



WORLD CUSTOMS ORGANIZATION  
ORGANISATION MONDIALE DES DOUANES

# OPERATION “MIRAGE”

**10-19 September 2018**



**COMBATING COUNTERFEITING AND PIRACY**

**Consumer Health and Safety**

**FINAL REPORT**

*PRIVATE SECTOR*

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# **I. PRESENTATION OF THE OPERATION**

## **1. Introduction**

Counterfeiting and piracy continue to pose a growing social, health and economic threat. They are prevalent in all countries around the world and fake products are proliferating across all industry sectors.

Particularly threatening are those products that cause direct harm to consumer health and safety, such as illicit pharmaceutical products. Illicit pharmaceuticals are pharmaceutical products which, according to the legislation in force, are prohibited from entering the country. They include:

- Counterfeit medicines (medicines infringing intellectual property rights (IPRs))
- Medicines that are prohibited from entering the country due to a lack of authorization, absence of a licence, false certificate, inappropriate transport or packaging conditions, etc.;
- Goods that have not been declared.

The illicit trafficking of counterfeit goods in general is also closely linked to other serious crime, such as money laundering and funding of terrorist organizations.

## **2. Background**

### **2.1. General background**

The principles of industry, intellectual property and artistic creativity and the health and safety of African citizens continue to be threatened by counterfeiting and piracy by criminal organizations and individuals. The increase in counterfeit and pirated goods entering African markets via the continent's gateway ports highlighted the need for a targeted operation in that region of the world.

The proposed Operation, codenamed "MIRAGE", aimed to mobilize the resources of 14 Customs administrations within selected African countries which conducted simultaneous inspections of consignments potentially containing certain types of counterfeit and/or illicit pharmaceutical products. In addition, three (3) Customs administrations of landlocked countries joined the Operation on their own initiative. The Operation took place in 14 main ports over an eight (8)-day period and was intended to provide a deeper insight into the flow of pharmaceutical

goods entering the African mainland.

The Operation strengthened cooperation between Customs administrations through the sharing of the results of each inspection, and real-time training was led by World Customs Organization (WCO) Accredited IPR Experts on new and practical targeting techniques to enhance administrations' interdiction capabilities. This Operation also served to enrich cooperation with Health Authorities, other law enforcement agencies and the private sector, particularly Right Holders (RHs).

## 2.2. Codename of the Operation

The Operation was conducted under the codename "MIRAGE". This refers to the deception and delusion inherent to substandard and falsified<sup>1</sup> medicines and counterfeit goods in general.

## 3. Legal and operational framework

### 3.1. Legal framework

- TRIPS Agreement: Agreement on Trade-Related Aspects of Intellectual Property Rights (15/4/1994) Part III, Section 4: Role and Responsibilities of Customs Administrations
- International Convention on Mutual Administrative Assistance for the Prevention, Investigation and Repression of Customs Offences (Nairobi Convention)
- Bilateral and multilateral mutual assistance arrangements
- National and regional legislation
- RILO recommendation<sup>2</sup>

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<sup>1</sup> *Substandard and falsified medicines: WHO: Substandard: Also called "out of specification", these are authorized medical products that fail to meet either their quality standards or specifications, or both. Unregistered/unlicensed: Medical products that have not undergone evaluation and/or approval by the National or Regional Regulatory Authority (NRRA) for the market in which they are marketed/distributed or used, subject to permitted conditions under national or regional regulation and legislation. Falsified: Medical products that deliberately/fraudulently misrepresent their identity, composition or source.*

<https://www.who.int/medicines/regulation/ssffc/definitions/en/>

<sup>2</sup> *See Doc. EC0134E: "Encouraging Members, under the provisions of their national legislation, to participate actively in, and contribute to, the Global WCO RILO network, enhancing and fostering international cooperation in collecting, evaluating and disseminating information and intelligence."*

### **3.2. Information and intelligence sources**

Participating Customs administrations sought to obtain information on suspicious consignments of counterfeit goods from other law enforcement agencies and the private sector, based on national/international cooperation arrangements.

### **3.3. Risk indicators**

All participating Customs administrations had to employ risk assessment techniques to identify and target high-risk shipments.

### **3.4. Use of WCO tools: CENcomm**

Participating countries were encouraged to report their activities to the Operational Coordination Unit (OCU) on a daily basis, preferably through the CENcomm platform.

A total of 534 e-mail messages were sent during Operation MIRAGE.

## **4. Organizational structure**

### **4.1. Operational Coordination Unit (OCU)**

A representative of the WCO Secretariat coordinated the Operation in close collaboration with the respective RILOs and with a representative from the Southern African Customs Union (SACU). The OCU was based in Cotonou (Benin) for the duration of the Operation (10-19 September 2018).

### **4.2. Regional Intelligence Liaison Office (RILO)**

The role of the RILO was to contact countries for follow-up of results, as well as further action on and follow-up of Alerts sent to countries not participating in the Operation.

