

# **ASEAN CUSTOMS ENFORCEMENT COMPLIANCE BULLETIN 2ND ISSUE / 2007**



BRUNEI CUSTOMS



CAMBODIA CUSTOMS



INDONESIA CUSTOMS



VIETNAM CUSTOMS



THAILAND CUSTOMS



MYANMAR CUSTOMS



MALAYSIA CUSTOMS



SINGAPORE CUSTOMS



PHILIPPINES CUSTOMS



LAOS CUSTOMS

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# ***ASEAN CUSTOMS VISION 2020***

*“An ASEAN Customs Partnership for World Class Standards and Excellence in efficiency , professionalism and services, and uniformity through harmonized procedures, to promote trade and investment and to protect the health and well-being of the ASEAN Community”*

## *Preface*

ASEAN HEAD OF ENFORCEMENT

ASEAN HEAD ENFORCEMENT

## *Turtle eggs that were smuggled*

Thousands of turtle eggs were saved from ending in the pot as Customs Preventive and Intelligence officers succeeded in foiling the smuggling of eggs from the neighbouring country, which was in violation of the Customs as well as Museum Act in the country.

Acting on a public tip-off, the vigilant enforcement officers, comprising a team of five personnel, headed to a house in Kg Sungai Besar where the reported smuggling was reportedly taking place. The enforcement officers apprehended a foreign man aged 40, who was believed to be smuggling 3,700 turtle eggs, valued at more than \$1,500 at the local market, into the Sultanate, which he brought through the Brunei waters. The seizure of turtle eggs was the biggest so far this year

Though considered a delicacy amongst locals in Brunei, turtle eggs have been protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora or CITES, and Brunei is one of its members. This convention aims at ensuring that international trade in specimens of wild animals and plants does not threaten their survival.



## *Massive contraband haul*

The Preventive and Intelligence Section of Royal Brunei Customs and Excise Department succeeded in foiling a syndicate selling nearly 2,000 packets of cigarettes, 132 tins and 232 bottles of various alcoholic drinks at the Kampong Salar Industrial Site area, believed to be one of the biggest seizures of contraband goods this year (2004).

The officers arrested the wife who was in possession of various brands of cigarettes and alcohol at the junction of the industrial site. Soon after officers went to the house of the woman and they found more cigarettes and alcohol that were dumped at six different locations in a thicket near the house. The confiscated goods were smuggled from neighbouring country

The arrested people who were later found guilty and fine \$15,000.





## Electronic Contraband Seizure

Officers of Preventive and Intelligence of Royal Brunei Customs and Excise Department have busted a massive smuggling operation at Rasau, Kuala Belait when they seized three vehicles laden with contraband electronic items ranging from VCD and DVD to satellite dishes and computer accessories among other sundry items. Four foreign nationals were remanded for further questioning by the enforcement section of the Royal Customs and Excise, in connection with alleged smuggling operation.

Acting on a public tip-off, eighteen customs officers from the Preventive and Intelligence Section headed by the Assistant Superintendent of customs, drove down to Rasau, Kuala Belait to conduct the operation on Friday afternoon. During the operation, the officers stopped three suspicious vehicles laden with goods from the neighbouring country, driven by the foreign national who were entering Brunei through the Rasau toll..



Following questioning, the three vehicles were instructed to drive down to the Customs office for further inspection of the goods carried in the vehicle. Investigations revealed that most of the goods were not declared through the customs post in Sungai Tujoh. The officers then escorted the vehicles to the customs headquarters in Jalan Menteri Besar for further investigation.

The three vehicles, comprising two pick-ups and a lorry used in the transportation of the goods were also confiscated by the Customs. Estimated around \$50,000, the undeclared goods comprised 6,904 pieces of CDs 270 pieces of DVD, 482 pieces of DVD games, (which according to a suspect was to be distributed at VCD shops in the country), 5 sets of Astro, 4 sets of receivers, 2 sets of satellite dishes and large amounts of mattresses, computer accessories, spare parts, cosmetics, electrical appliances, musical instruments, exercise equipment, motor oil and twenty kilos of contraband chicken wings too were among the booty.

BRUNEI CUSTOMS

## Sugar scam's bitter end

A lorry load of cargo declared as corn flour and chicken feed turned out to be 1,000 kg of white sugar, which led to a foreign man being detained. The truck, driven by the 48-year-old driver, was stopped following private inquiries by the officers of Preventive and Intelligence Section on suspicion of transporting restricted items into the country. The said truck was reported heading to BSB from a neighbouring country where the driver was stopped while boarding a ferry at the area of Islamic graveyard in Kg Tanjung Kuala Belait. The driver of truck had declared a total of 200 jute bags containing 25 kg of corn flour each, and 25 jute bags containing 50 kg each of corn to feed chicken and several boxes of finger foods. However, the bags of sugar that were about to be smuggled were placed under the jute bags containing flour. It was meant to deceive Customs inspectors as the sugar was packed in the same type of bag containing the said flour.

