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PRESS RELEASE

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HMGoG Welcomes OLAF Recommendations : Calls for Joint Investigations

- Gibraltar already acting to curtail the size of cigarette market
- Presence of Organised Criminal Gangs in Spain, a huge concern for law abiding citizens on both sides of frontier
- Gibraltar authorities ready to work with Spanish counterparts directly on investigations and already awaiting response from them
- Gibraltar publishes EU Commission recommendations letter of 30th July and invites Spain to do likewise or explain why it will not do so
- None of this should affect frontier flow for law abiding citizens, whether cross frontier workers or otherwise

Her Majesty's Government of Gibraltar notes that the European Union's Anti-Fraud Office ("OLAF") has now completed its report into the complaint of increases in tobacco smuggling in Southern Spain from 2010.

The Government welcomes that the issues identified by OLAF, insofar as they relate to Gibraltar, and the recommendations made by it are in keeping with the issues identified and already acted upon by the Gibraltar authorities.

Like all the complaints made on environmental matters (in respect of which the Commission ruled in Gibraltar's favour) the complaint was filed last August by the Spanish authorities.

The Government has this afternoon received a copy of said report and passed it to the Collector of Customs of HM Customs Gibraltar for further consideration and any appropriate action that may be required. The report is confidential and cannot be published for operational reasons.

The particular facts identified by OLAF specifically also point to instances that could constitute criminal offences in Spanish territory - of smuggling and potential money laundering. The Spanish Government has not wanted to point this out in its very one-sided and obviously self-serving public statements on the report, which - although designed as a serious document to assist law enforcement (which is how Gibraltar will treat it) - is being exploited by Spain for its own transparent political purposes.

The Collector of Customs and the Royal Gibraltar Police have already provided their contact details via the EU Commission and have already sought to contact Spanish Officials to co-ordinate the fight against tobacco smuggling in Southern Spain, but have as yet had no replies to these offers of assistance.

The OLAF conclusions rightly point to the prevalence of organised criminal gangs operating in Spain in the business of tobacco smuggling, something which the Gibraltar authorities have previously publicly expressed serious concerns about.

Her Majesty's Government of Gibraltar therefore now invites the Government of the Kingdom of Spain to finally allow its law enforcement agencies to co-operate with those in Gibraltar that stand ready to work together with them to counter the threat to law-abiding citizens on both sides of the frontier from these gangs operating in Spanish territory.

In this respect, the OLAF report identifies the inadequacy of Spanish legislation dealing with tobacco smuggling as well as the deprived economic circumstances prevalent in Andalusia as central problems which have led to the proliferation of this activity since 2010.

The Gibraltar Government has already amended Gibraltar legislation and made it much tougher in order to dissuade people from breaking the law. Spain should do likewise.

It is important to clarify that the OLAF report comes in the context of the Gibraltar Government having already, of its own motion, and without being required to do so, introduced measures:

- to limit the total amount of tobacco that can be sold;
- to alert individuals to their "duty free" allowances;
- to limit the quantities that can be possessed in restricted zones, in particular by the airport and frontier;
- to prohibit the sale of tobacco in estates near the frontier (including the withdrawal of existing licences);
- to direct the Trade Licensing Authority not to issue further retail or wholesale licences, as more particularly set out in that public direction; and
- to voluntarily limit the size of the Gibraltar market in cigarettes to a quantity in keeping with Commission/OLAF recommendations.

All of the above measures have already come into effect (with limitations on the size of the market commencing [1st January 2015](#)) and the relevant measures have been notified to the EU Commission.

In this respect the EU Commission wrote to Her Majesty's Government of Gibraltar via UK Rep in Brussels on 30th July 2014 with its further recommendations. A copy of that letter is attached hereto for public information.

In the circumstances, the OLAF report - which predates the Commission statement of last week - has no bearing on and cannot in any way derogate from the Commission's statement the queues caused by Spain at the frontier with Gibraltar are entirely 'disproportionate' and must be resolved.

Her Majesty's Government of Gibraltar has complied with all the EU Commission's recommendations and will continue to so comply.

Her Majesty's Government of Gibraltar invites the Government of the Kingdom of Spain to similarly publish the letters it has received from the EU Commission on issues relating to frontier flow and cigarette smuggling controls.

Finally, Her Majesty's Government of Gibraltar notes that there is no similarity between the OLAF reported remitted to it and the sensationalist reports spun in the Spanish media.

The Chief Minister said: "I warmly welcome that the findings of the OLAF report are broadly very much in keeping with the Gibraltar Government's own views and our continuing actions to control any illicit aspects of the otherwise legitimate tobacco trade. The increase in activity identified by OLAF commences in 2010 and is already being brought under control by the draconian measures introduced by Gibraltar. Spain now needs to do its bit too. We have been and are always ready to work with their law enforcement agencies. We have sent contact details of our relevant officers for action to be co-ordinated against the organised criminal gangs operating in Spain, but there has as yet been no contact from the Spanish authorities. Gibraltar's authorities are transparent, accountable and looking for co-operation and mutual legal assistance. We wish any necessary investigations in this and in all areas to be carried out jointly between the competent Spanish and Gibraltar authorities in a genuine spirit of co-operation. Having seen in some Spanish media today references to investigations commencing in Spain, we sincerely hope that Spain will therefore finally agree to co-operate in this fight against organised criminal gangs and not use this as an unwarranted excuse to continue to act disproportionately at the frontier and to simply defame Gibraltar illegitimately for its political purposes. We similarly hope they will also now publish the letters received from the EU Commission on issues related to frontier flow, or explain why they will not. Spain also cannot be allowed to get away with using this report as another obtuse excuse for disproportionate, politically motivated queues at the frontier. Proper risk based assessments can properly and effectively sort innocent travellers from smugglers. All legitimate travellers, workers or otherwise, deserve nothing less. In the circumstances, there is no legitimate ground for complaint against the Gibraltar authorities continuing action to curtail illicit activity."