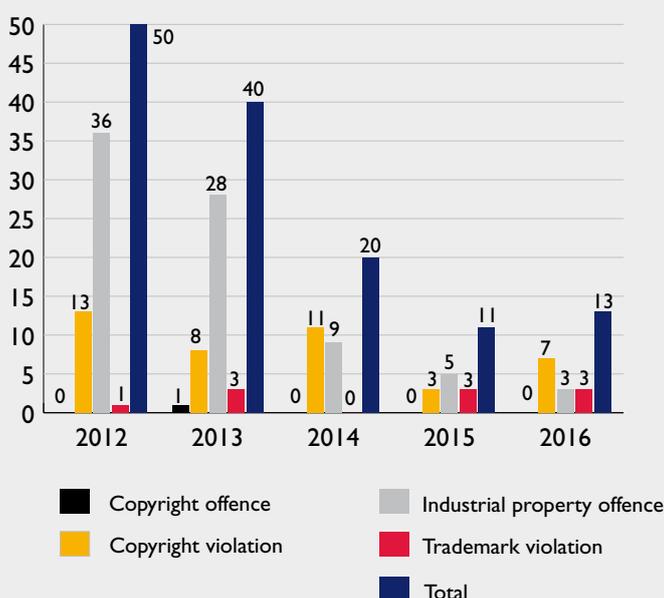
As eastbound transit traffic has decreased in recent years, it is likely that detentions of transit consignments will not reach the pre-2012 numbers.

The modes of transport used for carrying counterfeit products have changed radically over the past few years. Counterfeiters are aware that the risk of being caught is considerably lower in postal and express freight traffic than in other freight traffic. The financial losses of counterfeiters are smaller in cases of small consignments, as customs authorities remove single items from flows of goods as opposed to whole containers.

There is no actual problem involving counterfeits on the internal market in Finland, something that the EU Intellectual Property Office has also noted. On the other hand, the notable increase in detentions of small consignments indicates that the problem specifically involves Internet trade where potentially very hazardous products are delivered to consumers without any intermediaries. Enforcement measures must, therefore, be adapted to the new circumstances.

Customs monitors the import of counterfeit goods and strives to prevent their entry into the market. Controls comprise, for example, physical inspection of goods.

IPR offences 2012–2016



Corporate Audit

Corporate Audit ensures the fiscal correctness and uniformity of customs and fiscal transactions, facilitates and secures foreign trade, and protects society for example by undermining the operational environment of the shadow economy. Corporate auditors work in close cooperation with Customs departments as well as domestic and foreign interest groups.

The businesses to be audited are selected in connection with drafting the annual audit plan, and during the course of the audit year. A quota for yet unnamed audit targets is included in the list, meaning audits that are known to occur during the audit year, but whose target businesses cannot yet be named.

Urgent audits are needed every year, for example due to audit requests from interest groups, and due to applications and follow-up of authorisation customers. The need especially for advance bookkeeping audits and assessments relating to authorised customer statuses is increasing as a result of amendments of EU regulations, and of the holistic control of new customers and operators.

Audit areas and topics are prioritised according to the areas of emphasis in corporate audit. Audit targets are mainly selected using national risk criteria and models. In addition to operators to be audited, the annual audit plan by Corporate Audit includes the audit targets determined for the Customs Offices Department and the Electronic Service Centre.

The overall objective for Corporate Audit in 2016 was 415 audits of which 222 (ca. 53.5 %) were company-specific audits and 193 (ca. 46.5 %) involved unnamed audit targets.

Audits and proposed fiscal measures

In the audits carried out in 2016, corporate auditors encountered negligence, deficiencies, errors and even misuses due to ignorance, carelessness and indifference on the part of businesses. When suspecting fraudulent activities, Corporate Audit always requests Customs Investigation to investigate the matter. In 2016, Corporate Audit lodged seven requests for investigation concerning customs procedures and excise taxation.

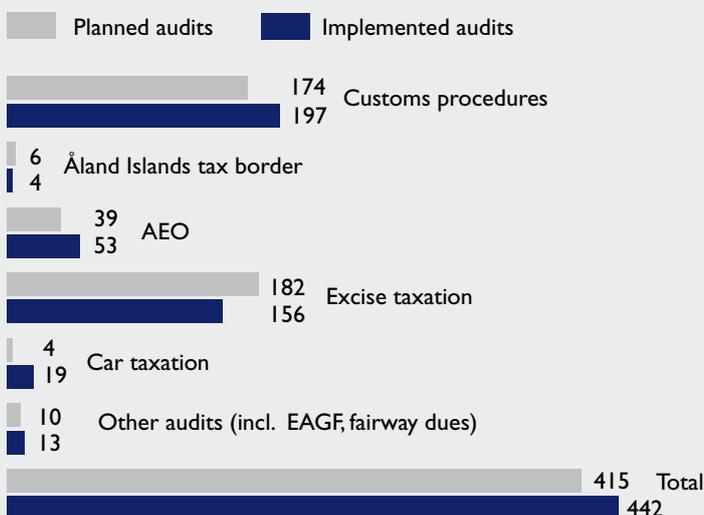
The proposed taxation measures in audits conducted in 2016 were significant.

Altogether 442 audits were conducted and the total amount of proposed additional taxes was 60.8 million euros, and that of tax refunds was about 3.1 million euros.

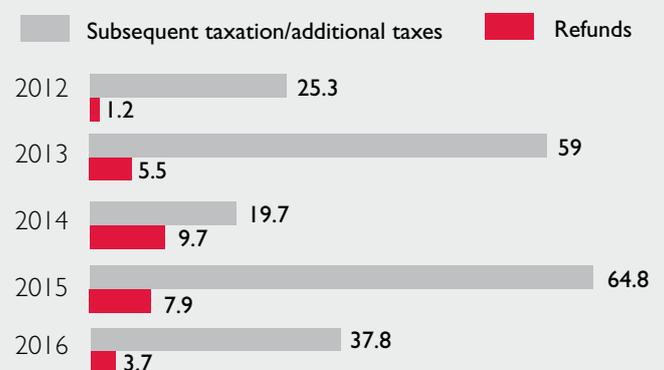
The proposed taxation measures in audits conducted in 2016 were significant. Altogether 442 audits were conducted and the total amount of proposed additional taxes was 60.8 million euros, and that of tax refunds was about 3.1 million euros. Audits involved customs procedures, the Åland Islands tax border, AEOs, excise taxation, car taxation, audits on behalf of the Rural Affairs Agency, and fairway dues.

The three most significant proposals for additional taxation involved export procedures (18.2 million euros), tax warehouse operations (13 million euros), and the ex-

Planned and implement audits by Corporate Audit according to audit area in (pcs) 2016



Additional taxes and refunds resulting from corporate audits and document controls (EUR millions) 2012–2016



cise taxation of electricity and certain fuels (6 million euros). Correspondingly, the three most significant tax refund proposals involved excise duties on electricity and certain fuels, for which 1.3 million euros in tax refunds were proposed.

Why additional taxation?

In audits of customs procedures, additional taxation was mainly due to errors in commodity codes and declarations of customs clearance values, as well as errors in excisable exports. Auditors also observed mistakes in bookkeeping relating to customs clearance and in the compliance with authorisation conditions imposed by Customs. These resulted in additional payments.

Tax warehouses proved to be an important excise audit target. Errors involving removal of excise products from tax warehouses and their placement outside the excise suspension arrangement resulted in additional taxation proposals of considerable scale.

Audits involving car taxation concerned both new and used vehicles. The most significant additional taxation proposals involved vehicles which were entered in the Road Traffic Register by registered representatives, but for which the appropriate tax declarations were not lodged with Customs.

Anti-dumping duties – exception to open trade policy

Corporate Audit also controls the import of goods subject to anti-dumping duties each year. Anti-dumping duties are among the few “last resort” measures through which the EU can restrict imports.

Anti-dumping measures can be taken when underpriced imports cause considerable damage to EU industries or pose a risk of such damage, and when those measures serve EU interests. In Finland, anti-dumping matters are the responsibility of the Department for External Economic Relations of the Ministry for Foreign

Affairs. Anti-dumping duties are levied by Customs.

For a long time, Corporate Audit has carried out systematic post-clearance audits concerning anti-dumping duties. The audits serve to ensure that anti-dumping duties are paid correctly. The audits have revealed errors particularly in declaring commodity codes and countries of origin. In those cases, anti-dumping duties were levied retrospectively based on post-clearance audits.