The result of the search revealed a total of 200 bags of sugar weighing 50 kg each. It was learnt the sugar was brought into the country to be sold in the market. Following the search, the driver and a passenger as well as other items, which were brought including the truck used to transport the items, were seized by the Customs Department for further investigation.

It is an offence to bring sugar into the country without prior consent from the relevant authority, as it is one of The restricted items under the Import and Export Act 1955.



## Kids for cover blown

Stiff penalties notwithstanding, people continue to smuggle contraband goods into Brunei Darussalam. On Monday night, officers were shocked to see children being used as cover for the first time to smuggle in hundreds of beer cans and alcohol.

A couple attempted to cover up the contraband from the preying eyes of enforcement officers by asking their five children to sit above the hundreds of beer cans and liquor they had concealed under the back seat of the car. However, alert Royal Brunei Customs and Excise enforcement officers found the hidden contraband -- 480 cans of Tiger Beer and six bottles of whiskey -- in the operation that was carried at around 10pm Monday night near the Kuala Lurah roundabout.

Some of the beer cans and liquor were also found hidden in the leg floor of the four-wheel drive vehicle. Five innocent children aged between one and 10 seated above the contraband goods and having their meal was a cleverly thought out ploy to evade being checked. It was the first such incident where children were used to cover up smuggling activities, it was learnt.

Following a public tip-off, a team of officers had carried out surveillance for about a week on the suspect's activity as contraband goods were believed to have been smuggled into the country through the so-called 'mouse trail', a route often taken by smugglers. The 36-year-old father was detained for further investigation.

The man was detained yesterday morning near the toll booth in Jalan Rasau for allegedly attempting to smuggle 5,870 DVDs into the coun-



## Spare Tyre goes flat

Call it ingenuity or sheer overconfidence, a 46-year-old foreign national ploy in concealing illegal liquor inside the spare tyre blew on his face as alert Customs officials exposed the new smuggling method during an operation "Ops Tegas II" at Sg Tujoh Control Post. 28 officers from the Preventive and Intelligence Section from Bandar Seri Begawan and Kuala Belait when they spotted a car bearing Brunei registration and driven by the foreign, which caught their attention.

The man has been a frequent traveller between Brunei and neighbouring country as stamps on his passport and Customs forms revealed. According to tip-offs received by officials, the man was allegedly involved in smuggling VCDs into the country. Every time the suspect entered the country, he had in his possession only some fishing equipment as well as foodstuff. This prompted the vigilant officers to conduct a thorough search of the car as they felt that there was more to it than what met the eye.

The search revealed 92 cans of Tiger Beer and 36 bottles of white wine that were hidden inside the spare tyre, which was cut, speaker compartment, by the sides, as well as under the driver and passenger seats. A casual look at the car's boot only revealed a tyre. But as

the wooden board used to cover the spare tyre was lifted it revealed the bootleg. The foreign national, who pleaded guilty, was fined \$3,500 at the Bandar Magistrate's Court.



## Man detained over 5,870 smuggled

try. The Preventive and Intelligence of Royal Brunei Customs in Kuala Belait discovered the prohibited items in the van the suspect was driving to Bandar Seri Begawan from the neighbouring country

A thorough search of his van revealed the DVDs, which were kept in a box concealed under various A man was detained yesterday morning near the toll booth in Jalan Rasau for allegedly attempting to smuggle 5,870 DVDs into the country. The Preventive and Intelligence of Royal Brunei Customs in Kuala Belait discovered the prohibited items in the declared items such as dried fish, prawns and salted fish. The prohibited items and the van were seized for investigation. It was believed that the suspect was allegedly transporting the prohibited DVDs, the majority of which are English films, to the customers in Bandar Seri Begawan.



The Preventive officers had been monitoring the suspect and waited at the Sg Satu area before pursuing him.



## Big Customs haul at border

The Customs Department foiled an attempt by a foreign national to smuggle over a thousand cigarette packs, liquor and dubious meat at the Kuala Lurah Control Post. Alert officials detained the 44-year-old foreign national, suspected of entering the country by using a visitor's pass to sell the items, at the border.

