

OPERATION JAD PIRATES I

*Tackling the smuggling of counterfeit goods
at the external borders of the EU*

Analysis Report

European Multidisciplinary Platform Against Criminal Threats (EMPACT)



April 2024

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ISBN: 978-92-9156-357-9 Catalogue number: TB-05-24-328-EN-N DOI: 10.2814/22181

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Executive Summary

In May 2023 Frontex coordinated a joint action day (JAD) against the smuggling of counterfeit goods at the external EU borders, including maritime ones. The JAD was implemented under EMPACT¹ and was led and co-led respectively by Bulgaria and Portugal. The operational activity also focused on the prevention and detection of irregular migration.

More than 1 million counterfeit products, destined to be distributed and consumed in Europe, were detected, and seized during the operation. The quantity of products seized is noteworthy considering that the period of action of this JAD was just 11 days.

A wide spectrum of categories of counterfeit products, ranging from medicines, electronic devices, textiles, footwear, cosmetics, tobacco, personal accessories, toys, automotive and spare parts to packages and labels – products required in the counterfeiting process – and others such as pellets and household products, were seized.

Several dangerous or potentially dangerous goods were detained during JAD Pirates I, such as tobacco, drugs, pellets, insecticides, seeds, and toys. Similarly, other counterfeit products were detected that could pose a danger to safety and the environment, such as herbicides and automotive spare parts.

In addition to these counterfeit products, other goods were seized that did not meet the conformity requirements for distribution in the EU market, such as electric bicycles and insecticides, among others. Other illegal goods, such as precious metals, counterfeit currency, and narcotic substances, were also seized.

Criminal organisations are quickly adapting to consumer demand, as demonstrated by some of the counterfeit products detected during the operation. These are products that have become increasingly popular in recent years, such as pellets and e-cigarettes (i.e. heated tobacco and vaping liquid).

¹ EMPACT: <https://www.consilium.europa.eu/en/policies/eu-fight-against-crime>

During the operation, other crimes linked to IP crime were also detected. In particular, an illegal factory for the production of branded clothing was dismantled. The individuals working inside were irregular migrants whose identification documents had been confiscated by the criminals.

Counterfeit and smuggled goods detained during JAD Pirates I came mainly from third countries such as China and Türkiye, using various means of transport, routes, and modi operandi to avoid detection.

The Balkan route has emerged as a very important route in the importation of counterfeit goods into the EU market, as well as smuggled goods.

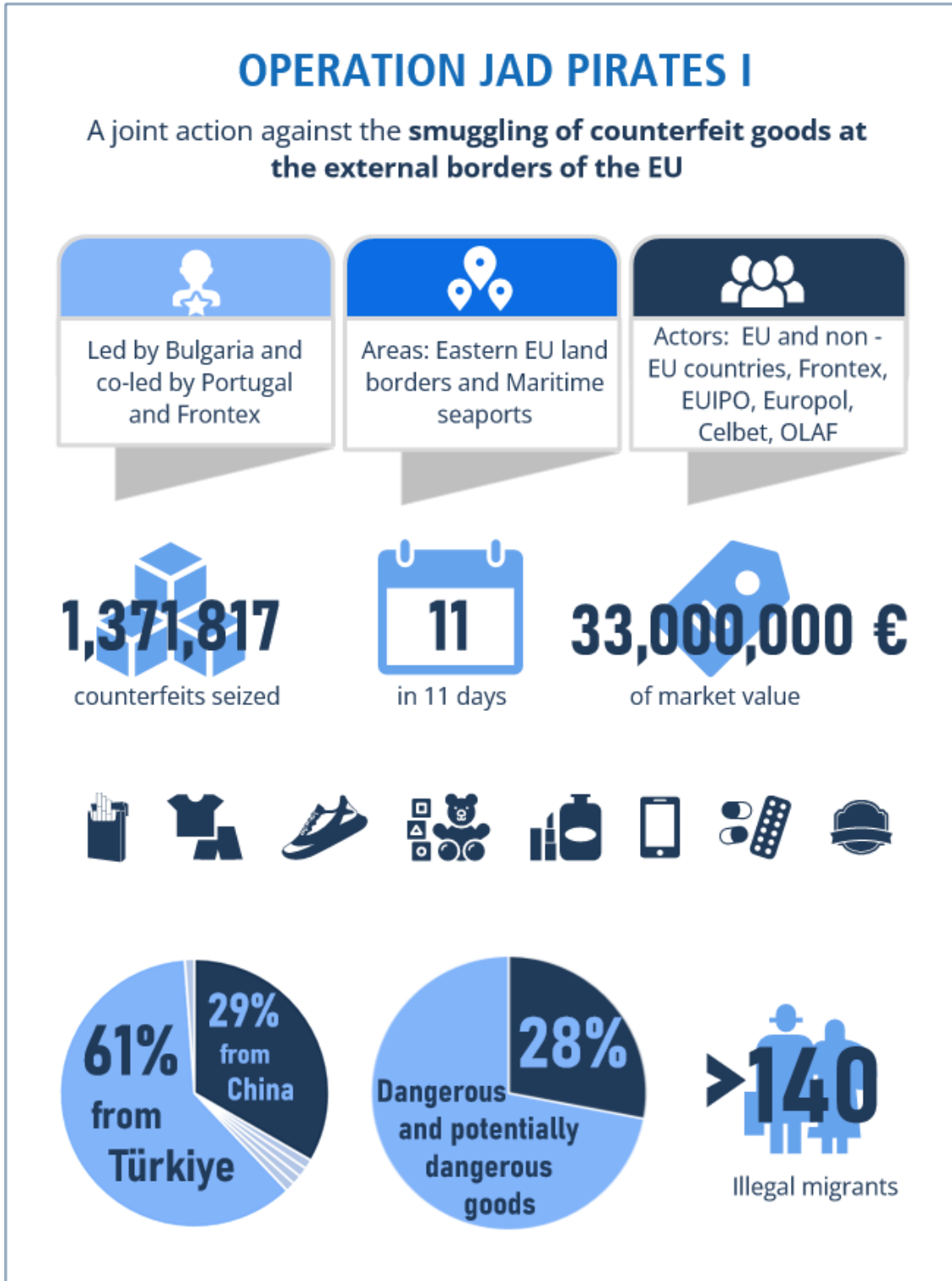
Numerous unlabelled products were also seized, which could indicate that stickers or labels are shipped separately and applied to the products at destination points.

The quality of some counterfeit products has drastically increased. This trend is more and more visible when it comes to electronic devices.

During the operation all sorts of counterfeit goods were found entering the EU market, including counterfeit mid-range textile products, mid-range toys, and mid-range electronic products.

JAD Pirates I provided a very clear picture of the wide range of products that are entering through the external EU borders, and the challenges faced by the authorities in identifying, seizing, storing, and destroying counterfeit goods.

Infographic: JAD Pirates I overview



1. Background

JAD Pirates I was organised under European Multidisciplinary Platform Against Criminal Threats (EMPACT) Priority 7.4 – Intellectual Property Crime, Counterfeiting of Goods and Currencies. Within the

respective Operational Action Plan, the Activity was stipulated as Operational Action (OA) 3.6, led by Bulgaria and co-led by Portugal and Frontex. The JAD focused on tackling the smuggling of counterfeit goods at the external borders of the EU, including maritime borders, as well as on detecting and counteracting migrant smuggling (OAP Migrant Smuggling).



In 2021, 38% of counterfeit products were seized at external borders”

JAD Pirates I focused on the smuggling of counterfeit pharmaceuticals and other medical goods, clothes, footwear, accessories and luxury goods, electronics, toys, food and beverages, and counterfeit or undeclared currency. According to the ‘Illicit Trade in Dangerous Fakes Report’ issued by the EUIPO and OECD⁽²⁾, the trade in counterfeit and pirated goods accounted for up to 2.5 % of world trade in 2019. Moreover, in 2021 approximately 87 million counterfeit products were seized by authorities within the EU, and around 38 % of these goods were seized at the EU external border⁽³⁾. This represents a substantial increase both in terms of overall numbers and the share attributed to border detentions when compared to 2020⁽⁴⁾ (66 million counterfeit products seized in 2020, of which 31 % were border detentions).

⁽²⁾ OECD/EUIPO (2022), Dangerous Fakes: Trade in Counterfeit Goods that Pose Health, Safety and Environmental Risks, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/117e352b-en>.