In addition, the representative of SACU coordinated the follow up of Alerts sent to Botswana, Lesotho and Swaziland.

### **4.3. Cooperation**

#### ***4.3.1. Role of INTERPOL***

INTERPOL provided technical assistance and led any post-seizure investigative or law enforcement action as appropriate. An INTERPOL representative participated in the Workshop.

#### ***4.3.2. Role of the Health Regulatory Agencies***

The World Health Organization (WHO) provided the contact details of its National Focal Points in order to assist the Customs officers as appropriate. The WHO and the World Animal Health Organization (OIE) provided awareness-raising training during the Workshop.

#### ***4.3.3. Joint Container Cargo Control Units (JCCCU's)***

The JCCCU's from the UNODC/WCO Container Control Programme (CCP) in Benin, Ghana, Kenya, Tanzania and Togo were invited to assist in the Operation.

### **4.4. Information sharing**

The Customs administrations acted according to their national legislation with respect to sharing information.

#### ***4.4.1. Between countries***

The various countries communicated with each other about suspicious consignments via CENcomm, via bilateral mutual assistance arrangements and/or via the RILO network.

#### ***4.4.2. With the private sector***

The Customs administrations acted according to their national legislation with respect to sharing information with RHs and other private entities involved.

## **5. Participating countries and points of entry**

As mentioned earlier, the Operation focused on the main sea ports of 14 African countries from the West and Central Africa (WCA) and the East and Southern Africa (ESA) regions; however the Democratic Republic of the Congo (DRC) participated in the Workshop prior



to the Operation but decided not to participate in the Operation itself. In contrast, three landlocked countries, all Members of the Southern African Customs Union (SACU), participated in the Operation on their own initiative.

**TABLE 1. Overview of participating countries**

| Participating country | Point of entry | Type of port |
|-----------------------|----------------|--------------|
| Angola                | Luanda         | Sea port     |
| Benin                 | Cotonou        | Sea port     |
| Botswana              | Gaborone       | Dry port     |
| Cameroon              | Douala         | Sea port     |
| Gabon                 | Libreville     | Sea port     |
| Ghana                 | Tema           | Sea port     |
| Côte d'Ivoire         | Abidjan        | Sea port     |
| Kenya                 | Mombasa        | Sea port     |
| Lesotho               | Maseru         | Dry port     |
| Mozambique            | Maputo         | Sea port     |
| Namibia               | Walvis Bay     | Sea port     |
| Nigeria               | Lagos          | Sea port     |
| Swaziland             | Mbabane        | Dry port     |
| South Africa          | Durban         | Sea port     |
| Tanzania              | Dar Es Salaam  | Sea port     |
| Togo                  | Lomé           | Sea port     |

## 6. Scope of the Operation

The Operation primarily focused on illicit and counterfeit pharmaceutical products along with general coverage of all goods potentially posing a threat to consumer health and safety. All means of transport were covered (land, sea and air), with particular emphasis on Customs-controlled areas at the major points of entry.

## 7. Objectives of the Operation

One of the most important objectives was capturing the attention of Customs officers and industry worldwide to ensure they remain vigilant with regard to counterfeit products and to emphasize that IPR and, as a corollary, health and safety constitute high-risk areas in terms of Customs enforcement.

## **8. Operation sequence**

The organization and coordination of the Operation were carried out by the WCO Secretariat, in close collaboration with the WCO RILO network. .

### **8.1. Prior to the Operation**

Prior to the Operation, the National Experts from the participating (African) countries received a questionnaire about the current situation in their country with regard to IPR.

All the National Experts were requested to inform their management about the upcoming event, in order to gain the latter's full support and to coordinate with all Customs posts and other law enforcement entities within their country that were going to participate in the operational phase.

### **8.2. Phase 1 (5 to 7 September 2018): Customs training**

A training activity was held for all participants from Wednesday 5 September to Friday 7 September 2018. The participants included 34 Customs officers from the participating countries (Swaziland did not participate in the Workshop, while the DRC participated in the Workshop but not in the Operation), 12 WCO Accredited IPR Experts, nine (9) RHs or RHs' Associations representing various brands<sup>3</sup>, and representatives from the WCO, OiE, WHO and INTERPOL.

This preparatory action ensured that the legal and technical provisions of the Operation were defined and discussed in detail and also enabled training to be given by the WCO Accredited IPR Experts, with the RHs' involvement, on how to detect "fakes" in the product categories selected. A workshop on how to differentiate between genuine articles and fakes and training on risk assessment techniques and the implementation of CENcomm were held.

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<sup>3</sup> *Beiersdorf, Bio Oil, Canon, Colgate Palmolive, Les Laboratoires Serviers, Puma, Sanofi, Toshiba, Unilever, Halliday Finch.*



*Workshop participants*

### **8.3. Phase 2 (10 to 19 September 2018): Operational phase**

The WCO Accredited IPR Experts assisted the National Experts from the participating countries with selecting and inspecting containers/consignments under real-life conditions and also assisted the National Experts with completing national procedures and contacting the relevant RHs.