Found hidden in a vehicle he was driving were 1,264 cigarette boxes that did not have the Brunei government health warning signs, 16 bottles of whiskey, 24 cans of beer and four kilogram's of pork. A tip off from the public who got suspicious of the man's activities called a Customs officer at the Kuala Lurah Control Post.

After taking note of the licence plate registration number, several officers waited for the arrival of the man at the control post. When he arrived at around 6.30 in the morning, the officers ordered him to open the car bonnet and found the hidden contraband. A thorough investigation revealed more of the smuggled goods that were found hidden at different places inside the car.



## LAI D TRAP FROM MOUSE

The 23-year old suspect was caught when found smuggling illegal goods (100kg Allana meat, 336 bottles of White Liquor, 168 bottles of Tanduay Whisky and 460 packets of cigarettes of various brands that did not bear the Brunei health warning) via the mouse trail.



BRUNEI CUSTOMS

## PETROL GUZZER

The 44-year old man was caught after trying to whisk away some 500 litres of gasoline on his boat via Brunei waters. the gasoline were found hidden under wooden planks and fishing equipment.





## ***X-RAY MACHINE EXPOSES SMUGGLE***



**Figure 1** The view shown the truck conveyed the



**Figure 2** The items conveyed founded in the Lor-

Failure to declare the goods he was conveying did not stop the x-ray personnel to investigate. Inside, officers found several boxes containing dozens of liquor bottles (120 bottles of Label 5 Scotch Whisky, 60 bottles of Bacardi Rum and 36 bottles of Gordon's London Dry Gin) and cigarettes (4,000 packets of LA Lights Menthol and 1,500 packets of Dunhill King Size Cigarettes)

## ***TWO CAUGHT SMUGGLING BOOZE, DUBIOUS MEAT***

Two permanent residents aged were caught red handed by the Customs Preventive officers while smuggling several cartons of alcoholic drinks (30 cartons of 12 bottles of rice wine with 30 percent alcohol content, 20 cartons of 24 cans of Carlsberg beer) and five cartons of 30kg of Allana frozen meat into their vehicle. All of the goods were confiscated.



**Figure 2** Alcoholic drinks and dubious meat found



**Figure 1** The meat found in the vehicle

## ***Interception of drug smuggling in PNH Int'l Airport***

<b>Date of Seizure</b>	:	22 January 2005
<b>Place of Seizure</b>	:	Phnom Penh International Airport
<b>Drug</b>	:	Opium
<b>Weight</b>	:	2.10 kgs
<b>Route</b>	:	KH (Cambodia) to HK (Hong Kong)
<b>Shipment</b>	:	Air shipment Flight KA 201
<b>Specific Remark</b>	:	No.
<b>Concealment</b>	:	On body
<b>Value</b>	:	N/
<b>Arrest</b>	:	2 Australian
<b>Detecting method</b>	:	Suspicious when they are walking into the lounges.





## *Electrical goods seized*

Customs seized electrical iron and other electronic products in Phnom Penh warehouse of a company in 2004. The picture shows that the smuggler use resident house as a warehouse to store the smuggled goods. That is a difficulty for anti-smuggling team to combat such offence.



CAMBODIA CUSTOMS

## *CAMBODIA*

### *Seizures of vehicle in 2004 / 2005*

The right is a picture of seizure of unpaid of duty inside the country in recent month of January 2005. The right is a picture of seizure of luxurious unpaid duty vehicle in Phnom Penh in 2004. This indicates that the smuggling of vehicle is a serious problem in Cambodia. The smuggled vehicle includes the right hand drive car smuggled from Thailand.



## *Seizure of cigarettes in Dry Port in Phnom Penh*

This picture shows the seizure of cigarettes in 2004 in a Dry Port in Phnom Penh. This is a activity encourage by Project Crocodile. To succeed this activity, customs needs strong cooperation from private sector and the intellectual property right agency involved.



## *Seizures of smuggled petroleum goods.*

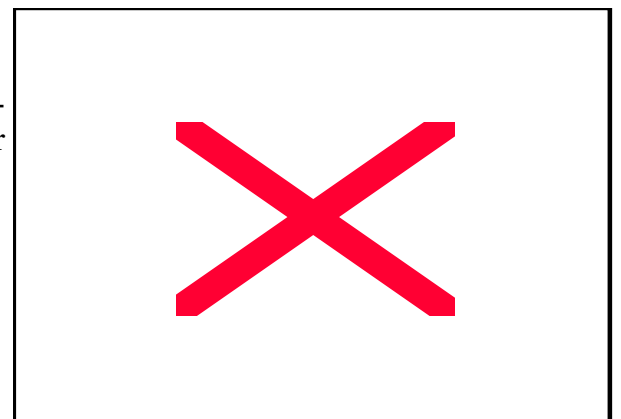
The right shows the smuggling of gasoline in border area in form of small shipment across border. That is very difficult situation for Customs to fight against such kind of smuggling. The left shows the big scale of gasoline smuggling. The seizure is at a gasoline station.