⁽³⁾ European Union Intellectual Property Office, EU enforcement of intellectual property rights – Results at the EU border and in the EU internal market 2021, European Union Intellectual Property Office, 2022, <https://data.europa.eu/doi/10.2814/6921>

⁽⁴⁾ European Union Intellectual Property Office, EU enforcement of intellectual property rights – Results at the EU border and in the EU internal market 2020, European Union Intellectual Property Office, 2021, <https://data.europa.eu/doi/10.2814/333985>

2. Objectives

The overall objective of Operational Action (OA) 3.6 was to tackle the smuggling of counterfeit goods at the external borders of the EU, including maritime borders, while at the same time detecting and counteracting migrant-smuggling activities.

To this end, the participants in this OA from the public and the private sectors joined forces to generate synergies, share practices, and gather intelligence through a multidisciplinary perspective and an international approach.



STRATEGIC OBJECTIVES

To provide and an operational platform for coordination of a tailored EU-level response on the smuggling of counterfeit goods and illegal migrant smuggling. The operational response was agreed upon, after which each of the following actions were taken:

- ✓ Developing an updated situational picture for stakeholders, identifying the right operational approach based on location and criminal activity impact, while also pinpointing main counterfeit good types at EU borders and analysing smuggling routes.
- ✓ Focusing on dismantling criminal networks involved in counterfeit goods and migrant smuggling, and addressing related crimes like document fraud, excise goods smuggling, and illegal cash transfers.
- ✓ Enhancing operational information exchange and best practices among participants, strengthening MS, EU agency, and international cooperation in IP crime, and improving IP crime information sharing across private and public sectors.
- ✓ Raising public awareness about the risks of counterfeit products.



OPERATIONAL OBJECTIVES

Extensive protection of the external borders (both land and maritime) at risk of smuggling of counterfeit goods. JAD Pirates I focused mainly on the illegal/irregular import of the following counterfeit items:

- ✓ pharmaceutical and other medical products such as dangerous genito-urinary therapeutic medicines, drugs for hormone treatments, anti-cancer medicines, antibiotics, medicine for seasonal illnesses, weight loss medicine, and medicines used to stimulate hair growth;
- ✓ clothes, footwear, accessories and luxury goods;
- ✓ electronics (e.g. mobile phones, computers, console games);
- ✓ toys;
- ✓ food and beverage products;
- ✓ counterfeit currency.

3. Participating countries and organisations

The following countries participated in the 1st edition of EMPACT Operation JAD PIRATES:

- **EU Member States:** Belgium, Bulgaria, Czech Republic, Germany, Greece, Spain, Estonia, Italy, Latvia, Lithuania, Hungary, Portugal, Romania, Slovenia, and Slovakia.
- **Non-EU Countries:** Serbia.

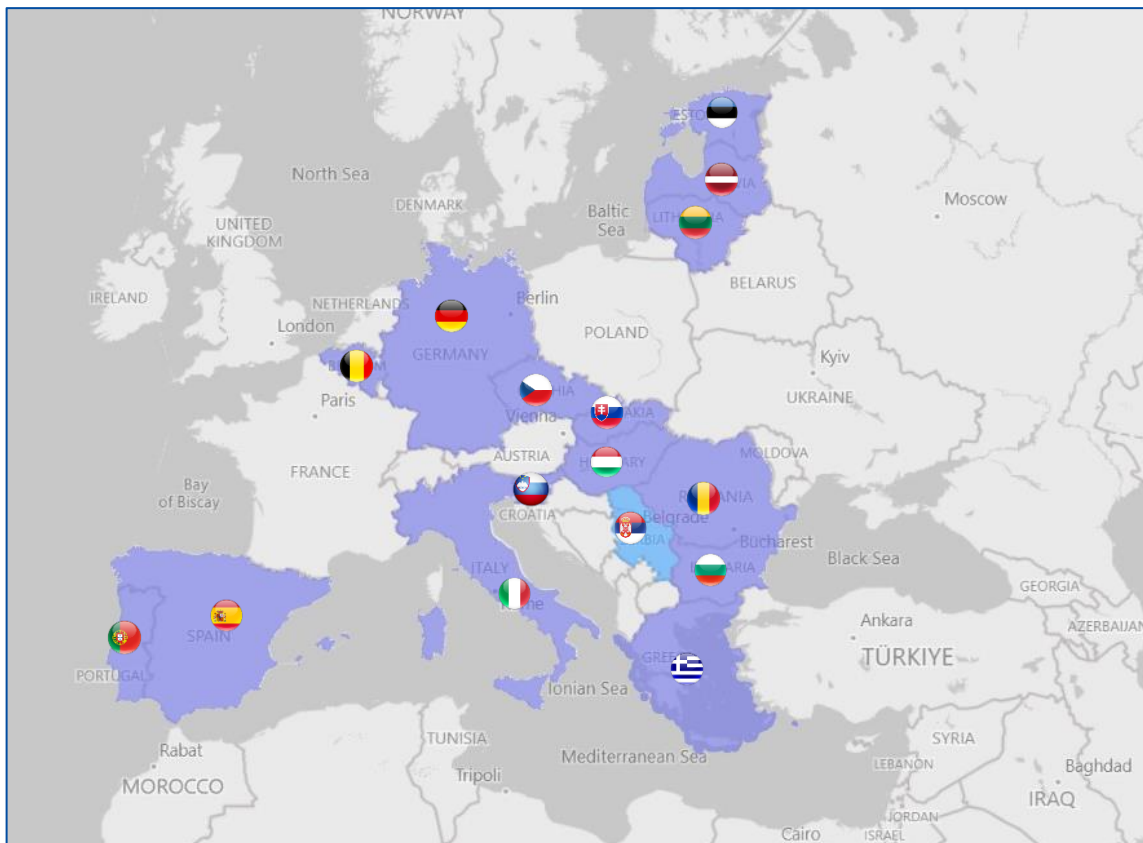


Figure 1. Participating countries

The following organisations were involved in this operation:



Frontex (Law Enforcement Sector) coordinated JAD Pirates I in close cooperation with Bulgaria and Portugal. The specific responsibilities of Frontex during the Activity were to:

- initiate and coordinate the implementation of the JAD as planned in the EMPACT OAP;
- establish the JAD Coordination Centre to provide real-time discussions of ongoing cases and to exchange information;
- promote Border guard / Border police – Customs operational cooperation;
- activate Standing Corp Officers and brief them before the operational activity that took place;
- collect and analyse the daily field reports;
- prepare statistical outputs on the number and type of seizures for the period of the Activity;
- facilitate the public awareness campaign;
- support the JAD both logistically and financially.



The European Union Intellectual Property Office (EUIPO), via the European Observatory on Infringements of Intellectual Property Rights, enhanced coordination and information exchange between right holders and enforcers using the Intellectual Property Enforcement Portal (IPEP). This enabled the private sector to share important information with enforcement authorities and allowed these authorities to request data on 'suspicious cases'. Additionally, the EUIPO, in collaboration with Frontex, analysed non-nominal data from JAD Pirates I and contributed to drafting this report.



Europol facilitated the gathering and exchange of information, also providing operational coordination and analytical support. During the intel gathering activity, Europol established strong connections with the participating law enforcement authorities (LEAs) and private industry, to prioritise the products on which to focus. In case of preliminary investigative findings, cross-checks were performed against Europol's database to provide leads. Europol's IPC3 (Intellectual Property Crime Coordinated Coalition), which supported the activities, is a project to combat IP crime. This project is co-funded by the EUIPO.



Expecting an increased number of seizures at a particular BCP, Kapitan Andreevo (Bulgaria), CELBET, was invited to support the JAD by selecting four customs officers and reinforcing the controlling capacity of the key BCP. Once CELBET had proposed four customs officers, Frontex took care of the logistics and funds needed to assign the customs experts from Estonia, Latvia, Poland and Romania to the BCP chosen by Kapitan Andreevo for 2 weeks.



OLAF took part in the JAD by providing the Virtual Operational Command Unit (VOCU) as an encrypted platform for exchange of information between the stakeholders entitled to access it.

