

# Finnish Customs Enforcement

# 2017



**TULLI**  
TULLI • CUSTOMS

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**Publisher** Enforcement Department of Finnish Customs

ISSN 2242-3265

## Editorial

# The popular and praised TV series Suomen Tulli will continue – or will it?

Suomen Tulli, the TV series following the daily work of Finnish Customs, first aired on Finnish channels in 2011. A possible return of the series after a short break is now back on the table.

Previously in Suomen Tulli: The year 2017, was a great success for Finnish Customs in financial terms. Even though the transfer of tax assignments of Customs to the Tax Administration continued and the number of personnel resources decreased like in the previous ten years, record-high figures were reached in most enforcement sectors.

Our employees have been resilient and shown a high level of professionalism at a time when it has been important to indicate that, regardless of changes and appropriations, Finnish Customs remains a highly important and competent authority – an authority which people can trust and which is able to bear its responsibilities. The year 2017 was characterised by a huge increase in online sales volumes and the resulting needs for more control, as well as trading on illegal goods in data networks. Last year, debate (also public) on the ministry to which Finnish Customs should belong quietened down, and focus was shifted from organisational changes to closer and better co-operation between authorities.

In tonight's episode: The year 2018 started brighter than many previous years, as Parliament noticed that Customs suffers from a shortage of resources and adjusted its appropriations so that we can level out from our previous freefall. Our resources will not increase but,

most importantly, they will not decrease as before. At the same time, the logistics of foreign trade has evolved and modern technologies have opened up new opportunities and, then again, brought about new competence requirements for Customs professionals. Finnish Customs is facing a scouting process, and it is already partly in progress, in order to understand what kinds of people and skills we need during the next decade.

We are already recruiting people in completely new positions, the details of which are even hazy to the recruiting staff. What will the new employees do and what kinds of skills should they possess in order to succeed?

In the next episode: We need to question our ways of working boldly and openly, and also look for new ways. In the modern world, no-one can say for certain that "if you do that, this will happen." Causality can no longer be perceived as before in this complex world – instead, we need to make choices, even if we cannot be sure of the results, let alone their functionality. As a result, we must have the courage to recognise and admit any wrong steps, and the courage to choose a better way that leads us forward.

The job of an individual Customs employee will become an independent expert position, in which support from supervisors and other experts can be physically distant



but electronically close. Working methods will change into new ways of working, and internal Customs organisations will be less significant considering the work of Finnish Customs. For most of us, all this sounds and feels very strange, but the future belongs to those who are brave and courageous.

What will not change is that Finnish Customs remains the toughest professional in foreign trade and traffic which can carry out its activities under all conditions, so that there are no unnecessary interruptions in legal trading, while it is able to uncover any illegal operations and impose proper sanctions on them.

The question is whether Customs has the courage to change and shed its skin in a changing world.

*I wish everyone a good and energetic year working for our society!*

*Sami Rakshit  
Director of Enforcement*

*PS. The header had nothing to do with the editorial itself; it was merely a teaser to attract readers to read the whole text.*

# Crime overview 2017

In Finland, structural factors and operators affecting crime in Finland and, in particular, crime prevention by Customs have mainly remained unchanged. Some areas have developed – however, in the wrong way considering law enforcement.

Structural factors, such as Finland's geographic position between Sweden and Russia, are reflected in cross-boundary crime: the northern land route and border-crossing points in north-eastern Finland are key routes in smuggling to Finland. In Finland, gang organisations with identifying signs and symbols are key operators in drug-related crime. These groups have established connections to Sweden and Russia.

Gangs with identifying signs and symbols, mainly international outlaw motorcycle clubs, largely account for organised crime in Finland. In recent years, there have also been various foreign criminals whose number has increased especially after the immigration situation in 2015. Organisations that import narcotics, in particular, employ foreign criminals, but they are increasingly involved in criminal activities related to the import of cigarettes or doping substances. It can also be

said that connections between gangs and an increase in independent operators have increased crime in Finland even further.

For several years, the internet has played a key role in criminal activities, and data networks did not lose their footing in 2017. In this sense as well, the situation in Finland is universal. The role of data networks is particularly emphasised in narcotics and medicine offences and illicit weapons, for example, are often acquired through the internet.

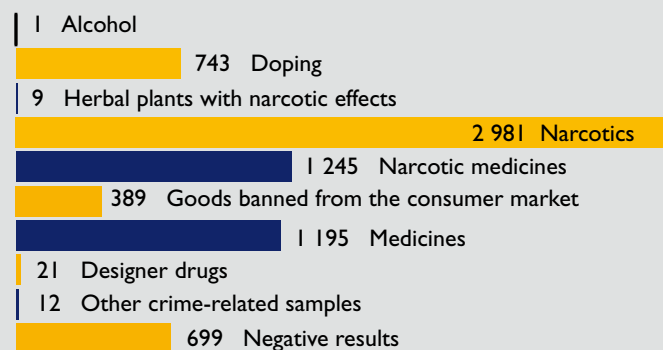
Ordering narcotics online is reflected in cases investigated by

Customs so that the number of basic narcotics offences was the highest in five years at the end of 2017. A similar peak can also be seen in the number of doping offences and tax frauds. With regard to narcotics, it can also be said that cocaine has become a standard substance in seizures.

The increase in the number of offences, in general, is reflected in the situation involving crime: nearly all criminal cases investigated by Customs have increased in recent years in terms of quantity or the amount of seized substances.

## Customs offence investigations (number) – Illegal imports in 2017

Source: Customs Laboratory



| Crime overview                                          | 2013         | 2014          | 2015         | 2016          | 2017         |
|---------------------------------------------------------|--------------|---------------|--------------|---------------|--------------|
| Offences                                                | 10 724       | 9 879         | 9 656        | 9 581         | 9 409        |
| <b>Suspects of offences</b>                             |              |               |              |               |              |
| Foreigners total                                        | 4 411        | 4 225         | 4 010        | 3 216         | 2 902        |
| Russians                                                | 3 003        | 2 964         | 2 492        | 1 838         | 1 598        |
| <b>All suspects</b>                                     | <b>9 508</b> | <b>9 036</b>  | <b>9 066</b> | <b>8 950</b>  | <b>8 525</b> |
| <b>Impact of customs crime prevention (EUR million)</b> |              |               |              |               |              |
| Recovered proceeds of crime                             | 24,90        | 17,50         | 10,70        | 19,30         | 28,00        |
| Value of goods not seized                               | 0,88         | 82,20         | 1,79         | 197,40        | 5,03         |
| Evaded taxes                                            | 5,23         | 26,50         | 3,45         | 8,12          | 48,11        |
| <b>Total</b>                                            | <b>31,01</b> | <b>126,20</b> | <b>15,94</b> | <b>224,82</b> | <b>81,14</b> |

## Improved control would increase the amount of taxes collected

Some 350,000 parcels that weigh more than two kilograms are sent each year (according to 2015 statistics). Of these, around 230,000 parcels go through customs clearance. Erroneously declared consignments are referred to customs clearance through a customs inspection and X-ray machine every day. This means that the customs clearance for erroneously declared consignments is fairly efficient. The number of consignments selected for customs clearance could be increased by a couple of thousand consignments per year by working more efficiently in the handling of parcels.

Some 14 million parcels that weigh less than two kilograms (small parcels) are sent by mail each year. Of these, around 20,000 parcels go through customs clearance. Sampling only included around one in every ten thousand consignments of low value, focusing on consignments that were expected to contain something to be sampled. Therefore, the percentage error was probably higher than the percentage error for the number of consignments throughout the year.

Small parcels of low value often contain no invoice, which is why determining their value is more difficult. A consignment being selected for customs clearance causes a great deal of extra work, because after having received a notice of arrival, the customer must contact Customs and ask for the release of the consignment without taxes.

Based on the sampling, one can state that more personnel resources should be allocated to customs clearance, because the amount of taxes collected could be increased by several million euros per year. This would also improve credibility of customs enforcement and the collection of taxes from online trade. Errors must be studied in more detail, however, to better target the customs enforcement, to

find cost-efficient operating models and to plan and acquire customs enforcement technology suited for the large volume of goods in online trade.

On 1 March 2017, the Enforcement Department of Finnish Customs established a project team to develop customs enforcement by Airport Customs and its operating models to suit the new logistical solutions, particularly by increasing the level of control automation.

The project team aims to boost customs enforcement related to online trade with, for example, 3D X-ray machines, other forms of detection technology and automation. Customs clearance and taxation policies and decisions must also be taken into account in the develop-

ment. The State budget and the Customs budget include EUR 1,500,000 for automation of the customs control of incoming parcels.

### ***Criminal activity in online trade***

The growth of online trade brings with it criminal activity, such as the sales of narcotics and the delivery of illegal pharmaceuticals. Most of the narcotics used in Finland are imported, which means that the narcotics sold on the Tor network or elsewhere online are transported across the country's border in some manner.

The postal traffic enforcement team of Customs has also revealed more suspected criminal online



trade activity than ever before. According to unofficial statistics, a total of 2,811 reports of offences were filed between January and September 2017, compared to 2,534 during the same period of time in 2016.

### **Occupational health and safety**

Potential health risks caused by a variety of pharmaceuticals, narcotics and other chemical compounds must be taken into account in the

control of postal consignments. This can be done by ensuring that the employees protect themselves and by ensuring the availability of first aid resources. Special attention has been paid to occupational health and safety, related instructions and training at the different locations and in the Customs Laboratory.

Carfentanil, a highly potent synthetic opioid, has been found in postal consignments coming to Finland from abroad, for example. Even small amounts of carfentanil are toxic, and

they are difficult to detect with the naked eye. Merely handling a contaminated bag or carton of carfentanil with your bare hands is dangerous. Customs quickly reacted to this occupational health and safety risk by delivering the necessary antibody to the customs offices.

## **Customs control of intellectual and industrial property rights**

Finnish Customs controls counterfeit goods coming from outside the EU to the customs territory of the Union. These control measures are laid down in Regulation (EU) No. 608/2013, which determines joint customs enforcement procedures and focuses on the quick eradication of goods that violate intellectual property rights.

A major change has taken place in the transport mode of coun-

terfeit goods in the past five years. Prior to 2012, Customs detected most of the counterfeit goods in transit traffic to the east, and the goods were transported by road or sea. The volume of detained goods was high and the total value of the goods was several million euros.