Corporate Audit has audited central lines of business and product categories and analysed key operators. These operations have served in ensuring harmonised taxation in each line of business.

Anti-dumping duties are constantly monitored in the EU. This requires high-standard audit measures by authorities of the Member States. There are currently around 65 product categories in the EU on which anti-dumping duties have been imposed. Anti-dumping duties are aimed, for example, at foodstuffs, liquid fuels, chemical products, paper, textiles, ceramics, aluminium and steel, as well as technical products.

Anti-dumping duties are country-specific, and customs duty rates are often very high. Currently, anti-dumping duties must most commonly be paid for products of Chinese origin, and for products originating in the United States, Russia, India, Taiwan, Korea, Indonesia and Malaysia.

Authorised economic operators

Each year, Corporate Audit carries out various audits of authorised economic operators (AEOs) both during their application processes and after they are granted AEO status. So far, Customs has granted an AEO status to 83 economic operators in Finland.

The new EU customs legislation entered into force on 1 May 2016. This means that all AEO authorisations granted prior to that date must be re-assessed in the case of about 80 companies, something which has added to the workload of Corporate Audit.

An individual company can either apply for an authorisation relating to customs simplifications (AEOC) or security and safety (AEOS), or a combination of the two.

In 2016, Corporate Audit concluded the assessment reports of 11 companies, eight of which have already received AEO statuses. All assessments have revealed deviations, as well as areas that need development. In these cases, companies have had the opportunity to apply for a time limit extension in order to put their business in order.

Once a company receives an AEO authorisation, it must be monitored regularly, as per AEO guidelines. Companies must be audited at least every three years. AEO follow-up ensures that companies continue to meet the assessment criteria.

Information on AEO re-assessments and their results are entered in the Commission data system where the details are available to all Member States. Auditors personally visit companies whose latest audit took place three years back, or where deficiencies or changes are observed. In addition to follow-up cases (15), altogether 26 re-assessments were completed in 2016.

As for security and safety, companies face their most significant challenges particularly as concerns risk assessment, security of facilities and access control. Deficiencies have also been detected in information security. Some companies have had weak results in terms of customs procedures including warehousing. Furthermore, defects have been noted in informing sub-contractors of security requirements, in internal control, and safety of personnel.

Åland Islands tax border

In 2016, Corporate Audit did four audits relating to the Åland Islands tax border. The audits were aimed at both customs procedures and excise taxation. Minor errors were detected in customs procedures, whereas excise-related inspections resulted in slightly higher additional taxation.

Alcohol offences

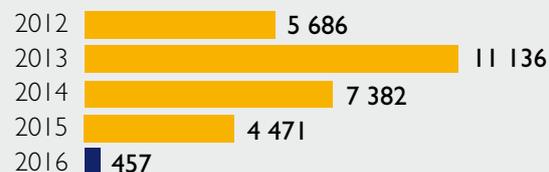
The number of alcohol offences and the quantities of seized alcohol dropped significantly in 2016 in comparison with the previous year. In 2016, Customs seized altogether 457 litres of alcohol, over 4 000 litres less than in 2015.

As in previous years, a small quantity of neutral grain spirit was seized (32 litres). In connection with controls of passenger imports, Customs seized 8 988 litres of alcohol, and taxes were considered on altogether 92 000 litres of alcohol.

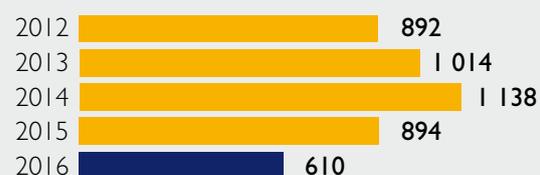
Altogether 610 cases were investigated as alcohol offences, the number including all types of alcohol offences. The number of cases dropped by almost a third compared to 2015.

Alcohol is still sold to consumers online. As a result of the import of significant quantities of alcohol for personal use from the EU territory, it seems that more and more alcohol is being sold illegally in Finland.

Alcohol seizures (litres)



Alcohol offences (all types)



Case "viinakauppa.eu"

In 2016, the Helsinki unit of Customs Economic Crime Investigation investigated an aggravated tax fraud related to the activity of the "www.viinakauppa.eu" web store. Two persons were suspected of an aggravated tax fraud by having organised the distance selling and import of excise products to Finland using the business activity of companies behind "viinakauppa.eu" between 30 October 2014 and 12 November 2015. One of these persons was also suspected of an alcohol offence.

According to the Finnish Act on Excise Duty, the liability to pay tax lies with the company that organised the transport of goods regardless of which Member State the company is active or registered in. Excise taxation in the EU is based on the destination principle, which means that excise duties are to be paid in the country where products are consumed.

According to the Finnish Value

Added Tax Act, distance selling refers to sales where the seller sees to the delivery of goods to private persons or comparable persons not liable to pay tax in the country of destination (e.g. mail order sales).

The company Valviro.eu Oü sold alcohol, tobacco and nicotine products to Finland through the "viinakauppa.eu" web store. The advertising on the website was directed exclusively at Finnish consumers. The advertisements were in Finnish, and the methods of payment involved Finnish banks. The entire website was available only in Finnish.

Valviro.eu Oü had not paid excise duties to Finland on any sold excise products, and the company did not have a tax representative in Finland. Moreover, the company had not paid any value added tax in Finland on distance sales. Through its activity, the company evaded excise duties on the

distance selling of alcohol, as well as value added tax on distance sales.

Customs concluded the preliminary investigation of the case in April 2016, after which time the prosecutor considered charges regarding the suspected offence. The court proceedings relating to the suspected offence started in Helsinki District Court on 29 November 2016, and the court gave a reserved decision on the case on 29 December 2016.

Helsinki District Court sentenced one of the suspects to two years' and eight months' imprisonment for aggravated tax fraud. The court also prohibited the suspect from conducting business activity until 28 December 2020. The suspect was ordered to pay 370 000 euros in unpaid excise duties to Customs, and 60 000 euros in unpaid value added tax to the Tax Administration.

The other suspect was acquitted. As currently known, the sentence has not entered into force.

Alcohol distributed for debt

In 2016, the customs unit in Helsinki carried out the preliminary investigation of a case involving the illegal sale and distribution of alcoholic beverages imported from Estonia as passenger goods.

The investigation of the case started with observations by customs officers at various harbours in Helsinki. Customs officers observed two persons who travelled regularly to Estonia accompanied by a group of people, and brought back alcohol to Finland in quantities within the guide levels provided for by the Finnish Act on Excise Duty. Preliminary enquiries gave cause to suspect that the alcohol was actually brought to Finland for commercial purposes and without the knowledge of Customs. Customs started investigating the case as an aggravated tax fraud.

Customs started detaining people in September 2016. On one occasion, a small quantity of alcohol was seized from one of the main suspects who was selling alcohol at that time.

Investigators suspect that, since

2011 until their apprehension, the main suspects imported about 9 000 litres of strong alcoholic beverages and about 8 000 litres of beer to Finland for commercial purposes. The suspects evaded import duties up to 150 000 euros.

Prior to the amendment of the Act on Excise Duty on 1 July 2014, the suspects had personally brought alcoholic beverages meant for sale from Estonia to Finland. After the legal amendment, the import of alcohol was arranged so that several persons accompanied the suspects on their trips, which meant that it was possible to bring back a large quantity of alcoholic beverages at a single time. Alcoholic beverages were bought both on board passenger ships and in Estonia.

The preliminary investigation revealed that alcoholic beverages were sold for debt to persons with alcohol problems in the Helsinki region. During the preliminary investigation, customs officers seized several bank cards and PIN codes. The main suspects held the bank cards for with-

drawing the amounts owed to them by the buyers of alcohol. Customs officers also seized identity cards from the other main suspect. The other suspect held on to the bank cards, so that the buyers could not make withdrawals themselves. When questioned, the buyers said that they bought imported alcohol from the main suspects because they were refused the purchase of alcohol in Finland. The investigation gives cause to suspect that dozens of people have bought alcoholic beverages.

Altogether 17 persons were questioned as suspects in the case. The main suspects were suspected of aggravated tax fraud and an aggravated alcohol offence. Persons who took part in the illegal import of alcoholic beverages from Estonia to Finland were questioned on suspicion of aggravated tax frauds. Buyers of alcohol were questioned on suspicion of dealing in unlawful import goods. One person was suspected of money laundering through concealing property obtained through the criminal activity. During the investigation, altogether 27 000 euros was distrained and seized.

