Occasional Paper
On Tap Europe Series No. 3

On Tap Europe
Organised Crime and Illicit Trade in Greece: Country Report

Calum Jeffray
About the On Tap Europe Series

According to Europol, commodity counterfeiting and illicit trade in substandard goods are major emerging criminal activities in the EU. The low risks and high profitability associated with illicit trade increasingly attract organised crime groups and the number of counterfeit products seized by law enforcement agencies across Europe continues to grow. The eighteen-month On Tap Europe study provides a comparative analysis of the role of organised crime in the illicit trade of tobacco, alcohol and pharmaceuticals across the EU, gathering evidence from a number of member states.

The six-part series explores the scale, methods and routes of these organised criminal networks, and identifies best practice in policy and law enforcement responses. The final report examines how these issues affect Europe as a whole; it features a series of recommendations for the European Commission, its agencies and EU member states. This paper is the third in a series of five country-level reports and focuses on Greece.
On Tap Europe Series No. 3

On Tap Europe
Organised Crime and Illicit Trade in Greece:
Country Report

Calum Jeffray

Occasional Paper, February 2017
185 years of independent thinking on defence and security

The Royal United Services Institute (RUSI) is the world’s oldest and the UK’s leading defence and security think tank. Its mission is to inform, influence and enhance public debate on a safer and more stable world. RUSI is a research-led institute, producing independent, practical and innovative analysis to address today’s complex challenges.

Since its foundation in 1831, RUSI has relied on its members to support its activities. Together with revenue from research, publications and conferences, RUSI has sustained its political independence for 185 years.

London | Brussels | Nairobi | Doha | Tokyo | Washington, DC
# Contents

Acknowledgements v

Preface vii

Executive Summary ix

**Introduction** 1

I. Organised Crime in Greece 3

II. The Scale and Scope of Illicit Markets 9

III. Organised Crime: Groups, Routes and Methods 19

IV. Legislation, Law Enforcement Response and Sanctions 27

V. Analysis 33

About the Author 37
Acknowledgements

The author is very grateful to the subject matter experts in Greece who gave up their valuable time to support this study, particularly those from law enforcement, customs and other public bodies. The author would also like to thank all the members of the On Tap Europe project advisory board for their guidance and feedback.

Finally, thank you to current and former RUSI colleagues Charlie Edwards, Clare Ellis, Andrew Glazzard, Joseph Millis, Edward Mortimer and Charlie de Rivaz.
Preface

It is hard to miss the migrant camp as you drive into the port of Piraeus, six miles southwest of Athens. Our destination is the headquarters of the Hellenic Coast Guard and as the taxi driver takes the exit off the main road into the port, there is a clear view of the tents and makeshift accommodation housing around 1,000 inhabitants. Driving through the camp itself, the daily lives of these individuals becomes clearer; at one end of the camp is a row of temporary toilet facilities, while along the main ‘street’, people stand outside their basic but well-kept tents, which beyond sleeping bags contain few possessions. The inhabitants look tired but well. They do not appear to be doing anything in particular; they are simply waiting.

In many ways, these migrants – mostly from Syria, Iraq and Afghanistan – consider themselves the lucky ones, having survived the often perilous journey across the Aegean Sea to reach European shores. Some made their way independently, others with the assistance of smugglers. But they all made landfall on one of the 2,000 or so Greek islands, and were subsequently brought here to Piraeus thanks to the efforts of the Hellenic Coast Guard, to wait as they seek asylum or until alternative temporary accommodation is found. At its peak, in March 2016, there were around 5,000 inhabitants in the camp, although this number fell significantly as Greek officials transferred arrivals to accommodation elsewhere in the country.

The unprecedented levels of irregular immigration to Greece came at a time when law enforcement agencies were already feeling the effects of significant financial austerity. The authorities should be commended for their efforts during this time; however, as this paper shows, the depletion of their resources and the need to focus on organised immigration crime is undoubtedly having a significant impact on their intelligence coverage and their ability to adopt a strategic approach to tackling organised crime more broadly. This situation is understandable; as the Hellenic Coast Guard, why would you focus on barely visible forms of commodity smuggling when there is a much more visible humanitarian crisis to deal with on your doorstep? How could you divert resources to investigate the changing routes and methods of organised crime groups, and long-term interventions, when all your efforts are needed to interdict the vessels arriving on your shores on a daily basis? How can you begin to think about lower-level crimes such as illicit trade when lives are at risk in your seas?

While many law enforcement agencies across Europe continue to face the challenges of reduced resources, and a subsequent need to ruthlessly prioritise activities, the simultaneous ‘crises’ of the economy and migration have amplified these concerns in Greece. This paper does not suggest that the Greek authorities could or should have responded in any other way, but it does argue that there are valuable lessons that other countries can learn from the Greek experience. Organised crime thrives when it is invisible: some crimes are difficult to detect because they do not always have observable effects, such as various forms of non-violent crime, including economic crime; other crimes slip under the radar of law enforcement, such as ‘little and often’ smuggling operations; while other crimes, for logical reasons of prioritisation, are simply beyond the reach of law enforcement officers.
Executive Summary

This is the third in a series of five country-level papers on the role of organised crime groups (OCGs) in the illicit trade of tobacco, alcohol and pharmaceuticals across Europe, focusing on Greece as a case study.

Organised crime in Greece has historically been presented as an external threat, and the country’s vast coastline is indeed vulnerable to small-scale smuggling of various illicit goods from overseas, while its two major ports are frequently targeted by smugglers. As a result, Greece is widely cited as a key entry point for illicit goods into Europe, with the majority of illicit trade occurring in the regions where the two biggest cities and ports – Athens and Thessaloniki – are located.

Illicit trade is not seen as an isolated problem in Greece, but as part of a broader category of economic crimes. It is closely linked to tax evasion, corruption and fraud. However, specific information on the scale and the scope of illicit trade in Greece is limited and tends to be largely anecdotal, reflecting a lack of publicly available information on organised crime more broadly.

Authorities suggest that the way in which criminals in Greece organise themselves has evolved from strict, hierarchical structures to a more flexible ‘enterprise model’ in which a network of smaller OCGs is established for a particular operation. Groups that smuggle goods tend to deal across multiple commodities, moving between products based on the profit that can be made at any one time, regardless of the risk. Some illicit markets seem to be growing: data show that legitimate tobacco and alcohol sales are both decreasing, but there has not been a similar reduction in consumer demand.

In addition to the country’s geography, there are five factors of organised crime and illicit trade in Greece that are important for those trying to tackle these issues.

First, the social acceptability of illicit trade has fuelled a demand that organised criminals can target and exploit. A reduction in salaries and spending power over the past decade has led some Greeks to look for alternative ways to purchase goods and services. However, attitudes seem to be changing, with economic crimes becoming less acceptable.

Second, a challenge for the Greek authorities in the past has been a lack of coordination, with the existence of several ministries and agencies, each responsible for different aspects of tackling organised crime and illicit trade. Despite this, seizures of illicit goods have remained among the highest in Europe over a number of years.

Third, corruption is seemingly a daily experience for most Greeks and has been recognised as a serious challenge, affecting a wide range of public and private organisations. However,
the introduction of the National Anti-Corruption Plan and the establishment of the General Secretariat Against Corruption have created ‘ownership’ of the fight against corruption and made efforts to tackle it more transparent.

Fourth, the legislative framework was deemed by interviewees to be adequate. Yet criticisms remain over the application of the legislation, including the lack of efficiency of the judicial process, the backlog of cases and particularly the perceived lenience of penalties associated with relevant offences.

Fifth, any consideration of the official response to organised crime and illicit trade in Greece must be seen within the context of the debt crisis that has affected the country since 2008, in addition to the resource burden of responding to unprecedented levels of irregular migration into Greece since early 2015. The pressure on resources, combined with a poor intelligence picture, means authorities can only stem the flow of goods, rather than tackle the problem at source or identify trends in the routes and methods adopted by OCGs. Law enforcement officials are obliged to focus on short-term operational priorities and they lack the capacity to adopt a longer-term, more strategic approach to targeting and dismantling the organised crime structures behind smuggling efforts.

Key Findings

1. The debt crisis that has affected Greece since 2008 has undeniably had an impact on local illicit markets: first, the reduction in purchasing power has made the black market more attractive to consumers; second, a decrease in resources has placed severe pressure on the capacity of law enforcement authorities to respond. This is particularly in the context of unprecedented levels of irregular migration into Greece since early 2015. The pressure on resources, combined with a poor intelligence picture, means authorities can only stem the flow of goods, rather than tackle the problem at source or identify trends in the routes and methods adopted by OCGs. Law enforcement officials are obliged to focus on short-term operational priorities and they lack the capacity to adopt a longer-term, more strategic approach to targeting and dismantling the organised crime structures behind smuggling efforts.

2. During this period of economic uncertainty, authorities have focused on tackling crimes that they believe have the biggest impact on state revenues. A number of such crimes are frequently grouped together by the public and the authorities, including tax evasion, smuggling (that is, excise evasion), fraud, and bribery and corruption. There are indications that the Greek authorities’ understanding of organised crime is changing and efforts to combat illicit trade are improving, as these economic crimes increasingly dominate political discourse.

3. There are a number of factors that have made Greece an attractive hub for smuggling activity. First, Greece has a combination of remote and porous land borders and the second-longest coastline in Europe. This makes bringing contraband into the country relatively easy using, for example, trucks or small vessels. Second, the scale of operations at the port of Piraeus makes monitoring the content of incoming containers a challenge, especially given the lack of necessary scanning equipment. Third, because Greece is part of the Schengen Area, the circulation of goods into the rest of Europe is relatively straightforward.