Subsequently, political and financial changes in the world and a decision of the Court of Justice of the European Union on the control of

counterfeit goods in transit traffic have radically changed the situation. Products are no longer transported via Finland to the east to the same extent as before. In 2017, the share of transit transport from the total volume of detained shipments was only six per cent, but in terms of the number of goods, the largest volume was still found in transit traffic.

However, nowadays most counterfeit goods enter Finland by mail



or express freight, which is why both the number of goods and their value have decreased.

The explosive increase in online trade is also reflected in the number of counterfeit goods detained: 63% of all goods detained in 2017 were mail consignments. In terms of controls, postal traffic is challenging also in the case of counterfeit products, because no advance information about arriving items is available and

the parcel volumes are high. Furthermore, X-ray control is rarely of any use, because seeing trade-marks in an X-ray image is almost impossible. Therefore, the parcel must be physically opened in order to detect a counterfeit product.

More than 80% of all counterfeit goods come from China or Hong Kong. Most shipments (79%) were detained by Airport Customs in 2017. There is a direct connection

from Helsinki Airport to the Far East, which is why counterfeit goods are detected in air freight, including both postal and express freight consignments.

The counterfeit goods detected in 2017 included toys, car spare parts, spare parts for sports equipment, gaming consoles, shoes and clothes.

|                                                                                                                      | 2013      | 2014      | 2015    | 2016      | 2017           |
|----------------------------------------------------------------------------------------------------------------------|-----------|-----------|---------|-----------|----------------|
| Value of goods that were detained in IPR controls, induced further measures and were withdrawn from the market (EUR) | 5 292 792 | 2 048 436 | 525 724 | 3 129 822 | <b>490 135</b> |
| Detained counterfeit products (pcs)                                                                                  | 279 603   | 193 636   | 90 336  | 45 873    | <b>478 267</b> |

## *Intellectual property offence – counterfeit motor oil*

Customs investigated an intellectual property offence in which the injured party had reason to suspect the importing of counterfeit motor oil to Finland and its sale to consumer customers.

In January 2015, Customs seized a total of 7,700 litres of motor oil suspected to be counterfeit from several shops of a Finnish retail chain. The seizure was carried out on the basis of the batch number of packages. Customs requested the forensics laboratory of the National Bureau of Investigation to analyse the seized motor oil.

On the basis of the analysis, the oil batch on sale did not correspond with the reference sample provided by the injured party which contained a synthetic lubricant. Instead, the seized oil was stated to mainly be a mineral-based lubricant.

On the basis of the preliminary

investigation, the Finnish retail chain had sold 13,400 litres of counterfeit motor oil. In total, the retail chain had more than 21,000 litres of the counterfeit motor oil in its shops. The motor oil was imported by a Finnish limited liability company that had acquired it through various agents from Estonia.

In addition, there is reason to suspect that the counterfeit motor oil was also imported by three other Finnish companies. Two of these, domiciled in the Häme region and northern Finland, had bought motor oil suspected to be counterfeit from Estonia and imported a total of 10,700 litres.

Moreover, one company operating in the Ostrobothnia region had bought oil from Poland and imported more than 3,700 litres. All of these companies sold the motor oil in different parts of Finland. In total,

the motor oil was available in more than 20 different outlets.

During the preliminary investigation, Customs worked productively with national authorities, and with Estonian and Latvian authorities. In the preliminary investigation, it was discovered that all batches of motor oil were imported to Finland from Poland, either directly or via Estonia. The information discovered during the preliminary investigation was sent to all Member States concerned through Europol.

During the preliminary investigation, more than 30 people were suspected. The preliminary investigation is complete and the case has been transferred to the Prosecutor's Office of Helsinki for consideration of charges.

# Narcotics offences and precursors

In 2017, Finnish Customs registered altogether 3,229 narcotics offences, i.e. nearly the same number as in 2016. There were just under 3,000 standard cases, which was also nearly as much as in the year before. The number of aggravated narcotics offences increased slightly.

There were 271 cases in 2017. Altogether 344 persons were suspected of aggravated narcotics offences. The share of foreign nationals in the aggravated cases was 50%. Most cases involved citizens of Lithuania, Romania and Estonia.

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

In 2017, Customs seized 3,175 kg of narcotics. This is much more than in 2016 (1,036 kg). This significant increase is explained by the amount of seized khat increasing from about 1,000 kg the year before to more than 2,000 kg in 2017. This increase is also explained by one seizure of 660 kg of hashish.

Narcotics are mainly imported

to Finland from the Baltic countries and Western Europe. Finland is also 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 amphetamine and methamphetamine seized in 2017 was 58.8 kg. This quantity is nearly the same as in 2016 (56.2 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. Amphetamine remains one of the most popular narcotics in Finland.

The proportion of methamphetamine increased clearly. This is also supported by wastewater surveys conducted by the National Institute for Health and Welfare (THL), according to which the quantities of methamphetamine and amphetamine remained stable in the Helsinki area throughout 2017. Crystal

methamphetamine has been detected in low quantities in Finland.

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. In 2017, Customs uncovered 25 new substances. Customs detected about 100 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 volumes examined by the Customs Laboratory have remained at the same level as before the legal amendments were introduced. Even though certain substances have been classified as narcotics, the most popular substances are still being smuggled. For example, alpha-PVP is still smuggled to Finland in large quantities.

| Narcotic-related offences                       | 2013         | 2014         | 2015         | 2016         | 2017         |
|-------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Aggravated narcotics offence                    | 202          | 300          | 199          | 254          | 271          |
| Narcotic offence                                | 2 774        | 1 641        | 1 819        | 2 810        | 2 829        |
| Preparation of a narcotics offence              | 56           | 52           | 88           | 39           | 39           |
| Illicit consumption of narcotics                | 242          | 218          | 206          | 84           | 90           |
| <b>All narcotics offences</b>                   | <b>3 276</b> | <b>2 211</b> | <b>2 312</b> | <b>3 187</b> | <b>3 229</b> |
| <b>Seized drugs</b>                             |              |              |              |              |              |
| Seized amphetamine (kg) (incl. methamphetamine) | 5,79         | 187,8        | 135,9        | 56,2         | 58,8         |
| Seized marijuana (kg)                           | 165,9        | 151,7        | 63,9         | 25,4         | 115,2        |
| Drug seizures in cases investigated (kg)        | 5 068        | 3 488        | 1 277        | 1 036        | 3 175        |
| Seized ecstasy (tablets)                        | 20 757       | 58 289       | 9 791        | 107 000      | 19 034       |
| Seized buprenorphine (tablets)                  | 17 428       | 15 459       | 18 675       | 20 994       | 15 136       |

In 2017, Customs seized about 19,000 tablets of ecstasy, corresponding with the average of the past ten years.

Ecstasy has maintained its popularity after its return to the market in 2012. According to the national wastewater survey of THL, ecstasy is used particularly on Fridays and Saturdays. This supports previous assumptions that ecstasy is used largely by young adults during weekends as a party drug.

### **Subutex**

Subutex is still a very popular substance among drug users and it is smuggled to Finland in large quantities. In 2017, Customs seized about 15,000 Subutex tablets, being nearly at the same level as in previous years. Since 2013, some 15,000–20,000 Subutex tablets have been seized in Finland every year.

Subutex is most often smuggled in consignments containing thousands of tablets from France to Germany and Sweden, and on to Finland in boat traffic. The 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 100–120 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 of a single tablet in France is only a few euros.

### **Cannabis**

In 2017, Customs seized a record-high quantity of hashish, a total of 675 kg. Altogether 115.2 kg of mari-

juana was seized, significantly more than in 2016.

Cannabis is the most commonly used narcotic in Finland. The smuggling of marijuana on flights from Spain was notable in 2017, with citizens of many European countries acting as couriers. Hashish was also smuggled to Finland from Spain by drug couriers inside their bodies during 2017.

The single largest quantity of hashish was seized from a Lithuanian articulated vehicle. A total of 660 kg of hashish was discovered from a hidden compartment built inside the front wall of the trailer.

### **Cocaine**

In 2017, Customs seized 3.52 kg of cocaine, less than in previous years. Even though the total quantity decreased, it corresponds with the average of the past ten years. On the basis of seizure statistics, cocaine smuggling to Finland has increased significantly since 2014.

Individual quantities seized have increased for a few years now. On the basis of THL's wastewater survey, the use of cocaine increased heavily in the Helsinki region in summer 2016, after which it remained stable until the end of 2017.

### **Khat**

In 2017, Customs seized 2,304 kg of khat, i.e. much more than in the two previous years when khat was mainly imported to Finland in dry form, in which case the substance is lighter. It is estimated that 100 g of dried khat contains as much cathinone as 200 g of fresh khat.

Fresh khat has made an impressive return, and it is smuggled to Finland by air among luggage directly from its production areas in Africa, for example, from Kenya. Khat has a separate user group in Finland.

### **Precursors**

A very small quantity of substances classified as precursors are seized at an annual level. In addition to known precursors, there are many unclassified substances, the import of which 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 phenomena related to drug crimes detected elsewhere in Europe have very often occurred in Finland as well. It is likely that the production of synthetic narcotics will increase in Finland, at least to a small extent.

Finland is also used as a transit country when smuggling precursors or substances used in their manufacture from Asia to Europe.

GBL is classified as a psychoactive substance prohibited in the consumer market, but internationally it is regarded as a precursor as, inside the body, it changes into GHB which is a narcotic. In 2017, high quantities of GBL were discovered and Customs seized about 125 litres of GBL. The substance is mainly imported to Finland from Lithuania in canisters of one or five litres. A single dose of GBL is 1–2 ml, meaning that one litre provides as many as 1,000 doses.

## Narcotics by post from the Netherlands

In early summer 2017, Customs seized several postal shipments containing narcotics. They were sent by a single person from the Netherlands to different parts of Finland. Customs seized more than 1.3 kg of alpha-PVP, some 9,500 ecstasy pills, 100 g of cocaine and 200 grams of amphetamine in the shipments. In total, more than 100 postal and express shipments containing narcotics were sent to Finland. The street value of the seized narcotics would have been EUR 415,000.

On the basis of information obtained during the preliminary investigation by Customs, an official operation was started in the Netherlands, during which seven individuals were apprehended and 67,000 ecstasy pills, 230 grams of cocaine and 700 grams of MDMA powder were seized. In addition, dozens of kilograms of psychoactive substances, some of which are legal in the Netherlands and some of which are defined as narcotics, were seized during house searches related to the case.