The Prosecutor's Office of Helsinki will consider charges in the case in early 2017.

Cigarettes and snus

Customs seized a total of 4 288 555 cigarettes in 2016. This was about 900 000 cigarettes more than in 2015. One case involved a container that arrived in Vuosaari, Helsinki from Vietnam and contained 800 000 cigarettes. In another case, Customs carried out an X-ray control of an empty refrigerated container that arrived in Nuijamaa from Russia and had 498 540 cigarettes concealed in its roof structures. The driver of the vehicle did not declare any goods upon arrival.

In 2016, cigarettes were mainly seized on the eastern border from passenger cars that arrived in Finland from Russia. Cigarettes were usually concealed in boot spaces or other vehicle structures, for example inside spare tyres, seats, doors and walls. Caches inside passenger cars usually contained 1–300 cartons in each detected case.

Customs registered about 300 criminal cases relating to snus, approximately the same number as in 2015. The total quantity of seized snus was about 3 442 kilograms, that is, about 114 734 snus boxes of 30 grams. The seized quantity almost tripled from 2015. Snus was mainly imported by travellers from Sweden to Finland, but it was also sent by mail from Sweden.

Import prohibitions and restrictions based on the new Tobacco Act

The new Finnish Tobacco Act (549/2016) entered into force on 15 August 2016. The Ministry of Social Affairs is entrusted with the general administration and steering related to the Tobacco Act. The reformed Act enabled the implementation of the EU Tobacco Products Directive (2014/40/EU), but some of the changes in it are based on national consideration and legislative needs.

By law, Customs is the competent authority for controlling compliance with import prohibitions and restrictions on external borders and in internal traffic as provided for by the Tobacco Act, and in imports from the Åland Islands to other locations in Finland. In addition to enforcing prohibitions and restrictions based on the Tobacco Act, Customs levies excise duties and carries out preliminary investigations of offences relating to illegal import of tobacco and snus.

The comprehensive reform of the Tobacco Act resulted in Customs taking up the enforcement of several new import prohibitions and restrictions. Among other things, Customs enforces time limits on imports from

non-EEA countries, quantity limits based on warning label requirements, prohibitions concerning imports by underage persons, and imports of smokeless tobacco products and tobacco products acquired or received from a trader by means of distance communication.

The new Tobacco Act covers also e-cigarettes, as well as nicotine fluids and other fluids used in them. Private individuals are allowed to order e-cigarettes and nicotine fluids from abroad to Finland until the end of June 2017, but as of 1 July 2017, the acquisition and receipt of those products from a trader by means of distance communication is prohibited.

Customs has observed that travellers are well aware of the import restrictions based on the Tobacco Act. Customs has informed travellers and business customers about the new prohibitions and restrictions, for example by distributing information booklets at customs offices, and by sharing information on the changes on the Customs website and in social media.

Legal amendment leads to increase in uncovered tobacco smuggling

During 1 January–14 August 2016, Customs investigated 392 tobacco product violations, meaning cases where tobacco products were smuggled in passenger traffic and imported illegally. Since the new Tobacco Act entered into force on 15 August 2016, tobacco product violations are investigated as petty smuggling offences.

After the legal amendment, Customs registered 378 petty smuggling offences involving tobacco products during 15 August–31 December

2016. Prior to the new Act entering into force, 199 such cases were registered over the previous four-month period (1 April–14 August 2016).

When comparing the number of petty tobacco smuggling offences with the number of tobacco product violations over the two separate periods of four and a half months before and after the new Tobacco Act, it is clear that the number of cases rose by about 90 % after the new Act was implemented.

The increase is due to the new, stricter provisions of the Act.



Professional smuggling and distribution of snus from northern Sweden to Finland

In spring 2016, Customs seized more than 17 000 boxes of snus during two separate customs controls in northern Finland. The boxes contained 226 kilograms of snus. The snus was brought to Finland in a van and a passenger car. Two suspects were caught, and a large amount of cash from the sale of snus was seized from one of them.

The preliminary investigation of the case revealed that altogether 500 kilograms of snus had been brought to Finland illegally in 2016. The amount of evaded taxes that should have been paid for the snus was about 188 000 euros.

In addition to the smuggling of snus, the investigation focused on four previous accounts of smuggling by one of

the suspects. On those occasions, about 280 kg of snus ended up in consumption. When entering Finland, smugglers use different routes in order to avoid customs controls. The persons who took part in the smuggling of snus are suspected of aggravated tax fraud and smuggling. The maximum penalty for aggravated tax fraud is four years' imprisonment.

According to the Finnish Tobacco Act that took effect in August 2016, a private individual is allowed to bring into Finland, for personal use, no more than 1 000 grams of smokeless tobacco products such as snus in one calendar day. Bringing in smokeless tobacco products as gifts is not allowed. It is prohibited to obtain or receive smokeless tobacco products by mail or by comparable means from outside of Finland.



Snus imports have increased in recent years, but snus may still be imported only for personal use.

Illegal trade in snus mainly involves cash, and the profit is considerable.

Cigarettes seized by Customs in criminal matters 2012–2016



Seized snus 2012–2016



Narcotics offences and precursors

In 2016, Finnish Customs registered altogether 3 187 narcotics offences. The number rose by almost 900 cases from 2015. There were just under 3 000 standard cases, which was about 1 000 cases more than in 2015. The number of aggravated narcotics offences grew as well. There were 254 such cases. Altogether 325 persons were suspected of aggravated narcotics offences. The share of foreign nationals in the aggravated cases was about 40 %. Most cases involved citizens of Lithuania, Latvia, Estonia and The Gambia.

Standard offences were mostly detected in customs controls of postal traffic. Based on this, it is evident that more and more narcotics are ordered on the Internet.

In 2016, Customs seized 1 036 kg of narcotics. The quantity in 2015 was 1 277 kg. The smaller quantity in 2016 is largely explained by the fact that the amount of seized khat dropped from about 1 000 kg to 800 kg.

Narcotics are imported to Finland mainly from the Baltic countries and Western Europe. Finland is a transit country for narcotics that are smuggled to Russia and Western Europe. Of the other Nordic countries, narcotics are smuggled especially to Norway through Finland.

Synthetic drugs

The quantity of seized amphetamine and methamphetamine was altogether 56.2 kg. Although the quantity is considerably lower than in 2015 (135.9 kg), it is however close to the average quantity of the last ten years (55.85 kg). Most often, amphetamine and methamphetamine were smuggled by foreign citizens. A large overall quantity of amphetamine arrived in Finland by letter, for example from Germany. Liquid amphetamine, or amphetamine oil, was also smuggled to Finland as a “semi-finished” product. One litre of amphetamine oil precipitated with sulphuric acid can produce about 1.2 kg of 100 % amphetamine sulphate, which in turn can pro-

duce about 5 kg of amphetamine for the street market. Methamphetamine and crystal meth have been detected in Finland to an increasing extent. This is also evident in the seizures by Customs, where the share of methamphetamine of the overall quantity is almost 50 %.

New psychoactive substances are still a problem, and their variety is huge. Statistical comparisons of these substances have proven difficult, as they are classified into three groups; narcotics, substances banned from the consumer market, and unclassified substances. New substances enter and old ones exit the market continuously.

Each year, the authorities detect about a hundred different substances, most of which are classified and can be seized based on the amended narcotics legislation. However, the legislation has not stopped the import of new substances to Finland. The sample quantities examined by the Customs Laboratory have remained at the same level as before the legal amendments were introduced. Even as certain substances have been classified as narcotics, they have still remained popular among users. For example, alpha-PVP is smuggled to Finland in large quantities despite the classification of the substance as a narcotic.

Opioids and their derivatives are detected more and more in Europe. In 2016, EU authorities detected 12 different fentanyl derivatives whose use has resulted in deaths. These substances have been detected in Finland in relatively low quantities, but for example the opioid derivative U-47700 caused two deaths in 2016. The presence of carfentanil was detected in the body of one deceased person.

The problem is more serious in Estonia and Sweden. As fentanyls absorb through skin, the authorities must exercise particular caution in handling them.

Customs seized about 107 000 tablets of ecstasy, more than ten

times the quantity of 2015 (9 791 tablets). The dramatic increase is in particular explained by seizures of large ecstasy consignments ordered through the Internet.