4. Private partners

Private partner participation consisted of:

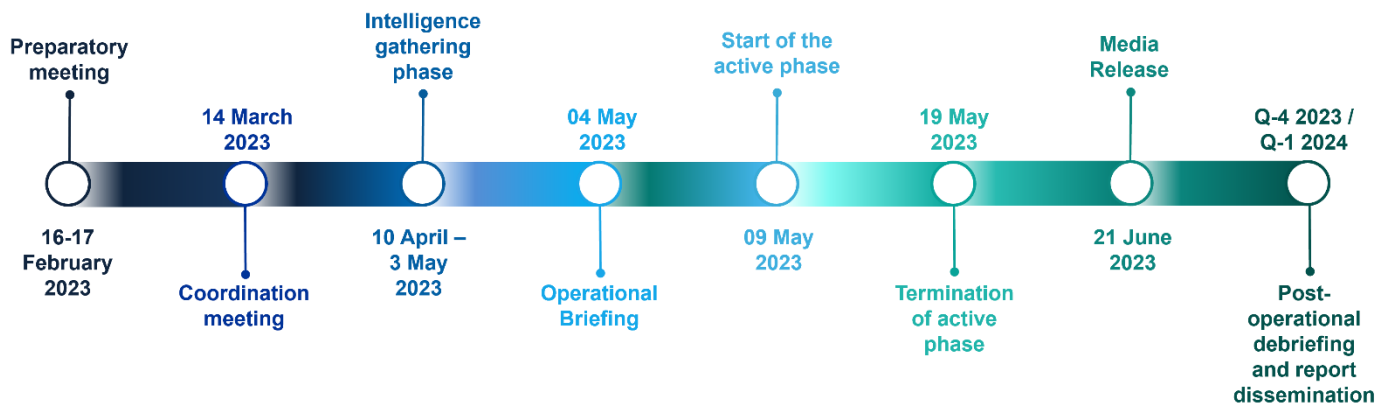
- providing information and risk assessments on their products,

- encouraging participants to consult the pharmaceutical sector over suspect medical products, as well as being available to the participant authorities.

Several participating MS took advantage of this and exchanged information related to suspect pharmaceutical shipments.

5. Timetable of the operation

The operational action consisted of the following phases.



6. JAD Coordination Centre

To ensure the daily coordination of JAD Pirates I, the Coordination Centre (CC) for the action (JAD CC) was established at Frontex premises with the participation of representatives of the MS, Serbia, Frontex, Europol, OLAF, the EUIPO, CELBET and private sector associations, either in person or online.



The JAD CC provided real-time opportunities for the participants to discuss ongoing cases within their relevant legal frameworks”

The JAD CC provided real-time opportunities for the participants to discuss ongoing cases within their relevant legal frameworks. It also provided a forum to exchange information in a secure way and to provide up-to-date situational awareness, as well as to react and respond to incidents and events. The JAD CC also delivered expertise and provided advice in terms of IP crime. Moreover, the CC created a nexus between the participating agencies and the right holders from the private sector through the EUIPO's IP Enforcement Portal (IPEP)⁵.

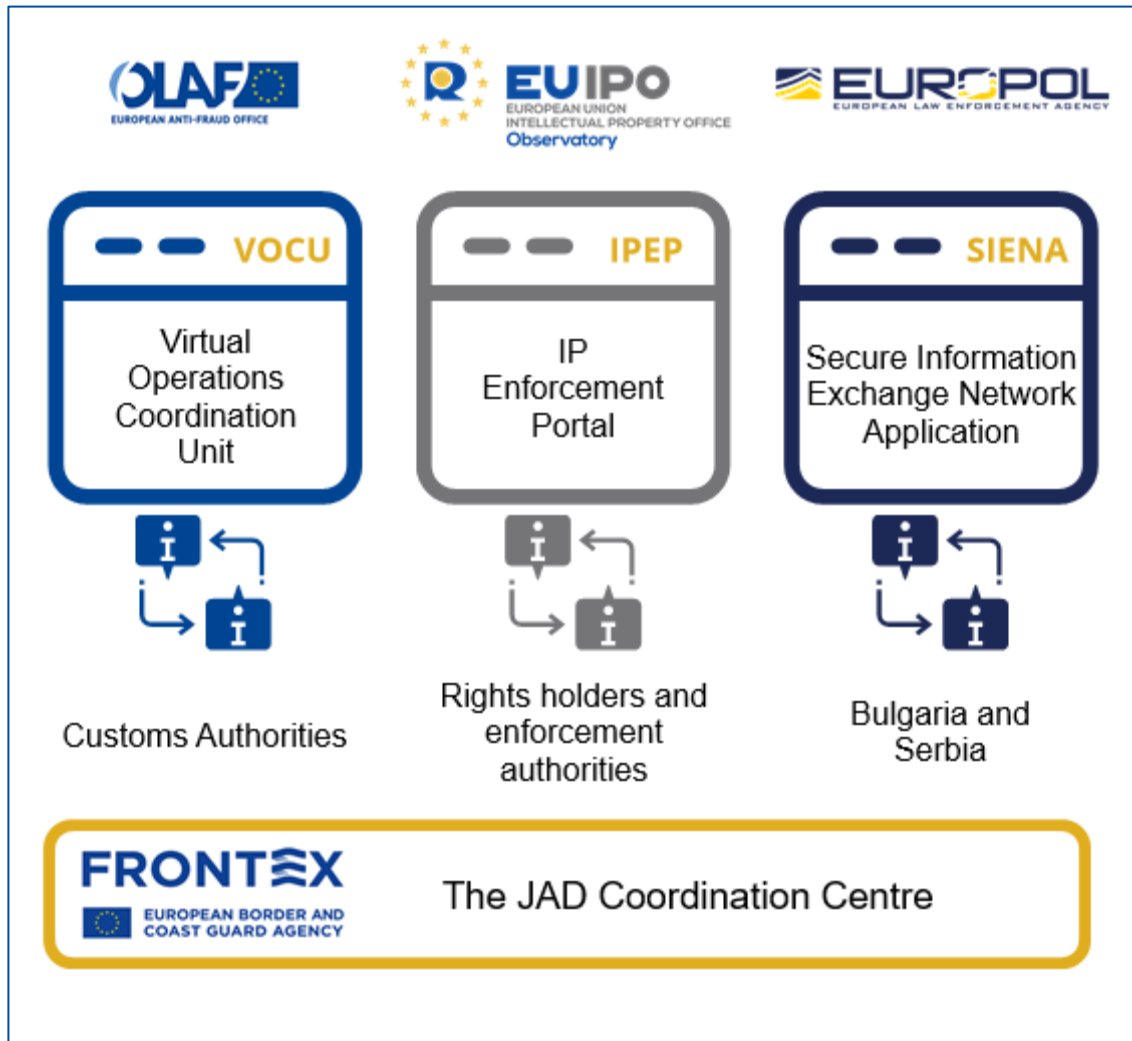
To this end, the private sector used the IPEP's 'alert and interesting cases functionalities' to share information of interest with the various enforcement authorities, while enforcement authorities were able to request data from the private sector by sending 'suspicious cases'.



6.1 Information exchange

Information was exchanged mainly through the Virtual Operations Coordination Unit (VOCU), a secure channel for the exchange of operational information, administrated by OLAF. The application is mostly used by customs authorities. Additionally, the EUIPO's IPEP was used by the right holders and enforcement authorities to confidentially communicate and exchange 'alerts and suspicious cases' about IPR infringements cases related to JAD Pirates I. Moreover, the Europol SIENA platform was used to exchange several messages between Bulgaria and Serbia. The Coordination Centre played a key role in the real-time exchange of information and coordination of the activities in the field.

⁵ <https://www.euipo.europa.eu/en/enforce-ip/ip-enforcement-portal>



7. Analysis

The main findings contained in this report were possible due to the analysis of data coming from the daily reports sent by all the participants in this operational action.

7.1 Types of counterfeit products detected

In compliance with the Coordination Plan, the JAD was mostly detection-driven rather than investigation-led. The JAD prioritised the identification of fakes that are typical of a particular geographical area and that could also be harmful for the consumer. This was the first criterion (Page 16) used for the classification of fake goods.

The statistical analysis of the reported seizures reveals that, out of 100 cases, only 6 were linked to dangerous counterfeit goods that posed a risk to public health. However, these cases represented significant numbers in terms of counterfeit goods

seized. All the cases were reported by Italy, and they involved goods such as e-bikes, glass bottles, toys, mechanical spare parts, and electronics. On five occasions, the goods were produced in China. The glass bottles were reported to have been produced in Poland.

Additionally, 22 % of all seizures could be qualified as “potentially dangerous”, a further category in which the degree of danger posed by the products was considered less significant by the reporting country⁶. In this category were toys, perfumes, electronics, lighters, and heating pellets. The main countries of origin were China and Türkiye. Such counterfeits were reported by Bulgaria, Czech Republic, Spain, Italy, and Romania.

