DEVELOPMENTS

COUNTERFEIT FOOD AND DRINK
Global. Over 2,500 tons of counterfeit and illicit food, including mozzarella, strawberries, eggs, cooking oil and dried fruit, were seized in 47 countries in a joint Interpol - Europol operation during Dec 2014-Jan 2015. More (17 Feb, Time)

COUNTERFEIT GOODS
Global. Alibaba met with China’s quality regulator and pledged to fight fake goods. As Alibaba tries to quiet claims it has failed to prevent counterfeiters from using its sites. More (9 Feb, Bloomberg) Alibaba has 2,000 full-time employees to help monitor counterfeiters and has helped send 400 people to prison for violations. More (3 Feb, Bloomberg)

United Kingdom. Over 2,000 websites selling fake luxury goods have been removed since the start of the year, UK police say. The raids were the result of a collaboration between brand-protection groups and internet registries. More (13 Feb, BBC)

HUMAN TRAFFICKING

U.S. senators proposed legislation calling for the creation of a $1.5 billion fund to combat modern-day slavery around the world. More (24 Feb, Reuters)

Global. In its most ambitious effort yet to stamp out labor abuses, Apple requires employees instead of saddling new hires with the costs, i.e. bonded labor. More (12 Feb, Bloomberg) More (12 Feb, BBC)

Global. United Nations is looking into claims that Daesh may be harvesting organs from slain civilians, trafficking body parts. More (19 Feb, CNN)

Singapore. A law against human trafficking involving exploitation, forced labour or organ removal, takes effect 1 March. More (27 Feb, Straits Times)

Thailand. Five years after it was first drafted, the Thai parliament has passed a law which it hopes will shut down the “vaccine-for-rent” business for good. More (20 Feb, BBC)

ILlicit FLOWS
Africa. Companies and government officials are illegally moving as much as $40 billion out of Africa each year, depriving the continent of capital and tax revenue that could spur faster economic growth. Report. More (2 Feb, Wall Street Journal) The report was praised by civil society groups as the first African initiative to address illicit outflows from the continent. More (2 Feb, The Guardian)

Switzerland. Swiss prosecutors scramble to explain why they took 7 years to probe suspicions of money laundering aroused by data stolen from HSBC’s private bank in Geneva. More (24 Feb, Bloomberg) More (18 Feb, CNN)

Canada. Finance Minister Joe Oliver acknowledges the country may need to pay closer attention to the way its big chartered banks police potential money-laundering activities. More (4 Feb, Wall Street Journal)

India and the US vowed to step up joint efforts to halt illicit money flows after revelations that Iranian oil export revenues had been siphoned out of an Indian bank in a suspected money-laundering scheme. More (12 Feb, Reuters)

Mexico. Dozens have been accused of running a multi-state gold-for-cash scheme that laundered more than $100 million in US profits for the Sinaloa drug cartel. More (12 Feb, Guardian)

ILLEGAL WILDLIFE TRADE
Global. Customs officials and experts are educating freight forwarders and handlers in the fight against trafficking. Their recent meeting with transport operators was the first of its kind. More (7 Feb, BBC)

Nepal. Thirteen countries which are home to the world’s dwindling population of wild tigers agreed to establish an intelligence-sharing network to fight traffickers. More (6 Feb, New Straits Times)

Thailand. Thai officials have raided a Buddhist temple that is home to more than 100 tigers and are investigating suspected links to wildlife trafficking. More (5 Feb, Reuters) More (5 Feb, Vice)


ILLEGAL TRADE IN ANTIQUITIES
Global. In addition to banning all trade in antiquities from Syria, the UN Security Council also threatened sanctions on anyone buying oil from Daesh (Islamic State) and al Qaeda-linked Nusra front militants and condemn paying kidnap ransoms to the groups. More (6 Feb, Reuters) More (6 Feb, Yahoo) A U.N. report in November estimated Islamic State militants were earning between $846,000 to $1.6 million a day from illegal oil sales. More (12 Feb, Wall Street Journal) A 2014 New York Times investigation found that since 2008, al Qaeda and its affiliates had received $125 million from ransoms, including $66 million in 2013. More (19 Feb, CNN) More (13 Feb, BBC) A new report by the Financial Action Task Force says that Daesh is mostly financed through extortion rackets. More (27 Feb, Wall Street Journal)

ORGANIZED CRIME
Italy’s new president decries organized crime in his first speech. More (3 Feb, Reuters)