Subutex

Subutex is still a very popular substance among drug users and it is smuggled to Finland in large quantities. In 2016, Customs seized 20 994 Subutex tablets, over 2 000 tablets more than in 2015.

Subutex is most often smuggled in consignments containing thousands of tablets from France to Germany and Sweden, and on to Finland in boat traffic. Abuse of the substance as an intoxicant is still common and has spread all over the country. Of foreign nationals, smuggling is mainly done by persons of North African origin, and by Lithuanian and Estonian persons.

The street prices of Subutex tablets are still very different in southern and northern Finland. In the Helsinki region, the street market value of Subutex is 30-50 euros per tablet, whereas in northern Finland the price can reach 100-200 euros. In prisons, the price of a single tablet can be several hundreds of euros.

In addition to the high demand for Subutex, it is also popular because of the profit gained from its sale. The acquisition price for a single tablet in France is about five euros.

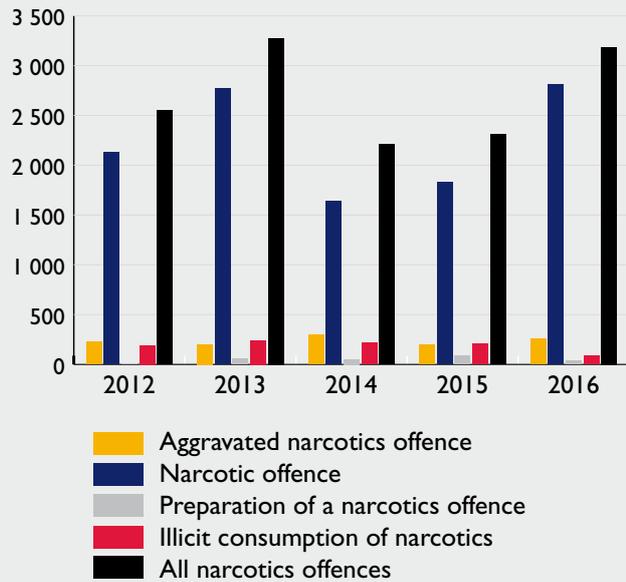
Cannabis

In 2016, Customs seized a clearly larger quantity of hashish than in 2015, a total of 67 kg. Altogether 25.4 kg of marijuana was seized, a quantity clearly lower than in 2015, when it was 63.9 kg. For the first time in three years, Customs seized more hashish than marijuana.

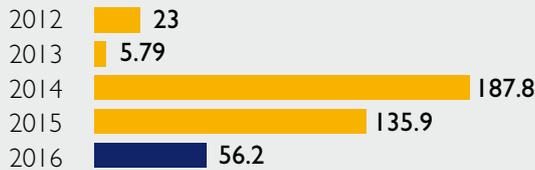
Cannabis is the most commonly used narcotic in Finland. The home growing of cannabis has increased because cannabis seeds and growing-related paraphernalia are easy to or-

Methamphetamine and crystal meth have been detected in Finland to an increasing extent. This is also evident in the seizures by Customs, where the share of methamphetamine of the overall quantity is almost 50 %.

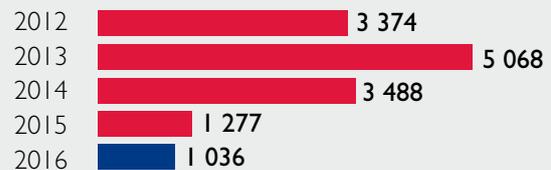
Narcotics-related offences 2012–2016



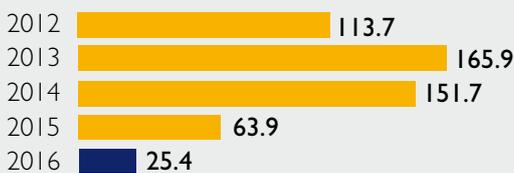
Seized amphetamine (kg) 2012–2016 (includes methamphetamine)



Drug seizures in cases investigated by Customs 2012–2016



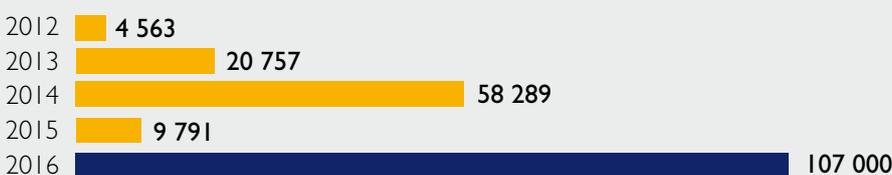
Seized marijuana (kg) 2012–2016



Tablets containing buprenorphine seized by Customs 2012–2016



Seized ecstasy (tablets) 2012–2016



der online. Uncovered cases of home growing have indicated that the activity is nowadays more professional than in the past.

Hashish was smuggled to Finland by drug couriers inside their bodies also in 2016, especially on flights from Spain.

Cocaine

Customs seized 8.62 kg of cocaine in 2016, almost 3 kg more than in 2015. The quantity is the highest in ten years and, as opposed to previous years, its size is not explained by a single large seizure, but rather several significant seizures conducted in 2016. The use of cocaine is clearly increasing in Finland.

Khat

In 2016, Customs seized 812 kg of khat, the smallest quantity in over ten years.

Dried khat is sent directly to Finland as courier and postal consignments from the regions of production (Ethiopia, Kenya). The khat plant loses about 60-70 per cent of its weight when dried, but the active ingredient, cathinone, stays in the plant. It is estimated that 100 grams of dried khat contains as much cathinone as 200 grams of fresh khat. This partly explains the dramatic decrease in the seized quantities. However, it is not likely that the use of khat among certain people would have dropped in correlation to the decrease in seizures.

Precursors

Substances classified as precursors are seized very little at the annual level. In addition to known precursors, there are many unclassified substances whose import is not restricted and which can be used in the production of narcotics. Recently, Customs has observed such consignments in connection with controls of postal and express courier consignments that have arrived in Finland.

Finland cannot be considered a major country of production or origin in terms of narcotics, but phenom-

ena related to drug crimes detected elsewhere in Europe have very often occurred in Finland as well. It is there-

fore likely that the production of synthetic narcotics will increase in Finland, at least to a lesser extent.



Seized ecstasy tablets.



Dried khat en route to Latvia via Finland, seized by Customs.



Psilocybin mushrooms seized by Customs in a house search.

Aggravated narcotics offence – cocaine, crystal MDMA, ecstasy and amphetamine oil

In 2016, Customs concluded the investigation of a criminal organisation that imported narcotics to Finland between 1 December 2014 and 17 February 2016. The organisation imported 288.3 grams of cocaine, 1 050 grams of crystal MDMA, 3.42 litres of amphetamine oil and 22 258 ecstasy tablets to Finland. As a result of a house search and controls of postal consignments, Customs seized 238.3 grams of cocaine, 104 grams of crystal MDMA, 1.92 litres of amphetamine oil, 12 258 ecstasy tablets, and 70.5 grams of amphetamine manufactured from amphetamine oil.

The criminal organisation was led by an individual who recruited another person to join the organisation in November-December 2014, and another person in autumn 2015. The leader of the organisation saw to the initial financing, orders, manufacturing and resale of narcotics. The two other persons received the drug consignments, and stored and re-packaged the narcotics.

The narcotics were ordered from online stores in the Tor network, and from a seller active in the network. Funds obtained through the sale of narcotics were stored in a bitcoin

ATM, and some of the purchases were paid for in bitcoins. The ordered narcotics arrived in Finland mainly in consignments delivered by express freight companies such as DHL and GLS.

The persons who received the narcotics packaged them into smaller consignments based on instructions from the leader of the organisation. The perpetrators acquired a vacuum sealer for their operations among other equipment, as well as a machine suitable for manufacturing ecstasy tablets from crystal MDMA.

Amphetamine was produced by adding methanol, sulphuric acid and an extender to amphetamine oil. Of one litre of amphetamine oil it was possible to obtain about 3 kg of amphetamine powder with a content of 35-45 %.

Furthermore, the organisation distributed an esti-

mated 50 grams of cocaine and 946 grams of crystal MDMA from which, based on calculations, the perpetrators manufactured about 606 ecstasy tablets and 1.48 litres of amphetamine oil, which in turn was used for producing 4 429.5 grams of amphetamine with a content of 35-45 %, as well as 9 823 ecstasy tablets. Customs calculated that the criminal organisation obtained 150 143 euros in proceeds of crime.