4. There is only limited information available on the scale and scope of organised crime activity, and of illicit trade in particular. Few statistics are publicly available and while studies have been conducted on specific aspects of the problem, much of the information
used tends to be anecdotal. There have not been many assessments at the strategic level of different crime types, and there is an over-reliance on seizures and private sector studies as sources of data.

5. Identifying ‘little and often’ smuggling operations, whether by sea or by land, requires an excellent intelligence picture. The volume of cases and the pressure on law enforcement resources have meant that seizures are often seen as ends in themselves and further investigation has not been possible, resulting in a relatively poor ability to assess the changing structures, routes and methods of organised crime networks. This is likely to improve with the creation of a new Coordination Centre, designed to enhance inter-agency information sharing and cooperation, which should be seen as a priority.
Introduction

THE NATURE OF organised crime in Europe is changing. A number of strategic assessments have identified significant trends in both the structure of organised crime groups (OCGs), which are becoming more networked and often operate across multiple jurisdictions, and the criminal activities they undertake, with a rise in economic and relatively lower-risk crimes whose harm is more difficult to demonstrate. According to Europol, commodity counterfeiting and illicit trade in substandard goods are major emerging criminal markets in the EU.\(^1\) The Serious and Organised Crime Threat Assessment of 2013 notes that the low risks and high profitability of illicit trade increasingly attract OCGs, and the number of counterfeit products seized by law enforcement agencies continues to increase. OCGs are often known for their previous activity in other crime areas and are involved in more than one crime type, cooperating with counterparts in other countries. As a result, the assessment concludes, the distribution and production, as well as the increasing demand and consumption, of illicit goods pose a serious threat to EU citizens.

Building on its UK-based research, RUSI is undertaking a comparative analysis of the role of organised crime in the illicit trade of tobacco, alcohol and pharmaceuticals across the EU. The On Tap Europe project is gathering evidence from five EU member states to assess the scale, methods and routes of OCGs involved in illicit trade. The project aims to demonstrate the impact of organised crime activity across source countries, transit hubs and destination markets. The research assesses how illicit trade is viewed and prioritised in different countries, looking at the scale and scope of the threat and the approaches of governments and law enforcement agencies to tackle the problem. In particular, the objectives of On Tap Europe are to:

- illustrate the routes and methods adopted by organised criminals in their counterfeiting and smuggling operations (identifying notable ‘hubs’ and trends).
- assess how the scale and impact of illicit trade varies across European countries to determine how extensive it is across the region.
- explore the role of common enablers and facilitators of illicit trade, such as postal, fast parcel and internet-based services.
- identify best practice in law enforcement responses, cooperation and information sharing, helping the public and private sectors to identify common strategies for tackling illicit trade.
- look to understand the dynamics of both organised criminal groups and law enforcement agencies in multiple countries in order to inform the EU’s response to illicit trade as a whole.

The final report will examine these issues at the European level and feature a series of recommendations for the European Commission, its agencies and member states. This is the

third in a series of five country-level reports, focusing on Greece as a case study. Greece has traditionally been regarded as an important transit country for illicit trade, with the port of Piraeus in particular the point of entry for shipments from China, the United Arab Emirates and other ports in the Eastern Mediterranean. As a result, the European Commission has highlighted the ‘specific and acute problem of Greece as a major entry point’ into Europe. More recently, there have been indications that the country is also becoming a notable destination country for illicit goods, partly as a result of austerity measures, leading to growth in both consumer demand and criminal activity.

The research for the Greece case study was split into three phases. The first consisted of a review of the existing academic literature, government policy documents, law enforcement strategies and private sector reports on organised crime and illicit trade in Greece. In the second phase, a team of RUSI researchers spent one week conducting fieldwork in Greece, including a series of semi-structured interviews with experts from the public and private sectors and academia in Athens. The final phase involved a half-day workshop held in Athens, gathering together representatives from the Greek government, law enforcement agencies and research institutes, as well as the tobacco, alcohol and pharmaceutical industries. This allowed the researchers to validate their findings from the first two phases and to generate an informed discussion on likely future trends and policy implications.

The report consists of five chapters. Chapter I provides an overview of organised crime and the context for illicit trade in Greece. Chapter II assesses the scale and scope of the illicit trade in tobacco, alcohol and pharmaceuticals in Greece. It examines existing estimates of scale by public and private sector bodies, and identifies some of the main activities involved in relation to each commodity. Chapter III focuses on the OCGs behind the illicit trade, including common routes and methods used. Chapter IV examines the response to illicit trade in Greece, including the current legislative and regulatory framework, in addition to the approach of law enforcement agencies. Chapter V brings together the primary themes and trends for further analysis, and provides an overview of the paper’s findings.

I. Organised Crime in Greece

According to much of the existing academic literature, very little is known about ‘organised crime’ in Greece, either in general or about specific types of activity, with significant differences in the assessments of what constitutes ‘organised crime’ and ‘organised crime structures’. Georgios Antonopoulos and Georgios Papanicolaou argue that the concept of organised crime remained unfamiliar to Greek authorities long after it had gained currency elsewhere. The academics added that even when the legislative use of the term began to align with its internationally recognised meaning in the early 2000s, a number of criminal law experts deemed the concept ‘rather unnecessary in light of the existing provisions of the Greek Penal Code at the time’.3

There are other indications that Greece views organised crime differently from other countries, even in Europe. Felia Allum et al., for example, highlight the fact that ‘Greece is one of the few – if not the only – EU countries that regards (at the political and legislative level) “organised crime” and “terrorism” as two closely linked, almost identical phenomena’. They suggest that the link made between a criminal organisation and terrorist group is primarily due to Greek ‘political concerns that derive from the activities of groups and networks with hybrid political and criminal characteristics’. The notion of organised crime in Greece also appears to be predicated on the idea that it is an ‘imported phenomenon’ and ‘associated with migrant groups’, with ethnicity a key variable by which individuals are recruited. In the words of Antonopoulos and Papanicolaou, ‘it is presented as an external threat, which Greek law enforcement or Greek society have little control over’.5

There are signs that perceptions of the issue are beginning to change, at least within the government and particularly since the recent migration ‘crisis’ became the highest national priority. For instance, a 2014 white paper published by the Ministry of National Defence identified migration and organised crime as one of seven threats to national security (alongside international terrorism, proliferation of weapons of mass destruction, cyber attacks, energy security, modern forms of piracy and environmental, resource and health threats).7

---

2. Ibid., p. 116.
4. Ibid.
5. Antonopoulos and Papanicolaou, Unlicensed Capitalism, Greek Style, p. 8.
6. Ibid., p. 4.
Greece has been particularly affected by recent waves of irregular migration into Europe. Europol notes that ‘[c]urrently, the largest number of irregular migrants arrives in Greece’ and that ‘[a] significant number of smuggling networks facilitate migrants from Turkey and North Africa to Greece and Italy’. It estimates that, in total, 90% of the 1 million irregular migrants reaching the EU in 2015 used facilitation services at some point during their journey. While organised immigration crime is not a new phenomenon, the scale of the migration crisis since early 2015 and its links to other forms of criminality have proved to be particularly challenging to counter. According to the Ministry of National Defence, ‘the tendency of illicit human trafficking ... continues unabated and is linked with other traditional criminal activities, either directly (drugs/weapons trafficking, etc.) or indirectly, by exploiting the same infrastructure and trafficking networks’.

While the smuggling and trafficking of people into Europe via Greece has become a pressing concern of late, goods smuggling is not a new phenomenon for the country. Comprising around 2,000 islands, Greece has almost 14,000 km of coastline (the second longest in Europe), a vulnerability which can easily be exploited by smugglers of various illicit goods (see Box 1). According to a report by the Center for the Study of Democracy, ‘due to its geographical position Greece is ideal for cocaine trafficking by sea, either directly from the producing countries of South America or indirectly through the ports of Spain and Italy’. Greece therefore represents ‘a key entry point for cocaine directed to South-eastern Europe’. The centre calls Greece a ‘gateway to Europe for traffickers smuggling cannabis and heroin from the Middle East and Southwest Asia to the west’.

As a result, the 7,000-strong Hellenic Coast Guard (Elliniki Aktofylaki) has an important law enforcement function, particularly in preventing illegal immigration and drug interdiction. Due to disputes between Greece and Turkey over territories in the Aegean Sea, the extent of territorial waters for both countries is 6 nautical miles; this is in contrast to the international standard of 12 nautical miles (as codified in the UN Convention on the Law of the Sea). As a result, the area of operations within which the Hellenic Coast Guard can operate is comparatively smaller than many other countries. According to officials, this becomes a challenge when vessels operating just beyond Greek territorial waters feed smaller, faster boats, which smuggle contraband into Greece.

The Hellenic Coast Guard cooperates with Greek customs, which has customs offices located throughout the country at ports, airports and land border crossings. Customs offices are overseen by the General Directorate for Customs and Excise Taxes which, in turn, falls under the authority of the General Secretariat for Public Revenue of the Ministry of Finance. Within the

8. Europol, Migrant Smuggling in the EU, February 2016, p. 5.
Box 1: Case Study – Smuggling Weapons and Cigarettes

In September 2015, coast guard officials seized a vessel 20 nautical miles northeast of Crete. The Haddad I had sailed from the Turkish port of Iskenderun and was destined for Misrata, a port in Libya. The vessel was being monitored by Frontex, the European border agency, in response to intelligence gathered by the agency and a number of EU member states.

A search of its cargo revealed almost 500,000 rounds of ammunition and almost 5,000 rifles. The weapons and ammunition were carefully hidden deep inside the containers among items such as furniture and gym mats.