In the preliminary investigation, it was discovered that the narcotics were ordered to be sent to Finland through the Tor network, and several narcotics batches were paid for using bitcoin. The narcotics sent from the Netherlands were distributed in Finland using, for example, the Sipulikanava forum and the Wickr instant messenger application.

During the preliminary investigation, more than ten people were apprehended in Finland and nearly 100 people from Finland, the Netherlands and Germany were suspected in the case. The case was also investigated in collaboration by Customs and the Dutch police. The National Bureau of Investigation and the Helsinki Police Department also took part in the investigation.

The smuggling and distribution of narcotics resulted in the investi-

gation of several narcotics offences and aggravated narcotics offences. The preliminary investigation of the case has been completed in Finland, and the Prosecutor's Office of Eastern Uusimaa is considering charges in some related cases. The persons prosecuted at Vantaa District Court

have received sentences, ranging from fines to imprisonment of several years.

In the Netherlands, the preliminary investigation is still in progress, and it is expected to be completed before summer 2018.



## Aggravated narcotics offences – alpha-PVP in Salo

In autumn 2016, Vantaa Airport Customs discovered four shipments that contained alpha-PVP, a synthetic stimulant. All shipments were addressed to the Salo region. The shipments contained roughly 700 g of highly pure alpha-PVP. The suspected crimes were investigated as aggravated narcotics offences. The total street value of the narcotics in the shipments would have exceeded EUR 100,000.

Acquired information indicated that the recipients in Salo were in close contact with a man in Salo who also had a criminal history related to narcotics. As the investigation proceeded, Customs apprehended the recipients of the shipments and interrogated them several times with regard to the suspected offences.

In the first phases of the investigation, it was found that all four seized alpha-PVP shipments were most likely related to a single criminal case. It was also apparent that the shipments were not intended for private persons, but the case involved a more extensive distribution network. Coercive measures in the case helped in identifying a person whom Customs originally suspected of being the leader of the operation.

Before Christmas 2016, all recipients of the shipments and the leader of the operation were apprehended on suspicion of aggravated narcotics offences with probable cause as decided by the district court. To reduce the risk of being apprehended, the leader operating in the background had asked people he knew to order narcotics ship-

ments to their addresses in return for cash. The man thought that if the shipments were seized, he could not be linked to them. He denied his involvement in the shipping operation from the very beginning of his interrogations.

However, strong evidence was gathered against the man as a result of investigations carried out in early 2017.

The district court sentenced the recipients of the shipments to imprisonment ranging from 14 months to 20 months. The leader of the operation received a sentence of four years. At the time of this article, the sentences were not yet legally valid.

## Uncovering the "Douppikauppa" organisation

In 2016–2017, the Tampere investigation unit of Customs investigated a criminal case related to narcotics traded in the Tor network, during which the operation of an organisation called Douppikauppa was stopped. During its operations, Douppikauppa was the largest on-line narcotics dealer in Finland.

Customs seized a large batch of highly dangerous narcotics (amphetamine, methamphetamine, cocaine, heroin, ecstasy pills, MDMA crystals and LSD patches) from a couple who arrived in Finland in Kustavi on 27 April 2016. The targets were already profiled before their arrival after an extended investigation. On the day following the customs inspection, Customs searched the house of a third person living in Espoo. During the house search, roughly 4 kg of designer drugs and research chemicals were seized. In the preliminary investigation, the IT

hardware of the suspects was also investigated.

Customs was able to log in to the main suspect's laptop, and the computer was transferred to the tactical investigation unit for analysis. The computer contained large amounts of information about the internal communication of the organisation that sold narcotics online, the import and distribution of narcotics, and payments. In addition, a bitcoin wallet application was found on the computer.

The main suspect had used the application to accept payments for narcotics, pay for new narcotics and save income obtained from criminal activities. In June 2016, Customs seized 1,666 bitcoins from the wallet application. Their value at the time was approximately EUR 1.1 million.

As a result of IT investigations, it was proved that the main suspect,

together with his brother apprehended in Kustavi, had imported more than 40 kg of highly dangerous narcotics into Finland in 2014 and 2015. The narcotics were imported, for example, in cans hidden in luggage, hidden inside a mailed printer and inside a suitcase transported in a sailing boat of the perpetrators' close relatives. In Finland, the narcotics were mainly distributed by post and using caches. The operation continued through subsequent deals.

When the case entered consideration of charges in September 2016, the Customs continued to analyse the information obtained from the main suspect's computer. Using this information, it was possible to identify a person who, after the seizures made in April 2016, had continued the criminal operation via Ekstaasikauppa and Hamppukauppa, shops belonging to the Douppikaup-

pa organisation. Several secret coercive measures were directed at this person. Just before Christmas 2016, Customs searched the person's home in Vantaa and apprehended him. During the house search, Customs seized fairly large amounts of highly dangerous narcotics that comprised ecstasy pills, MDMA crystals and methamphetamine. A cannabis growing cabinet was also discovered in the apartment.

As the suspect's computer was open at the time of the search, it was possible to examine its content. Slightly more than 70 bitcoins were seized at a value of EUR 70,000 at the time. In addition, detectives copied the man's notes regarding his activity in the Douppikauppa organisation. Based on these notes, it was discovered that the suspect was in charge of ordering the narcotics batch discovered in Kustavi in April 2016 and of paying for it.

In addition, it was proved that the man was guilty of several aggravated narcotics offences in 2014–2015. After the apprehension in December 2016, the Douppikauppa organisation stopped operating.

The activities of the apprehended suspects in the aforementioned criminal case were handled at the Varsinais-Suomi District Court in April 2016 and the Turku Court of Appeals in 2017. The main perpetrator who lived in Espoo was sentenced to imprisonment of ten years and six months and subjected to the confiscation of EUR 528,000 in addition to the previously seized bitcoins.

The main perpetrator's brother who was apprehended in Kustavi was sentenced to imprisonment of nine years and subjected to the confiscation of EUR 91,000. The case of the man from Vantaa who was apprehended in December 2016 was handled at the Varsinais-Suomi District Court in June 2017. The man was sentenced to imprisonment of eight years and nine months and subjected to the confiscation of EUR 670,000. The sentences are not yet legally valid.



**Fentanyl** is a strong synthetic opioid which can be 50 times stronger than heroin and 100 times stronger than morphine. Fentanyl is used legally in hospitals as a painkiller.

When used as a narcotic, fentanyl gives a relaxing and euphoric feeling, but it also causes breathing reflexes to slow down. Deaths have mainly resulted from stopped breathing.

Fentanyl appears in the form of powder, pills, patches, bandages and a solution in nasal sprays. Its potency can vary significantly. In the form of a powder, its content can reach 100 per cent.

## Fentanyl and its derivatives

By the end of 2017, a total of 24 different derivatives of fentanyl (e.g. ocfentanil, acetylfentanyl, butyrfentanyl) were reported to the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA).

These derivatives can be even stronger than fentanyl itself, such as carfentanil which can be 10,000 times stronger than morphine and of which a safe dose cannot be reliably prepared. Some 0.03 milligrams of carfentanil is a lethal dose for an adult. Carfentanil is only used legally as a tranquiliser for large animals.

In 2015–2017, as many as 18 different derivatives of fentanyl were classified as narcotics in Finland. Carfentanil was classified as a narcotic in Finland in November 2017. The number of fentanyl derivatives has increased because not many of them are prohibited in the UN Single Convention on Narcotic Drugs, or they are not within the scope of the national narcotics legislation. In illegal drug markets, fentanyl and its derivatives provide significant profit for their manufacturers and sellers.

### **Popularity increasing globally**

In the European drug market, fentanyl and its derivatives have either been directed from the legal supply chain to the illegal market or manufactured in illegal laboratories.

In Estonia, fentanyl has become the most popular intravenous opioid

in recent years. Fentanyl is mainly brought into Estonia from Russia. Fentanyl derivatives are commonly used in the Baltic countries and Russia, as a result of which there are many fentanyl-related deaths in these countries. In Sweden, the volumes of seized fentanyl and its derivatives have increased significantly, as have the deaths related to these narcotics. According to the most recent information, there are roughly three deaths a week related to the use of fentanyl and its derivatives in Sweden.

In the United States, fentanyl is a very serious and wide-spread problem, and deaths resulting from

overdoses of fentanyl and its derivatives have increased rapidly. These substances are mainly brought into the United States from China. In the USA, 287 kilograms of fentanyl was seized in 2016.

### **Fentanyl comes into Finland through online shops**

In 2015–2017, a total of 157 fentanyl and opioid derivative findings were made in Finland. Of all derivatives of fentanyl, Customs discovered butyrfentanyl, furanylfentanyl, methoxyacetylfentanyl, ocfentanil and carfentanil in 2017. Their volumes were relatively low, 90 g in total, with the volume of furanylfentanyl being the highest.

There were two carfentanil cases at a total volume of 0.12 g. These substances mainly come into Finland as postal deliveries ordered from online shops.

Compared with the rest of Europe and the United States, the use and findings of fentanyl and its derivatives have been fairly low. However, this does not decrease the risk of individual cases, and the situation needs to be monitored closely. European trends regarding the use of narcotics usually make their way to Finland with a slight delay, and also on a smaller scale.

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*Carfentanil is only used  
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**Methamphetamine** is a synthetic drug which is stronger than amphetamine and stimulates the central nervous system. It appears in the form a powder or crystals, in which form it is called “ice.” Methamphetamine is mainly used by swallowing or snorting, but it can also be injected, and crystal methamphetamine especially is also inhaled.

## Methamphetamine

The use of methamphetamine is very common in Northern Europe, particularly in Norway, where hundreds of kilograms are seized every year. In Sweden, methamphetamine is not as wide-spread a problem, and any methamphetamine seized has often been intended for the Norwegian market. Methamphetamine is practically non-existent in Estonia.

In Europe, methamphetamine is manufactured in illegal laboratories, especially in the Czech Republic, but also in Poland and Lithuania. According to reports sent to the EMCD-DA, 263 of the 291 illegal laboratories reported within the EU in 2015 were located in the Czech Republic.

When manufacturing methamphetamine, various chemicals, or precursors, are needed, and these are mainly smuggled from China. Precursors are on the list of monitored substances and for this reason they are falsely registered as non-monitored substances in consignment notes.