Vantaa District Court sentenced the persons involved in the organisation to imprisonment ranging from five years to seven years and six months.



Amphetamine oil in skin care containers.

Large quantity of clonazepam

In May 2016, customs officers at Helsinki Airport inspected a 5.2 kg express freight consignment from Hungary. In it, they found 28 670 clonazepam tablets (2 mg) packed in plastic bags.

A person was pointed out as a suspect and his home was searched. The suspect was apprehended during the search. The suspect was using his computer to keep track of the consignment of clonazepam. The tracking ID of the postal consignment was found in the house search.

The suspect admitted to the criminal act in the preliminary investigation, and said that he had ordered the substance through the Tor network.

According to expert statements, the usual oral dose of clonazepam is about two milligrams, which means that the consignment would have produced 28 760 doses.

The suspect was sentenced by a district court to three years' unconditional imprisonment.

Clonazepam ("Rivotril" in Finland, "Klonopin" in the United States and "Rivotril" in other countries) is a benzodiazepine and a chemical medicine product used in Finland mainly for treating epilepsy. Clonazepam is also used for treating panic disorders and other anxiety symptoms, dystonia and convulsions. Clonazepam, like other benzodiazepines, is a medicine marked with a warning label.

Source: Wikipedia

Attempted smuggling of cocaine in Turku

The mobile customs team of South-west Finland carried out controls of vehicles that arrived in the Port of Turku by ship in the evening of 22 August 2016. A passenger car registered in Estonia was taken in for inspection. In addition to the driver, there were two men and a woman in the vehicle. The car was taken to the control facility. The male passenger who sat in the front seat was found in possession of two small bags of a white powder that later turned out to be cocaine. In the front seat footwell, customs officers noticed a condom filled with a clear liquid.

When they inspected the car more closely, they found more condoms filled with liquid. The total weight of all the condoms found in the inspection was 1.1 kilograms. A swift analysis of the liquid indicated that it contained cocaine. All four Estonian citizens in the car, aged 28 to 36, were apprehended and taken to Turku police station on suspicion of an aggravated narcotics offence. The Turku Customs Investigation Unit started a preliminary investigation in which all four persons were suspected of importing a considerable quantity of cocaine. The suspects were apprehended at the beginning of the preliminary investigation.

During the preliminary investigation, it turned out that the man who was driving the car had planned the smuggling operation. In summer 2016, he looked for persons willing to smuggle cocaine from Peru to Europe and Finland. The man in the front passenger seat of the car was an accomplice who had established contacts with cocaine sellers during his stay of several years in Peru.

The two men chose a man familiar to them and the man's girlfriend to act as couriers. These two persons were seated at the back of the car. The couple took on criminal activity due to financial difficulties, and were promised a fee of 7 500 euros.

The couple received money for the trip from the main suspect in the

smuggling activity. The couple used the money to fly from Tallinn to Amsterdam, and from there to Peru. Once in Peru, they received a cardboard box from a cocaine dealer who was waiting for them. The box contained 60 condoms filled with cocaine and liquid.

The couple meant to swallow all 60 condoms, but in the end the man was able to swallow only 40 of them. The woman was left with the role of accompanying the man who was now carrying narcotics inside his body. The couple flew from Peru back to Amsterdam where the man defecated all 40 condoms in a hotel room during a period of 24 hours.

While the couple was in Peru, the two other men involved in the activity started driving towards Amsterdam where they meant to meet the couple. The two men first travelled by boat from Turku to Stockholm and then drove to Amsterdam via Denmark and Sweden.

The men met the couple at their hotel, and all four started their return trip to Finland. The couple first meant to fly from Amsterdam back to Tallinn, but they ran out of money and had to settle for a car trip across northern Europe. Finally, the four-

some concluded their journey at the Port of Turku, where customs officers inspected their vehicle.

Laboratory examinations revealed that the condoms contained altogether 911 millilitres of liquid cocaine. Through vaporisation, it would have been possible to extract 565 grams of cocaine powder from the liquid. The cocaine would have had a content of 92–94 %.

In the preliminary investigation of the case, it became apparent that the street market price of the cocaine had been very low in Peru, where it had cost just a few euros per gram. In Finland, the street market price of the cocaine would have been about 150–200 euros per gram. The street market price of the entire cocaine quantity would therefore have been about 85 000 to 113 000 euros. The quantity would have produced about 1 100 doses. It came to light in the investigation that the cocaine was meant specifically for the market in Finland.

What makes the case interesting is the method of smuggling, that is, bringing the cocaine to Finland dissolved in liquid. The main reason for dissolving the cocaine was to prevent customs officers from detecting it.



Condoms filled with liquid and cocaine, seized by Turku Customs.

In December 2016, the District Court of Southwest Finland sentenced the four persons to imprisonment for aggravated narcotics offences.

The chief architect of the operation was sentenced to imprisonment for three years and six months. His previous sentences were taken into account. The man who established the contacts in Peru was sentenced to imprisonment for two years and three months. As for the couple who obtained the cocaine, the man was sentenced to imprisonment for two years and eight months. The woman received a sentence of two years and three months.

Apart from the person who planned the activity, the persons involved did not settle for the sentences given by the District Court, and the matter will be processed by the Court of Appeals.

Postal deliveries of narcotics with false driving licence

In summer 2016, Helsinki Airport Customs conducted controls of postal traffic and seized a consignment from abroad that contained over 100 grams of amphetamine. The consignment was addressed to a post office in northern Finland, where the suspect tried to retrieve it using a false ID. At first, the person could not be identified from the post office CCTV footage, as he had not had any previous dealings with police authorities. The identity of the suspect was found out through enquiries.

The suspect was caught, and when questioned that he had ac-

quired a falsified Finnish driving licence and the narcotics through the anonymous Tor network. The fake Finnish driving licence that the suspect bought through the Tor network was very skilfully made and, according to the suspect, very expensive. The preliminary investigation revealed that the suspect had attempted to order an amphetamine consignment of about 100 grams also to another post office.

The case was investigated as an aggravated narcotics offence and forgery.

More than 300 000 euros worth of alprazolam by mail to youngsters in Espoo

Starting in December 2015, Customs seized about 400 grams of almost pure alprazolam in postal consignments from abroad. The quantity would have produced 80 000 doses with a total street value of 280 000 euros. Customs also intercepted several consignments which contained designer drugs and which were related to the same criminal case. The street value of the designer drugs would have been about 25 000 euros.

Several young men of 20–22 years of age and a 22-year old woman were suspects in the case. Several suspects were under arrest or detained during the investigation of the case.

The main perpetrator, a 20-year old man from Espoo, was suspected of four aggravated narcotics offences and of an aggravated firearms offence. He was suspected of having commissioned the orders of alprazolam. He was also suspected of a concealment offence, of four separate narcotics offences and of three accounts of medicine smuggling.

The Western Uusimaa Police

Department searched the man's home and seized an Arsenal military rifle, a Smith&Wesson .357 revolver, as well as various narcotics and narcotic medicines.

The main suspect was sentenced by a district court to unconditional imprisonment for four years. His accomplice was sentenced to unconditional imprisonment for three years and four months. The other suspects were given suspended sentences.

Alprazolam is a medicinal substance and a benzodiazepine. Alprazolam is sold as standard tablets and as extended release tablets. In Finland, alprazolam is sold under the product names Xanor, Alprox, and Alprazolam, all of which are marked with warning triangles. Alprazolam can be used in the treatment of depression, severe anxiety and panic disorders.

Source: Wikipedia



Alprazolam seized by Airport Customs.

Medicines classified as narcotics

Criminal offences involving narcotic medicines are classified as narcotic offences, and there are no separate statistics on them.

In 2016, Customs seized 82 115 narcotic medicine tablets, a quantity 122 % higher than in 2015, and clearly higher than the 2012–2015 average quantity. Although the quantity of narcotic medicines containing buprenorphine (mostly under the Subutex trade name) rose by more than 10 % from 2015, the share of buprenorphine in all seizures of narcotic medicines was only 25 % instead of the previous 50 %.

In addition to Subutex, benzodiazepines were the most popular narcotic medicines brought to Finland. Benzodiazepines are also prescribed legally, which means that a lot of people may have a prescription for at least some of their narcotic medicines. In terms of benzodiazepine products, most illicit imports involved alprazolam (12 %), diazepam (10 %), clonazepam (5 %), midazolam

(4 %) and lorazepam (3 %).