In addition to the large quantities of weapons and ammunition, a large number of contraband cigarettes were found in seven of the containers, totalling almost 5,000 cartons containing some 50 million cigarettes. These constituted various brands including those commonly considered illicit whites – items manufactured legally in one country but smuggled into another without paying duties. Brands included Manchester, Capital, Mond, American Legend and Nelson. The Greek authorities also discovered that the contents of some packets did not match the labelling on the outside of the cartons.

The crew of four Syrians, two Indians and one Egyptian was subsequently arrested and indicted on charges of illegal smuggling. Their names have not been released but authorities said they do not have any known previous criminal convictions.

As news of the ship’s seizure was first reported, there was some confusion over the intended recipients of the cargo. The Turkish foreign ministry claimed the shipment of weapons was fully documented and destined for the Sudanese police. This was disputed by the Greek authorities, which said they had found no evidence of this and were still investigating the intended final recipient of the cargo.

Ministry of Finance also sits the Financial and Economic Crime Unit (Soma Dioxis Oikonomikou Eklímatos, or SDOE), although overall responsibility for criminal investigations in Greece lies with the national police authority, the Hellenic Police (Elliníki Astynomía). The Hellenic Police is made up of central and regional departments and assumed its current structure in 1984 following the merger of the urban police forces and the Gendarmerie.\(^1\) It is therefore a very large law enforcement agency with a broad remit, containing both a Criminal Investigations Directorate and a Financial Police Division. In relation to pharmaceuticals, the National Organisation for Medicines (Ethnikós Organísmos Farmákou, or EOF) is the national regulator, which possesses limited enforcement powers.

Information from a variety of sources suggests that crime in Greece has been increasing, particularly in the aftermath of the 2008 economic crisis and subsequent period of economic stagnation. According to local experts, six consecutive years of recession and a more than €13.5 billion package of austerity measures represent significant contributing factors, as Greek disposable incomes dropped by an estimated 27% between 2008 and 2015.\(^4\) In 2015, the unemployment rate in Greece stood at 24.9% (49.8% for youth unemployment), compared with the EU average of 9.3%.\(^5\) As a result of reduced salaries and spending power, it is believed that people looked for alternative ways to purchase goods and services. From local government to sport and the private sector, corruption is also seemingly a daily experience for most Greeks. A special report on corruption published by Eurobarometer in 2014 found that 99% of Greek respondents considered corruption to be a widespread problem in their country (compared with the EU average of 76%), while 63% believed that it affects their daily lives (the EU average is 26%).\(^6\) Partly as a response to the economic crisis, the Greek government has taken a number of steps to tackle corruption, including setting up Greece’s General Secretariat Against Corruption, or GSAC (Geníki Grammateía gia tin Katapolemí tis Diafórhoa).

Cultural perceptions of criminal activities remain an important factor in Greece’s endemic corruption; authorities suggested that economic crimes such as corruption, illicit trade and tax evasion were often grouped together in the public mindset. There is an apparent contradiction in public attitudes to these crimes. On the one hand, they are seen as factors contributing to the dire economic situation; on the other hand, many continue to see them as less serious than other forms of criminal activity, such as drugs trafficking.

As discussed in the next chapter, specific information on illicit trade is limited, reflecting a lack of information on organised crime more broadly. Statistics such as crime rates are generally available, yet analyses of trends, patterns or contributing factors of organised criminal activities are not regularly produced or publicised by the authorities.\(^7\) This is partly due to the pressure

---

17. Antonopoulos and Papanicolaou, Unlicensed Capitalism, Greek Style, p. 4.
on resources and the need to focus on short-term operational priorities to the detriment of a longer-term, more strategic approach. Anecdotal evidence provided by law enforcement officers suggested that trends in Greek OCG structures did reflect those found elsewhere in Europe – this is particularly true of the shift from a strict hierarchical to an ‘enterprise’ model, with flexible structures and fluctuating memberships. Law enforcement agents also believe that OCGs in Greece engaged in more than one type of crime, though officials conceded that they had not observed specific trends, and there was limited evidence to justify this claim. Nonetheless, it was thought to be a logical assumption given the similar skills and infrastructure needed for many different criminal activities. Organised immigration crime is considered an exception to this rule as it requires specific capabilities to do with transport.
II. The Scale and Scope of Illicit Markets

Information on the scale and scope of illicit markets in Greece tends to be largely anecdotal, with only very limited public data available. Greece is widely known as a transit country for illicit goods, which makes calculating the level of illicit trade activity in the country even more challenging. The data that do exist on illicit markets either measure seizures (which do not indicate whether the goods are entering or whether they are passing through the country) or the scale of the destination market. Neither method necessarily captures the scale of transit activity.

Our fieldwork indicated that the illicit tobacco and fuel markets are the biggest problems related to commodity smuggling in Greece, which is also a source country for the parallel trade in pharmaceuticals. There are indications that some illicit markets are growing; for example, data show that legitimate tobacco and alcohol sales are both decreasing, but without a similar reduction in consumer demand. Authorities unanimously agreed that illicit trade activity in the country is largely restricted to the two biggest cities, Athens and Thessaloniki. This is thought to be, first, for business supply chain reasons (it is easier to bring products to market and distribute them in urban areas) and, second, because the cities are also the location of Greece’s two biggest ports. The port of Piraeus receives significant volumes of container traffic from Southeast Asia, and Europol and the Office for Harmonization in the Internal Market suggest that Piraeus is ‘expected to become a major import hub for Chinese goods and products into the EU’.¹

Illicit Tobacco

Greece has one of the highest smoking rates in Europe; it topped the list of countries in the OECD Factbook 2015-2016, whose data revealed that 38.9% of the adult population smokes tobacco daily (compared with the OECD average of 19.7%).² Given the high number of Greek smokers, the country is clearly an important market for tobacco in the EU. Similar to the situation in other European countries, there has been a decline in the number of smokers in recent years. KPMG Project Sun estimates the decline to be approximately 1% per year, yet tobacco sales since 2009 have been declining at a much more rapid pace and have almost halved, from around 31 billion cigarettes in 2009 to 16.8 billion in 2015. At the same time, the KPMG ‘Project Sun’ report has estimated that the illicit market share in cigarettes rose from 3% in 2009 to a peak of 20.6%

---

in 2014, with a slight decline in 2015 to 19.8% (Figure 1). This placed Greece second in the estimated scale of the illicit tobacco market among EU member states. These statistics suggest that a significant portion of the smoking population has begun to purchase cigarettes on the black market and that Greece is not only an important transit country for tobacco, but also an increasingly important destination market too.

Figure 1: Legal Sales of Cigarettes in Greece and the Illicit Cigarette Market Share, 2009–15.

While official public data on the size of the illicit tobacco market do not exist, a number of private sector studies have detected consistent trends and conclude that it stands at around 20% (Figure 2). These studies primarily use empty-pack surveys as their methodology, which involve collecting discarded empty cigarette packs in order to analyse their authenticity and origin, either in independent or company laboratories.

Source: KPMG, ‘Project Sun’, 2015, p. 64.

Figure 2: Industry Estimates of the Illicit Cigarette Market in Greece.


It should be noted that the methodology used in these studies means that no data have been collected on hand-rolled tobacco (HRT); the studies can therefore only provide estimates of the size of the illicit cigarette market and not the illicit tobacco market as a whole. Information gleaned from interviews with both law enforcement and private experts suggested that there has been a rise in HRT use in Greece over recent years (though data on this are lacking). Two reasons were put forward for this. First, there has been an increase in demand, with HRT seen as a cheaper alternative to cigarettes and regarded as ‘organic’, to the point where consumers believe they are supporting local farmers by purchasing it. Second, it has become more accessible to consumers, particularly through internet advertisements and delivery via couriers. Indeed, according to one media report, local tobacco farmers sell HRT, untaxed, directly to

4. ‘Fine-cut’, ‘loose’, ‘roll-your-own’ or ‘hand-rolled’ tobacco refers to tobacco that has been cut into small shreds, typically used to make self-made cigarettes by hand-rolling the tobacco into rolling paper or injecting it into filter tubes.
consumers over the internet at the cost of €25 per kg.\textsuperscript{5} If the illicit HRT market has grown considerably, as such reports suggest, it is concerning that there are no studies measuring the scale of the problem.

When it comes to the illicit cigarette market, industry data suggest that the smuggling of genuine brands has declined, while counterfeiting, illegal production and the importation of ‘illicit whites’ have all increased.\textsuperscript{6} Nationally, the cigarette black market share of illicit whites was particularly high in 2008 and 2009, and while it decreased in 2010, it rose again between 2011 and 2013. This recent growth corresponded to a decrease in the share of both other illicit tobacco products and counterfeits.\textsuperscript{7}

According to the 2014 Illicit Trade Report by the World Customs Organization (WCO), a large volume of seized cigarettes by Greek authorities for that year belonged to unknown manufacturers. ‘From the total volume of seized cigarettes, only a few brands are purely Greek and constitute approximately six per cent. Over 61 per cent of the seized brands originated from free zones and are likely to belong to the so-called cheap whites or illicit whites category’, it concludes.\textsuperscript{8} This corresponds to the findings of Project Sun, which in 2015 estimated that illicit white brands account for 60% of contraband and counterfeit cigarette products in Greece.\textsuperscript{9}

Local experts interviewed by the researchers disagreed over the extent to which illegal cigarette production is a problem in Greece. Some argued that there is evidence of illegal factories operating, and given the levels of raw tobacco production in the country and the relatively easy access to machinery on the unregulated open market, the barriers to production are low. The researchers were also told of seizures of genuine cigarette papers and packets from elsewhere in Europe being imported into Greece, further suggesting covert production. Moreover, there have been cases of police operations to close down illegal production facilities, including in Athens and Thessaloniki, which were producing counterfeit products mainly for the domestic Greek market. However, others argued that these were isolated incidents and there was no intelligence suggesting more factories existed, with the exception perhaps of one or two near the border with the Former Yugoslav Republic of Macedonia.