“
28% of counterfeit products seized were dangerous or potentially dangerous”

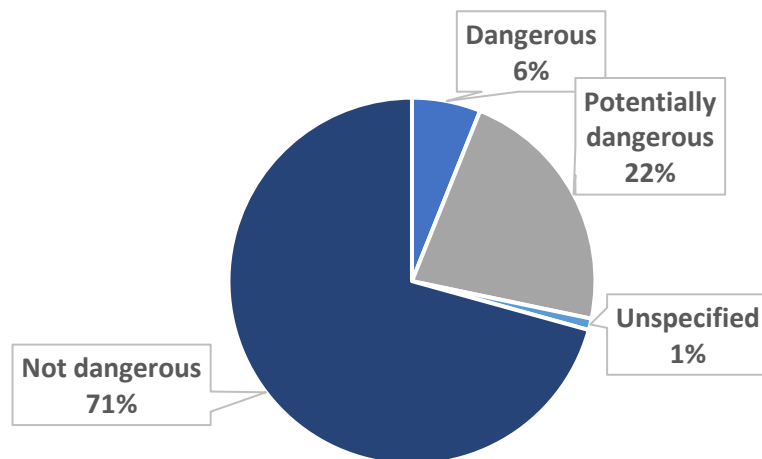


Figure 2. Harmfulness of goods

⁶ The categorisation of the goods into dangerous or potentially dangerous was done by the participating countries based on their own evaluations and judgments. This involved factors such as potential risks, safety standards, and relevant regulations specific to each country's circumstances and reflecting the varied perspectives and expertise of the countries involved.

In the following chart, the types of seized goods are represented in their various categories.

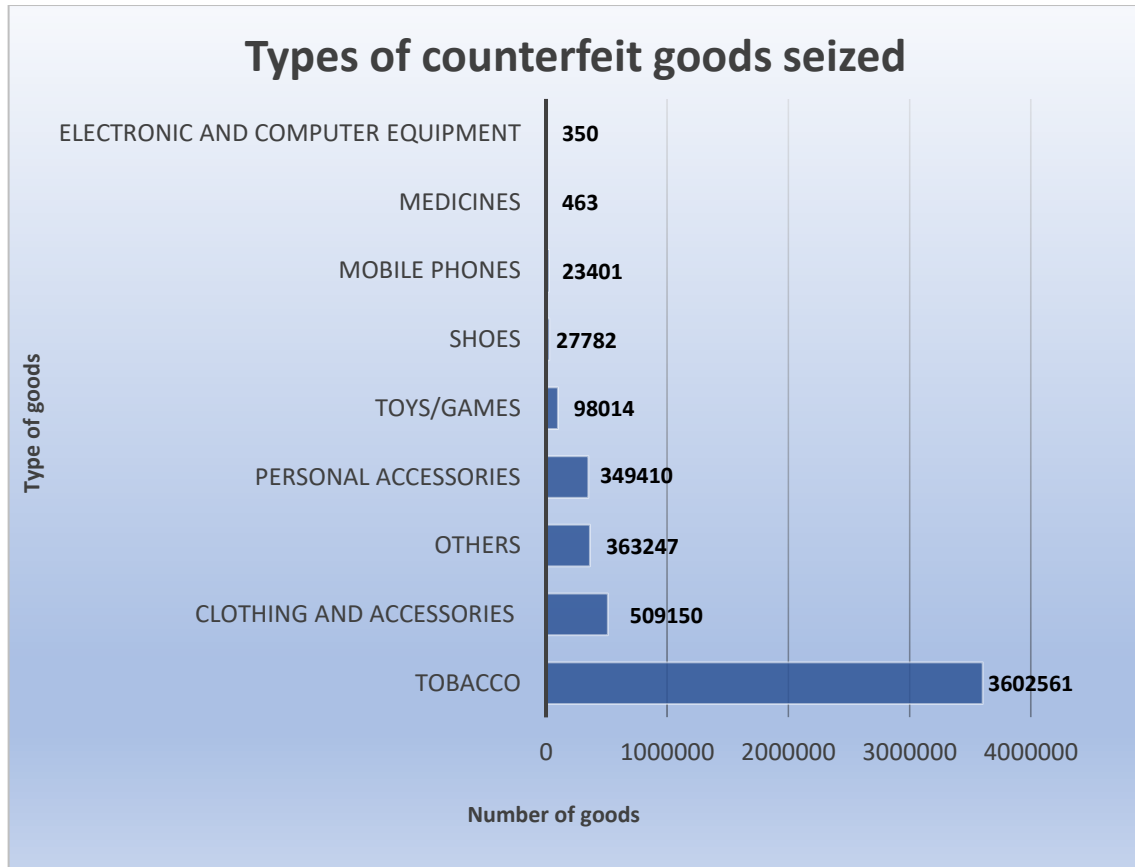


Figure 3. Categories of counterfeit goods seized

It is interesting to note that the tobacco sector, and the clothing and accessories sectors, are those most affected by seizures at land borders. It must be emphasised that the statistics mentioned in the figure above for tobacco refer to the number of individual cigarettes seized, not packets or cartons⁷. The fact that these sectors have production sites close to EU borders could be one of the factors contributing to this situation. This high number of seized goods is due to a very large seizure of counterfeit cigarettes in boxes infringing the brand of a right holder in Romania. Counterfeit cigarettes are a low-value product that has been counterfeited on a large scale due to the huge demand on the black market.

⁷ It is important to highlight that in the figures displaying the overall number of counterfeits we've accounted for packs rather than individual cigarettes (contrary to the above figure). This approach provides a more accurate depiction of the variety of goods seized at the border.

The category 'others' includes pellets, lighters, and vehicle bearings, among others, which provide us with an overview of the new trends in counterfeit products entering the EU territory. The other categories, for example 'personal accessories', are mostly made up of counterfeit perfumes and cosmetic bags of a well-known and prestigious brand.

7.2 Places of detection

The map reveals that the smuggling of counterfeit goods affects all participating countries. The coordinated and spotlighted response by Bulgaria, Hungary, Romania, and Serbia showed that the Balkan smuggling route is significant.

One notable finding is that seizures are mostly performed close to or in cities with commercial ports. This is particularly true for Spain, Italy, and Slovenia.

In the maritime domain, JAD Pirates I targeted containers, which are misused and exploited for the illegal import of fake commodities. During the operational activity, the detection and seizure of five containers was reported.

“
 Seizures are mostly
 performed close to or in
 cities with commercial ports”

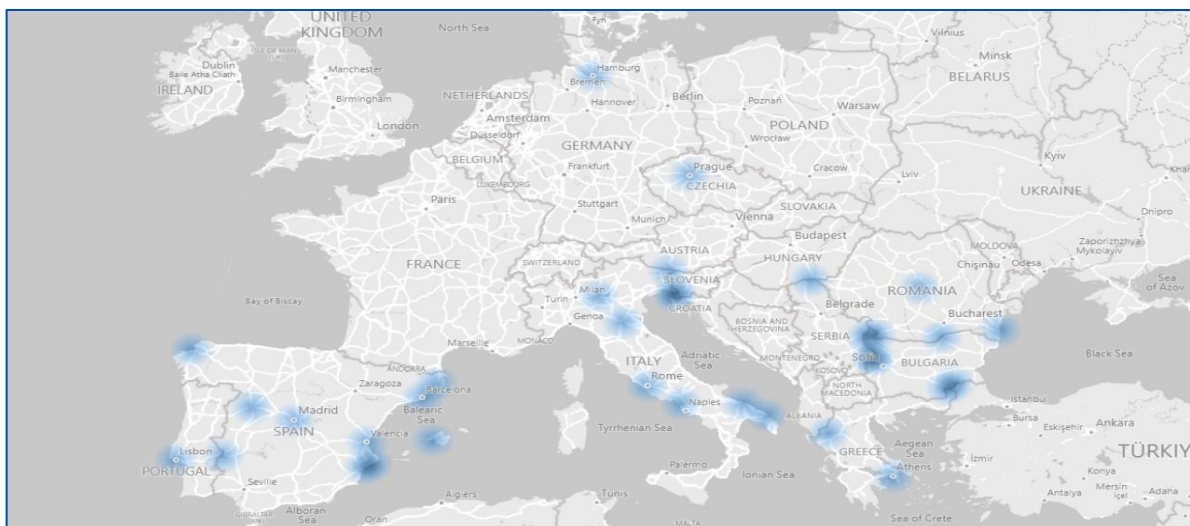


Figure 4. Heatmap of all seizures of counterfeit goods (including currency and tobacco) as reported by the participants.

In the Constanța South Container Terminal Agigea Harbour BCP (Romania), a container from China was detected. The cargo inspection was carried out by a joint team consisting of a customs officer and a border police officer. Counterfeit sports shoes were discovered, amounting to a total of 6 300 pairs of trainers.