Fentanyl had a share of almost 10 % of all seized narcotic medicines. Fentanyl poses a world-wide problem due to deaths resulting from its use. Fentanyl is a fully synthetic opioid that is 50 times stronger than heroin. When used under medical supervision, it is a powerful analgesic, but extremely dangerous when used without supervision.

Fentanyl is legally prescribed for example for post-surgery treatment and for cancer patients. The drug has an effective period of about 72 hours. People who abuse the substance may swallow or chew on fentanyl plasters, which entails a great risk of an overdose.

Zolpidem, meant for legal use as a sleeping medicine (share of 5 %), was also brought to Finland under various trade names in 2016.

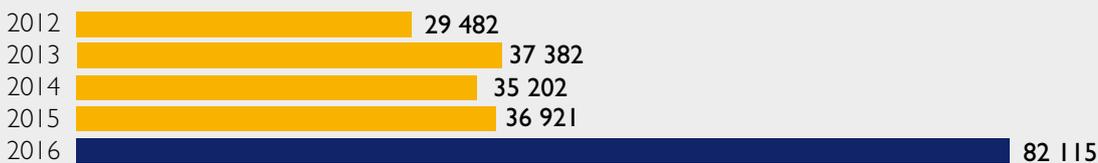
In addition, a popular medicine used for intoxication in the United States, oxycodone, has become common in Finland (share of 3 %). Oxy-

codone is a very powerful opioid analgesic, often prescribed for patients in severe pain after surgeries. Oxycodone is 1.5 more powerful than morphine.

Most seizures of narcotic medicines, almost 90 %, take place in postal traffic. The share of seizures in ship traffic, including seizures involving cars on board ships, remained at 6 %. The share of seizures in air traffic was under 5 %. Only about 2 % of all narcotic medicines are seized in vehicle traffic.

Due to the continuous popularity of Subutex, France was once again the most common country of origin and dispatch for the substance. France was followed by the Netherlands, Spain, Germany, Sweden and the United Kingdom. The significance of Romania as a country of dispatch also increased. There were numerous countries involved in a single case of a few cases relating to Subutex. Most customs controls in postal traffic were based on X-ray scans.

Seized narcotic medicines 2012–2016



Seized consignment of Rivotril.

Medicines

In 2016, the total number of medicine offences registered by Customs increased by about 6 % from the previous year. Most cases were processed as medicine violations, as in 2015. In terms of penalties, medicine violations usually result only in forfeitures.

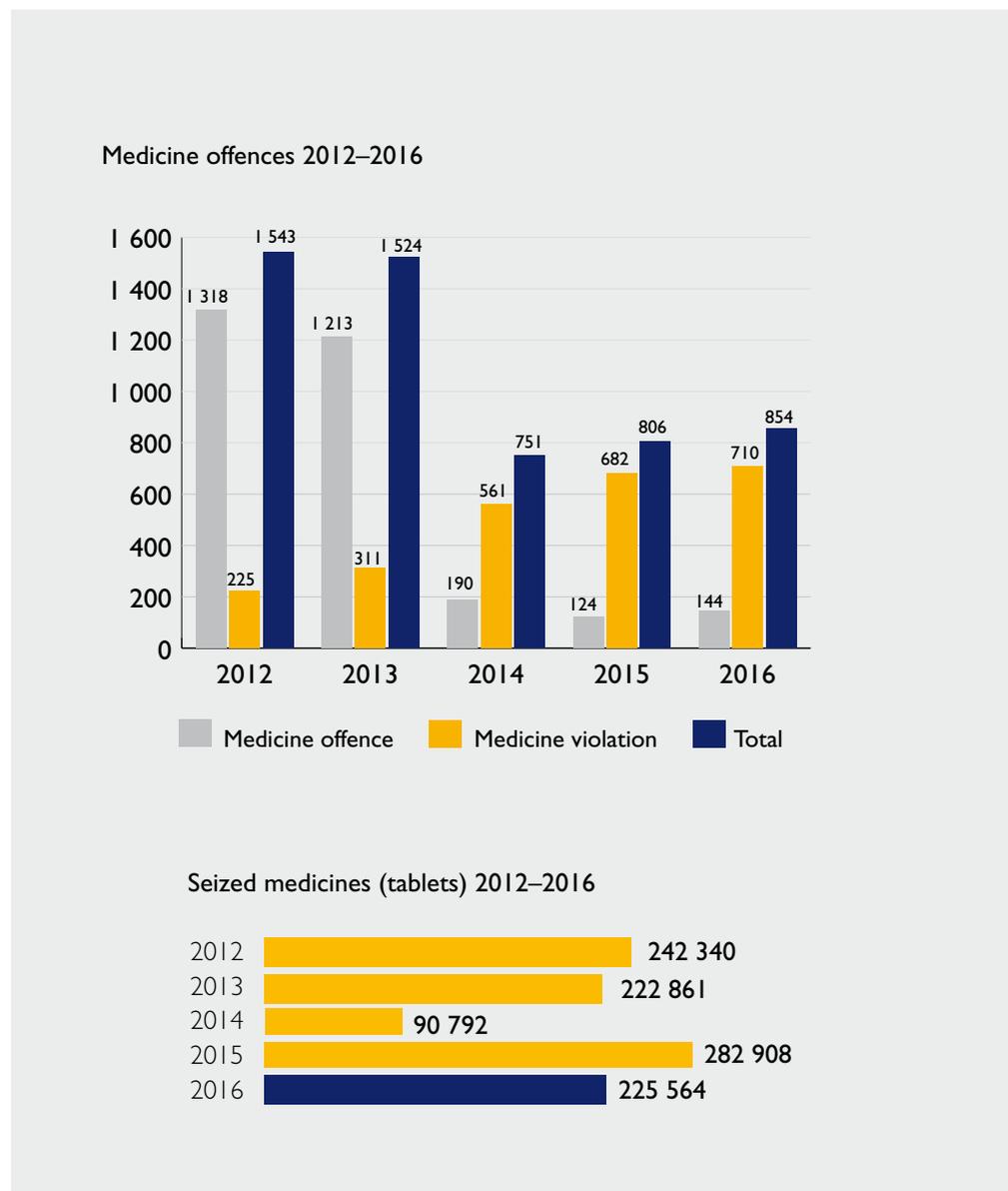
The number of medicine violations rose somewhat compared to the 2015 number, but the most important change was the clear increase of standard medicine offences. When measured by the number of offences, the increase in both types of offences remained approximately at the same level. However, the percentage increase of standard offences was fourfold in comparison with medicine violations.

Customs seized about 45 000 fewer medicine tablets than in 2015. By contrast, the seizure quantities of liquid and bulk medicines increased significantly. Customs seized about 60 litres more liquid medicines than in 2015, and about 17 kg more bulk medicines.

However, it should be noted that a few large individual seizures may affect the overall seizure quantity to a great extent. Therefore, a significant change during a single year is not an indication of any change in the general trend.

The web trade in medicines goes hand in hand with consumer behaviour. Online purchases are commonplace, which is also reflected in the increase of medicine purchases. Most medicine consignments seized or detained by Customs were ordered online.

Many foreign websites that sell medicines are crafted quite professionally, and aim to give the buyer a reliable impression. These websites should not, however, be confused with legally operated and controlled online pharmacies. Medicines ordered through foreign websites do not always have the desired effect. The content of the effective ingredient in the medicine may be incorrect, or the medicine does not contain the ingredient at all. The ordered



medicine may also contain some other substances which may be hazardous to human health.

Male enhancement drugs such as sildenafil, tadalafil and vardenafil still comprise the most ordered products. The list of frequently ordered products also included melatonin, various painkillers and hair loss products. In addition to these, consumers order medicines for treating various illnesses such as cancer, blood pressure, allergies and mood disorders. The unsupervised use of such prescription medicines can be harmful and even hazardous to health.

However, as these products are affordable and easily available, people purchase them online despite the great risks involved.

Consumers order medicines for treating various illnesses such as cancer, blood pressure, allergies and mood disorders.

The unsupervised use of such prescription medicines can be harmful and even hazardous to health.

Doping substances

Customs registered 244 doping offences in 2016, which was almost 100 offences less than in 2015. The number of aggravated doping offences increased by just a few offences, and the number of petty doping offences was exactly the same as in 2015. An essential change involved standard doping offences which dropped by almost 70 %.