CAMBODIA CUSTOMS

## *Picture of mean of gasoline smuggling*

Can you think how to make risk assessment and intelligence analysis for such kind of smuggling that is useful for combating it? How is difficult for Cambodia Customs?







## ***Directorate General of Customs and Excise Of The Republic of Indonesia***



### ***Counterfeit of Customs and Excise Document Of Indonesian Customs***

#### ***CUSTOMS & EXCISE LAW OF COUNTERFEIT***

Customs Law . Article 103

Any person who :

- Produce a false or forged Customs Declaration and/or complementary Customs documents and/or verbal or written information uses them for the fulfillment of the Customs Formalities
- b. , c. , d. shall be punished with a maximum imprisonment of five years and/or a maximum fine of Rp. 250.000.000,00 (two hundred and fifty million rupiah)

Excise Law. Article 53,55

Any person who produce, uses, or submits the take or falsified excise documents or book as referred to in Article 16, 17 and 19, shall be

punished with a maximum imprisonment of six years and/or a maximum fine of Rp. 150.000.000,00 (one hundred and fifty million rupiah)

Any person who illegally :

- Produces, initiates or falsifies excise stamps ; or
- Purchases, stores, uses, sells, offers, delivers, or provides for sales, or imports take or falsified excise stamps or that are illegally made ; or
- Uses, sells. Offers, delivers, provides for sales, or imports used excise stamps shall be punished with imprisonment of maximum eight years and a fine of maximum twenty times as much as the excise that should be paid

#### **The Counterfeit of Document and/or Complementary Customs Documents**

The counterfeit of the document and/or the complementary customs by an importers or an exporters is intended for :

- To make self avoidances from the payment of import and exports duty
- To make self avoidances from an imports and exports prohibition and restricted regulation



## The Counterfeit of Document and/or Complementary Customs Documents

The counterfeit of the document and/or the complementary customs by an importers or an exporters is intended for :

- a. To make self avoidances from the payment of import and exports duty
- b. To make self avoidances from an imports and exports prohibition and restricted regulation

Some of the modus has get uses by the importer to counterfeits the document and/or the complementary customs document, that is :

- a. An Importers makes counterfeit the customs declaration in firstly, and make counterfeit the complementary customs document (bill of lading, invoice and the packing list)
- b. An Importer has registered the numbers and date of the sentences letters/ the fictitious imports licensed on the customs declaration and enclosed the sentences or the imports licenses has got counterfeit
- c. An Importer has registered the low priced upon the customs declaration and enclosed the counterfeit invoice
- d. An Importer has registered the shipment dated accepted that makes get in faster and makes encloses the bill of lading has makes the counterfeit
- e. An Importer has registered the fictitious company name and residences, and makes encloses the sentences letters has make in counterfeit

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## The Counterfeit of Document and/or Complementary Excise Documents

The counterfeit of the document and/or complementary excise documents by Importer excise goods and Factory Operator excise goods is intended for :

- a. In avoidances from payment of the imports duty, Customs, and import tax and duty.
- b. In avoidances from the imports prohibition and restricted regulation upon the imports excise goods
- c. In avoidances from the payment of another customs formalities upon the excise goods production

Some of the modus has taken by an Importers or Factory Operators Excise Goods to counterfeits the document and/or the complementary excise document, that is :

- a. An Importers get import the excise goods with has duty with taken the excise stamps has counterfeit.
- b. The Factory Operator Excise Goods get sold the excise goods with has duty with attach was falsifies excise stamps
- c. The Factory Operator Excise Goods get sold the excise goods with has duty with attach was uses excise stamps
- d. The Factory Operator Excise Goods has face on duty to makes the falsifies supplies list, list books and credit account in effort to eliminates the goods with duty for their was

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## The Data of Cases Investigation from the Counterfeit of the Customs Document Year 2004