In recent years, there have been

observations of chemicals used in the manufacture of precursors being transported from China to Europe, also via Finland. Such transportation poses a challenge to supervisory authorities, as the imports or exports of these substances have not been limited or regulated in any way. The aim of such activities is to manufacture precursors close to methamphetamine manufacturing locations.

### *Use of methamphetamine increased heavily in Finland*

In Finland, very high volumes of methamphetamine have appeared since spring 2016, and its use has increased. During 2016, the Police and Customs seized a record-high amount of 58 kilograms of methamphetamine. A good indication of the changed situation is that, of all drug samples delivered to the forensic laboratory of the National Bureau of Investigation, methamphetamine accounted for up to 10 per cent, while it made up only three

per cent in 2015.

According to wastewater surveys conducted by the National Institute for Health and Welfare (THL), methamphetamine is currently used in particularly high volumes in the Helsinki and Keski-Uusimaa regions, occasionally even in higher volumes than amphetamine. The volumes seized by the Police and Customs support these survey results.

Similarly to amphetamine, the average concentration of methamphetamine has increased significantly from previous years. According to THL and narcotics experts, strong methamphetamine has, in many cases, been sold to users as amphetamine since spring 2016.

Methamphetamine is mainly carried to Finland through passenger traffic from the Baltic region. Finland is also used as a transit country when smuggling methamphetamine to Norway.



## Pharmaceuticals classified as narcotics

Criminal offences involving narcotic medicines are classified as narcotic offences, and there are no separate official statistics on them. Customs prepares statistics on the number of pharmaceuticals classified as narcotics.

In 2017, Customs confiscated a total of 170,052 tablets of pharmaceuticals classified as narcotics, which is 107% more than in the previous year. The number of confiscated tablets started to increase in 2016 after a four-year period during which the amounts remained at the same level. The number of tablets doubled from 2016 to 2017.

Benzodiazepines are a large group of pharmaceuticals. The most common-

ly used substances include clonazepam (such as Rivotril or Rivatril in Finland), alprazolam (e.g. Xanax or Alprazolam), diazepam (e.g. Diapam or Valium) and midazolam (e.g. Dormicum and Midazolam).

Most pharmaceuticals classified as narcotics enter the country through the postal system. Only around ten per cent arrive via other means. Because orders are placed online, there are several countries from which pharmaceuticals classified as narcotics are sent. Most pharmaceuticals classified as narcotics in parcels coming from abroad are detected during X-ray control.



*The largest confiscated batches consisted of 52,400 tablets, 26,000 tablets and 1,002 grams of clonazepam, 5,000 and 2,700 tablets of buprenorphine, and 5,500 and 3,000 tablets of diazepam.*

*During an international operation by customs and health care authorities, Finnish Customs confiscated most clonazepam, diazepam and buprenorphine.*

|                                                           | 2013   | 2014   | 2015   | 2016   | 2017    |
|-----------------------------------------------------------|--------|--------|--------|--------|---------|
| Seized narcotic medicines (tablets) (incl. buprenorphine) | 37 382 | 35 202 | 36 921 | 82 115 | 170 052 |

## Over 100 kilograms of dangerous counterfeit medicines from China

In September 2016, Customs seized some 144 kilograms of medicine packages, containing a total of 73,000 counterfeit medicine tablets. The counterfeit medicines were carried to Finland from China via Hong Kong, and the intention was to forward them to Slovenia. The pro-

ducts did not have proper import or export licences. Furthermore, the packaging markings did not correspond to the composition of the tablets. In addition, the packaging markings and the information listed in product specifications were contradictory. The products were

indicated to be natural products and dietary supplements.

During preliminary investigations, it was discovered that the counterfeit medicines were to be forwarded from Finland to Slovenia, from where they would have most likely been distributed to different

parts of Europe, particularly through the internet. It is suspected that similar counterfeit medicines were smuggled from Finland to Slovenia on six different occasions in May–October 2016. According to preliminary investigations, a total of 1,000 kilograms of counterfeit medicines, i.e. 500,000 counterfeit tablets, was sent to Slovenia during this time.

Two individuals who are working in a forwarding company in southeast Finland are suspected of an attempt to smuggle counterfeit medicines.

### **Counterfeit medicines contained synthetic sildenafil**

The trade names of the seized counterfeit medicines were Almea Extra Power for Men, 69 Lab Re-sizer and Durasan. During laboratory examinations by the Customs Laboratory and the Finnish Medicines Agency (Fimea), the counterfeit medicines were stated to contain synthetic sildenafil. Sildenafil was not mentioned in any details of the counterfeit medicines. In medical use, sildenafil is mainly used to treat erectile dysfunction in men.

The counterfeit medicines were dangerous because their actual composition did not match their product specifications. The



products posed a specific hazard to people who cannot use sildenafil for medical reasons.

### **International cooperation**

Customs reported the case to the EU medicines agencies. The case was investigated in cooperation with the authorities of China, Latvia, Slovenia

and Estonia, as well as Europol.

In Finland, the case was investigated as aggravated tax fraud, an aggravated accounting offence, smuggling and tax fraud. The Prosecutor's Office of Eastern Uusimaa is considering charges in the case.

## **Pharmaceuticals**

In 2017, the total number of pharmaceutical violations and offences registered by Customs decreased by 13% from the previous year. As in 2016, most of the cases were processed as pharmaceutical violations.

Such a violation usually leads only to a confiscation. The number of basic pharmaceutical offences also decreased from the previous year, by 24%. Even though the number of cases somewhat decreased

from 2016, the amount of pharmaceuticals confiscated (in tablets, litres and kilograms) increased. There was a 16% increase (some 36,000) in the number of tablets confiscated compared to the previous year. Confiscations of liquid pharmaceuticals increased by 4% and confiscations of powder pharmaceuticals by 17%.

Of regular pharmaceuticals offences, 80% were detected in postal and courier traffic. The share of

ship traffic was 8% and the share of road traffic was 7%. Only some 3% of all found pharmaceuticals were confiscated in air traffic. The rest of the pharmaceuticals offences were detected in connection with other investigations.

The most common country of origin was the United States: the pharmaceuticals were from the US in around 23% of all the cases. The United States being such a common

country of origin is partially due to the fact that many people order strong melatonin and other supplements that are popular in the United States, but are regulated under pharmaceutical legislation in Finland.

The next most common countries of origin were India and Russia: both of them accounted for around 10% of all confiscations. Several countries were involved in a single case or a couple of cases. Most of the postal traffic inspections were performed using x-ray machines.

One can see changes in the case of specific pharmaceuticals when comparing the development of con-

fiscations of specific pharmaceuticals from 2016 to 2017. The previously high volume of confiscated erectile dysfunction medication clearly decreased: the drop from 2016 was 97%. One should take into account, however, that even a major change like this during just one year does not necessarily reflect any change in the general trend. There was a minor drop in the volume of confiscated melatonin products, as well.

On the other hand, the volume of confiscated synthetic opioid Tramadol increased by 24% and the volume of confiscated clenbuterol more than tripled from 2,823 tab-

lets to 10,067 tablets. Clenbuterol is an asthma medication that is taken orally. It is mainly used in veterinary medicine, i.e. it is not used to treat asthma in humans. Clenbuterol has an anabolic effect, meaning it causes tissue to grow, which is why it is one of the most common substances used to increase muscle mass.

As in previous years, the confiscated pharmaceuticals also included a variety of medicine used to treat illnesses or their symptoms, such as high blood pressure, pain, allergies or depression.

| Medicine offences          | 2013         | 2014       | 2015       | 2016       | 2017       |
|----------------------------|--------------|------------|------------|------------|------------|
| Medicine offence           | 1 213        | 190        | 124        | 144        | 110        |
| Medicine violation         | 311          | 561        | 682        | 710        | 632        |
| <b>Total</b>               | <b>1 524</b> | <b>751</b> | <b>806</b> | <b>854</b> | <b>742</b> |
| Seized medicines (tablets) | 222 861      | 90 792     | 282 908    | 225 564    | 265 406    |

## Doping substances

Customs recorded a total of 229 doping offences in 2017, which is 15 cases less than in the previous year. There were only minor differences in the annual number of doping offences between 2013 and 2015, but the number of offences decreased by almost a hundred in 2016, and the volume of confiscated substances was also clearly lower than in the previous years.

The number of minor doping offences increased by around 15% in 2017, while the number of regular doping offences decreased by 24%. The most notable change was in the number of aggravated doping offences: it decreased by 29 cases or 82%.

Regardless of the decrease in the number of aggravated doping offences, the volume of confiscated

substances clearly increased from the previous year: the change was 93,113 tablets/ampoules, i.e. the volume increased by 330%. This indicates that large batches were smuggled.

A large batch may consist of up to a thousand ampoules of anabolic steroids or several kilograms of testosterone powder. The increase in the volume of substances smuggled by the kilo or litre was a notable change in the smuggling of doping substances.

The amount of powdered substances confiscated was clearly higher than in the previous year or 10,178 grams (2016: 2,135 g). The profit that can be obtained from preparing doses from powdered doping substances is notably high.

The powder is made into doses that are sold at gyms or via separate sales networks.

In 2017, a total of 62,382 litres of liquid doping substances were confiscated. The amount of substances confiscated during the previous year was 6,035 millilitres, which means that the increase was also notable.

Anabolic steroids amounted to around a half of all the confiscated substances. Popular substances included metandienone, stanozolol, trenbolone, oxandrolone and nandrolone. Testosterone was smuggled as both ampoules and powder. Testosterone amounted to around one third of all the confiscated doping substances. The share of other products classified as doping substances

was a little over 10%. The volume of growth hormones was marginal.

Most (80%) of the confiscated doping substances were smuggled through the postal service (via regular mail and by courier). Products ordered online have become more common due to their easy availability, affordable prices and home

delivery. The rest of the confiscations took place in passenger traffic and in connection with a couple of house searches.

The United States was the most common country of origin for doping substances. Most of the consignments that came from Europe were from Poland. The Nether-

lands and India were also common countries of origin. People who sell doping substances online change their country and address on consignments if they notice that many of the products ordered from them are illegal or subject to a licence in the target country are being seized by Customs.

| Doping offences                                       | 2013       | 2014       | 2015       | 2016       | 2017       |
|-------------------------------------------------------|------------|------------|------------|------------|------------|
| Aggravated doping offence                             | 44         | 17         | 29         | 35         | 6          |
| Doping offence                                        | 259        | 256        | 154        | 49         | 37         |
| Petty doping offence                                  | 36         | 52         | 160        | 160        | 186        |
| <b>Total</b>                                          | <b>339</b> | <b>325</b> | <b>343</b> | <b>244</b> | <b>229</b> |
| <b>Seized doping substances</b><br>(tablets/ampoules) | 78 798     | 87 491     | 110 442    | 28 188     | 121 301    |

## Doping operation of a CEO in Northern Savonia

During autumn 2016 and spring 2017, Customs investigated a systematic and professional operation to import and distribute doping substances in Northern Savonia. In the preliminary investigation phase, it was discovered that doping substances and medicines had been sold in the illicit Silkkitie channel operating in the Tor network.