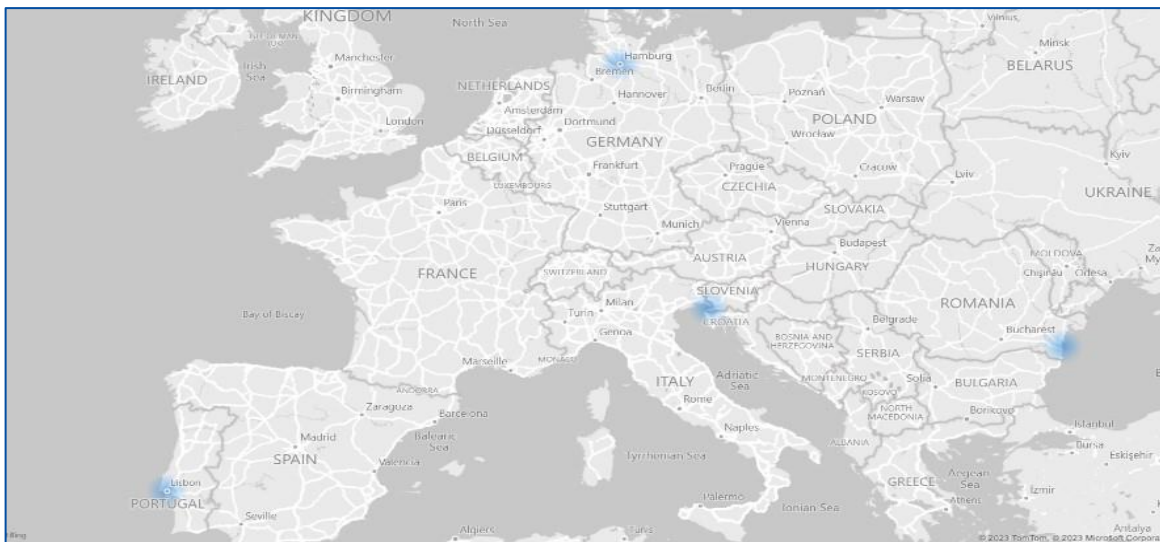


Figure 5. Heatmap of the maritime container seizures

At the Port of Lisbon, Portuguese customs seized 13 447 counterfeit sports shoes packed in a container from China.

During a physical check carried out in the Port of Koper, Slovenia, a container from China, on route to Hungary via Slovenia, was found to be carrying electronic devices. The container was tracked to the destination in Hungary, where the goods were seized.

At the Port of Koper, Slovenia reported checks on three more containers, which led to successful seizures of fake products such as bags (1 080 pcs), toys (720 pcs) and speakers (730 pcs) as well as 500 logos.

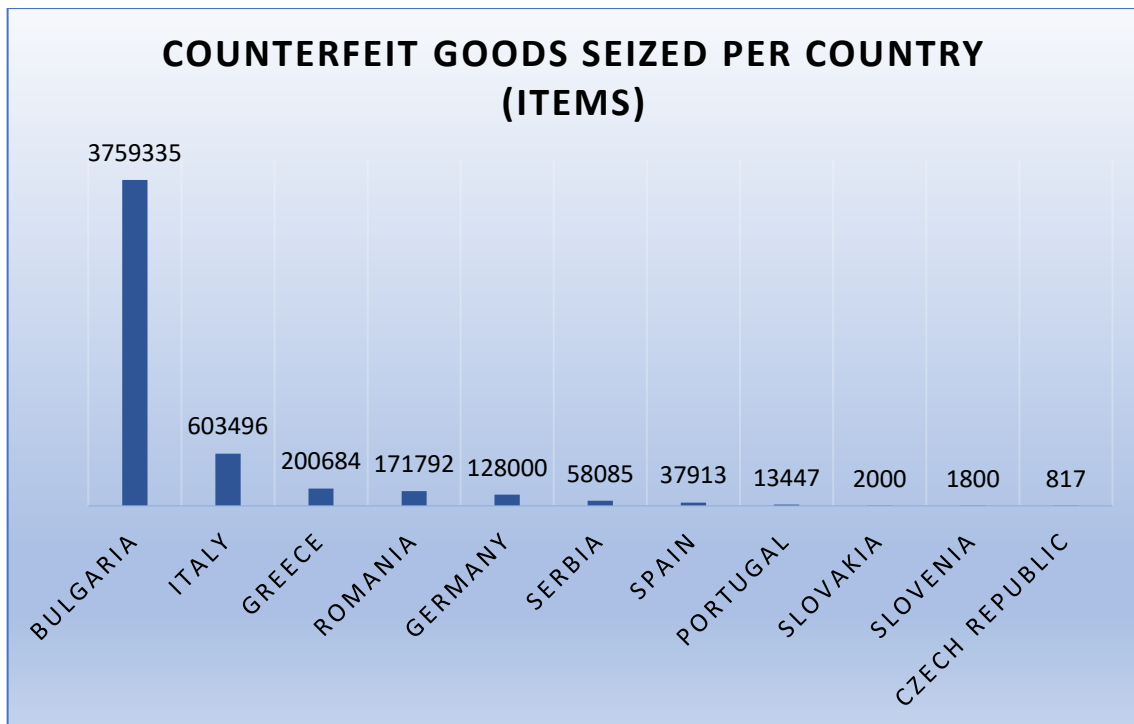


Figure 6. Counterfeit goods seized per country (items)

Bulgaria, probably due to the external border with Türkiye, was the country that seized the largest quantity of goods during the operation. Most of the goods seized, besides cigarettes, were textiles and perfumes.

While Bulgaria remains the leader when it comes to quantitative seizures and the value of those seizures, Italy detected a large quantity of counterfeit goods during the inspections carried out in the domestic market. Of note was a seizure on a lorry where the authorities detected 68 079 counterfeited goods in 183 packages of unsafe toys, electrical material, personal protective equipment (e.g. gloves) and medical devices (e.g. crutches).

In Germany, Greece, and Romania, the main seizures were clothes and personal accessories, as well as many logos and stamps in Greece, which could have been intended for other counterfeit goods.

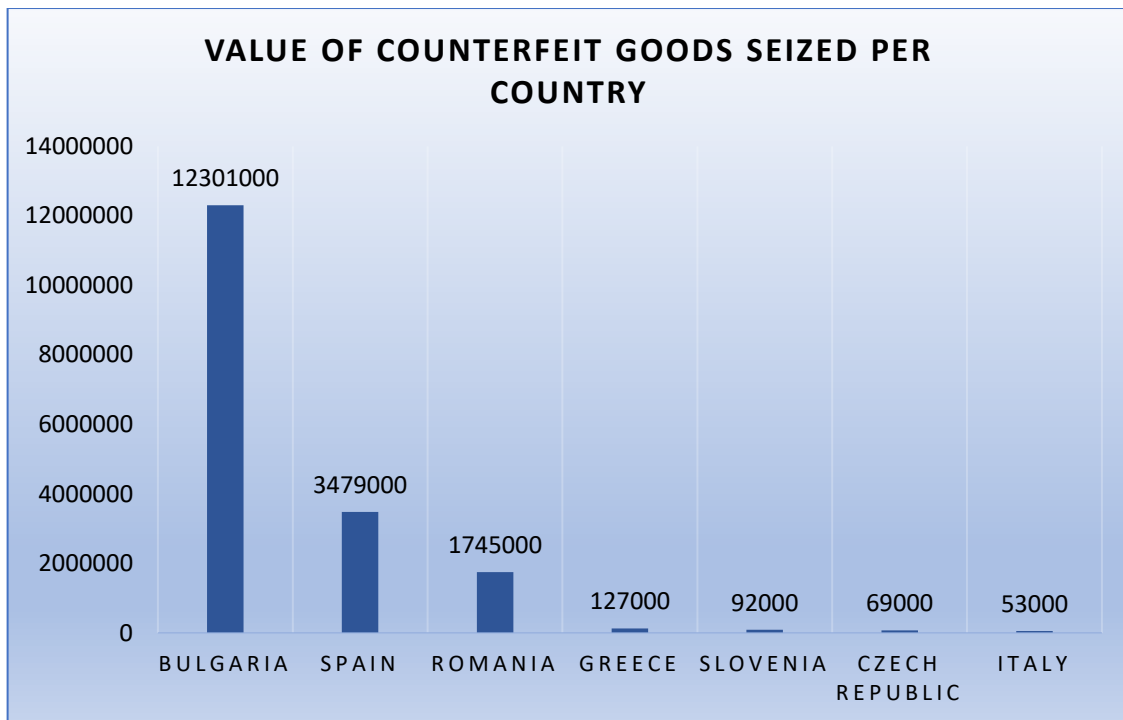


Figure 7. Value in euro of counterfeit goods seized per country

The above chart (Figure 8) shows the estimated value in euro of the counterfeit goods seized by each participating country. Not all countries reported the estimated value of the goods seized, so the results are not representative of all the participants.