Nr	Investigator Officials	Cases
1	2	3
1	Customs Head Office	The Counterfeit of the Customs Declaration (BC 2.3)
2	Customs Head Office	The Counterfeit of the Customs Declaration (BC 2.3)
3	Customs Head Office	The Transferred of Complementary Customs Document in Counterfeit/Counterfeition
4	Customs Head Office	The Transferred of Complementary Customs Document in Counterfeit/Counterfeition
5	Customs Head Office	The Counterfeit of the Customs Office Notification (BC 2.0)
6	Customs Head Office	The Counterfeit of the Customs Office Notification (BC 2.0)
7	Customs Head Office	The Counterfeit of the Customs Office Notification (BC 2.0)
8	Customs Head Office	The Transferred of Complementary Customs Document in Counterfeit/Counterfeition
9	CRO Jakarta	The Transferred of Complementary Customs Document in Counterfeit/Counterfeition
10	CRO Jakarta	The Transferred of Complementary Customs Document in Counterfeit/Counterfeition
11	CRO Jakarta	The Transferred of Complementary Customs Document in Counterfeit/Counterfeition
12	CSO Tanjung Priok	The Counterfeition of the Complementary Customs Document
13	CRO Jakarta	The Counterfeition of the Complementary Customs Document
14	CRO Jakarta	The Counterfeition of the Complementary Customs Document
15	CRO Jakarta	The Counterfeition of the Complementary Customs Document
16	CRO Jakarta	The Counterfeition of the Complementary Customs Document
17	CRO Jakarta	The Counterfeition of the Complementary Customs Document
18	CRO Jakarta	The Counterfeition of the Complementary Customs Document
19	CRO Jakarta	The Counterfeition of the Complementary Customs Document
20	CRO Jakarta	The Counterfeition of the Complementary Customs Document
21	CSO Tanjung Priok	The Counterfeition of the Complementary Customs Document
22	CSO Tanjung Perak	The Counterfeition of the Complementary Customs Document
23	CSO Tanjung Perak	The Transferred of Complementary Customs Document in Counterfeit/Counterfeition
24	CSO Surabaya	The Transferred of Complementary Customs Document in Counterfeit/Counterfeition

INDONESIA CUSTOMS

## The Data of Cases Investigation from the Counterfeit of the Excise Document Year 2004

Nr	Investigator Officials	Cases	The Suspect	Process
1	2	3	4	5
1	CSO Belawan	Falsifies Excise Stamps	Irwandi	Prosecution
2	CSO Batam	Falsifies Excise Stamps	Tuan Hong	Prosecution
3	CSO Batam	Falsifies Excise Stamps	Ho Ciang Lie	Prosecution
4	CSO Batam	Falsifies Excise Stamps	Budi Hartono	Prosecution
5	CSO Batam	Falsifies Excise Stamps	Indra Himawan	Prosecution
6	CSO Semarang	Falsifies Excise Stamps	Murtiarso	Prosecution
7	CSO Malang	Falsifies Excise Stamps	Didik Ardianto	Prosecution
8	CSO Malang	Falsifies Excise Stamps	Suhartono	Prosecution
9	CSO Malang	Falsifies Excise Stamps	Karti bin Madi	Prosecution
10	CSO Malang	Falsifies Excise Stamps	Mulyadi	Prosecution
11	CSO Malang	Falsifies Excise Stamps	Cicik Masriati	Prosecution
12	CSO Malang	Falsifies Excise Stamps	Syaiful	Prosecution
13	CSO Malang	Falsifies Excise Stamps	Wieko Satyo H	Prosecution
14	CSO Samarinda	Falsifies Excise Stamps	Tjeng le Swan	On Investigation
15	CSO Makassar	Falsifies Excise Stamps	Herby Pangemanan	Prosecution

# CUSTOMS COMMERCIAL FRAUD

## Definition of Commercial Fraud:

Any offence, against statutory or regulatory provisions which Customs are responsible for enforcing, committed in order to

- Evade or attempt to evade payment of duties/taxes
- Evade or attempt to evade any prohibition
- Receive or attempt to receive any repayments or other disbursements to which there is no proper entitlement

### *Types Of Fraud In Malaysia*

- Valuation Fraud
- Classification Fraud
- Quantity Fraud
- Country Of Origin Fraud

## Impact & Consequences Of Commercial Fraud

- Impact On Government & Economy

-Unpaid duties and taxes on smuggled goods will result in reduced funding for infrastructure as well as for public services like health and education

- Impact On Public

-Image of the Government, particularly the Customs Department eroded

-Public may perceive Department to be inefficient or lack sufficient knowledge or skills to prevent smuggling

- Impact On Businesses

-Undermines the business of legitimate manufacturers/traders/stockists

-Feelings of dissatisfaction ( Not a level playing field)