The doping substances and the ingredients required to manufacture them were imported to Finland via postal deliveries from China and Germany, and they were manufactured and stored in an apartment in Northern Savonia.

According to preliminary investigations, the suspects had sent manufactured doping substance to their customers by post and payments were made in bitcoins. Three individuals were suspected of the case.

### Main suspect continued criminal activities

After the first preliminary investigation but before the case was hand-

led at the district court, the main suspect continued criminal activities in the Tor network. The suspect had created new user credentials for Silkkitie and TradeRoute channels in the Tor network in summer 2017 and continued the large-scale distribution of doping substances

nearly immediately after being released from custody during the preliminary investigation at the end of March 2017.

As a result of its own intelligence and technical and tactical methods, Customs traced the suspect and initiated new preliminary



investigations. This person, who is now suspected of a continued aggravated doping offence, works as the CEO of a company based in Northern Savonia and has taken advantage of his position, for example, by ordering doping substances to vacant apartments in buildings within the scope of the company's building management services.

### **Substances hidden in wall structures**

During a house search, Customs discovered a hidden compartment inside the wall structures of a closet space of one of the main suspect's apartments, containing significant amounts of doping substances, medicines and precursors and supplies needed to manufacture doping substances, such as doping ampoules and labels.

The hidden compartment also contained the computer used to trade doping substances in the Tor network and EUR 5,400 in cash. The hidden compartment had been built skilfully and very systematically, but Customs was able to discover it using its technical and tactical methods.

### **Large volumes of doping substances seized and high amounts of recovered criminal proceeds**

According to the preliminary investigation, at least 34,600 millilitres of liquid doping substances and 12,450 millilitres of liquid medicines entered the illicit market between August 2016 and August 2017. In addition, more than 22,000 millilitres of liquid doping substances, more than 9,800 grams of doping powder and more than 12,200 millilitres of liquid medicines were seized from two suspects during searches and importing.

The main suspect is suspected of selling different doping substances and medicines at a value of at least EUR 135,000. The doping substances were mainly anabolic steroids and testosterone, and the medicines were, for example, erectile dysfunction medicine and antiestrogens that are used together with testosterone.

The seized doping substances intended to be sold would have produced more than 6,000 periods of misuse. According to the decisions of the Supreme Court (2008:51,

2009:67 and 2017:88) one period stands for the amount of doping substances used by one person during four months. As a result, 6,000 periods of misuse would have provided one person with doping substances for more than 2,000 years.

The total value of the doping substances and medicines sold overall and seized during the preliminary investigation was more than EUR 430,000. During the two preliminary investigation periods, more than EUR 75,000 were seized from the main suspect's bank accounts and during house searches. EUR 42,000 of the main suspect's assets and 12.48 bitcoins, the value of which was more than EUR 160,000 at the exchange rate of 8 January 2018, were confiscated as security.

The preliminary investigation of the case of a continued aggravated doping offence is complete, and the case was transferred to the Prosecutor's Office of Eastern Finland for consideration of charges in January 2018. The main suspect from Northern Savonia remains in custody.

## **Enforcement**

### ***EU vehicle inspection courses in Vaalimaa***

Customs has systematically developed its competence to inspect vehicles at border-crossing points in order to more effectively discover the illicit importing and exporting of prohibited and restricted products.

The level of control has been increased by means of training, in particular, at national border-crossing points and at ports for passenger transport. National training, covering all vehicle types, started in 2016 and will continue at least until the end of 2018.

Training offers extensive information about vehicle inspections. It

focuses on the structures of private cars and vans and the safety of inspections. An electronic repair shop manual is used in training and practical vehicle inspections. It contains exhaustive information about different makes and models.

The training package for vehicle inspections developed by Customs has also been offered to Customs control employees and vehicle inspection experts of different EU member states. In June 2017, the first EU vehicle inspection course was piloted in Vaalimaa. It was attended by representatives of eight

member states. The new inspection facility and the special expertise of the Vaalimaa Customs unit were used during the course.

Customs has skilled vehicle inspection experts, a highly functional modular training concept and suitable training facilities that can be used in practical training. The goal was for Vaalimaa Customs to evolve into a competence centre for vehicle inspections in the EU. It seems that this goal was reached – the first course has received amazing feedback. EU courses were continued in 2018.

## EU network for canine operations

The Canine K9 Unit Network, an EU-wide network for canine operations, started operating in spring 2017 under the Customs 2020 programme. The goal of the project was, through cooperation, to develop the exchange of information about canine operations and training in Member States and, therefore, to improve the productive use of dogs in operations regarding passenger and goods transport.

Operations started by means of training held in Kuusamo in spring 2017. The project's action plan was completed at the second meeting in Malta at the end of 2017. The action plan describes all project activities in detail, includes a scheduled programme for the next few years and defines the distribution of tasks in subprojects. Finland leads the working group and is in charge of project costs.

The Canine K9 Unit Network has raised interest extensively around the world, and most EU Member States and three EU applicants have been actively in-

involved in its operations. There was a clear demand for the project, and Customs has led the way in establishing and carrying out the network.



## Sniffer dog for weapons and explosives



Heila, the first sniffer dog of Customs trained to detect weapons and explosives, started working in Airport Customs in October 2017. The dog, together with her handlers, has received basic training and training in the operating environment and completed the examination required to start working at the Police Dog Training Centre. If required, the dog will work in different parts of Finland.

A sniffer dog for weapons and explosives was necessary due to changes in general safety and security. In addition, illicit transportation of weapons and their parts and, especially, explosives precursors and defence material has been revealed in recent years. Using a sniffer dog, customs controls can be targeted effectively to foreign trade shipments, without decelerating the progress of legal deliveries.

With the help of Heila, Customs made several discoveries at the end of 2017, for example, regarding a transportation chain of explosives-based shipments for fireworks. Heila has also detected weapons from among legal shipments. This proves that her training has been a success.

Customs has this area well under control and it is quickly able to target its operations as necessary. Next year, Heila will be used at various border-crossing points and in different vehicles to perform Customs control, and she will train an agreed operating model in different situations, together with other authorities, as well.

## Smuggling snus and hashish from Sweden

In 2016, Customs investigated a large snus smuggling operation where a total of 1,345 kg of snus was imported illegally from Sweden to Finland during autumn 2016.

During the preliminary investigation, some 657 kg of snus were seized at two different times in Northern Finland. The snus was smuggled from Sweden to Finland in a van acquired for this specific purpose.

In the preliminary investigation phase, five previous smuggling operations of the same suspects were also investigated. During these operations, roughly 688 kg of snus were imported to Finland and mainly distributed in the Helsinki region. In these cases, snus was also imported in vans.

The suspects had acquired several vans to smuggle snus. To bluff the authorities, each van was only used for a short period at a time, after which they were abandoned in different locations.

Approximately EUR 520,000 in taxes were evaded through the ille-

gal import of the smuggled snus discovered during the investigations.

Three persons were in custody during the investigation, being suspected of aggravated tax fraud and smuggling.

### The same suspect in a hashish case

One of the main suspects in the snus case was also subject to a criminal investigation by Customs in early 2017, when Customs seized nearly 4 kg of hashish-type cannabis from the man in Kemi. During the preliminary investigation, it was discovered that the man had acquired the hashish batch from Sweden with the intention of carrying it to the Helsinki region for sale.

The street value of the seized hashish batch would have been EUR 60,000.

The case was investigated as an aggravated narcotics offence, and one person was kept in custody.

The Kemi-Tornio District Court

handled the criminal cases related to the smuggling of snus and hashish at a single court session. The main suspect received an unconditional sentence of three years' imprisonment for aggravated tax fraud and an aggravated narcotics offence. The other defendants received suspended sentences, the duration of which ranged from six months to 20 months.



## Smuggling waterpipe tobacco

On 23 February 2017, Customs seized a shipment sent from the United Arab Emirates, containing 690 kg of waterpipe tobacco. The shipment underwent the transit procedure, where it was declared that the shipment contained powdered hand soap and was on its way to Latvia. However, it was never shipped there from Finland. Instead, there was an attempt to ship it undeclared to Germany via a carrier operating in Vantaa. The shipment was inspected and was found to contain 1 kg plastic bags containing waterpipe tobacco.

Customs suspect that waterpipe tobacco has been smuggled in a similar fashion five different times previously, starting from December 2016. All the shipments were sent from the United Arab Emirates, with powdered hand soap having been declared as the content and Latvia as the destination.

In addition, all the shipments were picked up by a single Latvian man who first loaded the goods in his van, after which he transported them to carriers operating in Vantaa for forwarding to private recipients in France. Next, the man drove his empty van back to Latvia where he loaded the van with the cheapest possible powdered soap and declared the load at Latvian Customs.

During the preliminary investigation, it was discovered that the operation was masterminded by a Russian man who hired the Latvian man to smuggle the shipments. A European Arrest Warrant was issued for the Russian man, on the basis of which he was apprehended in Croatia and sent to Finland.

According to investigations, a total of 3,080 kg of waterpipe tobacco was smuggled in six different shipments. More than EUR 1,143,000 in taxes and import duties were evaded through the smuggling of these shipments.

The case has been investigated as aggravated tax fraud, and two

people have been held in custody.

On 8 December 2017, Vantaa District Court issued their judgement in the case. Both men were sentenced to imprisonment for all six shipments. The Russian organiser was sentenced to three years of imprisonment and the Latvian courier to two years and two months of imprisonment. In addition, they were ordered to pay damages of more than EUR 885,000 for the unseized waterpipe tobacco batches.



## Operation WAREHOUSE III

At the end of 2016, Finnish Customs carried out an operation called WAREHOUSE III in close cooperation with the European Anti-Fraud Office (OLAF). The participants included a total of 26 EU Member States and one Member State as an observer. Europol and the Commission/DG TAXUD supported the operation. The final meeting of the operation was arranged in Helsinki in March 2017.