### **8.4. Phase 3 (20 September to 2 October 2018): Follow-up and reporting**

The two National Experts continued their inspections of containers and made sure that all the consignments selected were actually inspected over the course of the following weeks.

By 2 October 2018, the National Experts finalized their inspections of suspicious cargo identified over the course of the previous weeks and submitted the resulting information, via CENcomm, to the OCU.

## II. RESULTS AND ANALYSIS

During the operational phase, some 267,659,987 units and 15,316 kilograms (kg) of all types of goods were intercepted. They were broken down into 520 cases. As at 2 October 2018, 190,891,021 units and 9.52 kg of all types of goods had been seized or stopped (419 cases). As most of the countries did not report the market value of the infringing goods due to lack of accurate information, this report does not include the value of the intercepted goods.

Since IPR procedures are rather time-consuming and complicated, and given the fact it sometimes takes months before a final decision is made, this report indicates the status of the goods at 2 October 2018. It is also worth noting that although a case may be initiated, there are occasions on which no action is taken in the end and the goods are released. This report seeks to give an overview of action taken by Customs during the operational phase. Accordingly, a distinction is made between seized, stopped (still pending/under investigation) and released goods.

By 2 October 2018, some 87 containers had been intercepted during the course of this Operation. In addition, air consignments as well as mail consignments and goods in personal luggage were intercepted. For this reason, the term ‘consignments’ will be favoured throughout the report, rather than ‘containers’.

The tables below reflect the consignments intercepted as of 2 October 2018. They provide an overview of the number of goods intercepted as well as of the number of cases<sup>4</sup> they reflect. In most of the tables, a distinction is made between “released”, “seized” and “stopped” goods in order to give a clear view of the goods’ status. Goods that are released may actually be committing an infringement; however, Customs may have had to release them due to a lack of appropriate action by the relevant stakeholder.

Although not directly related to IPR infringements, several arrests were made during the Operation.

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<sup>4</sup> *Different brands were often found in one (1) consignment; every brand is considered to be a case since a separate procedure has to be initiated for each brand. A case can sometimes reflect a small number of goods.*

## 9. Results by reporting country

The table below provides an overview of all the types of goods intercepted per country. These results include illicit medicines, IPR-infringing goods and other infringements, such as smuggled (original) goods.

Unless otherwise stated, the term “quantity intercepted” covers ampoules, pairs, pieces, pills and kilograms (kg). Only a few cases were reported in kg, mainly because the correct amount of units was not available at the moment of reporting. Where appropriate, the tables make a distinction between kg and pieces. “Pairs, pills, ampoules and pieces” have all been converted into “pieces” according to the CEN<sup>5</sup> rules.

### 9.1. Total units/cases per country

| TABLE 2. NUMBER INTERCEPTED PER COUNTRY |            |            |                    |            |
|---|------------|------------|--------------------|------------|
| Reporting country*                      | Cases      | Percentage | Quantity           | Percentage |
| ANGOLA                                  | 243        | 46.73      | 1,190,320          | 0.44       |
| BENIN                                   | 38         | 7.31       | 28,800,752         | 10.76      |
| CÔTE D’IVOIRE                           | 1          | 0.19       | 25,200             | 0.01       |
| CAMEROON                                | 31         | 5.96       | 23,909,068         | 8.93       |
| GABON                                   | 28         | 5.38       | 24,445             | 0.01       |
| GHANA                                   | 21         | 4.04       | 17,281,661         | 6.46       |
| KENYA                                   | 12         | 2.31       | 1,194,325          | 0.45       |
| MOZAMBIQUE                              | 23         | 4.42       | 10,436,703         | 3.90       |
| NAMIBIA                                 | 23         | 4.42       | 38,897,861         | 14.53      |
| NIGERIA                                 | 17         | 3.27       | 44,084,756         | 16.47      |
| TOGO                                    | 21         | 4.04       | 34,237,735         | 12.79      |
| TANZANIA                                | 56         | 10.77      | 66,938,157         | 25.01      |
| SOUTH AFRICA                            | 6          | 1.15       | 654,320            | 0.24       |
| <b>GRAND TOTAL</b>                      | <b>520</b> | <b>100</b> | <b>267,675,303</b> | <b>100</b> |

\*Please note that the countries are listed according to the alphabetical order of their official country abbreviation.

<sup>5</sup> CEN: Customs Enforcement Network

The number of units intercepted in Cameroon includes 23,893,816 pieces and 15,252 kg. The figure for Ghana stands at 64 kg and 17,281,597 pieces.