There was consensus, however, over the role of Greece as a large transit market and increasingly as a destination market, with illicit whites the predominant issue. According to Antonopoulos,

\begin{itemize}
\item \textsuperscript{5} Nikos Chrysoloras, ‘Cheap Cigarettes are Burning Greece’s Finances’, \textit{Bloomberg}, 8 February 2016.
\item \textsuperscript{6} ‘Illicit whites’ or ‘cheap whites’ are cigarettes which are lawfully produced in one country, but are manufactured solely to be smuggled into countries where cigarettes are taxed at a higher rate. These illicit whites are then sold illegally in these countries at a price that is generally significantly lower than lawfully sold cigarettes.
\item \textsuperscript{7} Joint Research Centre on Transnational Crime, \textit{European Outlook on the Illicit Trade in Tobacco Products} (Trento: Transcrime, 2015), p. 152.
\item \textsuperscript{9} KPMG, ‘Project Sun: 2015 Results’, p. 64.
\end{itemize}
concerns over cigarette smuggling date from the 1990s, when they were smuggled into Greece from Albania and Bulgaria.  

Box 2: Case Study – Smuggling Cigarettes

In June 2015, Hellenic Police dismantled an international criminal organisation allegedly involved in the importation and distribution of large quantities of smuggled cigarettes in Greece and other EU countries. In one of the shipments intercepted by authorities at the port of Piraeus, they discovered 570,000 packs of cigarettes in a container from the port of Alexandria in Egypt. The same documentation was used as in a genuine shipment of furniture in an accompanying container. The tax evaded is thought to amount to almost €2.1 million.

Seven suspects were arrested as part of the police operation, including a 49-year-old Greek national suspected of being the leader of the group, as well as a foreign national who owned an international shipping company (and therefore had knowledge of container processing at the port of Piraeus). The two are suspected of co-financing the operation. The other five individuals – all Greek nationals – are thought to have had specific roles in the group, such as acting as drivers, arranging warehouse storage and loading and unloading cargo.

The group is alleged to have purchased supplies of tobacco from abroad and imported the products via containers into various ports in the EU, using the details of fictitious companies in Greece on the transport documents. Authorities believe these details were also used to rent warehouses in remote areas of Attica to store the goods and arrange their distribution; they were thought to have been partly destined for the domestic Greek retail market and partly transported by truck to other locations in the EU.


Today, the vast majority of tobacco smuggling appears to occur via container ships and mainly consists of transhipments via the ports of Piraeus and Thessaloniki, where most seizures occur (see Box 3). Local experts are confident that Greece is a major target for entries of shipments from China and the UAE, often via Egypt, Cyprus, Lebanon or Montenegro. One estimate suggests that as much as 75% of illicit products arriving in Greece are intended for other countries.  

As discussed in Chapter III, authorities also suggested that an emerging trend has been for illicit tobacco to be transhipped through a chain of increasingly smaller vessels in international waters, before subsequently entering Greece or other countries through smaller

ports. Once in Greece, the cigarettes destined for other EU markets normally exit via the port cities of Igoumenitsa or Patras on the west coast or via the land border with Bulgaria. From there they are distributed to Italy, the Netherlands, Germany, Belgium and the UK, among others.\(^{12}\)

The cigarettes that remain in Greece are distributed through well-organised networks. As previously noted, the majority of the illicit tobacco trade appears to be located in the regions where the two biggest cities and ports – Athens and Thessaloniki – are located. In 2015, the level of the illicit trade in tobacco products was very high in the two regions of Attica (1,753 million sticks) and Central Macedonia (745 million sticks) which, together, made up 63% of the Greek illicit tobacco market, according to Transcrime.\(^{13}\)

**Illicit Alcohol**

Some law enforcement officials interviewed suspect that illicit alcohol is a bigger issue in Greece than illicit tobacco, though the priority given to illicit tobacco and other crimes means very few cases are seen each year. Mirroring the situation for illicit tobacco, the illicit market is thought to be increasing due to recent declines in legal alcohol sales without a comparable reduction in consumer demand. For example, industry experts suggest that there was a 50% drop in spirit consumption between 2009 and 2014, resulting in the number of legal distillers in the country falling from 600 to 200 over the same period.

Estimates of the size of the illicit market vary markedly. Representatives from the spirits sector estimate that 8.2 million bottles are smuggled annually, accounting for a third of total consumption. The subsequent lost revenue as a result of excise evasion is thought to be €130 million. The estimates of the EU Intellectual Property Office are more conservative; it believes 10.7% of spirits and 6.2% of wines are illicit, resulting in a cumulative total €33 million in lost excise duties.\(^{14}\)

While some illicit alcohol enters via ports (in which case Greece may be either the destination or a transit point for the contraband), most appears to be smuggled in via its land border (with Greece as the intended destination market). In particular, the land border with Bulgaria was consistently highlighted by experts as a route used to import a range of counterfeit products. Unlike Greece, Bulgaria remains outside the Schengen Area and interviewees believed that border controls have been relaxed significantly since the country joined the EU. Lower prices in Bulgaria, combined with the significant difference in alcohol tax between the two countries, have stimulated a substantial increase in legal cross-border purchases, as well as smuggling.

---

12. Ibid.
13. Ibid., p. 152.
**Box 3: Case Study – Illicit Alcohol from Bulgaria**

In July 2016, the Hellenic Police published information on an investigation into a large, international criminal organisation allegedly involved in the illicit alcohol trade. In a joint operation between police officers, customs officials and local prosecutors from the region of Magnesia and island of Euboea, simultaneous raids were conducted on warehouses, private residences, retail stores and transport, printing and bottling businesses, leading to the arrest of 13 individuals (though the Hellenic Police announced they were seeking a further 39 people in relation to the investigation). Believed to have been operating since at least November 2015, the group was allegedly active in the importation, manufacture and sale of smuggled alcoholic drinks and ethanol from Bulgaria.

The investigations ultimately led the authorities to believe that the group operated as two distinct ‘cells’. The first cell was allegedly responsible for purchasing the branded spirits and denatured alcohol in Bulgaria (where prices are lower than in Greece), and importing them into the country without paying excise duties. The cell is thought to have used trucks to transport the alcohol together with legitimate goods such as firewood and household items. The Greek authorities suggested that they had bribed Bulgarian border officials to pass through controls unchecked.

Once in Greece, the alcohol was delivered to the second cell, which undertook the storage, processing and distribution of the goods. The Bulgarian labels of the branded spirits were removed using specialist equipment and replaced with counterfeit versions in Greek. They were then sold to retail outlets across the Attica region to the knowledge, the authorities suspect, of the owners and employees, who were attracted by the lower prices. An illegal factory, belonging to the suspected head of the second cell, was also discovered. On the premises, the authorities found large steel tanks and plastic barrels, a bottling machine, empty bottles, caps, labels, sealing strips and volumes of denatured alcohol. This is thought to have been used to prepare and adulterate alcoholic beverages, subsequently distributed across the country.

At all stages, the group is thought to have taken a number of security measures to evade detection by law enforcement. For instance, the second cell placed CCTV and stationed look-outs outside their warehouses, communicated in code and were careful to deal in relatively small quantities of alcohol in order to avoid the seizure of large quantities should they be discovered. Across their investigation, the authorities seized:

- More than 36,000 bottles of alcoholic beverages, including local spirits such as Raki and Ouzo, as well as those with Bulgarian labels.
- Fifteen 1,000-litre tanks filled with ethanol, as well as a further 54 empty tanks and 21 empty plastic barrels with ethyl residue.
- Empty bottles of various sizes, including 1, 3 and 5 litres.
- Thousands of labels, including those of well-known international brands, as well as tools to remove and apply the labels.
- More than €50,000 in cash.
- Weaponry, including a revolver, a shotgun and an air gun.

The degree to which this smuggling is ‘organised’ varies. Much of it is low-level ‘ant smuggling’, whereby individuals with low incomes drive into Bulgaria, fill up their cars with fuel, buy alcohol and other goods and bring them back into Greece, in part for personal use and in part to sell on to others. Some of this is ‘semi-organised’: the smuggling is done to order with the perpetrators having received a request via social media or in bars and other locations near the border. Finally, there is a certain portion which is facilitated by OCGs, which place the smuggled goods in circulation through established distribution networks across Greece. As illustrated in Box 3, authorities have also reported recent cases of denatured alcohol being illegally smuggled across the border from Bulgaria and used to produce counterfeit products, before being distributed throughout Greece.

Local experts are also concerned by the illegal production of Tsipouro and Tsikoudia, two traditional spirits produced in northern Greece and Crete, designated by the EU as having protected geographical status (just like Melton Mowbray pork pies or Parma ham). Currently, the Greek government applies 50% of the ordinary excise duty rate to Tsipouro and Tsikoudia, and a further reduced rate (around 6% of the ordinary excise duty rate) when they are produced and sold in bulk by so-called ‘two-day distillers’ (local artisanal producers). The fact that no bottling is required before it is sold means it is difficult to keep track of production, though according to one media report, around 24 million litres of untaxed Tsipouro are consumed every year, resulting in revenue losses of €200 million. While it was highlighted as a revenue loss issue, and it is possible the regulations are exploited by organised criminals, the researchers were unable to establish any evidence to directly support this belief. It is therefore difficult to say whether actors other than local producers are involved or determine the extent to which such production constitutes ‘organised crime’.