The results show disparities between the amount of goods seized and their values. It must be emphasised that the approximate market price is not based on a sophisticated methodology but rather on price ranges on the local regular or black market.



Figure 8. Value in euro of smuggled goods seized per country

In terms of counterfeit and smuggled goods seized, Bulgaria and Romania show the most significant number of seizures, which may be largely due to their geographical location.

7.3 Main countries of origin, routes and final destinations

According to the data provided during the operation, the seized counterfeit **products originated mainly from China and Türkiye.**

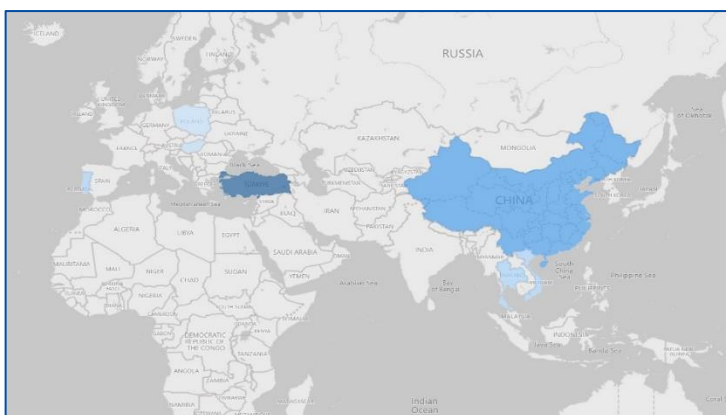


Figure 9. Provenance of products

The map shows the country of provenance (the exporting country).

Türkiye and China are the main countries of provenance and of origin (where the goods were manufactured or produced).

Less common countries of provenance were detected in addition to China and Turkey, including Hungary, Poland, Portugal, Thailand, and Vietnam. In terms of countries of origin, there were also fewer common countries of origin such as the Dominican Republic, Senegal, Albania and North Macedonia.

7.5 Trends

A wide variety of counterfeit products, as well as other smuggled products, have been detected crossing EU borders. All these products, taken as a whole, provide us with an overview of the type of goods entering the EU market which are later acquired by European consumers.

In addition to the goods most detected, such as textiles, leather products, and footwear, other commodities such as smuggled tobacco and forged money were detected trying to enter or leave the EU territory. Additionally, other types of goods indicating new consumer demand, targeted by organisations dedicated to counterfeiting and smuggling, were also detected during the activity.

Below are some examples of counterfeit goods detained during JAD Pirates I



Bulgarian customs detected a lorry with 648 pairs of counterfeited socks and 135 pairs of counterfeited shoes.

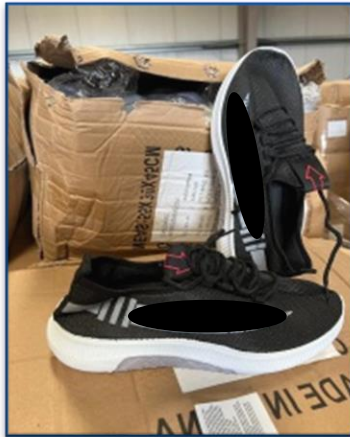


Bulgarian customs authorities: Border Control Post Kapitan Andreevo, a lorry being checked in Bulgaria. Customs officers from Estonia, Latvia, Poland and Romania supported Bulgarian partners in dealing with the significant quantities of counterfeit clothing. The mission of the abovementioned customs officers was logistically and financially organised by Frontex. CELBET selected the experts based on specific criteria.

Customs officers searched a lorry containing 27 000 items of undeclared men's, women's and children's clothing suspected of infringing the IPRs of well-known brands. As the value of the detected textiles exceeded a third of the value of the means of transport, the lorry and trailer were detained until the end of the procedure, with the value of the detected offence worth more than EUR 86 000.

7.6 Counterfeit products identified

The counterfeit goods detected fell into the categories of textile, footwear, and cosmetics, as well as packages and labels, which are necessary for rebranding.



Constanta South Agigea, and Kapitan Andreevo, Bulgaria

Several dangerous or potentially dangerous commodities were also detained during JAD Pirates I.

Various types of products in the tobacco category, such as tobacco packets, empty tobacco boxes, electronic cigarettes, lighters, and cigars, were detected as having been transported by bus and car or by aeroplane.

In other cases, namely fake pellets and herbicides transported in containers and lorries, these could pose a serious risk to health and to the environment. Other potentially dangerous products seized, such as insecticide sprays, could be very harmful for the safety of users.



Seizures of potentially dangerous goods reported by the Romanian Border Police. Undeclared insecticides and counterfeit cigarettes

Romanian Border Police reported that checks carried out on a van (minibus) traveling from Bulgaria to Romania turned up 1 188 cleaning products. These were declared in accompanying documents and bore the inscriptions of a well-known brand. On 11 May 2023, following a check carried out at BCP Giurgiu (Romanian/Bulgarian border) on a freight lorry, which according to the transport documents was delivering fresh cabbage from North Macedonia to Ukraine, customs discovered 297 boxes containing 2 970 000 pieces of cigarettes, worth around EUR 600 000. The preliminary examination showed that the cigarettes were most probably counterfeit.



During border control checks carried out on two means of transport (bus/coach) travelling from Türkiye to Romania, Romanian border police discovered 512 counterfeit products consisting of clothes and perfumery, bearing brand inscriptions. These were hidden among the passengers' luggage.



Counterfeit perfumes detected in Calafat and in Giurgiu, Romania

On 19 May 2023, during border inspections at BCP Giurgiu (Romanian/Bulgarian border) of two cars travelling from Türkiye to Romania, customs discovered 1 914 counterfeit products, consisting of T-shirts, perfumes, and sports trousers, all bearing brand

inscriptions. These were found hidden among the passengers' luggage. After a primary investigation, eight files were issued (one for each person).



Counterfeit sunglasses detected by the Spanish authorities.

Serious safety risks were detected in the case of counterfeit bearings used for vehicles, lorries or buses. Children's counterfeit toys were also seized during the activity. In both cases, these goods were transported by sea in containers from China. Electronic products, such as chargers and headphones, potentially posing safety risks, were also seized.



Counterfeit headphones seized respectively in Romania

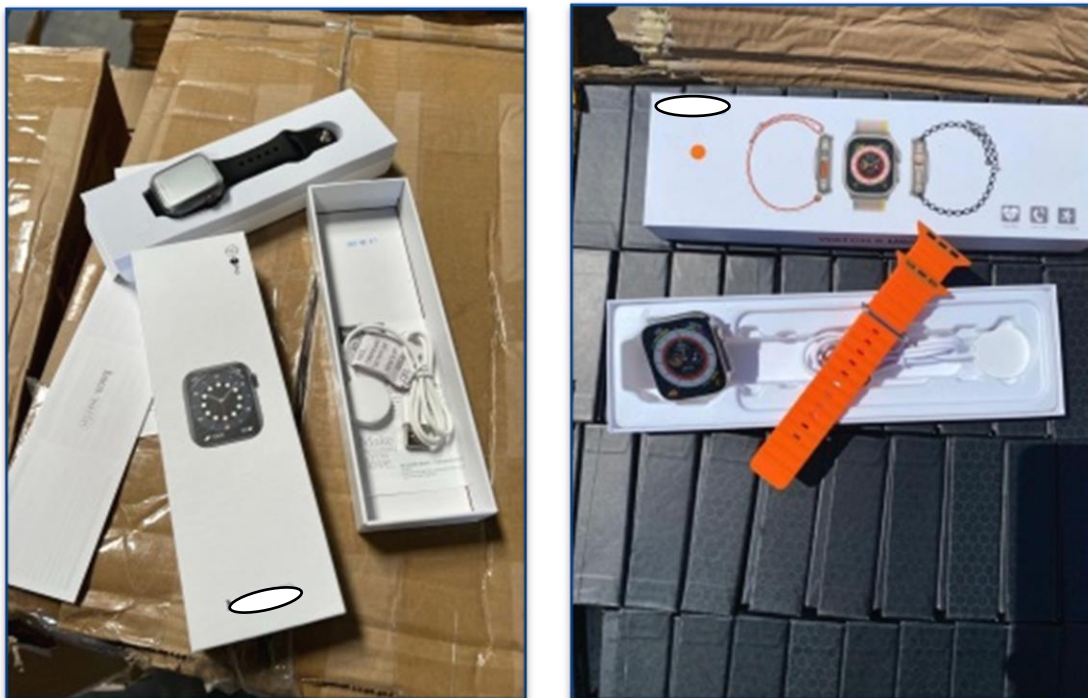


Counterfeit electronic devices, Constanta, Romania

7.7 Other counterfeit items seized

Aside from the abovementioned seized counterfeit goods, other unusual counterfeit products entered through the EU borders. Sports products, such as footballs infringing the official logos of sports championships, were found crossing the Bulgarian border. The purpose of the entry of these kinds of goods into the EU market could be their early distribution, in line with official sports events calendars.