## 9.2. Total units/cases seized and stopped as of 2 October 2018

| <b>Reporting country*</b> | <b>Cases</b> | <b>Percentage</b> | <b>Quantity</b>    | <b>Percentage</b> |
|---------------------------|--------------|-------------------|--------------------|-------------------|
| <b>ANGOLA</b>             | 236          | 56.32             | 1,190,313          | 0.62              |
| <b>BENIN</b>              | 22           | 5.25              | 28,645,120         | 15.01             |
| <b>CÔTE D'IVOIRE</b>      | 1            | 0.24              | 25,200             | 0.01              |
| <b>CAMEROON</b>           | 29           | 6.92              | 23,909,068         | 12.52             |
| <b>GABON</b>              | 28           | 6.68              | 24,445             | 0.01              |
| <b>GHANA</b>              | 1            | 0.24              | 10,000,000         | 5.24              |
| <b>KENYA</b>              | 2            | 0.48              | 150,541            | 0.08              |
| <b>MOZAMBIQUE</b>         | 10           | 2.39              | 106,769            | 0.06              |
| <b>NAMIBIA</b>            | 13           | 3.10              | 26,008,422         | 13.62             |
| <b>NIGERIA</b>            | 10           | 2.39              | 26,269,422         | 13.76             |
| <b>TOGO</b>               | 19           | 4.53              | 7,737,735          | 4.05              |
| <b>TANZANIA</b>           | 42           | 10.02             | 66,184,918         | 34.67             |
| <b>SOUTH AFRICA</b>       | 6            | 1.43              | 654,320            | 0.34              |
| <b>GRAND TOTAL</b>        | <b>419</b>   | <b>100</b>        | <b>190,900,273</b> | <b>100</b>        |

*\*Please note that the countries are listed according to the alphabetical order of their official country abbreviation.*

According to the table above, Angola reported the most cases. This was due to the seizure of a few consignments containing multiple products. For example, one (1) consignment included 82 different products. In Gabon, the majority of the seizures were intercepted in personal luggage at the airport; this explains the high amount of cases in comparison with the quantity intercepted.

The results will be explained in more detail in the following chapters. The results have been categorized into three groups: IPR-related infringements, illicit medicines and other infringements.

## 10. Intellectual Property Rights (IPR)

### 10.1 Results by reporting country

Table 4 provides an overview per country of the status of goods intercepted in relation to possible IPR infringements. It shows the total amount of cases initiated, the amount of units and the status of these cases as of 2 October 2018. “Seized” indicates that further measures have already been taken, while “stopped” means that action was taken but that we have not been informed of the final outcome.

| TABLE 4. IPR STATUS PER COUNTRY |                |                   |               |                  |              |                 |                   |                      |
|---------------------------------|----------------|-------------------|---------------|------------------|--------------|-----------------|-------------------|----------------------|
| Reporting country*              | Released cases | Released quantity | Stopped cases | Stopped quantity | Seized cases | Seized quantity | Intercepted cases | Intercepted quantity |
| ANGOLA                          |                |                   | 15            | 27,568           | 36           | 173,647         | 51                | 201,215              |
| BENIN                           |                |                   |               |                  | 2            | 19,512          | 2                 | 19,512               |
| CÔTE D’IVOIRE                   |                |                   |               |                  | 1            | 25,200          | 1                 | 25,200               |
| GABON                           |                |                   |               |                  | 2            | 120             | 2                 | 120                  |
| GHANA                           | 19             | 225,661           |               |                  |              |                 | 19                | 225,661              |
| MOZAMBIQUE                      | 4              | 7,000             | 2             | 2,000            | 6            | 86,896          | 12                | 95,896               |
| NAMIBIA                         | 3              | 107,366           | 1             | 204              | 8            | 7,234           | 12                | 114,804              |
| NIGERIA                         | 2              | 6,374             | 5             | 2,124,846        |              |                 | 7                 | 2,131,220            |
| TOGO                            |                |                   |               |                  | 2            | 13,600          | 2                 | 13,600               |
| TANZANIA                        | 11             | 293,711           | 21            | 271,926          |              |                 | 32                | 565,637              |
| SOUTH AFRICA                    |                |                   | 5             | 653,300          |              |                 | 5                 | 653,300              |
| GRAND TOTAL                     | 39             | 640,112           | 49            | 3,079,844        | 57           | 326,209         | 145               | 4,046,165            |

\*Please note that the countries are listed according to the alphabetical order of their official country abbreviation.

Angola reported the most cases; however, the majority of these involved small amounts of different goods intercepted in a single consignment.

### 10.2. Results by category of goods intercepted

Medicine and pharmaceutical products were the main category of goods intercepted. However, they were not included in the IPR chapter as they are reported in the illicit medicines

chapter. The table below gives the status per type of commodity.