DRUG TRAFFICKING
Mexico. Police nabbed drug lord Servando Gomez, the leader of Knights Templar cartel. More (28 Feb, BBC)

Belgium. Raids were conducted on what it said was a smuggling ring with links to Africa. More (13 Feb, Reuters)
Tobacco
GLOBAL: Illicit trade in e-cigarettes is on the rise: fakes use cheaper materials and are sold at prices well below normal rates. More (20 Feb, Wall Street Journal)
SINGAPORE: Latest figures showed that 3 million packets of contraband cigarettes were seized last year, the highest number since 2009. More (5 Feb, Today Online)
MALAYSIA: Several outlets nationwide were raided under a crackdown on illegal cigarettes. An estimated RM2 billion in taxes is lost annually to illegal cigarette trade. More (13 Feb, AsiaOne Malaysia)
UNITED STATES: New York has the highest inbound smuggling rate; illegally imported cigarettes were 58% of its market in 2013. Report. More (13 Feb, Wall Street Journal)
GERMANY: Arrests were made of a criminal network smuggling cigarettes and alcohol from Poland to Germany. More (17 Feb, Europol)

Drug Trafficking
SOUTH KOREA: Due to online shopping, illegal imports of drugs into the country rose a 10-year high of $137 million in 2014. More (5 Feb, Wall Street Journal) More (5 Feb, Korea Herald)
INDONESIA: In the country, most of the 138 people on death row are for drug crimes. More (16 Feb, Wall Street Journal)
AFGHANISTAN: Narcotics poses the greatest threat to stability and last year’s record opium crop could be exceeded in 2015. More (18 Feb, Reuters)

Smuggling
INDIA: About 200 metric tons were smuggled in 2014. More (11 Feb, Bloomberg) Still, police made the single biggest seizure of gold smuggled into the country in February worth more than $2.57 million. More (24 Feb, Reuters)
LIBYA: Authorities are unable to halt the illicit trade in oil or the flow of weapons in and out of the country, and they need an international maritime force to help, UN monitors say. More (26 Feb, Reuters)
COLOMBIA: Official data suggest that 80% of mines are illegal, many of them controlled by illegal armed groups and gangs. More (10 Feb, Bloomberg)

Illicit Flows
GLOBAL: “What do Google and Amazon have in common with arms traffickers, terrorists, and North Korean rulers? The answer: All use the same offshore system to circumvent rules that would otherwise constrain them.” More (12 Feb, Washington Post)
IRAN: At least $1 billion in cash has been smuggled into Iran as it seeks to avoid Western sanctions, a bigger figure than previously reported. More (24 Feb, Reuters)

Illegal Wildlife Trade
GLOBAL: As the world’s booming black market for parts from endangered species continues to elude effective policing, rhinoceros deaths quadrupled in four years to the 1,215 killed by African smugglers in 2014. More (14 Feb, New York Times)
SOUTH AFRICA: A panel of experts has been appointed to examine the viability of legal rhino horn trade, as poaching of the species spiked to record levels. More (10, Feb, AFP)
MALI: Survival of unique Gourma desert elephants threatened as 19 are killed in a month. The deaths are attributed to militias’ war, jihadis & Sahara smuggling rings. More (11 Feb, The Guardian)
VIETNAM: Officials illegally traded 42 protected pangolins, placing a spotlight on the creatures, which are the most trafficked wild mammals in the world, More (20 Feb, Guardian), More (12 Feb, VICE), More (5 Feb, BBC)
CHINA: Experts say tiger poaching is fueled by a thriving trade in China, where tiger parts are prized and often used in traditional medicine. More (3 Feb, Reuters)

Counterfeit Goods
UNITED KINGDOM:Fake versions of well-known make-up brands seized in Warwickshire contained “dangerous” metals such as mercury and lead, trading standards officers said. More (6 Feb, BBC)

Alcohol
UNITED KINGDOM:Criminal gangs are distilling and selling potentially fatal alcohol in London. More (9 Feb, BBC)