Smart watches were detected in a container arriving in Constanta South Agigea Harbour BCP from China, thanks to checks carried out by a joint team made up of customs officers and a border police force.



Counterfeit smart watches, Constanta, Romania

At the same BCP, counterfeit silicone covers for headphones, smart watches, and phone headphones were also discovered.

7.8 Other goods detected

Counterfeits are not limited to premium or expensive goods, as counterfeits of standard-price textiles, toys, and electronic products have also been detected due to consumer demand.

7.8.1 Counterfeit currency

On 11 May 2023, Greek customs inspected a freight lorry entering Greece from Türkiye at BCP Kipoi. In the driver's cabin, the officers found 2 071 sheets of counterfeit EUR 20 banknotes. The sheets even had security features, such as holograms. The initial investigation revealed that the fake EUR 20 banknotes were printed in Türkiye, and their destination was Albania. These amounted to 134 615 EUR 20-denominated notes, with a total value of EUR 2 692 300.



On 11 May 2023, Greek customs seized 2 071 sheets of counterfeit EUR 20 banknotes

7.8.2 Forged passports

The majority of cases of forged/counterfeit travel documents were reported by Serbia. A forged border stamp and material for border stamps of the Republic of Croatia were found

in the glove compartment of a vehicle with Turkish numberplates. Another case of a counterfeit Bulgarian identity card was reported. The card was found in the possession of a Serbian citizen.

7.9 Counterfeit routes detected

7.9.1 Textiles, clothing and footwear

Counterfeit products have been detected coming mainly from two countries, China and Türkiye. In the first case, the counterfeit products crossed the borders using sea routes, in commercial container vessels.

The goods from Türkiye were transported mainly by land, using buses, lorries, vans and cars. One route found in Europe had Portugal as the country of origin, with the destination being Spain.

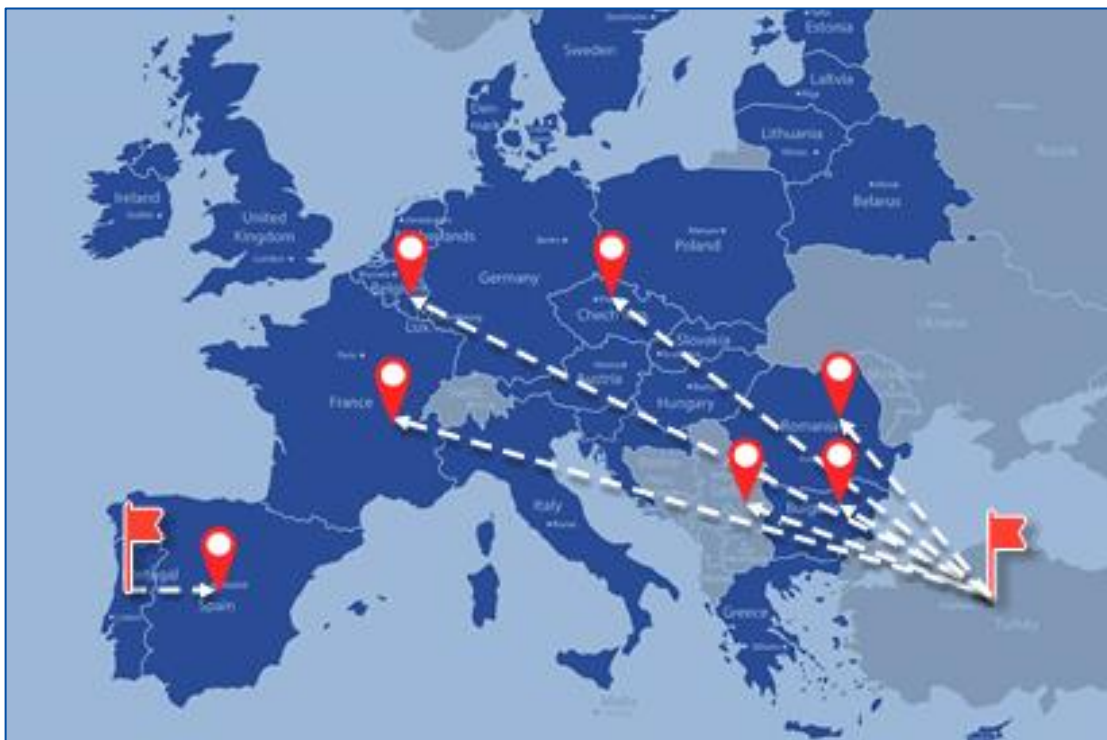


Figure 10. routes identified

7.9.2 Toys

The counterfeit toys seized during the operation came from China, which were transported in parcels and containers. Countries such as Spain, Italy, and Poland, were detected as destinations.

7.9.3 Cosmetics

Perfumes and body-care products were detected as being smuggled by land, mainly hidden in commercial buses and lorries. These originated in Türkiye and had EU destinations, or transited through EU MS, such as Bulgaria, France, Italy, Hungary, the Netherlands, or Romania.

7.9.4 Tobacco

Tobacco products were detected while being transported by land in buses and lorries. The following routes were identified: North Macedonia → Bulgaria → Romania (seized), Ukraine and Türkiye → Bulgaria → Romania (seized).

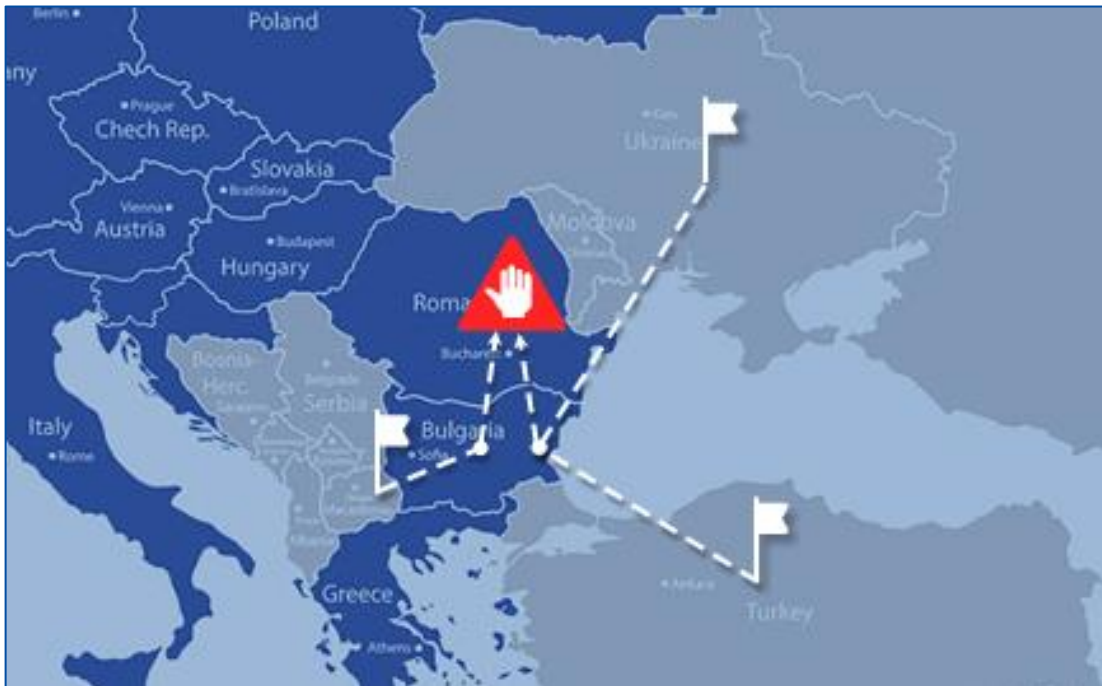


Figure 11. Routes identified

7.10 Side seizures: products detained for being undeclared

7.10.1 Products that pose a health risk.

Around 5 million cigarettes were detected while being smuggled across the external borders by land. New smoking products, such as heating butts or liquid for e-cigarettes, were seized for not being duly declared. There is a clear increasing trend in the smuggling of heating butts and e-liquids. However, conventional counterfeit cigarettes remain a dominant category in JAD Pirates I.



Romanian border police detected 336 boxes containing 168 000 packs of cigarettes, with a market value of around EUR 672 000

The driver, a Bulgarian citizen, was charged with smuggling excise products and detained in custody for 30 days. As a result of the checks, other investigations have also been developed.