| <b>TABLE 5. IPR STATUS PER TYPE OF COMMODITY</b> |                       |                          |                      |                         |                     |                        |                    |                       |
|--|-----------------------|--------------------------|----------------------|-------------------------|---------------------|------------------------|--------------------|-----------------------|
| <b>Nature of the goods</b>                       | <b>Released cases</b> | <b>Released quantity</b> | <b>Stopped cases</b> | <b>Stopped quantity</b> | <b>Seized cases</b> | <b>Seized quantity</b> | <b>Total cases</b> | <b>Total quantity</b> |
| <b>Accessories</b>                               | 4                     | 18,464                   | 2                    | 14,700                  | 7                   | 25,630                 | 13                 | 58,794                |
| <b>Audio-visual products</b>                     |                       |                          | 2                    | 2,080,890               |                     |                        | 2                  | 2,080,890             |
| <b>Clothing's</b>                                |                       |                          | 5                    | 28,599                  |                     |                        | 5                  | 28,599                |
| <b>Computers and accessories</b>                 | 1                     | 3,644                    | 3                    | 255                     | 1                   | 160                    | 5                  | 4,059                 |
| <b>Electronic appliances</b>                     | 4                     | 62,305                   | 15                   | 47,899                  | 3                   | 13,602                 | 22                 | 123,806               |
| <b>Foodstuffs</b>                                | 6                     | 63,342                   | 3                    | 69,650                  |                     |                        | 9                  | 132,992               |
| <b>Footwear</b>                                  | 6                     | 114,870                  |                      |                         | 15                  | 139,759                | 21                 | 254,629               |
| <b>Games and toys</b>                            | 4                     | 6,001                    |                      |                         |                     |                        | 4                  | 6,001                 |
| <b>Mobile phones and accessories</b>             | 2                     | 40,200                   |                      |                         | 14                  | 1,046                  | 16                 | 41,246                |
| <b>Other</b>                                     | 2                     | 218,432                  | 1                    | 30,600                  |                     |                        | 3                  | 249,032               |
| <b>Soft drinks</b>                               | 2                     | 1,056                    |                      |                         |                     |                        | 2                  | 1,056                 |
| <b>Tobacco</b>                                   | 1                     | 103,450                  |                      |                         |                     |                        | 1                  | 103,450               |
| <b>Toiletries - cosmetics</b>                    | 3                     | 4348                     | 10                   | 802,748                 | 12                  | 137,002                | 25                 | 944,098               |
| <b>Transportation and spare parts</b>            | 4                     | 4,000                    | 8                    | 4,503                   | 2                   | 1,510                  | 14                 | 10,013                |
| <b>Watches</b>                                   |                       |                          |                      |                         | 3                   | 7,500                  | 3                  | 7,500                 |
| <b>GRAND TOTAL</b>                               | <b>39</b>             | <b>640,112</b>           | <b>49</b>            | <b>3,079,844</b>        | <b>57</b>           | <b>326,209</b>         | <b>145</b>         | <b>4,046,165</b>      |

The “Other” category includes packaging materials (stopped), shoe polish and gardening materials. Under the “Footwear” category, counterfeit sports shoes imitating popular brands and slippers imitating luxury brands were seized (in six (6) containers). “Mobile Phones and Accessories” involved cases with a limited amount of goods, intercepted at the land border and in mail. The greatest amount of goods intercepted was under the “Audio-Visual Products” category, in which one (1) consignment, containing both un-sleeved and sleeved DVDs and Blu-Ray discs with recordings of local and international performers, was detected and stopped. One of the largest cases of goods seized or stopped related to “Toiletries-Cosmetics”.



**Toiletries-Cosmetics**  
Infringement of the Colgate  
Trademark(s)

- Six (6) containers and two (2) smaller consignments stopped and seized
- Reported by three (3) countries



Picture  
courtesy of  
Côte d'Ivoire  
Customs

**10.3. Status: released**

| TABLE 6. IPR: RELEASED |       |            |          |            |
|------------------------|-------|------------|----------|------------|
| Reporting country      | Cases | Percentage | Quantity | Percentage |
| <b>GHANA</b>           | 19    | 48.72      | 225,661  | 35.25      |
| <b>MOZAMBIQUE</b>      | 4     | 10.26      | 7,000    | 1.09       |
| <b>NAMIBIA</b>         | 3     | 7.69       | 107,336  | 16.77      |
| <b>NIGERIA</b>         | 2     | 5.12       | 6,374    | 1.00       |
| <b>TANZANIA</b>        | 11    | 28.21      | 293,711  | 45.89      |
| <b>GRAND TOTAL</b>     | 39    | 100        | 640,112  | 100        |

In 39 of the 145 cases initiated, the goods were released. The reasons for the release can be categorized as follows:

- Genuine;
- No inspection possible;
- No RH;
- Small consignments, so no further action taken;
- Transit.

Genuine: the goods are confirmed to be genuine by the RH, so there is no infringement.