Human Trafficking/Illegal Migration
EUROPE: On Feb 15, Italian coastguard rescued more than 2,000 migrants. More (15 Feb, Feb 15, Italian coastguard) A week earlier at least 300 perished in the sea. More (11 Feb, Newsweek). Last year, more than 170,000 people arrived in Italy alone, while more than 3,200 people are estimated to have died at sea making the attempt. More (9 Feb, New York Times) Italy’s top organized-crime fighter has warned of a danger that international terrorism could help finance itself thru migrant trafficking. More (24 Feb, AFP)
The European Commission announced an increase in funds to help Italy deal with an influx of migrants fleeing African and Middle East nations by boat. More (19 Feb, New York Times) But UK government refused to contribute to rescue efforts because of an “unintended ‘pulldown’ effect”. More (18 Feb, Guardian)
The European Union is experiencing a steep rise in the number of Kosovan citizens smuggling themselves into the bloc, with 10,000 filing for asylum in Hungary in just one month this year compared to 4,000 for whole of 2013. More (4 Feb, Reuters)

United States: A two-week nationwide sex trafficking sting that coincided with the Super Bowl led to the arrest of over 570 men who were soliciting prostitutes by answering fake online ads. More (2 Feb, Time); More (3 Feb, Washington Post)

Nigeria: The government is investigating reports of rapes, child trafficking and other abuses in camps for people fleeing from Boko Haram. More (10 Feb, BBC)

Indonesia: India has more than 3 million sex workers and the industry is estimated to be worth over $8 billion. Many of those workers want the trade legalized. More (13 Feb, BBC) Poor Indian families into selling their children into bonded labor or prostitution. More (5 Feb, Reuters)

Thailand: Efforts to combat trafficking in its fishing industry have been “wholly inadequate”. More (17 Feb, Reuters) In a week, about 180,000 Cambodians fled Thailand amid fears of a crackdown. More (20 Feb, CNN) Hi-tech criminals are selling live streams of child sex over legitimate chat sites and apps such as Skype for virtual currencies like Bitcoin. More (24 Feb, AFP)

Iraq: Up to 10,000 women and girls in Iraq have been abducted or trafficked for sexual slavery, prostitution or ransom, rights groups said. More (17 Feb, Reuters)
INDUSTRY DEVELOPMENTS


E-COMMERCE. Alibaba said that U.S. regulators have requested information on Chinese authorities’ allegations that the company has failed to do enough to prevent fake goods from being sold on its websites. More (13 Feb, New York Times)

RETAIL. Four major retailers: GNC, Walmart, Walgreens and Target were told by the New York Attorney General to halt sales of store-brand herbal supplements found to lack key ingredients listed on the label, fueling calls for regulation of the $32 billion U.S. dietary supplement industry. More (3 Feb, Bloomberg)

CVS Health Foundation made a $5 Million 5-year commitment to the Campaign for Tobacco-Free Kids. More (5 Feb, CNN)

CVS found that increased prescription drug sales helped overcome the company’s decision to stop selling cigarettes and other tobacco products last year. More (10 Feb, Forbes)

PHARMACEUTICALS

A federal judge has invalidated a controversial Maine law that allows residents to buy prescription drugs from some foreign pharmacies. More (25 Feb, Wall Street Journal)

BANKING

United States. A New Jersey lawyer is fighting to make banks liable for violent deaths at the hands of extremists. More (19 Feb, Bloomberg)

INFORMATION TECHNOLOGY

In an annual report on labor and environmental practices in its supply chain, Apple said it is making progress eliminating conflict minerals, identifying 225 smelters in its supply chain that handle gold, tantalum, tin or tungsten. Report. More (11 Feb, Wall Street Journal)

TOBACCO

Japan Tobacco and Philip Morris suffered a fall in profits, hit by falling sales. More (5 Feb, Financial Times)

The death risk from smoking may be much higher than previously thought - tobacco kills up to 2 in every 3 smokers not 1 in every 2, a large study suggests. More (24 Feb, BBC) More (11 Feb, Salon)

TECHNOLOGIES

Medicine Verification App. An app designed to work alongside Turkey’s medicines traceability system has been installed more than 100,000 times. İlac Takip Sistemi (ITS) Mobil - allows anyone with a smartphone to check the 2D datamatrix code on a pack of medicines & verify its authenticity. More (25 Feb, Securing Industry)

Smart Bottle. Diageo and Thin Film Electronics, a Norwegian printed electronics company, learned to create a Johnnie Walker Blue Label smart bottle which debuted at Mobile World Congress in Barcelona. The smart bottle uses printed sensor tags with Near Field Communication (NFC), which can be accessed with any NFC-enabled smartphone. Press Release. More (3 Feb, Forbes)

India’s liquor mobile app. Government launched “mLiquorSaleCheck” to prevent the circulation of counterfeit products and help the Excise Department with information on where spurious, illicit liquor sale is rampant. More (25 Feb, The Hindu)

SM45. The Royal Malaysian Customs Department launched the ‘Sicpa Mobile 45’ or ’SM 45’ specifically to detect the validity of information displayed on hard drink bottles. More (10 Feb, Daily Express) In 2014, RM1.72 billion was collected from liquor tax duty.