- Impact On Security



## ***LOSS OF TAX REVENUE {in million Ringgit Malaysia (RM)}***

	2001		2002		2003		2004	
Commodity	Value	Tax	Value	Tax	Value	Tax	Value	Tax
Cigarettes	14.7	52.8	30.4	97.3	20.9	86.6	8.8	40.0
Motor Vehicles	27.7	50.8	40.5	80.2	36.2	68.4	29.3	37.9
Liquor	6.2	8.0	7.2	8.7	5.7	13.1	8.4	17.7
Comm.Equipment	20.0	5.1	14.2	2.1	65.3	7.3	5.3	0.6
Electrical Products	79.3	11.3	39.2	9.5	50.0	5.8	6.0	0.9
Rice	3.6	-	3.6	-	2.1	-	0.9	-
Firecracker / Fire works	-	-	-	-	-	-	9.3	5.7
Others	277.1	30.2	191.5	31.4	450.6	47.3	78.9	14.4
<b>TOTAL</b>	<b>428.6</b>	<b>158.2</b>	<b>326.6</b>	<b>229.2</b>	<b>630.8</b>	<b>228.5</b>	<b>146.9</b>	<b>117.2</b>

Smuggling activities Malaysia are divided into 2 categories namely Direct Smuggling and Indirect Smuggling/Commercial Fraud.

Our research shows that about 60% of smuggling cases are attributed to Commercial Fraud.

### ***ACTIONS TAKEN TO COMBAT DIRECT SMUGGLING:***

In order to cripple the delivery system and supply chain of smuggled goods, the various actions taken are as follows:

- Cleansing Operations
- Firewall Concept
- Awareness Campaigns
- Rapid Action Team
- Hit and Run Tactic
- Sea Operations with other agencies
- Stepped-up enforcement activities
- Capacity Building
- Introduction of Security Ink and Banderols on cigarettes and liquor

## ***ACTIONS TAKEN TO COMBAT COMMERCIAL FRAUD***

- Employing Risk Assessment techniques for the inspection of cargo
- Setting up of a Customs Intelligence Centre (CIC) to monitor unscrupulous importers/exporters and smuggling activities
- Stationing of X-ray Scanning machines, static and mobile at all major ports
- Business Compliance and Smart Partnership

Need for businesses to be responsible corporate citizens and act on business compliance Direct cooperation and smart partnership with legitimate big players of the industry to train customs personnel on technicknow-how' in specific fields such as steel and glass; providing samples and providing direct information

### ***Anti Money Laundering***

The Malaysian Customs is currently investigating a number of cases related to money laundering activities namely under Section 133, 135 & 137 of the Customs Act 1967. These cases involve smuggling, over- declaration and fictitious transactions. A special committee headed by the Deputy Governor of the Central Bank and made up of all heads of enforcement agencies has been formed for this purpose.

Serious commercial frauds related to customs offences under section 133, 135 & 137 of the Customs Act 1967 have been prescribed as money-laundering offences under the Anti Money Laundering Act 2001. This includes all smuggling offences, false declaration and bribery. The Malaysian Customs has also recently set up a special Anti Money Laundering Task Force under the umbrella of the Enforcement Division.

### ***Intelligence Exchange***

Intelligence exchange is carried out through RILO, CEN and also on a bilateral basis. Contact points headquarter level are in place and we will endeavour to strengthen the existing MOUs that have been established. However, it should be noted that whatever cooperation rendered should benefit both parties. In reality, there are limitations on what information can be shared and we are aware that many countries are bound by their own national legislations on the extent of information dissemination. Countries that help to provide the necessary information should be notified on the outcome of the investigations. There should also be clear guidelines on the mechanism of exchange of information. We hope this meeting would further enhance intelligence exchange between member countries especially in the area of commercial fraud.

## Overview of Precious Stones smuggling in Myanmar

In 2004, (2) cases of precious stones smuggling were seized in Yangon International Airport. Major Nationalities of arrested precious stones include Myanmar (2) and Indian (1). In terms of mode of concealment, as can be seen in table (2), the most frequently detected mode was in baggage with 2 cases.

We would like to high-light prominent one of many seizures. For example, in 1999, before supervisory of Border Control Regiment, there was Jade seizure at 105 mile Check-point in Muse, Northern Shan State. Due to suspected manner of a driver, detail examination was made upon a Toyota Saloon and led to seizure of Jade (274) pieces weighted in 297.27 kilo which were concealed in the various compartments of motor vehicle (i.e. in doors in dashboard, in bumper, and in fuel tank etc.)