No inspection possible: the goods were automatically released due to the automated system; the container was opened when already on the lorry and leaving the port. Goods suspected of infringing an IPR were detected when opening the door, yet further inspection was no longer

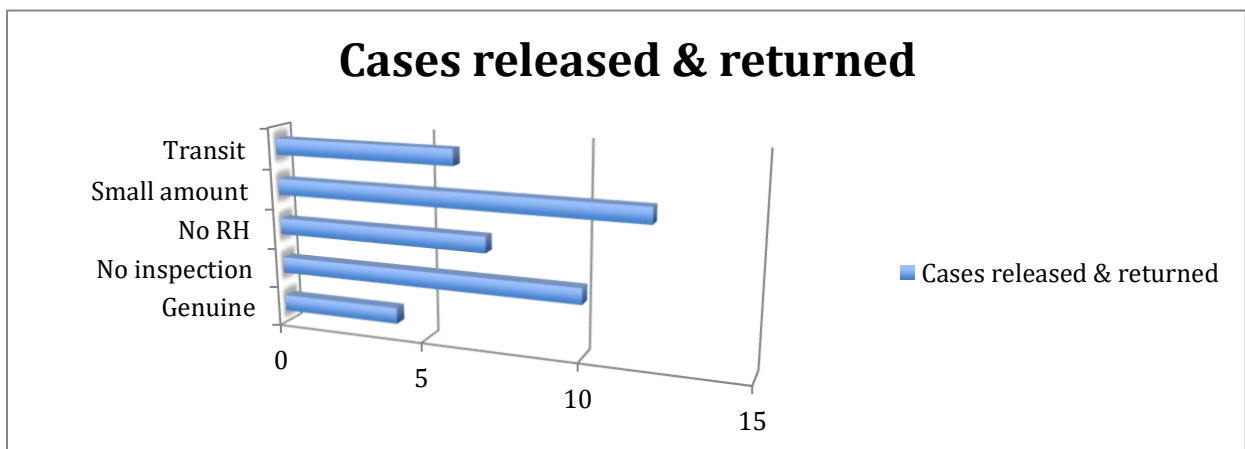
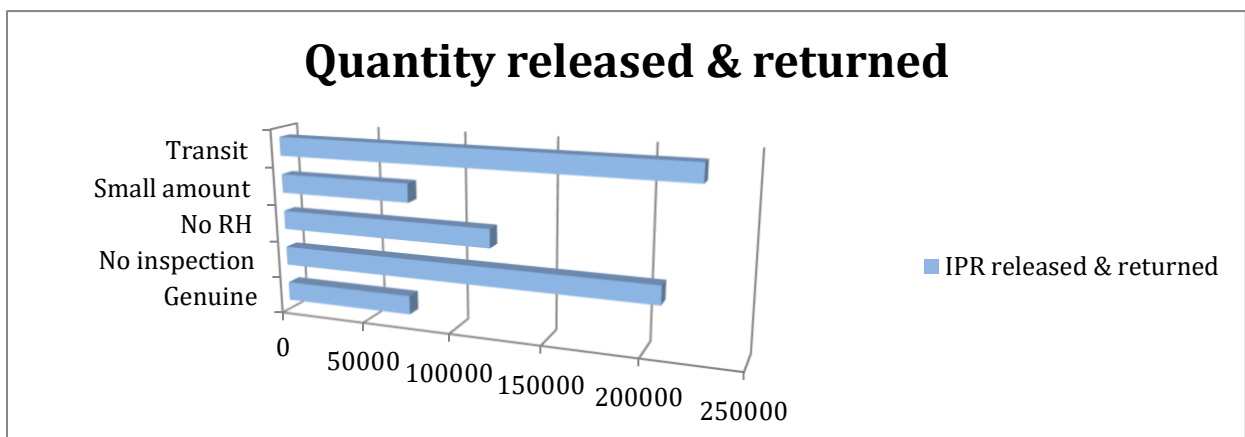
possible at this stage.

No RH: either the IPR was not protected in the country or the RH did not react in time.

Small consignments: due to the small amount of units per brand, the RH or Customs did not take any further action.

Transit, however, remains an issue. Although consignments can be inspected and a possible IPR infringement detected, not all Customs administrations have the power to act or else they do not wish to act.

The charts below provide an overview of the amount of goods covered by each reason for their release.



#### 10.4. Country of provenance

The table below provides an overview of the country of provenance for the seized and stopped goods. Almost 62 % of the stopped or seized goods came from Singapore. However, Singapore equates to 'only' 2.83 % of the cases. The 'high score' achieved by Singapore can be attributed to a container filled with over two (2) million "Audio-visual products" that had been shipped from Singapore. The greatest amount of cases is attributable to China (over 61 %), equating to more than 1.1 million items (34 %). In a number of cases, Namibia was reported as the country of provenance, representing 0.03 % of the total quantity. The United Arab Emirates (UAE) and South Africa were reported as the countries of provenance for a significant amount of goods. However, the country of provenance is not always the country of origin, given that it is sometimes not possible to determine the real origin of the goods based on the available information.