**Illicit Pharmaceuticals**

Less information is available on the scale and scope of the illicit pharmaceuticals market in Greece. There are currently no publicly available estimates of the amount of counterfeit and unlicensed products circulating through illegal distribution channels (that is, via smuggling into the Greek territory or through online purchases – it is illegal in Greece to order pharmaceuticals online). According to the limited information available, Greece is considered a source country for illicit pharmaceuticals, particularly through the parallel export of genuine products to other countries in Europe where the average cost of medicines is typically higher. Officials described an increase in the number of reported cases of medicines illegally imported from Greece (into countries such as Bulgaria), repackaged and sold to other countries in the EU. This corresponds with information provided to the researchers by authorities in other countries, who suggested that it was common to come across products with Greek labelling during seizures.

---

15. Denatured alcohol is ethyl alcohol to which a substance, such as acetone or methanol, has been added to make it unfit for consumption.
16. Chrysoloras, ‘Cheap Cigarettes are Burning Greece’s Finances’.
However, Greek authorities also believe that the domestic challenge is rising rapidly given recent changes to the health insurance system, which is increasing the cost of medicines, thereby pushing people to seek cheaper alternatives. A recent study on the theft of medicines from Italian hospitals suggests that Greece may be an important destination market, noting that ‘Southern Italy and the eastern Italian regions are more exposed to thefts of medicines because of the greater activity of organised crime groups – both Italian mafia-type and foreign OCGs, especially Eastern European ones – and their proximity to Eastern Europe and Greece, which appear to be destinations for stolen goods’.

As is the case in most other European countries, the purchasing of so-called lifestyle medicines – including slimming pills and nutritional supplements, drugs for erectile dysfunction and anabolic steroids – were suggested to be the most popular products ordered online. The rise in sales of anabolic steroids, also distributed via gyms, was highlighted. As noted, Greek law forbids the distribution of medicinal products via the internet, but EOF has found that a significant number of consumers purchase medicines online. Given that many of these websites are hosted abroad, and the products are often delivered via couriers with payment on delivery, law enforcement officials suggested that investigating such crimes is extremely challenging. They fear that the illicit pharmaceuticals trade is as serious a problem as the illegal trade in other commodities, such as tobacco, and is growing daily, but given the lack of data, it is perceived as a small problem and is therefore at risk of being overlooked.

Officials from EOF recognise the problem of the illicit market, but are confident in the integrity of legal supply chains. EOF has had an authentication system in place since 1987, whereby authenticity labels are issued to manufacturers. Subsequently, barcodes have been added to the labels with digitised information ensuring product traceability. This, it was claimed, has meant there has not been a single instance of a breach of the legal supply chain.

III. Organised Crime: Groups, Routes and Methods

Smuggling activities constitute a significant portion of the organised crime threat in Greece. Organised crime is seen almost entirely as a transnational issue, involving individuals from Greece and also from neighbouring countries such as Turkey, Bulgaria and parts of Eastern Europe. Smuggling ranges from ‘ant smuggling’ to more sophisticated criminal activity, via sea routes as well as across the land borders with Albania, Turkey and Bulgaria in particular. Those who smuggle goods tend to deal across multiple commodities, from tobacco to drugs and arms. People who smuggle and traffic irregular migrants are thought to operate separately. In some cases, combinations of products – such as drugs and cigarettes, or arms and cigarettes – are discovered on vessels, while the types of vessels used vary hugely, from container and cargo ships to ferries, fishing boats and RIBs (rigid inflatable boats). Authorities do not believe there is a significant amount of domestic illicit production (such as illegal tobacco or alcohol factories), though such cases do exist, as demonstrated by Box 4.

Box 4: Case Study – Illicit Tobacco Production

In May 2016, officers from the West Attica police division dismantled a tobacco smuggling ring of individuals allegedly distributing large volumes of illegal bulk tobacco. Members of the group are accused of purchasing large undeclared quantities of tobacco leaf from tobacco farmers in the area surrounding Agrinio, the largest city of the Aetolia-Acarnania region on the west coast of the Greek mainland. The tobacco leaf was bought at the price of €3.40 per kg, processed by the group and sold as illegal bulk tobacco for €25 to €40 per kg. The group had reportedly been operating for 18 months before being arrested, with at least 2 tonnes of illegal bulk tobacco being trafficked per month. The group’s cumulative impact on public revenues, in terms of tax evaded, has been estimated at more than €5 million.

Overall, nine Greek nationals and one Pakistani national were arrested, all between the ages of 28 and 59. Authorities also seized 5 tonnes of tobacco leaf, 785 kg of bulk tobacco and four specialised tobacco processing machines. The confiscated material was found in a number of locations, including in Athens, Piraeus and Agrinio.

The group is thought to have been aided in its efforts by an extensive network of smugglers, who used motorcycles, taxis, regional public transportation and courier company personnel to transport and deliver the illicit bulk tobacco to suppliers, as well as directly to customers in open markets. The group also advertised its products online.

Few contest the idea that OCGs are behind the vast majority of smuggling in Greece. Information from a variety of sources suggests that seizures are often the primary measure of success. However, law enforcement agencies have only a limited capacity to investigate and dismantle the organised crime structures behind the activity, many of which are based in other jurisdictions. Local experts suggest that the overall intelligence picture on OCGs is poor as a result; in only a few cases have the authorities been successful in identifying the organisers of criminal operations, let alone trends in changing routes and the methods OCGs adopt. According to Chionis and Chalkia, ‘few details are known because arrested offenders are usually low in the hierarchy’ – such as the driver or the person who is responsible for the warehouse – ‘and so little information can be obtained from interrogating them’.

**Groups**

There is general consensus among local experts that the way in which criminals in Greece organise themselves has evolved from strict, hierarchical structures to a more flexible ‘enterprise model’, in which a network of smaller OCGs is established for the purposes of a particular operation. It is therefore harder for authorities, it is claimed, to detect a network, to delineate different groups and to dismantle these more flexible (and therefore more resilient) structures.

Authorities noted that an OCG may move between different commodities over time, although most were thought to specialise in certain products. In the case of illicit tobacco, smugglers like to give themselves a nickname – *tsigarades* – suggesting that there is a sense of pride or status attached to this particular trade. Even in cases where a group specialises in one particular commodity, it is usually involved in associated crimes such as robbery, forgery and money laundering. Yet there was disagreement among officials interviewed over the extent to which there has been a recognisable shift from high-risk to relatively lower-risk products. Some officials cited cases in which OCGs had moved from dealing in drugs to pharmaceuticals, which were perceived as less risky, with high profits and limited or no penalties. Overall, however, officials thought it more likely that groups moved between products based on the profit that can be made at any one time, regardless of the risk. Indeed, Antonopoulos and Papanicolaou suggest that there have been cases of criminal ‘entrepreneurs’ involved ‘simultaneously in cigarette smuggling and the smuggling of other commodities such as fuel and pharmaceuticals’.

The challenges associated with false identities appear to be a particular issue in Greece. According to Chionis and Chalkia, Greek authorities ‘arrest suspects in less than half the tobacco smuggling cases they investigate, because almost always the criminals use fake names (for companies or persons) in the relevant documents making it difficult to track the real identity of the suspects’. Information from Chionis and Chalkia suggests that this is the task of specific

---

individuals in the OCG, who ‘commit a number of “auxiliary” crimes, including forgery of the necessary documents for the transportation of the tobacco, falsification of documents related to custom house certification and bribery of officials (customs officers). Some of them are also experts in violent crimes (usually called “protectors”) taking care of debt collection from vendors or peddlers’.4

Just as with other illegal trades, there is a distinction between the ‘entrepreneurs’ – the financial backers who have the capital to invest in the illicit market – and the ‘workers’, including those that transport and sell the illicit goods.5 In a 2007 paper, Antonopoulos outlined the ‘social organisation’ of the illicit cigarette trade in Greece:

There is a range of ‘entities’ involved in cigarette smuggling – individuals, groups with varying participation and strengths of links, and networks – that can be placed on a continuum. In addition, there are specific ‘actors’ in the cigarette smuggling business in Greece including the corrupt public officials, and the legal sector. Although the majority of people arrested for cigarette smuggling by the Coast Guard are foreigners, this does not necessarily reflect the foreigners’ involvement in this trade but their involvement in these ‘posts’ that are vulnerable to (aggressive) law enforcement.6

The question of nationality appears frequently in publications on Greek organised crime. Most commentators appear to agree with the trend identified in relation to illicit tobacco: ‘Greeks usually are the leaders, as far as the selling of tobacco in Greece is concerned or taking care of the transportation by trucks to another European country, while foreigners are responsible for the import’.7 Members of OCGs involved in the illicit tobacco trade originate from a variety of countries, it is claimed, and particularly from such source countries as ‘Northern Cyprus, Turkey, North Africa, Middle East, Balkan countries (including Greece) and Eastern Europe’.8 This aligned with the feedback from local experts, who also noted that the crews of ships involved in smuggling are frequently Ukrainian or Turkish nationals.

Chionis and Chalkia note that OCGs involved in the illegal tobacco trade are ‘divided into those that deal with the illegal importation and transfer of the tobacco from abroad to Greece or to Northern and Western European markets, and those that deal exclusively with the selling of tobacco products in Greek markets’.9 This finding – that a distinction can be made between those involved in the importation of contraband and those involved in its distribution – is reinforced by a number of cases investigated by the Hellenic Police, including the example given in Box 3 involving illicit alcohol. This suggests that, while groups may not always specialise in particular commodities, they often specialise in different stages of the illicit supply chain.