**Table 1 : Jade Seizures in Muse**

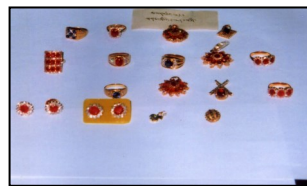
Country	Date	Location	Quantity	Transport	Modus operandi	Offender	Route
MM	26.4.99	Muse	Jade (274) Pcs	Vehicle	In Bodies	MM (M)	MM-CN via Muse



X-ray of passenger's suitcase showed some sign of inconsistency in the Biscuit tin. After follow up detail examination, (769) Nos of 54 different types of gold ornaments with precious stones (approximate value 96.67 million kyats) were seized at Yangon International Airport. This seizure resulted in the arrest of a couple of Myanmar Nationality who were out bound for Bangkok.

**Table 2 : Precious Stones seizure in Airport**

Country	Date	Location	Quantity	Transport	Modus operandi	Offender	Route
MM	17.9.04	Ygn Intl Air-port	769 Nos of precious stone	Air: Commercial	In baggage inside biscuit tin	MM (M&F)	MM –TH



The another case was occurred at Yangon International Airport on 6th November 2004. Due to suspectful behaviours of the passenger, Customs Officers at domestic arrival hall carried out a detailed examination on his baggage and (9) different foreign currencies (approximate values over 100,000 US \$ ), Ruby (14) pieces and Diamond (32) pieces were found and seized. (Note: Photo N/A)

**Table 3 : Seizure of Currency, Ruby, Diamond**

Country	Date	Location	Quantity	Transport	Modus operandi	Offender	Route
MM	6.11.04	Ygn Intl Air-port	Foreign Currencies, Ruby, Diamond	Air: Commercial	In baggage in the clothing	IN (M)	MM –TH

## ***CIGARETTE SMUGGLING CASE OBTAINED BY SINGAPORE***

On 9 Oct 2004, Singapore Customs, acting on intelligence, detected a smuggling case involving a lorry. The lorry was piled up with pineapples concealing 2,200 cartons of assorted brands of duty-unpaid cigarettes and 138,000 pieces uncensored optical discs.

The pineapples were used to avoid detection at the checkpoint during peak hours. The driver attempted to clear the lorry-load of pineapples with a Customs import permit declaration. However, he did not escape undetected as Singapore Customs had mounted surveillance at the vicinity and intercepted the lorry.

This case demonstrates the increasing use of perishable goods of such a nature as coverloads for illicit shipments, which are difficult to check



*Pineapples were used as the cover-load for the smuggled cigarettes and optical disks.*

SINGAPORE CUSTOMS



Drug seizure by the Thai Customs Department in the fiscal year 2004 (01 October 2003-30 September 2004)				
No.	Date	Drug Type/ Quantity	Location	Concealment
1	20-Jul-03	Methamphetamine/39 tablets	Mail Center, Bangkok	Drug contained in plastic tube concealed inside the pant's trim
2	1-Dec-03		Nongkhai Boundary Post	Raw opium concealed on the right ankle Methamphetamine concealed inside the sleeve's trim
3	11-Dec-03	Methamphetamine/195 tablets	Mail Center, Bangkok	Drug contained in plastic bag roled up with black tape covered within condom and concealed in underwear
4	16-Dec-03	Methamphetamine/3,990 tablets	Chiangmai International Airport	Drug contained in baby powder bottle and concealed in the bag
5	8-Jan-04	Methamphetamine/12 tablets	Nongkhai Boundary Post	Drug contained in the straw (each straw contained 12 tablets) and concealed in the sock
6	9-Jan-04	Heroin/ 100 grams	Mail Center, Bangkok	Heroin covered with plastic sheet and concealed inside the magazine
7	13-Jan-04	Methamphetamine/1 tablet	Mae Sai Boundary Post	Drug concealed in the necklace's Buddha frame
8	24-Feb-04	Cannabis Resin/2,700 grams	Bangkok International Airport	Drug wrapped up with plastic tape and concealed inside and in the base of hand-bag, also some more quantity are found inside the soles of the shoe as well
9	26-Feb-04	Ecstasy/19,620 tablets	Sadao Boundary Post	Drug wrapped with foil and covered with carbonic paper concealed inside the baggage
10	25-Mar-04	Cannabis Resin/6,000 grams	Bangkok International Airport	Drug concealed in the part of the baggage itself: in frame
11	23-Apr-04	Methamphetamine/83tablets	Nongkhai Boundary Post	Drug wrapped up with plastic bag and concealed in the seat
12	24-Apr-04	Codeine/ 154 bottles	Bangkok International Airport	Codeine mix up with coughing syrup wrapped with paper and concealed inside the baggage
13	29-Apr-04	Methamphetamine/297tablets	Nongkhai Boundary Post	Drug contained in plastic bag covered within condom and put inside the vagina
14	4-May-04	Methamphetamine/4,000 tablets	Mae Sai Boundary Post	Drug concealed inside sarong (long skirt wore instead of pant or lady's skirt, used by both gender.
15	#####	Ketamine/ 20 bottles	Aranya Pradesh Boundary Post	Drug concealed in the snack cases contained in offender's bag
16	#####	Heroin/ 300 grams	Mail Center, Bangkok	Drug concealed inside the heel of lady's shoe
17	1-Jul-04	Ecstasy/20,050 tablets	Sadao Boundary Post	Drug concealed in the false side of the baggage
18	28-Jul-04	Methamphetamine/ 1,850 tablets	Mae Sai Boundary Post	Drug attached to the legs of the offender
19	30-Jul-04	Methamphetamine/ 30 tablets	Mae Sai Boundary Post	Drug concealed in cigarette's sachets
20	11-Aug-04	Methamphetamine/3,800 tablets	Mae Sai Boundary Post	Drug concealed in the frame side of the baggage
21	13-Aug-04	Mmarijuana/ 3 pieces (1,600grams)	Mail Center, Bangkok	Drug concealed inside the multipurpose box
22	31-Aug-04	Heroin/720 grams	Mae Sai Boundary Post	Drug wrapped up with paper and concealed in battery hose
23	30-Sep-04	Methamphetamine/130 tablets	Mae Sai Boundary Post	Drug concealed within stay-underwear and the space of the buckle