| <b>Country of provenance*</b> | <b>Cases</b> | <b>Percentage</b> | <b>Quantity</b>  | <b>Percentage</b> |
|-------------------------------|--------------|-------------------|------------------|-------------------|
| UAE                           | 8            | 7.55              | 35,820           | 1,05              |
| CAMEROON                      | 1            | 0.94              | 110              | 0,00              |
| CHINA                         | 65           | 61.32             | 1,158,580        | 34,02             |
| GHANA                         | 1            | 0.94              | 14,400           | 0,42              |
| INDONESIA                     | 2            | 1.89              | 19,512           | 0,57              |
| LEBANON                       | 3            | 2.83              | 236              | 0,01              |
| NAMIBIA                       | 15           | 14.15             | 1,048            | 0,03              |
| NIGERIA                       | 2            | 1.89              | 1,500            | 0,04              |
| SINGAPORE                     | 3            | 2.83              | 2,111,490        | 61,99             |
| THAILAND                      | 4            | 3.77              | 1,657            | 0,05              |
| SOUTH AFRICA                  | 2            | 1.89              | 61,700           | 1,81              |
| <b>GRAND TOTAL</b>            | <b>106</b>   | <b>100</b>        | <b>3,406,053</b> | <b>100</b>        |

*\*Please note that the countries are listed according to the alphabetical order of their official country abbreviation.*

## 11. Illicit medicines

### 11.1. Status of intercepted medicines by country

Of the 11 countries that reported interceptions of illicit medicines, nine (9) countries actually seized or stopped illicit medicines.

The table below refers to the status of all intercepted pharmaceutical goods for which we received feedback by 2 October 2018. “Seized,” indicates that further measures have already been taken, while “stopped” means that action was taken but that we have not been notified of the final outcome.

Quantity intercepted: for the tables below all types of units (pills, pieces, ampoules and kg) were taken together.

| TABLE 7. PHARMACEUTICAL PRODUCTS INTERCEPTED PER COUNTRY AND STATUS |                |                   |               |                    |              |                   |             |                    |
|---|----------------|-------------------|---------------|--------------------|--------------|-------------------|-------------|--------------------|
| Reporting country   | Released cases | Released quantity | Stopped cases | Stopped quantity   | Seized cases | Seized quantity   | Total cases | Total quantity     |
| ANGOLA  | 7              | 7                 |               |                    | 183          | 989,065           | 190         | 989,072            |
| BENIN   | 16             | 155,632           |               |                    | 20           | 28,625,608        | 36          | 28,781,240         |
| CAMEROON  | 2              | 6,000             | 28            | 23,902,326         | 1            | 742               | 31          | 23,909,068         |
| GABON   |                |                   |               |                    | 19           | 18,739            | 19          | 18,739             |
| GHANA   | 1              | 7,056,000         |               |                    |              |                   | 1           | 7,056,000          |
| KENYA   | 10             | 1,043,784         |               |                    | 2            | 150,541           | 12          | 1,194,325          |
| MOZAMBIQUE  | 9              | 10,322,934        |               |                    |              |                   | 9           | 10,322,934         |
| NAMIBIA   | 7              | 12,782,073        |               |                    | 1            | 26,000,000        | 8           | 38,782,073         |
| NIGERIA   | 5              | 17,808,960        | 2             | 23,520,000         |              |                   | 7           | 41,328,960         |
| TOGO  | 2              | 26,500,000        | 8             | 608,760            | 6            | 7,097,721         | 16          | 34,206,481         |
| TANZANIA  | 1              | 456,240           | 21            | 65,912,992         |              |                   | 22          | 66,369,232         |
| <b>GRAND TOTAL</b>  | <b>60</b>      | <b>76,131,630</b> | <b>59</b>     | <b>113,950,078</b> | <b>232</b>   | <b>62,882,416</b> | <b>351</b>  | <b>252,958,124</b> |

Angola reported seven (7) consignments of medicines (antibiotics) that were released. However, since we did not receive the detailed amount for these cases we noted one (1) piece for each case.

After consulting with the Namibian Medical Regulatory Council (NMRC), Namibia Customs

seized a full container of unauthorized antibiotics. The NMRC brought the case to the Criminal Court and the goods were destroyed.

Togo stopped two (2) containers of health supplements (vitamins) due to inappropriate packaging conditions and the absence of an import licence. The goods were seized and the Health Authority decided to destroy them as they might be harmful to human health.

**Two (2) containers filled with health supplements**

*6,947,720 vitamins were seized in Togo due to inappropriate packaging conditions and the absence of permission for importation.*



*Picture courtesy of Togo Customs*

Seven (7) cases entailed possible counterfeit medicines. However, the medicines (antibiotics) were stopped for this reason in only one (1) case. In the six (6) other cases, all involving ‘urogenital agents’ the IPR was not registered in the country. Further details about these cases will be discussed later in this report.

Note: Counterfeit medicines are illicit medicines that infringe an IPR.