Preventing the smuggling of goods subject to excise duty is one of the EU's political priorities. The authorities have launched a number of initiatives aiming at the Member States being able to better reveal criminal networks that utilise complex operating models, particularly in the case of fraud involving goods subject to excise duty.

Operation WAREHOUSE III is a good example of how the EU and authorities in the Member States can effectively cooperate to protect their assets. Joint customs operations protect the financial interests of the EU, citizens and legal enterprises.

Operation WAREHOUSE III targeted the smuggling of goods subject to excise duty, such as tobacco, alcohol and mineral oil, in Europe. Using sophisticated operating models that are difficult to trace, criminal organisations daily bring in goods subject to excise duty into

the EU, declaring them with information designed to mislead the authorities. The goods are then taken to another Member State under customs supervision with a T1 transit document and released for free circulation (procedure code 42 or 45), but also immediately placed into an excise warehouse under excise-duty suspension procedure. This way, the goods need not be smuggled across the EU border, which minimises the risk of customs authorities stepping in.

Goods are transported from low price level countries closer to higher price level countries where the best price can be obtained for the goods subject to excise duty on the black market. Criminals can transfer the goods through the Excise Movement Control System (EMCS) as one or several internal transfers to different parts of the EU, which makes monitoring of the goods highly difficult.

Weaknesses of the electronic EMCS provide criminal organisations with the opportunity to release the goods for free circulation, i.e. illegally bring them into the EU area without paying any excise duty. This causes major financial losses to the EU and its Member States.

WAREHOUSE III was the third joint EU customs operation. It was realised in close cooperation with the tax authorities, particularly in

order to reveal excise duty and value added tax fraud. Cooperation between European customs and tax authorities is important because the different authorisations and judicial systems at the national level and at the EU level make addressing complex cases of fraud difficult. During the operation, customs and tax authorities combined their expertise and shared intelligence in order to prevent losses in the EU budget and budgets of the Member States.

Three confiscations were carried out during the operation. The authorities confiscated 31,012 litres of diesel fuel and 24,700 litres of lubricating oil in Poland. Furthermore, at least two criminal investigations were started. One of the cases involved the smuggling of waterpipe tobacco in Lithuania and the other possible VAT fraud in the Czech Republic.

During the operation, OLAF offered logistical, financial and technical support for the exchange of real-time information and intelligence. Finland coordinated a physical operational coordination unit (P-OCU) at the OLAF office in Brussels, which made communication between the national contact points easier. In addition, contact persons from six Member States worked at the operations centre during the operation.

Europol also participated in the operation to allow for direct cross-checking of people and enterprises during the operation.

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## Corporate Audit (YRTA)

In 2017, the goal of Corporate Audit was to carry out a total of 229 audits, of which 110 (some 48%) were company-specific named audits and 119 (some 52%) were unnamed audits.

A total of 264 audits were carried out in 2017. The taxation value

of the proposed measures was a total of some €10.8 million and some €0.2 million in taxes were returned based on the audits. The number of proposed measures decreased from the previous year because the collection of excise duties and vehicle tax was transferred from

Customs to the Tax Administration as of 1 January 2017, which means that the Tax Administration is now responsible for excise duty and vehicle tax audits as well. Customs still performs audits of tax warehouses and facilities on behalf of the Tax Administration, however.

In 2017, the corporate audits focused on release for free circulation, special procedures and storage.

### Fraud involving the declaration of country of origin

It is important that the country of origin, tariff number and customs value are declared correctly, as they form the basis of the customs duty.

One audit in 2017 involved the origin of an imported product. According to the transport documents, the product had been sent from a country to whose original products the Generalised Scheme of Preferences (GSP) applies. Suspicions about the actual origin of the product were raised during the audit, and it was suspected that the preferential tariff rate had been wrongly utilised. It was suspected that the authority in the GSP country had received false information, which is why the certificate of origin that entitles to the GSP had been granted under false pretense.

It was determined that the product had not been manufactured in the declared country; instead, it had been manufactured in a country for whose products an anti-dumping duty was applied. By using the GSP, the importer had been able to avoid a total of some two million euros in general duties and anti-dumping du-

ties. Customs was obligated to retroactively collect the duties. It was determined that the importer failed to determine the origin of the product with care. The importer denied this, appealed the decision to the Administrative Court and requested that the decision made by Customs be revoked.

The Administrative Court was of the opinion that Customs handled the case correctly and ratified the decisions on the subsequent levy of duties. The judgement of the Administrative Court confirmed that before making a deal, an importer is obligated to determine the country of origin of a product in compliance with the rules on the country of origin and the manufacturer, i.e. to determine where the product has actually been manufactured.

Determining the country of origin is important within import of products subject to a duty or an anti-dumping duty, as their tax interests are often significant.

### Defective accounting entries

In addition to post-clearance audits, Corporate Audit carries out advance audits such as accounting audits. An accounting audit involves

reviewing information provided by a customer on the accounting system and accounts of a company.

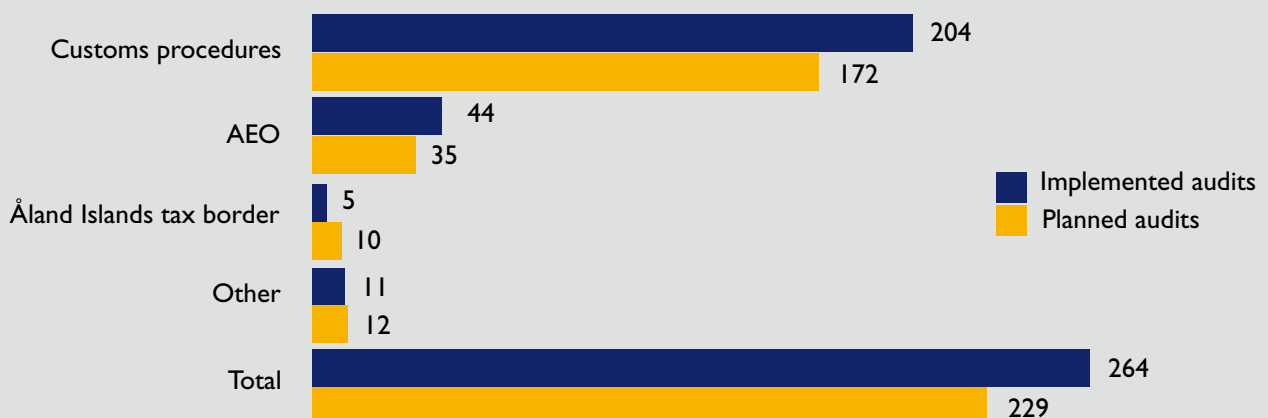
Some cases in which some of the markings in the stock accounts – such as identification markings in customs documents related to incoming or outgoing goods – are missing have been detected in warehouse audits. Customs can demand a penalty fee for neglecting to keep proper stock accounts or due to repeated erroneous declarations.

The stock accounts must include real-time information on the number and type of goods in stock. However, delays of up to two weeks in entering incoming goods in the stock accounts have been detected in audits. The accounts must be retained for a period of six years starting from the end of the year during which the goods were placed in customs procedure or re-exported, destroyed or handed over to the government.

Furthermore, cases have come to light in warehouse audits where the warehousekeeper switched their accounting software without notifying the Customs Authorisation Centre or the customs authority monitoring the operations at the warehouse. If the accounting system of a warehousekeeper is changed after authorisation has been granted, the new system must be submitted to the Customs for approval.

|                                                                      | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------------------------------------------------------|------|------|------|------|------|
| Subsequent taxation proposed based on corporate audits (EUR million) | 63,0 | 17,3 | 63,6 | 60,7 | 10,8 |

### Planned and implement audits by Corporate Audit according to audit area



# 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 2017, the overall number of tax frauds investigated by Customs continued to increase. Customs uncovered 1,086 tax frauds, which is 172 cases more than in 2016. A lower number of standard tax frauds, i.e. 181 cases, were uncovered than in the year before.

The number of aggravated tax frauds decreased by 26 cases from the previous year. 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, as well as car tax, excise duty, value added tax, customs fees and

illegal passport activities. In addition, there were cases related to undeclared goods.

## Uncovered economic offences

The number of open economic crime cases offers one indicator to examine the overall situation of economic crime investigations. The goal is that the number of cases is relatively low. At the end of 2017, Customs investigated 86 open economic crime cases. This figure decreased from the year before and has more than halved from the situation in 2012.

In addition, the number of new economic crime cases registered by Customs decreased in 2017 from the year before. Last year, a total of 145 new economic crime cases were registered, being fewer than the average of 172 cases a year

| Aggravated tax frauds, suspects                            | 2013       | 2014       | 2015       | 2016       | 2017         |
|------------------------------------------------------------|------------|------------|------------|------------|--------------|
| Finns                                                      | 48         | 23         | 50         | 130        | 45           |
| Estonians                                                  | 7          | 6          | 4          | 13         | 16           |
| Russians                                                   | 15         | 35         | 29         | 28         | 37           |
| <b>All nationalities</b>                                   | <b>87</b>  | <b>70</b>  | <b>88</b>  | <b>192</b> | <b>109</b>   |
| <b>Tax frauds</b>                                          |            |            |            |            |              |
| Aggravated tax fraud                                       | 51         | 82         | 69         | 109        | 83           |
| Standard offence                                           | 148        | 150        | 226        | 183        | 181          |
| Petty tax fraud                                            | 358        | 592        | 561        | 622        | 822          |
| <b>Total</b>                                               | <b>557</b> | <b>824</b> | <b>856</b> | <b>914</b> | <b>1 086</b> |
| <b>Impact of customs investigation into economic crime</b> |            |            |            |            |              |
| Damages in investigated cases                              | 8,53       | 12,49      | 7,12       | 13,67      | 46,83        |
| Damages in cases taken or to be taken under investigation  | 8,49       | 7,32       | 5,14       | 6,13       | 3,56         |
| Seizures as security and prohibitions of transfer          | 2,41       | 1,07       | 1,33       | 3,28       | 2,55         |
| Property recovered by Customs                              | 1,88       | 2,38       | 0,51       | 2,52       | 1,52         |
| Property allocated to distraint office or other authority  | 1,07       | 0,08       | 0,14       | 0,17       | 0,13         |

in 2007–2016. In 2017, Customs completed altogether 211 economic crime cases, or 38 cases more than in 2016.