It is also suggested that OCGs co-opt legitimate business and are ‘increasingly involved in the legal market, using experts who are not criminals and also non-criminal structures to assist

5. Antonopoulos and Papanicolaou, Unlicensed Capitalism, Greek Style, p. 15.
8. Ibid., p. 232.
them in their criminal activities’. OCGs often buy established companies, or start new ones, which are involved in perfectly legitimate import and export, thereby providing a cover for their activities, according to Chionis and Chalkia. They give the example of a recent case in which ‘the leaders of a criminal group had established several companies in Greece and Bulgaria and ... used them to send products along with illicit tobacco’.

Routes and Methods

As noted earlier, Greece’s geography leaves it vulnerable to smuggling. There are almost 14,000 km of coastline to monitor, a sea that includes some 2,000 islands, and more than 500 vessels around Greece at any time, according to the Hellenic Coast Guard. Because of this vast coastline, routes used by OCGs can change quickly, as they identify stretches of the coast that are unlikely to be well monitored. The Hellenic Coast Guard believes that smuggling is likely to follow the same illegal ‘supply chain’ routes as organised immigration crime.

While Greece’s smaller ports and vast coastline are vulnerable to small-scale smuggling, the major ports are also frequently targeted. Piraeus is one of the largest ports in the region in terms of vessel and container traffic, and together with Thessaloniki is the target of criminal operations to bring goods into the country (and into the EU) undetected (see Box 5). Greece is therefore described as a ‘hub where several networks of cigarette middlemen operate, linked to warehouse operators in the Middle East, Greece, Cyprus and the Turkish duty-free zones. The networks use various offshore companies which provide logistical support and financial services (bank guarantees, collaterals, etc.)’.

One emerging tactic used by smugglers is to combine small- and large-scale smuggling techniques: a large cargo vessel, carrying legal and illegal goods, stops before it reaches Greek territorial waters and the illicit goods are unloaded on to smaller, high-speed boats. These boats will then travel to small ports, or even isolated beaches, where they will be met by lorries. This tactic is effective because authorities have to try to catch vessels unloading within Greek territory, which is difficult. It requires good intelligence (or good fortune) since there is a limited area in which the coast guard can operate (as discussed in Chapter I). Greek interpretation of the Palermo Convention also limits the actions the coast guard can take outside Greek territorial waters, including, notably, preventing its personnel from boarding vessels solely on suspicion of cigarette smuggling. Authorities believe that OCGs are well aware of these limitations and position their vessels just beyond its six-mile boundary in order to avoid interception. It is

10. Ibid., p. 8.
12. Ibid.
15. The 2000 UN Convention against Transnational Organized Crime, also known as the Palermo Convention, is the main international legal instrument for combating such transnational crimes as trafficking in people and firearms.
only when the cargo of a vessel is suspected of containing drugs and arms, for example, that authorities can act (hence the seizure of the *Haddad I* discussed in Box 1).

**Box 5: Case Study – Smuggling into Piraeus Port**

In March 2014, OLAF (the European Anti-Fraud Office) and the Greek authorities suspected the same criminal organisation to be behind at least two, possibly three, different smuggling operations. Exactly the same tactics were used for the first and second shipments. In the first shipment, three containers transported from Port Klang in Malaysia to Piraeus were declared as loaded with plastic tier drawers. The Greek authorities discovered that two of the three containers were in fact loaded with a total of 20 million smuggled RGD and Bon Classic cigarettes, while the third container was loaded with tier drawers as declared.

Less than a week later, there was a second shipment of three containers declared as rubber from Pasir Gudang in Malaysia to Piraeus. Once again, one container did contain rubber while the other two contained a further 20 million RGD brand cigarettes. Preliminary checks carried out by the SDOE revealed that the stated consignee of the containers did not exist.

Two months later, OLAF received information regarding a container declared as loaded with chairs. The container was transported from the port of Jebel Ali in the United Arab Emirates to the free zone of Port Klang in Malaysia. The same container was then shipped to Piraeus, with a Greek company in Thessaloniki declared as final destination. Investigations revealed that the consignee once again did not exist, while the container was in fact loaded with 9 million RGD brand cigarettes. In sum, across the three operations, a total of €9 million in lost tax revenue was prevented.


Local experts suggest that the use of warehouses to store goods in Greece is an important stage in the smuggling process; once a container or lorry-load has been successfully smuggled into Greece, it is stored in a warehouse and then broken down into smaller and smaller quantities, for distribution both domestically and to markets abroad.

Based upon seizure data alone, the WCO suggests that the phenomenon of ‘ant smuggling’ continues to grow in Greece. During 2014, ‘an increase of 18.72 per cent of the total number
of cigarette seizures was noted, when compared to the year 2013. Nonetheless, a decrease of 7.28 per cent of the total quantity of seized cigarettes was also observed. The rise in the number of seizures, combined with the decrease in the volume of goods per seizure, suggests that while OCGs continue to transport large volumes of illicit goods, and of tobacco in particular, these groups are increasingly attempting smaller shipments to try to evade detection by law enforcement agencies and to limit losses when they are detected.

Representatives from both the public and private sectors also stressed the extent to which distribution channels in Greece are well organised, particularly in relation to illicit tobacco, which is supplied to street sellers, kiosks and small shops and even directly to customers. The sale of illicit cigarettes on the street or via open air markets in Greece is common; in a 2016 report by Eurobarometer, it was found that 76% of respondents in Greece were offered illicit cigarettes in the street (compared to the EU average of 60%). Sellers were described to the researchers as typically being immigrants. They usually sell their goods within a small geographic area and are often well known to local people, who can find them easily on certain street corners, in markets or outside notable buildings such as universities. While the fear of being caught by authorities is generally low, they are cautious in their selling and carry one or two packets of cigarettes, with a regular re-supply either retrieved by other individuals or hidden nearby (including, according to one expert, in drains, suspended from grating).

A significant portion of counterfeit and contraband products is thought to be sold through kiosks and ‘under the counter’ of small convenience stores, which have been adversely affected by the decline in the legal market, local experts suggested. In a speech in 2013, the deputy chief of the Hellenic Police warned retail outlets that they ‘should not consider this as “disorganised” activity, but as the final tentacle or the tip of a wider criminal network, at the core of which are people who manage massive amounts or contraband tobacco products’.

As witnessed at first hand by the researchers, individuals selling illicit tobacco products are visible in the city centre and street markets of Athens. According to Chionis and Chalkia, these street sellers are predominantly foreign nationals (mainly from Pakistan and India) who sell popular brands and illicit whites in public view:

The popular locations for selling/buying products of tobacco smuggling in the centre of Athens are mainly Stournari Street, Omonia Square and Varvakios Market … In the city of Thessaloniki, the hotspots are Aristotelous Square and the area of Phillipou Chalkidaion where mainly women sell illicit whites even in front of mini markets.

Similar to the situation in other countries, the use of postal and courier services to transport illicit goods directly to consumers – and tobacco and pharmaceutical products in particular – was also raised as an issue during interviews. Authorities raised concerns over the extent to which couriers were being used as intermediaries, receiving payment for goods ordered online upon delivery. In such circumstances, their liability is limited to providing information on their clients, unless it can be shown that they knew what they were delivering.
IV. Legislation, Law Enforcement Response and Sanctions

Any consideration of the official response to organised crime and illicit trade in Greece must be seen within the context of the debt crisis that has affected the country since 2008, in addition to the resource burden of responding to unprecedented levels of irregular migration into Greece since early 2015. Some local experts interviewed as part of this study felt that Greek law enforcement and judicial authorities, despite their dedication and commitment, did not have the capacity to cope with the scale of these two challenges.

On the whole, respondents considered the existing legal framework to be sufficient for dealing with the challenge of smuggling; for most interviewees, there were no obvious gaps or loopholes in the legislation. Local experts believe that there is generally the political will to combat crimes such as illicit trade and there has been progress over recent years. However, experts criticised the lack of a common strategy – for any type of (organised) crime – and identified specific challenges related to the intelligence picture on organised crime, coordination between different agencies and the inefficiency of prosecutions. Interviewees felt that too often, seizures were seen as the successful end-point of an operation, instead of an opportunity to gather intelligence in order to investigate those higher up in the criminal organisation. A new cross-agency Operations Coordination Centre has been established in order to facilitate the joint investigations and inter-agency cooperation required. It was also hoped that authorities would be able to develop their capabilities to use financial sanctions to target criminal networks, with the present judicial system described as ‘cumbersome’ and prosecutions seen as overly lengthy and a drain on public resources, without a corresponding deterrent effect.

Legislation and Regulation

Following the debt crisis, economic-related crimes have come under intense public scrutiny and have risen sharply up the political agenda. These crimes include tax evasion, certain financial crimes such as fraud and illicit trade, and corruption, which is often an important component in smuggling activities. For many Greeks, corruption has been a longstanding societal problem, part of an accepted culture that views taxes as something to be avoided wherever possible. The informal economy is often the easiest way to access goods and services, and it is considered perfectly acceptable to bribe officials. According to a February 2014 Eurobarometer report, 93% of Greek citizens believe that bribery and the use of connections is often the easiest way to obtain public services, and only 11% think that measures against corruption are applied impartially and without ulterior motives.1

The European Commission believes that one of the enablers of corruption, and part of the reason for the low public approval, has been the country’s ‘excessively complex’ legislation in this area; it also notes that ‘Most of the anti-corruption measures taken so far, legislative or otherwise, have been piecemeal, indicating a need for a more coherent approach’. In 2013, there was an effort to formalise a more coherent approach with the adoption of a national anti-corruption strategy and associated action plan. The Commission approved, noting that this ‘filled a longstanding gap and marked an important step towards addressing the corruption challenges in the country and the need for adequate coordination of policies in this field’. Since the strategy was introduced, there have been a number of institutional improvements made, including the creation of the GSAC and specialised offices of the public prosecutor tasked with supervising and coordinating corruption investigations.