After three steady years, the significant decrease in the number of offences is largely due to individual seizures of several doping powder consignments. The smuggling of doping powders was one of the new trends in 2016. Only Finnish citizens were suspects in aggravated doping offences in 2016.

Likewise, the quantity of seized doping substances decreased in comparison with 2015. In 2016, Customs seized altogether 82 254 doping tablets/ampoules, which meant a decrease of 74 %. Customs seized 6 035 millilitres of doping liquids, 2 135 grams of doping powders and 6 727 mg of dry powders in ampoules, including growth hormone. Altogether 1 702.5 grams of testosterone powder was seized. One case involved more than 400 grams of testosterone powder. The powder is used for preparing single doses to be taken mainly as injections, and some-

times it is compressed into tablets with a tablet press.

In 2015, anabolic steroids were the most popular substances, but in 2016, testosterone comprised 52 % of the seized doping substances, and the share of anabolic steroids was 37 %. The most popular anabolic steroids were metandienone, stanozolol and trenbolone. Of the seized substances, 3 % were growth hormones and 8 % were other products classified as doping substances.

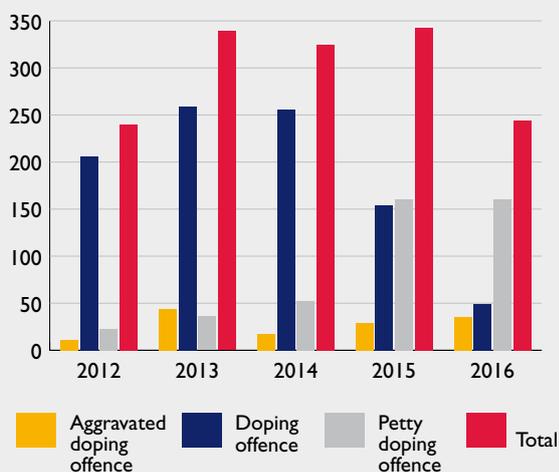
Most doping substances are smuggled through postal traffic which has a share of 82 % in comparison with other forms of traffic. Flight traffic comprises 10 % and ship traffic covers 5 % of smuggling. The remaining 3 % covers other forms of traffic, as well as doping substances found in house searches.

Most doping substances originated in Poland, followed by the United States (15 %), Thailand (7 %), Germany (7 %) and Portugal (5 %). There were several countries from where doping substances arrived 1–4 times during the year (26 %, all countries combined).

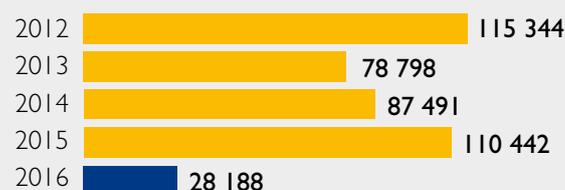
It is interesting to keep track of the situation, for example, as concerns China. There have only been a few seizures of doping substances originating in China. However, China has emerged as a country of production and origin for other medicines.



Doping offences 2012–2016



Seized doping substances (tablets/ampoules) 2012–2016



Large-scale smuggling of doping substances to Finland

In October 2015, Customs seized a freight consignment in a truck that arrived in Finland from Estonia on board a ferry. The consignment contained 260 doping ampoules (ca. 900 millilitres) and 600 doping tablets. The consignment was addressed to a man in the Helsinki region.

Seizures in Finland and Estonia

In summer 2015, two doping consignments were imported to Finland and ended up in distribution. The doping substances were hidden in beer cases and brought to Finland by a hired courier.

In autumn 2015, Estonian customs authorities seized seven beer cases from the courier. The cases contained 12 000 tablets consisting of anabolic steroids, as well as 1 500 ampoules that contained over 4 000 millilitres of liquid doping substances. The seized doping substances would have sufficed for 156 periods of use, and their street value would have exceeded 31 000 euros.

The man who smuggled the doping substances acted as courier hired by two other persons on every occasion. At the time when the offence was committed, one of the persons was employed by the Criminal Sanctions Agency. The other person was a former employee of the Agency.

The main perpetrators rented a storage facility where they kept the doping substances. Customs offic-

ers searched the storage facility and seized 64 000 tablets that contained medicinal and doping substances, as well as over 8 500 millilitres of liquid doping substances.

Doping substances brought to Finland on the orders of the two persons were sold to various locations in Finland through the Tor network and other channels. The buyers paid for the substances in cash. Some of the substances were sent by mail and paid for through bank account transfers. As the doping trade was arranged using the Tor network where people transact behind pseudonyms, only some of the persons who purchased doping substances were reached during the preliminary investigation.

Case cleared in the preliminary investigation

The preliminary investigation focused on six aggravated doping offences, four of which involved import and two were related to doping substances found in house searches. Persons had ordered doping substances from Latvia which were smuggled to Finland via Estonia in ship traffic.

During the preliminary investigation, customs authorities seized almost 9 700 millilitres of doping substances, over 64 000 tablets and 335 milligrams of growth hormones. The seized doping substances would have sufficed for 443 periods of use, and

their street value would have exceeded 127 000 euros.

Customs suspects that about 7 000 millilitres of liquid doping substances and about 20 000 doping tablets ended up in circulation. These substances sufficed for about 270 periods of use. The street value of the substances is over 50 000 euros.

In addition to doping substances, Customs seized about 40 grams of amphetamine and methamphetamine. The preliminary investigation also revealed that about 30 grams of amphetamine and a few ecstasy tablets ended up in circulation.

Sentences by Helsinki District Court on 20 May 2016

Helsinki District Court sentenced both main perpetrators to a total of three years' and ten months' unconditional imprisonment for five aggravated doping offences, standard doping and medicine offences, narcotics offences, battery, aggravated attempt of extortion, and threatening a witness.

The courier was given a suspended sentence of three months for two aggravated doping offences. Another person who distributed doping substances was given a suspended sentence of six months for two aggravated doping offences. In addition, one person received a suspended sentence of four months for two narcotics offences.



Various persons obtained almost 21 000 millilitres of liquid doping substances and about 96 000 tablets in the context of the criminal case. The substances would have sufficed for 870 periods of use and would have been worth 177 000 euros in the street market.

Period of use: According to legal practice, a period of use is a period of four months when doping substances are used over a course of two months, followed by a rest period of another two months.

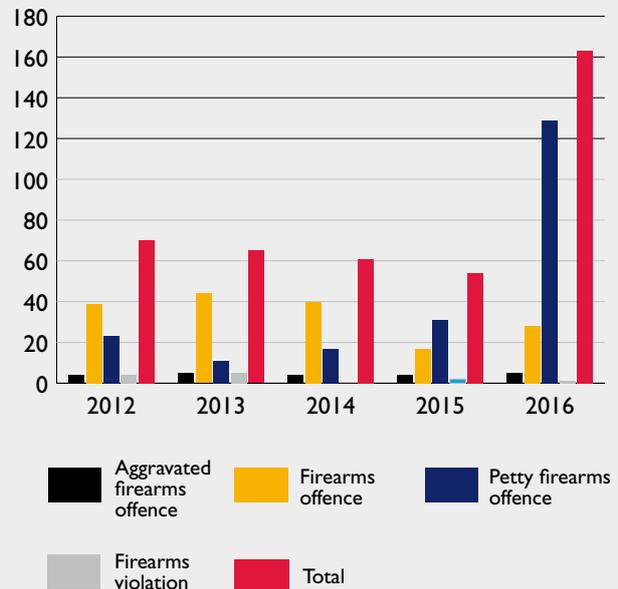
Firearms offences and dangerous objects

There were 163 registered firearms offences in 2016. Of these, 129 were minor offences, and one case involved a violation. Altogether 28 cases were investigated as firearms violations. There were five aggravated firearms offences. The number of petty firearms offences increased in comparison with previous years. 31 firearms and 187 gas weapons were seized.

The number of seized gas weapons dropped by 77 from the 2015 quantity, whereas the number of seized firearms was slightly higher than in 2015. Gas weapons are transported and brought to Finland in passenger cars or sent to Finland by mail. Most firearms are discovered in house searches involving crime investigations. Deactivated weapons are ordered from abroad by, for example, gun collectors in Finland. Very often, the weapons have not been deactivated to a sufficient extent.