The average investigation time of financial crime cases increased until 2011, after which there has been a notable decrease. In 2017, the duration of a single investigation was 265 days on average, showing a slight increase from the level of 240 days in the previous year.

The ratio between reported and completed cases is an indication of the flow of economic crime cases. If the ratio is less than one, more cases have been completed than new reports have been received. In 2013–2017, Customs completed more economic crime cases than new cases were registered for investigation. At the end of 2017, this ratio was 0.69. The total handling time of economic crime cases at Customs increased in 2017 to 282 days on average.

The relative proportion of economic crime cases registered more than two years ago turned to a slight increase after 2016. At the end of 2017, old cases accounted for 34.9% of all economic crime cases. However, the proportion of economic crime cases registered more than two years ago has remained moderate.

### **Property recovered during economic crime cases**

In 2017, the societal impact of economic crime prevention of Customs totalled EUR 54.59 million, while it was nearly EUR 29 million lower the year before. The majority of this increase in impact is attributable to losses resulting from investigated cases.

The amount of property recovered by Customs economic crime prevention shows great variation from one year to the next. In 2017, the value of recovered proceeds of economic crime totalled EUR 4.2 million. The value of property recovered decreased from EUR 2.52 million in 2016 to EUR 1.52 mil-

lion in 2017. In addition, the value of property confiscated as security and under prohibitions of transfer decreased to EUR 2.55 million from 2016, and the value of property allocated to the distraint office or another authority fell to EUR 0.13 million.

Losses registered in cases completed in 2017 during economic crime investigations of Customs stood at nearly EUR 47 million. The corresponding figure was EUR 13.7 million in 2016.

The amount of recovered proceeds of crime and their proportion

of registered losses caused by criminal offences vary greatly, 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.

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## *Financial crime on the Åland tax border*

In 2015, Corporate Audit of Finnish Customs audited a limited liability company registered in the Pirkanmaa region. The purpose of the company was to import various health-related products from the EU and Norway to the Åland Islands and to ship them to mainland Finland by means of mail order, taking advantage of the tax benefit presented by the tax border.

The company was a registered tax border customer of the Customs, and it had the local clearance procedure (LCP) authorisation. The company operated as an exporter in the Åland Islands and an importer for a consumer customer in Mainland Finland. Therefore, it should have declared its products as products imported in mainland Finland and pay value added tax on imports to Customs on behalf of the buyer.

The province of Åland is not part of the EU VAT area, but it is part of the customs territory of the European Community, which is why VAT on imports must be levied between the European Community and Åland Islands both in terms of imports and exports.

Corporate Audit suspected, and an investigation later verified, that the company had sold product packages to a consumer customer at a price of EUR 39.90, including the product with packaging costs and shipping. "VAT 0%" was indicated on the invoice. Sales were recognised in the company's books as tax border sales with VAT 0%. According to the legislation, VAT on imports is calculated from the price charged from the customer.

In this case, the company should have collected VAT of EUR 5.99 per shipment on the shipments sold in mainland Finland. This amount exceeds the lowest amount of tax to be levied or collected of EUR 5. The company should have paid VAT to Customs on sales delivered from Åland Islands to mainland Finland.

The case has been investigated as aggravated tax fraud, an aggravated accounting offence and an aggravated customs clearance offence. In total, over EUR 2 million in taxes were evaded. The preliminary investigation has ended and the case was transferred to the prosecutor for indictment proceedings in April 2017. The indictment proceedings are expected to be completed in early 2018.

## *Fur trade investigated by the authorities*

Ostrobothnia is a significant fur trade area. It is home to roughly 95 per cent of all the fur farms in Finland. In spring 2013, Customs detectives in Vaasa obtained intelligence according to which foreign buyers were going through Ostrobothnian farms, paying the full or partial purchase price of arctic fox and American mink furs in cash off the books.

To investigate the case more closely, an investigation team of Vaasa Customs and the financial crime unit of the Ostrobothnian police department was set up, joined by tax audit teams of the Tax Administration in western Finland. Customs was in charge of investigating international fur trade, and the police investigated sales to buyers moving from one farm to the next in Finland. The Tax Administration investigated whether taxes were paid properly in the entire chain of operations.

### ***International cooperation***

At the early stages of the investigation by Customs, it was discovered that a foreign person living in Finland had bought furs worth roughly EUR 4 million from approximately 30 different fur farms between 2008 and 2013. The plan was to export the furs to Greece and further outside the EU, for example, to Turkey.

The purchases were financed through money transferred from Greece and companies registered in tax havens. The money was withdrawn from a bank located in Ostrobothnia. More than EUR 2 million was withdrawn in total. It is also suspected that approximately EUR 2 million in cash were imported by other means from abroad.

Customs has investigated the financing as aggravated money laundering and the purchases as aiding and abetting in tax fraud and accounting offences. When investigating the case, Customs collaborated with the Greek Tax Administration,

Europol and the police departments of France, Turkey and Dubai. According to the preliminary investigation by Customs, assets worth more than EUR 4 million were subject to money laundering. The case is in indictment proceedings.

For the investigation, the Tax Administration established a joint investigation team with Greek tax authorities. On the basis of intelligence obtained from the joint investigation and the preliminary investigation by Customs, it was stated that an entrepreneur working in Greece did not report taxable income of several millions of euros to the tax authority.

The Greek Tax Administration ordered the entrepreneur to pay approximately EUR 1.5 million in additional taxes. The Tax Administration investigated the tax procedures of fur farmers, and some of the cases were transferred to the police for investigation.

Tax increases were ordered for farmers who sold furs off the books, and tax fraud and accounting offence charges for three farmers are pending at the district court. In one case, a suspended sentence of imprisonment for tax fraud and an accounting offence has already been issued.

### ***Aggravated tax fraud and money laundering in trade with China***

The investigation also revealed that companies operating in Ostrobothnia and owned by a single person had directly exported furs, mainly arctic fox furs, acquired from fur farms to China, among other countries, using forged export documents at a value of approximately EUR 15 million. Invoices presented to Finnish and Chinese authorities contained amounts lower than the actual purchase prices.

It is suspected that the import values of roughly 110,000 arctic fox

furs have been more than EUR 6 million lower than their actual value in China. It is also suspected that there has been abuse in the national taxation of these companies. Of these, the Tax Administration has issued a request for an investigation to Customs. Money laundering is suspected in relation to financing in this case as well. During the preliminary investigation by Customs, complaints of an offence were recorded, for example, for aggravated money laundering, aggravated tax fraud and an aggravated accounting offence.

The amount of uncollected taxes is roughly EUR 400,000, and the value of the assets subject to money laundering is EUR 6 million. The preliminary investigation of this case will move on to indictment proceedings in the spring of the 2018.

It is suspected that the total value of the assets subject to money laundering in these two cases is approximately EUR 10 million, and that close to EUR 8 million in national taxes have remained uncollected.

In addition to this case investigated by the investigation team of Vaasa Customs, Chinese customs authorities have investigated a large criminal case related to furs carried from Finland to China. The furs were cleared properly for exports from Finland but, during the import phase, Chinese perpetrators changed the customs values of the imported batches using forged invoices. As a result of this activity, nearly EUR 190 million in import taxes have remained uncollected by China Customs. Finnish Customs has assisted the Chinese customs authorities in the investigation, having received positive feedback on the collaboration.

This indicates how valuable these products are and partly explains the motive for the fraudulent activity in different phases of the trading process.

# Nature conservation offences and violations, as well as CITES cases

In 2017, Customs investigated a total of seven cases where goods had been imported into Finland in violation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Six of the cases were classified as nature conservation violations and one of the cases was classified as a nature conservation offence. One

case was classified as both third-degree smuggling and a nature conservation violation.

The CITES cases involved ordering hats made from crocodile skin and attempting to import bear or whale meat into the country without the necessary licences. In one of the CITES cases, an attempt was made to import a taxidermied wolf

from Russia to Finland without the necessary licence and in another case, pieces of bearskin were ordered from Russia without the necessary licences.

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

Usually, the most nature conservation offences and violations are detected when controlling goods.

| Nature conservation offences and violations | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------------------|------|------|------|------|------|
| Nature conservation offence                 | 4    | 5    | 3    | 0    | 1    |
| Nature conservation violation               | 13   | 12   | 9    | 2    | 6    |

## Glass waste investigated as tax fraud

The Economic Crime Investigation Unit of Customs investigated a case in which a company was suspected of not reporting a large amount of glass waste subject to tax it had received in 2015–2016 to Customs as aggravated tax fraud. The company is a waste treatment plant owned by several municipalities. According to the Tax Administration, the company had evaded more than EUR 500,000 in waste taxes. The company lodged an appeal of the tax decisions to the Administrative Court.

On the basis of a corporate audit, the company was suspected to have received approximately 8,000 tons of glass waste in 2015–2016. Based on information obtained, a preliminary investigation was initiated, during which it was discovered that the company had acquired more than 3,800 tons of glass waste in 2015 and more than 4,000 tons of glass waste in 2016 and placed the glass waste in the surface layers of one of its landfill sites being modernised.

The use of waste glass for this

purpose is legal but also subject to waste tax. In addition, it was discovered during the preliminary investigation that the company had transferred more than 110 tons of waste glass received at its waste centre in 2015 and roughly 1.2 tons in 2016 for use in earth-moving work.

The glass waste consisted of glass packages containing sorting defects, and it was intended for use in earth-moving work at the waste centre. The glass waste was delivered by Finnish Packaging Recycling RINKI Ltd which is a non-profit service company owned and established in 1997 by the Finnish industry and retail trade. RINKI provides companies with solutions to fulfil the polluter-pays principle.

According to the Waste Tax Act, waste tax must be paid to the state for landfill waste, in which case the holder of the landfill site is liable to pay the tax. As an authorised body, Customs was in charge of taxation and its monitoring in 2016.

Responsible persons of the company are suspected of aggravated

tax fraud by neglecting their reporting obligation for taxation and, therefore, of seeking significant financial gains. No tax returns were filed for these specific batches of glass waste.

During the preliminary investigation, it was stated that the company's CEO, development manager, CFO and handling manager were in charge of this taxation case. They were heard as suspects.

The investigation consisted of various coercive measures and cooperation with the prosecutor. Customs also worked together with other investigative Customs units in practical operations with good success.

Precautionary measures were considered in order to have the taxes paid, but their use was abandoned. As the company is owned by municipalities, the tax authority, the supervisor of the state's interests and the prosecutor did not regard precautionary measures as necessary.