TraceLink. A cloud-based software product that tracks prescription drugs from the manufacturer to the pharmacy shelf, which can help to prevent trafficking of counterfeit drugs. As a new federal law takes effect that seeks to halt the counterfeiting of drugs, the company has raised funding to keep up with the demand. More (18 Feb, Wall Street Journal)

Wrinkled Polymers. Korean researchers developed a polymer-based tagging that mimics the nature of human fingerprints, that can be used to authenticate products and is claimed to be impossible to copy. Study. More (16 Feb, Securing Industry)

Kaspersky QR Scanner. To identify a rogue QR code, Kaspersky Lab created a new mobile app that scans codes securely. More (13 Feb, IT-Online)

RELATED DEVELOPMENTS

DNA Scans. Tools to analyze DNA in food may soon help detect contamination and food fraud. Techniques ranging from whole genome sequencing to the ability to create artificial DNA labels that indicate points of origin are surprisingly affordable now. Initiatives include: Genome Trakr, genome sequencing on a total of 100,000 types of common foodborne pathogens. Food fraud prevention is also benefitting from a large project called The International Barcode of Life (iBOL), which is building a genetic library of all life on Earth. Finally, inspired by the bar-coding idea, one new company, DNATrakr, is creating synthetic bar codes for food items. Smartphones may one day have apps that can actually detect bacterial contamination or synthetic bar codes. A recent study shows a cellphone-based imaging system could detect viruses and nanoparticles—-the phone is essentially converted into an advanced fluorescent microscope. More (4 Feb, Scientific American)

“Portrait Window.” European Central Bank has unveiled a new version of the 20-euro note with anti-counterfeiting features. When banknote is held against the light, the window becomes transparent and reveals a portrait of Europa. More (24 Feb, Associated Press)

winefraud.com. A new wine fraud website will be launched in early April using a database of photos about fake bottles and a gallery of authentic ones for comparison. More (11 Feb, Bloomberg)

App for flight attendants that allows airline workers to upload video footage of suspected trafficking cases to provide evidence. App. More (9 Feb, Vice)

Popcorn Time, which made its debut in March 2014, is becoming more popular, making illegal downloads easier than ever. In January, a report shows that about as many people in the Netherlands search Google for Popcorn Time. As of Feb. 25, Google data show similar results for Italy, Portugal, and Spain. More (26 Feb, Bloomberg)

TOR. The Onion Router, set up by U.S. Naval Research Laboratory more than a decade ago is so popular users quadrupled in 14 years, to about 2 million a day, and companies like Facebook have begun to see it as a place to reach customers. More (13 Feb, Bloomberg)
TAX DEVELOPMENTS

Global. World Health Organization’s Framework Convention for Tobacco Control entered into force ten years ago on 27 Feb 2005. FCTC has been ratified by 180 countries representing nearly 90% of the world’s population. Although FCTC parties adopted a protocol on the illicit tobacco trade in 2012, only six countries have ratified it: meanwhile, 92% of the world’s population still lives in countries where tobacco taxes are below what the WHO recommends. More (27 Feb, Council on Foreign Relations)

Egypt. The government raised the sales tax on both local & imported cigarettes; This is the 3rd time in a year that cigarette tax has been raised. More (22 Feb, AP) Cigarette tax revenue will be EGP5-5.5 billion/year. More (24 Feb, AmwalAlGhad)

India. Finance Minister proposed raising taxes on cigarettes by at least 15%. This budget marks 4th year of excise duty increases. More (28 Feb, Bloomberg)

South Africa. Finance Minister announced increases in taxes levied on several alcoholic beverages, cigarettes and tobacco. More (25 Feb, The Citizen)

Europe. The European Commission is considering taxing e-cigarettes. The EU demands a minimum of a 57% excise duty on every packet of cigarettes purchased in EU. By contrast, e-cigarettes are only subject to the value added tax, which is about 20% in most states. More (18 Feb, Financial Times) In Italy, electronic cigarette firms say a new levy that doubles the price of e-liquid refills unfairly helps tobacco giants and will hurt their industry. More (27 Feb, Reuters)