Following a risk analysis and an inspection carried out in the interior of Bulgaria, an illegal warehouse was found in which equipment to produce electronic cigarettes and e-liquid was used without the knowledge and authorisation of customs. The quantity of liquid seized (about 18 000 litres) amounts to an excise duty payable of more than EUR 1 600 000 million. Sometimes the nicotine concentration in a flacon of e-liquid can be equal to that used in 40 pieces of cigarettes.



Equipment for the production of electronic cigarettes and e-liquids detected by Bulgarian customs



Equipment for the production of electronic cigarettes and e-liquids detected by Bulgarian customs

Noteworthy seizures of herbicides, plant liquids and seeds, transported by road and lorry, were reported. Drugs such as marijuana and cocaine, transported by road and lorry, were also seized. Italy reported a seizure of 143 kg of cocaine in a single case. Finally, shipments of toys that do not meet EU safety standards and which had no proper marking were prevented from reaching the market.

7.10.2 Products that are a security or safety risk

Hungary and Bulgaria reported two seizures of 59 firearms in total. The pieces include automatic rifles and pistols. Ammunitions were detected as well.

Other products, such as electric appliances and electric bikes, were also seized. During illegal trafficking prevention and operational activities, a lorry was searched, and 139 electric bikes were found. The products did not have the 'CE' compliance mark.

7.10.3 Products that potentially pose a health risk

Italy also concentrated its efforts on identifying goods that do not meet the safety standards of the EU and which may pose a health risk to consumers. Applying these measures, they detected glass bottles, sunglasses, and perfumes. These products did not have the 'CE' mark when imported.

7. 11 Incidents related to irregular migration

Another phenomenon, tackled mostly along the 259 km border between Bulgaria and Türkiye, is illegal and irregular migration.

During the activity, 143 migrants were intercepted while trying to illegally enter the EU through the Balkan route.

The most frequently detected nationalities were Syrian, Iraqi, Turkish, Pakistani, Moroccan, Cuban, Russian, Algerian and Palestinian. During these inspections, ten (10) counterfeit or forged travel documents were seized.



143 migrants were intercepted while trying to illegally enter the EU through the Balkan route”

During an inland operation, Italian authorities dismantled an illegal factory intended to produce branded clothes. The workers inside were all irregular migrants whose identification documents had been confiscated by the criminals. This case is characteristic of the poly-criminality and the exploitation of irregular migrants in the production of counterfeit goods.



Romania: luggage on bus significantly exceeding the number of passengers

7.12 Cash and precious metal seizures

Undeclared amounts of money were identified and were subject to administrative procedures. The most frequent undeclared currency was EUR, but several cases of GBP and USD were detected as well. The total amount of seized money in all currencies was equal to EUR 525 830.

On the way from Türkiye to the EU, 1.08 kg of gold jewellery and more than 27 kg of silver items declared to be made of metal were seized. The approximate market price of both was more than EUR 32 000.



Bulgaria: Silver jewellery declared as items made of iron.

7.13 Smuggling routes observed

7.13.1 Money

Most cases were reported at the Bulgarian-Turkish border, when the money was intended to be illegally transferred to Iraq and Türkiye. Cases were also reported by Hungary, Slovakia and Serbia. The JAD results demonstrate a well-established channel for the smuggling of cash from the EU to Türkiye.

The opposite trend was observed in the detection of undeclared precious metals. The gold and silver items were smuggled from Türkiye to the EU.



Figure 12. Money and precious metals routes

7.13.2 Tobacco

A wide range of tobacco products were seized. By air, smuggled tobacco from Serbia to Italy was detected. By land, Spain and Türkiye were reported as countries of origin, and the destination markets mentioned were Bulgaria, Germany, France, the Netherlands, and Romania.

An interesting route was identified by the Romanian authorities. On a freight lorry loaded with fresh cabbage in North Macedonia declaring transit to Ukraine, 297 boxes containing 148 500 packets of cigarettes, worth some EUR 600 000, were discovered. The cigarettes found were most probably counterfeit, as the preliminary analysis established that the packaging and wrapping was of poor quality.

During the last days of the operation, Spanish authorities raided an illegal cigarette factory. A significant number of cigarettes that were ready for distribution were found (133 pallets).

The perpetrators of the illegal activity were arrested, and the material was seized. They were suspected of various offences (i.e. smuggling, membership of a criminal group, offences against workers' rights, offences against industrial property, and offences against public finances).



Spain (Policia Nacional and Customs): dismantling an illegal cigarette factory

8. Conclusions, challenges and way forward

Within the framework of the JAD Pirates I operational activities, a significant variety of counterfeit product categories were detected, including excisable commodities and non-EU-compliant goods. The products ranged from textiles, footwear and accessories to bikes, pellets, toys, perfumes, and medicines, indicating that, nowadays, anything can be counterfeited.

The operation detected all sorts of counterfeit goods entering the EU market, including counterfeit mid-range textile products, mid-range toys and mid-range electronic products.

JAD Pirates I provided a very clear picture of the wide range of products that are entering through the external EU borders, and the challenges faced by the authorities in identifying, seizing, storing, and destroying counterfeit goods.

Several unlabelled products were seized during the operation, which could indicate that stickers or labels might be shipped separately and assembled at destination points.

Based on JAD Pirates I findings, China and Turkey emerged as the main source countries for counterfeit and smuggled goods.

Through the air route, small quantities of products were detected entering the EU market, probably as samples in anticipation of large-scale orders. This strategy is common among criminals involved in the production and distribution of counterfeit goods. This is so that their contacts and networks can assess the quality of the product, minimising the risk of detection.

Fake products that pose a health risk, such as tobacco, drugs, pellets, insecticides, seeds, and toys, were detected. Other products that could pose a danger to consumer safety and the environment, such as herbicides and brakes, were also found.

143 migrants of various nationalities were found trying to cross the EU's external borders illegally.

The participating countries also provided feedback that the border authorities administering external borders may have a shortage of storage room for all the goods seized. This is needed to store seized products while administrative or criminal procedures are ongoing.

The increased land and maritime traffic in counterfeits make it much more difficult to physically inspect shipments (containers or lorries).

The quality of some counterfeit products has greatly improved, this being especially evident for electronic devices.

To detect products that may pose a health risk, it would be beneficial to analyse the packaging and contents of perfumes, glass bottles, and sunglasses.

Increased visibility of the possible risk to health and safety contributes to raising awareness among consumers and practitioners.

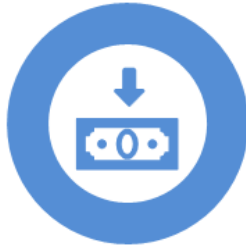
Anticipating and executing the destruction of counterfeits is a crucial aspect of managing warehouse spaces, managing the human resources that take custody of these effects, and ensuring consumer safety.

8.1 Infographic: Key findings



Significant variety of products

including excisable commodities and not EU-compliant



All price and value ranges

including expensive products and mid-range products



Criminals adapt to the consumer

to their needs and demands



Non-labelled products

to be assembled at the final destination



The air route

used to send samples in small quantities



Quality improved

especially in electronic devices



Difficulties in the physical inspection

for land and maritime traffic



Destruction of the goods

expensive and environmentally damaging



Products that may pose a health risk

can be detected carrying out analyses of the packaging and contents



Increased visibility of the possible risk to health and safety

contributes to raise awareness among consumers and practitioners



Timely feedback from rights holders

essential for the decision taken by the national authorities



Border authorities require storage rooms

for the seized goods while procedures are underway

9. Annexes

Annex I: Acronyms and Abbreviations

Acronyms	
BCP	Border Control Point
BRI	Belt and Road Initiative
EMPACT	European Multidisciplinary Platform Against Criminal Threats
FPs	Focal points
IBM	Integrated Border Management
IP crime	Intellectual property crime
IPEP	IP Enforcement Portal
IPRs	Intellectual property rights
JAD	Joint Action Day
JOs	Joint Operations
LEAs	Law enforcement authorities
MS	Member State
OA	Operational Action
OAP	Operational Action Plan
SIENA	Secure Information Exchange Network Application
TITR	Trans-Caspian International Transport Route
VOCU	Virtual Operational Command Unit

Organisations and Institutions

EU	European Union
EUIPO	European Union Intellectual Property Office
EUROPOL	The European Union Agency for Law Enforcement Cooperation
CELBET	Customs Eastern and South-Eastern Land Border Expert Team
FRONTEX	European Border and Coast Guard Agency
OECD	The Organization for Economic Cooperation and Development
OLAF	European Anti-Fraud Office