The preliminary investigation is complete, and the case entered indictment proceedings in summer 2017.

## A wolf as a CITES case

Customs apprehended a man at the Vaalimaa border crossing point who was entering the country from Russia in a private car. During the customs inspection, a large mounted wolf (canis lupus) was found in the boot of the vehicle.

The wolf is protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) which restricts trading in endangered animal and plant species. The regulation applies to animals and plants both living and dead, as well as their parts and any products manufactured from them.

The wolf is one of the most strictly regulated species under CITES. Importing such species is always subject to an import licence which requires a proper CITES export document issued by the exporting country. The import licence must be applied for well before the actual import, and it must be valid on the import date. No import licence is granted for commercial purposes or retroactively in general.

The suspect in this case said that he received the wolf as a gift from his friend and was carrying it to Germany via Finland. The suspect did not have any documents regarding the wolf. The suspect did not know that a licence was necessary, considering that it was a gift.

Customs seized the wolf, and the case was investigated as a nature conservation offence. The case is currently in indictment proceedings. The final fate of the wolf will become clear after legal proceedings.



It is estimated that there are 20,000–60,000 wolves in Russia, depending on the source, and the wolf is not a protected species in Russia. In addition, it is estimated that there were 150–180 wolves in Finland in 2017. According to estimates, there are more than 10,000 wolves in Europe.



# Firearms offences and dangerous objects

A total of 120 firearms offences were detected in 2017. Of these, 96 were minor offences and one case was classified as a violation. Altogether, 22 cases were investigated as firearms offences. There was one aggravated firearms offence. The number of firearms offences somewhat decreased from 2016.

16 firearms and 96 gas weapons were confiscated. The number of confiscated gas weapons decreased by 91 from 2016. Fifteen fewer firearms were confiscated than in the previous year. Gas weapons are

transported and brought to Finland in vehicles or sent to Finland by mail from abroad. Most firearms are discovered in house searches involving crime investigations. Deactivated weapons are ordered from abroad by gun collectors, for example, but in some cases the weapons have not been properly deactivated.

There were a total of 101 cases classified as “violations of regulations on dangerous objects” in 2017. The number of these cases somewhat increased from 2016, but clearly decreased from 2015, at

which time there were 121 cases. In 2017, Customs took possession of a total of 124 dangerous objects from private passengers or from postal consignments, compared to 431 dangerous objects in 2016, which means that the number of confiscated dangerous objects clearly decreased.

The confiscated objects included tasers, truncheons, knives, shurikens and brass knuckles.

| Firearms offences           | 2013      | 2014      | 2015      | 2016       | 2017       |
|-----------------------------|-----------|-----------|-----------|------------|------------|
| Aggravated firearms offence | 5         | 4         | 4         | 5          | 1          |
| Firearms offence            | 44        | 40        | 17        | 28         | 22         |
| Petty firearms offence      | 11        | 17        | 31        | 129        | 96         |
| Firearms violation          | 5         | 0         | 2         | 1          | 1          |
| <b>Total</b>                | <b>65</b> | <b>61</b> | <b>54</b> | <b>163</b> | <b>120</b> |



## Weapons by mail

In 2016 and 2017, Customs investigated several cases of where gas weapons and starting pistols that require a licence were imported into the country. Most of these weapons were found in postal consignments, but in one case a person who lives in Finland attempted to import starting pistols from Estonia.

The man, who lives in Finland but is originally from the former Soviet Union, brought seven Atak Stalker gas pistols from Estonia to Finland. The gas pistols were found in the suspect's luggage during a routine customs inspection. He stated that he bought the pistols in Tallinn and paid EUR 500 for them. Selling such weapons in Estonia is completely legal, which is why the suspect assumed that they can be bought and brought to Finland. The suspect stated that he planned to take the gas pistols via Finland to Russia.

In another case, a mail order parcel from the United States contained an Ekol Firat Magnum pistol (cal. 9 mm P.A.K.) which is, according to the National Police Board, a gas weapon for which a possession licence is required.

In the Finnish Firearms Act, gas weapons and starting pistols are classified as weapons for which a possession licence is required. The increased import volume of gas weapons is assumed to be linked to the poorer availability of illegal handguns. On the other hand, ordering such weapons from other countries online is easy, because their sale and possession is allowed in most countries.

The most popular gas weapon seems to be the Turkish gas pistol Zoraki (9 mm P.A.K.), due to the fact that it is easy to modify. It can be used to fire 9 mm short cartridges, but the pistol can only be fired once with live ammunition. Zorakis are available through online stores for as little as EUR 20.



# Product safety control

In 2017, Customs examined the regulatory compliance of altogether 4,708 consignment samples. The objective was set at 5,000 samples, meaning that the actual examination rate of 94 per cent was good.

Customs examined altogether 3,155 samples of products under the Food Act, of which, according to preliminary information, 7 per cent were in serious breach of regulations and 11 per cent were mildly in breach of regulations.

Customs examined 1,553 consumer goods products, of which, according to preliminary information, 14 per cent were in serious breach of regulations and 10 per cent were mildly in breach of regulations.

The import or entry into the market of products in serious breach of regulations was prohibited, and a remark or a request to correct a deficiency was issued for products with minor deficiencies.

In the control of products

in contact with food, focus was placed on products imported from other member states. In consumer goods control, the majority of the examined products were imported directly from outside the EU.

Customs control largely focuses on products that are imported continuously and are consumed in high volumes. However, the aim is to examine any new products as quickly as possible. In 2017, a total of 24 fidget spinners that became popular among children and young people were examined in 2017. Of these, 14 were found to be in breach of regulations.

Usual deficiencies were missing or incomplete markings and a battery inside one product was found to be easily accessible, which poses a serious risk to children. In addition, one fidget spinner involved the risk of short-circuiting.

Furthermore, Customs reacted to new safety risks, such as the

fipronil problem in eggs discovered in 2017. In summer 2017, Customs heard from other Member States that fipronil had been discovered in eggs, most likely because it had illegally been added to insecticides. The Customs Laboratory was ready to analyse samples. Over the years, several import bans have been imposed due to the use of this substance, for example, on spices imported from outside the EU.

Even though Customs is not authorised to control chickens or eggs, it examined products that contain eggs. Customs analysed altogether 39 samples, including mayonnaise, various pastries and fresh pasta. These products were made, for example, in France, Germany and Italy. No fipronil was discovered from the analysed samples.

## Operation OPSON VI

Finnish Customs took part in the internationally significant OPSON VI operation targeting counterfeit food and drink between 1 December 2016 and 31 March 2017. Coordinated by Europol and Interpol, this year's operation involved 61 countries, 21 of which were EU states.

Finnish Customs took part in the operation for the fourth time. During the operation, a total of 50,000 inspections were carried out in shops, markets and industrial properties, as well as at airports and ports.

In the global operation, 9.8 million kilograms, over 26.4 million litres and 13 million units of

counterfeit or substandard food and drink were seized. The seized products included alcohol, mineral water, stock cubes, seafood, olive oil and caviar.

In Finland, the operation targeted spices and was carried out, coordinated by Customs, in cooperation with the food safety authorities of Helsinki and Vaasa. The operation also produced good results in terms of cooperation between national authorities.

During the operation, 16 different product batches were inspected. A total of 21 samples were taken, of which colouring, irradiation and the accuracy of product specifica-

tions were analysed. In addition, the lead content of turmeric and dietary supplement products was examined.

On the basis of the analysis, a total of 950.5 kilograms of turmeric, curry and chilli spices in breach of food regulations was discovered. The analysed batches included a high number of inaccurate product specifications. In addition, traces of herbicides that are prohibited in organic production were found from one turmeric product alleged to be organic. The prohibited Sudan azo dye was discovered from two chilli and turmeric batches. Municipal authorities removed these products from sale.

# Urho, the Customs sniffer dog of the year, was also recognised as the service dog of the year at Dog Fair Finland

Currently enjoying his retirement, Urho and his handler had a merited career at Helsinki Airport. Urho detected several significant shipments containing narcotics and their precursors from cargo and passengers. A few years ago, Urho detected 20 kilograms of marijuana from luggage.

From cargo, Urho has discovered, for example, more than 500 kilograms of APAAN precursor substance that could have been used to manufacture 150–440 kilograms of amphetamine sulphate. This discovery also helped to trace another shipment sent with similar cargo details.

The handler thinks highly of the recognition but points out that, without colleagues carrying out basic control duties, dog units would not be able to do their job.

“However, they could do their job without us. That is why this recognition belongs to all of us”, he says.

## ***A seasoned professional who loves people***

Urho is a sociable dog who loves people. He used to work by the presence of play, but not very seriously. Urho has always been fairly active, and he has not slowed down in retirement.

He was able to retire without any major problems because Labradors are very adaptive.

“All dogs deserve to retire healthy. Urho worked in various tasks and was under heavy stress. The environments where he worked were hard and his workload was high. It became obvious that the 8-year-old had had enough. Even though he was healthy, it took more time to recover and he got tired more easily”, says Urho’s handler



regarding the decision to let Urho retire in August 2017.

## ***Canine operations in Customs since 1969***

Customs has close to 50 sniffer dogs who work in nearly all locations of Finnish Customs at internal, external and Schengen borders of the EU. Sniffer dogs are used to control material prohibitions and restrictions in road, air and sea transport.

Customs has trained and used sniffer dogs since 1969. At first,

dogs were only trained to detect narcotics, until dogs were started to be trained to detect cigarettes at the beginning of the 2000s. The first combination dogs of Customs who detect cash and narcotics started officially at the beginning of 2015. The first sniffer dog to detect weapons and explosives and a dog trained to detect cigarettes, snus and narcotics started in 2017.

Canine operations of Customs comprise close cooperation, as well as productive and visible activities to protect society in passenger and goods transport.

# Finland's largest hashish seizure

During an inspection carried out at Vuosaari Harbour in November 2017, a record-breaking load of hashish of more than 660 kilograms was discovered from a Lithuanian articulated vehicle. The hashish was hidden inside a compartment in the front wall of the trailer.

The vehicle was driven by a Lithuanian man who is still remanded in custody. The man started from Spain, from where he continued to Turku via Central Europe and Sweden.

The seized batch of narcotics could have been used to produce 1.3–2 million doses, and its street value would have been EUR 13 million.

The preliminary investigation is still in progress.





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