In relation to illicit trade, there has been notable concern over the links between organised crime and corrupt law enforcement and judicial authorities. Bezlov suggests that criminal networks ‘maintain good relations with the Greek political elites and magistrates. There are numerous cases where apprehended smugglers manage to avoid legal prosecution’. Meanwhile, the European Commission cites a 2012 study commissioned by Frontex, the EU’s border agency, detailing a 2010 cigarette smuggling operation from Cyprus and Turkey into Greece, in which seven coast guards were implicated. The level of bribes varied according to seniority, with low-level coast guard officers receiving €500 and high-level officials receiving €10,000. Despite acknowledging the challenges, the Commission was clearly disappointed with the response of prosecutors, which it described as ‘rather weak’:

[In 2010, only seven prosecutions were reported, with four dismissals and one disciplinary penalty. Criminal investigations into allegations of high-level corruption face challenges as a result of a complex immunity regime, notably as regards ministers and former ministers.]

One technique adopted by the Greek government to alleviate the debt crisis has been to tax excise goods such as tobacco and alcohol. However, it has faced substantial opposition from both the tobacco and alcohol industries, which have called on the government to reduce what they regard as excessive taxation. According to local experts, while government revenue from tobacco excise amounted to €3.1 billion in 2014, there has been a steady decline over the last five years from a peak of €3.9 billion in 2011. Private sector representatives argue that this decline was partly due to an overall drop in the consumption of cigarettes, as well as to consumers switching to other less taxed tobacco products (mainly fine-cut tobacco) combined with an increased demand for illicit products. Tax evasion is evidently an important issue for the Greek public; in the July 2016 Special Eurobarometer, 73% of Greeks believed that loss of taxes for the state was one of the main problems of the illicit trade in cigarettes (compared with the EU average of 43%).

3. Ibid.
Controversy over taxation is not restricted to the tobacco sector. As discussed in Chapter II, the Greek government applies a reduced excise duty rate to two local spirits, Tsipouro and Tsikoudia. The European Commission has formally requested that Greece amend the excise duty schemes, believing that they infringe the relevant EU excise duty legislation, favouring a domestically produced spirit over spirits produced in other member states. These calls have been echoed by the spirits industry itself.\(^7\) More broadly, a number of alcohol industry associations and independent bodies have identified the taxation regime on spirits as one of the factors behind the recent decline in legitimate sales.

The Foundation for Economic and Industrial Research (Idryma Oikonomikon kai Biomichanikon Erevnon, or IOBE) published a report in 2011 examining the ‘problems and prospects’ of the spirits sector in Greece. It recognised that ‘the use of indirect taxation, through the increase of VAT rates in goods and services, as well as the excise duty (in drinks, tobacco, gas, electric power and, recently, natural gas), has been, to a disproportionate extent, one of the main components of an effort to reduce the fiscal deficit’.\(^8\) It found that industry had suffered from ‘successive hikes of the Excise Duty and VAT’, in part explaining the subsequent decline in legitimate alcohol sales, which it estimates led to a ‘decrease of the Value Added in the Greek economy by €387 million and the loss of approximately 10,000 jobs’.\(^9\) Following publication of the report, industry bodies argued that the ‘huge’ tax increases since 2009 had ‘increased smuggling, the adulteration of spirits products and tax evasion’.\(^10\) In particular, representatives from the alcohol industry argued that smuggling was primarily driven by the tax differences with other EU countries, with the rate in Greece estimated to be 43% higher than the EU average.

Issues of taxation do not apply to the pharmaceuticals sector, yet there were nevertheless regulatory issues identified, particularly in relation to the use of postal and courier deliveries. Greek authorities currently have only very limited powers to intercept and inspect items in the postal system. For example, authorities cannot open parcels unless it is part of a specific investigation. Combined with the limited ability to intercept intra-EU parcels, there is concern among local experts that such vulnerabilities allow criminals to deliver items to one country and then freely circulate them with different postage marks.

As noted in Chapter II, law enforcement officials have also seen cases where illicit pharmaceuticals were delivered via private couriers, with payment on delivery, making investigations difficult. However, positive developments in regulation were also reported to the researchers. In particular, it was suggested that EOF’s overview of the pharmaceuticals market had improved following the decision to place the monitoring of wholesalers under its remit, previously the responsibility of local authorities.

---

9. Ibid., pp. 11, 32.
Law Enforcement Response

Two of the broad criticisms made of the approach of law enforcement agencies in Greece were the lack of a strategy towards organised crime and the absence of an institutional framework for coordination between those involved in tackling different criminal activities. As a result, interviewees claimed, the police and other enforcement bodies adopt a reactive approach in which resources are allocated based on stopping the most ‘visible’ crimes to the detriment of stopping less visible, economic crimes, all in the context of enormous pressures on reduced resources. In other words, there are a number of incentives for authorities to focus on short-term measures rather than longer-term objectives. This helps to explain why, in the context of illicit trade, seizures are seen as a successful outcome; often there is not the capacity to take the investigation further, particularly when authorities can take comfort in the fact that the illicit products have not reached the market. One of the biggest disadvantages of this approach, however, is that it results in a poor intelligence picture and authorities can only stem the flow of goods, rather than tackle the problem at source.

That is not to say that law enforcement efforts on seizures are unimportant, however. In fact, Greece has among the highest seizure rates for tobacco in Europe (and indeed the world), and these continue to grow year on year. Data show that Greek authorities seized more than 280 million cigarettes in 2014, second only to Brazil in seizures by volume. There are simplified procedures for authorities to seize and destroy illicit goods on the spot, both in transit and in markets. Customs officials can also conduct searches and seizures outside customs areas.

At the same time, the seizure of goods is hampered by the lack of adequate detection equipment, particularly at ports. There are no fixed X-ray scanners in any Greek port – not even in Piraeus, the third biggest in Europe. Inspecting one container can, reportedly, take half a day, and the choice of those being searched is open to manipulation by corrupt officials. There have been several attempts to tender for a fixed scanner for Piraeus, but as of June 2016 these had been unsuccessful and Greece remained the only EU country without such equipment. For some critics, the lack of such equipment was representative of a more general need for law enforcement agencies to modernise both their infrastructure and processes. There was particular concern over a lack of digitisation; officials must still send any formal request (such as requests for information or assistance from another agency) via postal mail and, while there is a police database, there are no centralised digital criminal records.

One systemic factor affecting the approach of Greek law enforcement agencies is that, as in many other European countries, investigations are prosecutor-led. This means that the agencies will only pursue an investigation if instructed to by the local or regional prosecutor. However, some of those interviewed complained that there is no national prosecutor to manage the biggest and most serious cases. This also makes it more difficult to coordinate the prosecution of different cases, for example when arrests are made in different parts of the country yet the individuals concerned are part of the same organised crime network. It was claimed that regional prosecutors can only see a part of the picture when OCGs operate at the national (or indeed international) level.

In the view of many local experts, the challenges of coordination extend beyond the prosecutors and similarly affect law enforcement agencies. Greece benefits from a single police authority in the form of the Hellenic Police, but local experts observe that cooperation between the police, customs and coast guard occurs principally at the operational level, while more macro-level cooperation – such as sharing intelligence and strategic assessments – is limited. When it comes to illicit trade in particular, it seems that the risk analysis is dispersed over several agencies, while cooperation between the agencies involved in tackling illicit trade typically occurs on an ad hoc basis. The situation was somewhat improved by the creation of the GSAC, an independent agency of the Hellenic Ministry of Justice, Transparency and Human Rights. The agency acts as the national anti-corruption authority, responsible for implementing the January 2013 National Anti-Corruption Plan. Its remit has also extended to anti-fraud activities, particularly with regards to excise goods. It has also been able to supervise joint investigation teams and mandate agencies to work together in relation to particular crimes.

One important development designed to address weak inter-agency cooperation was the introduction of Law 4410/2016 in July 2016, Article 6 of which establishes an Operations Coordination Centre for combating the smuggling of products subject to excise tax. The centre is staffed by around 20 seconded employees from a variety of public bodies – including the General Directorate of Customs, the Hellenic Police, the GSAC, the Hellenic Coast Guard and SDOE – and has a far-reaching remit. The new body has the authority to operate as a national intelligence unit, to collect, process and distribute information on the smuggling of products subject to excise (with access to the databases of all relevant agencies), establish joint operations between agencies and independently to investigate cases of smuggling or tax evasion.

In the view of local experts, the establishment of such a body was not only an important step in improving inter-agency cooperation, but also indicative of the seriousness with which the Greek government is taking the issue of illicit trade. The evident political priority given to illicit trade, these experts argue, is an opportunity for the centre and the agencies it will coordinate to make a substantial impact on the illicit trade activities of OCGs.

Experts suggest that, in the future, the centre might increase its engagement with the private sector – currently this varies in extent depending on the industry and the size of individual companies. Representatives from the private sector called for greater stakeholder consultation on initiatives, particularly in areas where it was thought private sector efforts could be helpful. One such role was prevention, and there appear to be good initiatives from industry to raise awareness of illicit trade, such as advertising campaigns on public transport (campaigns originating from government were thought unlikely to achieve the desired effect).

Sanctions

As previously noted, law enforcement agencies and the public more generally have a largely negative impression of the judicial system in Greece, particularly in terms of speed, efficiency, backlog of prosecutions and the lack of feedback on evidence and cases. Likewise, the prosecution of illicit
trade has traditionally been dispersed across the country with seemingly little impact on the criminal networks. According to Chionis and Chalkia:

In the Greek criminal justice system tobacco smuggling was not considered organised crime until 2012 and, as a result, members of such groups when arrested were not convicted for participating in a criminal organisation and [were] given mild sentences.\(^\text{12}\)

That said, stakeholders generally are now happy with the legislative framework and, in particular, the broad anti-smuggling provisions, which allow authorities to charge anyone involved in production and sale of goods or the evasion of duty with a smuggling offence.