98 cases were investigated as violations of regulations on dangerous objects. Customs took possession of altogether 431 dangerous objects from private passengers or from postal consignments addressed to private individuals in 2016. These objects included tasers, truncheons, spring batons, knives (switchblades), swords, shurikens and brass knuckles. The number of seized dangerous objects (144) was considerably higher than in 2015.

Firearms offences 2012–2016



Environmental offences and nature protection offences

In 2016, Customs uncovered four cases involving violations of the CITES Convention. Two cases were investigated as nature protection violations. In one case, a person had ordered feathers of a red junglefowl to Finland, and another case involved a passenger who brought dried monitor lizard body parts from Thailand to Finland.

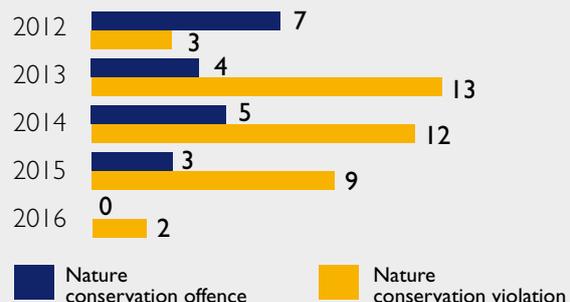
Two cases were investigated as customs violations. These cases involved the export of leather clothes classified as CITES products.

There were no registered nature conservation offences in 2016.

Most nature conservation offences and violations involve goods which have been purchased on the Internet and which arrive in Finland by mail, as well as goods brought to Finland by travellers.

All nature conservation offences and violations are not necessarily CITES cases.

Nature conservation offences and violations detected by Customs 2012–2016



Desert foxes in Finland

In the spring of 2014, two desert foxes (*vulpes zerda*) were imported to Finland. The desert fox is a CITES species that resembles a small dog and lives in a natural habitat in Sudan, among other places.

The import of desert foxes to Finland is subject to a permit from the Finnish Wildlife Agency. Such a permit has been applied for with the Agency only once, in 2013. At that time, a permit was not granted.

The young woman who was the suspect in the case imported two desert foxes to Finland without the required import permit. The woman said she bought the foxes at a Spanish zoo that imports desert foxes from Sudan to Spain. A representative of the company that sold the foxes transported them to Slovakia and handed them over to the suspect in return for payment.

The import of desert foxes from Sudan to Spain requires a CITES export permit from Sudan and a CITES import permit from Spain. The suspect claimed that the zoo in Madrid had brought 50 desert foxes from Sudan to Spain, and that a CITES import permit had been granted for the animals in Spain. The pet passports of the two foxes bought by the suspect had CITES numbers on them.

The suspect had placed an advert on Facebook in spring 2014 on the sale of a male desert fox. The advert mentioned the location of the fox. In the preliminary investigation of the case, the suspect admitted that the foxes were in the location mentioned in the advert. The suspect sold one of the foxes in May 2014.

As the importer did not have a permit required for bringing the foxes to Finland, Customs investigated the case as smuggling. The person who bought the foxes and who lives in Finland was charged with dealing in unlawful import goods.

The other imported fox was found in the home of the suspect. Customs seized the fox and was assisted by the staff of Korkeasaari

zoo in taking the fox there for keeping. The re-sold fox was obtained by Customs with the help of the buyer, and was also taken to Korkeasaari zoo.

The suspect was not able to establish the foxes' birth dates and locations with any certainty. Furthermore, she could not present the authorities with any official documents such as a breeder certificate indicating the birth details of the foxes.

The suspect showed the Slovakian pet passports to the authorities. Pet passports are issued only for dogs, cats and ferrets. Therefore, the desert foxes were not under any le-

gal pet passports, but instead a Slovakian vet issued the passports under incorrect grounds. The suspect did not have an official trade invoice indicating the names of the seller in Spain and the buyer in Finland.

The suspect was sentenced by a district court to pay a fine for smuggling, and to compensate the criminally obtained proceeds to the state. The selling price obtained for one of the foxes, 2 000 euros, was regarded as criminal proceeds. The charges brought against the buyer of the fox in Finland for dealing in unlawful goods were dropped.

Experts say that trade in animals that are special, rare and protected through various restrictions is increasing dramatically. The illegal market where these animals are traded adds to their suffering, and contributes to shadow economy and criminal trade globally. Animal trade of this type may also cause problems as invasive species spread into new territories.



Traffic offences and violations

Customs registered altogether 883 traffic offences in 2016. The number dropped significantly in comparison with 2015, when there were 1 513 cases. There were 359 cases of endangerment of traffic and 524 traffic violations. Traffic offences and violations involve, for example, vehicles of poor condition, the partial or complete failure to secure cargos with straps, or exceeding the maximum length, width, height or total mass of articulated vehicles.

Altogether 302 tachograph violations were registered in 2016, which was slightly less than in 2015. Radar detectors were mainly found in vehicles of Russian citizens.

There were 47 cases of violations of the social legislation relating to road transport. These cases involved violations of tachograph regulations by drivers.

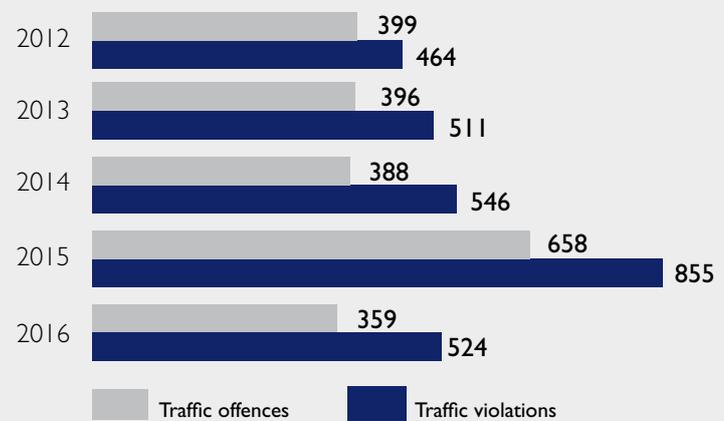
In 2016, Customs uncovered altogether 98 offences involving transports of dangerous substances. In addition, there were three offences involving such transports, one of which

involved a driver who transported a 2 500 kg consignment of used batteries from Norway to Finland without an ADR licence. The number of criminal offences stayed roughly at the level of 2015.

Customs uncovered 47 water

traffic violations in 2016. The violations involved transports of watercraft without the required equipment or documents, as well as non-compliance with prohibitions and restrictions.

Traffic offences and violations 2012–2016



International operations

In 2016, Customs conducted altogether 21 domestic and international enforcement operations. The operations focused on several areas of customs enforcement, including the detection of smuggling involving drugs, cigarettes, weapons and parts of weapons. Authorities also arranged operations that focused on excise duties, counterfeit products and illegal medicinal substances.

In 2016, there were two international enforcement operations, Gryphon II and Magnum, that focused on the smuggling of cigarettes and other tobacco products.

Operation Gryphon II was a global enforcement operation coordinated by the World Customs Organization and aimed at commercial goods in road, sea and air traffic. The operation was supported by the European Anti-Fraud Office (OLAF) and Europol. The purpose of the operation was the prevention of the smuggling of cigarettes and other to-

bacco products to the EU territory, and to ensure the exit of excisable tobacco products from the EU territory. Altogether 101 WCO member states, including Finland, took part in the operation.

During the operation, 844 cigarette seizures were carried out globally. Authorities took possession of more than 866 million cigarettes in the operation. As a result of Gryphon II, Finnish authorities seized 161 200 cigarettes, a quantity considerably larger than during the first Gryphon operation in 2013 when 76 800 cigarettes were seized.

Operation Magnum was a regional enforcement operation organised by OLAF that focused on road transports of commercial goods. Authorities from Estonia, Finland, Latvia, Lithuania and Poland took part in the operation. The purpose of the operation was the prevention of the smuggling of cigarettes and other tobacco

products to the territory of the EU through land borders. During the operation, Finnish authorities carried out controls that resulted in seizures of altogether 72 640 cigarettes. Altogether about 11 million cigarettes were seized in all the countries that participated in the operation.

Both operations were also carried out for finding out new smuggling routes, new methods used by criminal organisations, and to establish the countries where smuggled cigarettes originated.

During the Gryphon II and Magnum operations, Finnish authorities seized 233 660 cigarettes. Globally, just over 877 million cigarettes were seized in both operations.



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