Azerbaijan. Cabinet of Ministers approved the new rates of custom duties on alcoholic beverages, tobacco and oil products imported into the country as of March 1, 2015. More (2 Feb, Trend.az)

Kyrgyzstan. Excise tax on cigarettes will be raised from Jan 2015 to Jan 2017. More (5 Feb, eng.24.kg)

Philippines. The tobacco industry is said to be benefiting from tax stamps. More (22 Feb, Manila Bulletin)

Vietnam. Tobacco firms were ordered to triple contribution to an anti-smuggling fund. Smuggling deprives Vietnam about $304.7 million in tax revenue every year. More (10 Feb, Thanh Nien News)

China. Premier Li Keqiang’s brother was removed as deputy head at the State Tobacco Monopoly Administration, which provides an estimated 7-10% of government revenue, eliminating a potential conflict of interest as world’s largest tobacco user battles a major health crisis. More (11 Feb, Reuters)

United States. For a third consecutive year, President Obama released his proposed federal budget which includes a 94 cents per pack increase in the federal cigarette tax rate and a likely proportionate increase in all other tobacco tax rates. In addition, the budget proposal calls for annually indexing the cigarette and tobacco tax rates for inflation. More (4 Feb, CSPnet)

New York state is suing UPS, alleging the shipping giant delivered 683,000 cartons of untaxed cigarettes into the state and fueled a contraband market that cheated state and local tax coffers and threatened the public’s health. More (18 Feb, LA Times) More (18 Feb, Bloomberg)

U.S. senators are sponsoring a bill that will reduce the excise tax on beer made by small brewers to $3.50 per barrel for the first 60,000 barrels, as compared to $7 per barrel under current law. More (6 Feb, Associated Press) With federal, state and local levies, taxes make up, on average, more than 40% of cost of beer purchased in the US. More (19 Feb, Reuters)

In Georgia, researchers predict that raising state cigarette tax to $1.60 per pack would generate an extra $554 million by 2020. More (14 Feb, AJC.com) In Maryland, health advocates are pushing for an increase in tobacco tax. More (4 Feb, CBS) Kentucky meanwhile mulls a statewide smoking ban More (13 Feb, Time) In Colorado, 2014 taxes on recreational pot amounted to about $44 million. More (10 Feb, New York Times)

A Food and Drug Administration panel is planning to review smokeless tobacco maker Swedish Match’s request to certify its General-branded pouches of tobacco as less harmful than cigarettes. Snus are teabag-like pouches that users stick between their cheek and gum. They are popular in Scandinavia.

NEW REGULATORY BODIES

European Union. On 13 February 2015, the European Medicines Verification Organisation (EMVO) was established. Germany will be the first Member Stateto contribute fully to the improved Europe-wide verification system under the auspices of EMVO, through its securePharm system. More (19 Feb, EFPIA)

Scotland will have its own food fraud unit, Food Standards Scotland starting on 1 April. More (23 Feb, Securing Industry)

OTHER DEVELOPMENTS

Product packaging. Global. Removing branding from cigarette packets will succeed in deterring smokers, scientists said, contradicting claims by the tobacco industry that the policy is ineffective. More (16 Feb, Financial Times) More (16 Feb, Reuters) Summary of the scientific evidence suggests stopping one in 20 people from taking up the habit would save 2,000 lives in the UK each year. More (16 Feb, BBC) More (17 Feb, Time)

United Kingdom. British American Tobacco says it would take action against the UK government if it enacts a plan to put cigarettes in “plain packaging”. More (26 Feb, Reuters) A group of former police officers warns of concern about counterfeit cigarettes hitting British streets if cigarettes are sold in plain packets. More (9 Feb, The Telegraph)

Ireland is to proceed with plans for a law requiring tobacco companies to sell cigarettes in plain packets, legislation that has prompted a threat of legal action from Japan Tobacco and Imperial Tobacco. More (17 Feb, Reuters) More (21 Feb, Reuters)

In Pakistan, the tobacco industry is trying to reverse the Ministry of National Health Services’ (NHS) decision to have pictorial warnings cover 85% of cigarette packets from May 31. More (27 Feb, Dawn) A leading cigarette firm warned of a shortfall in revenue collection if there is an increase in the size of the graphical health warning. More (25 Feb, Business Recorder)

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