These are not the only relevant provisions. Article 187 of the Criminal Code of Greece provides for a jail sentence of up to 10 years for any person who sets up or is a member of a criminal group, made up of three or more persons, which is continually seeking to commit felonies. Local experts suggest that this offence is usually used alongside others to increase the available sentence. Given the difficulty in proving some of the technical provisions of the Article, it is sometimes the spirit rather than the letter of the law that is adhered to. Article 19 of Legislative Decree 96/1973, which outlines offences relating to counterfeit or ‘adulterated’ pharmaceutical products, including where such products have been improperly manufactured or are considered ‘to threaten public health’, is viewed in much the same way.

No specific data on sanctions imposed by judicial authorities are available, although there was consensus among local experts that current sanctions do not deter those involved in the illicit trade. The most common penalty was thought to be a court-imposed fine, which tends to be small. As a result of limited custodial sentences resulting from prosecutions, the loss of contraband is thought to be the only deterrent for OCGs, with the same criminals frequently arrested for the same offence. Industry representatives argued that private claims for damages, for the infringement of intellectual property rights for example, can be a more effective deterrent, given the often larger sums involved. However, given the years it takes to pursue a case, it was suggested that brand owners are selective in their claims, in the knowledge that smuggling charges will be prosecuted \emph{ex officio} anyway.\(^\text{13}\)

In the case of financial penalties, smuggling becomes a felony in Greek law when the duties, taxes and other charges owed to the state exceed €150,000 (below this amount it is considered a misdemeanour). Similarly, the researchers were told that criminals can evade the seizure of their goods and prosecution if the unpaid duties are less than €70,000 and they pay an on-the-spot fine. There is evidence, it was claimed, of criminals identifying this loophole and being willing to pay the fine or purposefully keeping the amount of contraband below this threshold. This would indicate that the effectiveness of financial sanctions, including asset recovery, is currently suboptimal in Greece, a notion generally supported by local experts. This is an important issue for Greek authorities to explore in the future, given the close links between the proceeds of illicit trade and other criminal activities.


\(^{13}\) \textit{Ex officio} means the authorities will pursue the case irrespective of the wishes of the victim.
V. Analysis

Illicit trade is not seen as an isolated problem in Greece, but as part of a broader category of economic crimes, which includes tax evasion, corruption and fraud. There is a tension in the public perception of these crimes: on the one hand, they are recognised as factors which have contributed to the state of the Greek economy, while on the other, there is a lingering cultural mindset among certain sections of society that sees those who avoid paying revenue to the state as ‘clever’ rather than ‘criminal’. As one local expert noted to the researchers, there is often ‘no moral disgrace’ associated with such crimes.

Relatedly, there appears to be a ‘blurring’ of the lines between the formal and informal economies, as illicit traders imitate legitimate business practices ever more closely. Antonopoulos and Papanicolaou suggest that individuals engaging in illicit trade activities may be seen as nothing more than ‘entrepreneurial’ and their actions socially accepted. They note that ‘those involved in the [informal economy] often construe their involvement as “providing a service” … In this respect, involvement in the illicit sector from a trader’s perspective would appear to be a mere shortcut which can be of critical importance for the continuation of their business, or to be more precise, for their survival in what often are fiercely antagonistic business environments’.

While some drivers of illicit trade were discernible, many of the most important findings from the fieldwork related to the factors inhibiting Greek authorities from tackling the problem. The ongoing debt crisis is perhaps the most obvious, and one which representatives from the country felt would take years and even decades to resolve. However, there was also a sense of cautious optimism among almost all those interviewed as part of this case study. The issue has recently risen on the political agenda and progress has been made on what are seen as the five most important factors influencing the response to illicit trade.

First, as mentioned above, the social acceptability of illicit trade is a problem, fuelling a demand that organised criminals can target and exploit. Antonopoulos and Papanicolaou suggest that cigarette smuggling is not only ‘supported by the smokers who consume contraband cigarettes but also supported “morally” by the smoking population in general’, with participants involved in the illicit cigarette market identifying themselves as ‘service providers’. However, there are indications that attitudes towards economic crimes are changing and that such crimes are becoming less acceptable. It was also suggested that in the case of some products, such as tobacco, consumers have not entirely switched to illicit products and would prefer to purchase legitimate goods even if they are more expensive. According to one local expert, people may smoke legal cigarettes for the first three weeks of the month and switch to cheaper, illicit brands at the end of the month when money is tighter.

1. Antonopoulos and Papanicolaou, Unlicensed Capitalism, Greek Style, p. 119.
2. Ibid., pp. 12–13.
Second, the Greek authorities have been criticised in the past for a lack of coordination, with several ministries and agencies responsible for different aspects of tackling organised crime and illicit trade. Nevertheless, the dedication of the law enforcement agencies is recognised and seizures have remained among the highest in Europe over a number of years. The establishment of the Operations Coordination Centre is seen as particularly beneficial, as it has a wide remit and the ability to pool the intelligence, operational and strategic efforts of a number of different agencies.

Third, bribery and corruption have historically been recognised as serious challenges, affecting a wide range of public and private organisations. Yet once again, public tolerance towards such behaviour appears to be in general decline and institutional improvements have been made, especially since the National Anti-Corruption Plan was introduced and the GSAC was established. This has created ‘ownership’ of the fight against corruption and made efforts to tackle it more transparent.

The fourth factor is the legislative framework, which on the whole was deemed by interviewees to be adequate, with some specific provisions relating to membership of an organised crime group, for example. Yet criticisms remain over the application of the legislation, including the lack of efficiency of the judicial process, the backlog of cases and particularly the perceived lenience of penalties associated with relevant offences.

Fifth, the issue of resource levels and allocation is an important factor when assessing Greek law enforcement activities regarding illicit trade. A lack of resources means that, too often, operations end with seizures and do not touch on the larger criminal networks behind smuggling efforts. While seizures might deal with the problem in the short term, this way of operating results in a poor intelligence picture in the long term. On the one hand, there have been improvements in resource allocation which have led, according to local experts, to an increased focus on alcohol and tobacco smuggling, which count for the largest amount of lost tax revenue. On the other, the intelligence picture relating to illicit pharmaceuticals remains extremely limited.

An additional factor, over which authorities have no control, is Greece’s physical geography. Comprising around 2,000 islands and with almost 14,000 km of coastline, the Aegean Sea is an established transport route which can easily be exploited by smugglers of various illicit goods. Widely cited as one of the main ‘gateways’ or ‘major entry routes’ into Europe, the country has long been known as a transit point for goods coming from the Middle East destined for other parts of Europe via the Balkans or across the Ionian Sea to Italy. Similarly, Piraeus is regarded as one of the most strategically important ports on the Mediterranean Sea. Based on these facts alone, illicit trade conducted by organised crime networks is likely to increase rather than diminish for the foreseeable future.

Key Findings

1. The debt crisis that has affected Greece since 2008 has undeniably had an impact on local illicit markets: first, the reduction in purchasing power has made the black market more
attractive to consumers; second, a decrease in resources has placed severe pressure on the capacity of law enforcement authorities to respond. This is particularly in the context of unprecedented levels of irregular migration into the country since early 2015.

2. During this period of economic uncertainty, authorities have focused on tackling crimes that they believe have the biggest impact on state revenues. A number of such crimes are frequently grouped together by the public and the authorities, including tax evasion, smuggling (that is, excise evasion), fraud, and bribery and corruption. There are indications that the Greek authorities’ understanding of organised crime is changing and efforts to combat illicit trade are improving, as these economic crimes increasingly dominate political discourse.

3. There are a number of factors that have made Greece an attractive hub for smuggling activity. First, Greece has a combination of remote and porous land borders and the second-longest coastline in Europe. This makes bringing contraband into the country relatively easy using, for example, trucks or small vessels. Second, the scale of operations at the port of Piraeus makes monitoring the content of incoming containers a challenge, especially given the lack of necessary scanning equipment. Third, because Greece is part of the Schengen Area, the circulation of goods into the rest of Europe is relatively straightforward.

4. There is only limited information available on the scale and scope of organised crime activity, and of illicit trade in particular. Few statistics are publicly available and while studies have been conducted on specific aspects of the problem, much of the information used tends to be anecdotal. There have not been many assessments at the strategic level of different crime types, and there is an over-reliance on seizures and private sector studies as sources of data.

5. Identifying ‘little and often’ smuggling operations, whether by sea or by land, requires an excellent intelligence picture. The volume of cases and the pressure on law enforcement resources have meant that seizures are often seen as ends in themselves and further investigation has not been possible, resulting in a relatively poor ability to assess the changing structures, routes and methods of organised crime networks. This is likely to improve with the creation of a new Coordination Centre, designed to enhance inter-agency information sharing and cooperation, which should be seen as a priority.
About the Author

Calum Jeffray is a Research Fellow in the National Security and Resilience studies group at RUSI, and is currently on secondment to the UK government.

Prior to his secondment, he conducted research and analysis on a broad range of national security subjects including organised crime, intelligence, cyber security, counterterrorism and counter-violent extremism. He was part of the secretariat for RUSI’s Independent Surveillance Review, and undertook research projects on behalf of the European Commission, as well as the British, Canadian and Danish governments.

Calum completed his MPhil in International Relations at the University of Cambridge, where his dissertation examined the role of international organisations in improving cyber security. He also holds a first class MA in French from the University of St Andrews.