# ***Enforcement Activities taken by Vietnam Customs and Suggestions for cooperation***

## ***Legal background of Customs enforcement***

***According to Vietnam's Criminal Investigation Procedures Decree, Customs Law, Drugs Law, Vietnam Customs have power:***

1. To conduct investigation of drugs trafficking and commercial fraud cases.
2. To carry out examination of imports and exports.
3. To carry out temporary postponement of customs procedures completion for export and import goods upon requests for protection of intellectual property rights.
4. To prevent and combat smuggling and illegal cross-border movement of goods.
5. To prosecute the offenders in criminal cases.
6. To cooperate with other enforcement agencies in preventing and combating smuggling and illegal cross-border movement of goods.
7. To have competence in handling acts of smuggling and illegal cross-border movement of goods.
8. To cooperate with other Customs Administrations in preventing and combating smuggling and illegal cross-border movement of goods.

## ***2.. Enforcement activities of Vietnam Customs in 2004***

### ***2.1 Drugs trafficking trend***

Drugs and psychotropic substances smuggled into Vietnam through land-borders and International airports. In 2004, Vietnam Customs made several significant drug seizures:

- On 03/03/2004, Customs officers in Ha Tinh Province seized 6,000 tablets of addicting drugs.
- On 23/05/2004, Customs officers in Son La province seized 689.31 grams of heroin and 872 tablets of synthetics drugs from 2 foreigners.
- On 25/03/2004, Customs officers in Quang Binh Province seized 79.6 kg of heroin.
- In 2004, Customs officers in Ho Chi Minh City seized 440 grams of heroin from a departing passenger .

### ***2.2. Smuggling trend and illegal cross-border movement of goods***

Contrabands smuggled into Vietnam through land borders, by air and by sea.

The most popular imported contrabands are high duty goods such as cigarettes, alcohol, cosmetics, medicine, cell phones, auto-parts, while the most common illegally- exported goods are rice, petrol, pharmaceutical products, ores, wild animals, timber.

### ***2.3. Major methods of commercial fraud***

- Abuse of regime applied to temporarily - imported and temporarily - export goods.
- Abuse of regime applied to goods transported from border-gate to border-gate.
- Abuse of preferential conditions relating to C/O.
- Abuse of preferential conditions for border trade areas.
- False commercial documents, contracts, invoices.
- Under-valuation (become popular since GATT/WTO valuation applied).
- Information on means of transport used in smuggling.
- Information on smuggling routes.
- Information on customs valuation.
- Information relating to consignments of alcohol.
- Movement of wild animals.
- Movement of Art works and antiques.

### ***Suggestions for co-operation in enforcement between ASEAN Customs Administrations***

Member Customs Administrations should be encouraged to put into *real practice* the exchange of information relating to:

- Trafficking trends of drugs, precursors, firearms, explosives.
- Movement of suspicious cigarettes consignments
- New modus operandi of smuggling.
- Information on companies, individuals relating to previous smuggling cases.
- Information on means of transport used in smuggling.
- Information on smuggling routes.
- Information on customs valuation.
- Information relating to consignments of alcohol.
- Movement of wild animals.
- Movement of Art works and antiques.