## 11.2. Status of intercepted medicines by type of medicines

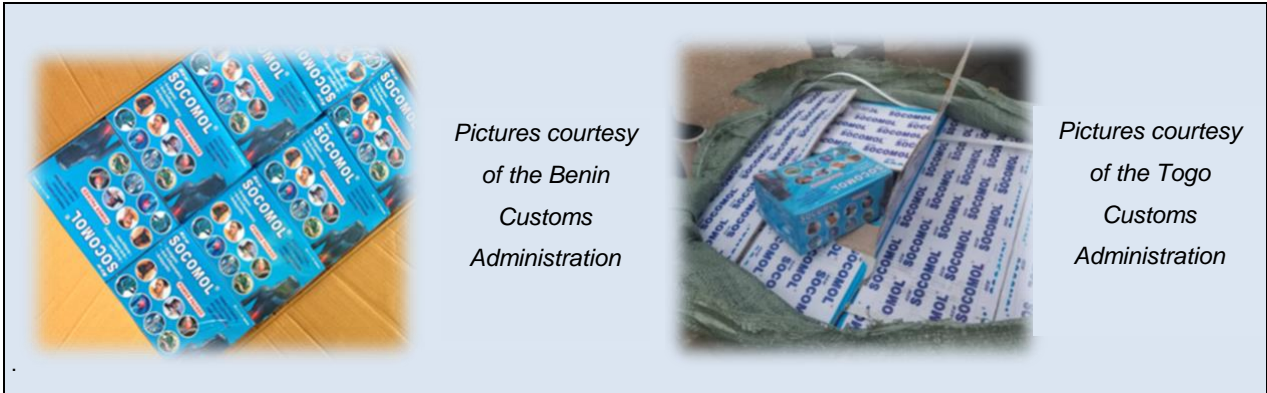
| Types of medicine            | Released cases | Released quantity | Stopped cases | Stopped quantity   | Seized cases | Seized quantity   | Total cases | Total quantity     |
|------------------------------|----------------|-------------------|---------------|--------------------|--------------|-------------------|-------------|--------------------|
| Anti-infective agents        | 21             | 1,018,254         | 14            | 9,581,504          | 63           | 26,206,785        | 98          | 36,806,543         |
| Blood agents                 |                |                   | 1             | 22,000             | 3            | 63,600            | 4           | 85,600             |
| Cardiovascular agents        | 2              | 12,623            | 2             | 1,549,592          | 4            | 12,855            | 8           | 1,575,070          |
| Dermatological agents        | 1              | 500               | 1             | 1,800              | 21           | 7,776             | 23          | 10,076             |
| Ear and eye agents           |                |                   | 2             | 14,230             | 9            | 337               | 11          | 14,567             |
| Gastrointestinal agents      | 4              | 67,170            | 3             | 2,678,840          | 26           | 109,342           | 33          | 2,855,352          |
| Anti-hair loss agents        |                |                   |               |                    | 1            | 380               | 1           | 380                |
| Health supplements           | 3              | 811,059           | 9             | 5,376,430          | 14           | 7,009,688         | 26          | 13,197,177         |
| Hormonal agents              | 2              | 1,056,240         | 1             | 206,920            | 4            | 152,653           | 7           | 1,415,813          |
| Immunological agents         |                |                   | 1             | 3,559,500          | 1            | 110               | 2           | 3,559,610          |
| Medical devices              | 1              | 1,500,000         |               |                    | 3            | 2,650             | 4           | 1,502,650          |
| Metabolic Agents             | 2              | 12,900            |               |                    | 1            | 100               | 3           | 13,000             |
| Musculoskeletal agents       | 7              | 12,491,600        | 8             | 80,167,760         | 12           | 10,668,700        | 27          | 103,328,060        |
| Nervous system agents        | 5              | 39,203,460        | 5             | 6,127,400          | 11           | 16,504,956        | 21          | 61,835,816         |
| Psychotherapeutic agents     |                |                   |               |                    | 3            | 3,500             | 3           | 3,500              |
| Respiratory system agents    | 1              | 20,000            |               |                    | 17           | 18,673            | 18          | 38,673             |
| Urogenital agents            | 2              | 36,560            | 4             | 1,106,408          | 13           | 559,325           | 19          | 1,702,293          |
| Veterinary agents            | 3              | 73,184            | 4             | 2,683,022          | 13           | 1,547,008         | 20          | 4,303,214          |
| Other - specify in narrative | 6              | 19,828,080        | 4             | 868,672            | 13           | 13,978            | 23          | 20,710,730         |
| <b>GRAND TOTAL</b>           | <b>60</b>      | <b>76,140,882</b> | <b>59</b>     | <b>113,934,826</b> | <b>232</b>   | <b>62,882,416</b> | <b>351</b>  | <b>252,958,124</b> |

### 11.2.1. Nervous system agents

As in Operation ACIM 2 (June 2017), one of the larger amounts of illicit medicines were intercepted during this Operation falls under the category of “Nervous system agents”. During Operation ACIM 2, over 60 million Tramadol pills (sub-category: “Painkillers”) were seized in Benin alone. From this year’s Operation we can conclude that Tramadol is being replaced by a

similar product called “Socomol”. Both products fall under the sub-category “Painkillers”, having similar active ingredients and the same effect on the human body. Both products are prohibited in most African countries if the dosage is greater than 100 mg (at which point it is considered a narcotic). Socomol was seized in Benin and in Togo. Togo also seized/stopped two (2) consignments of Tramadol.

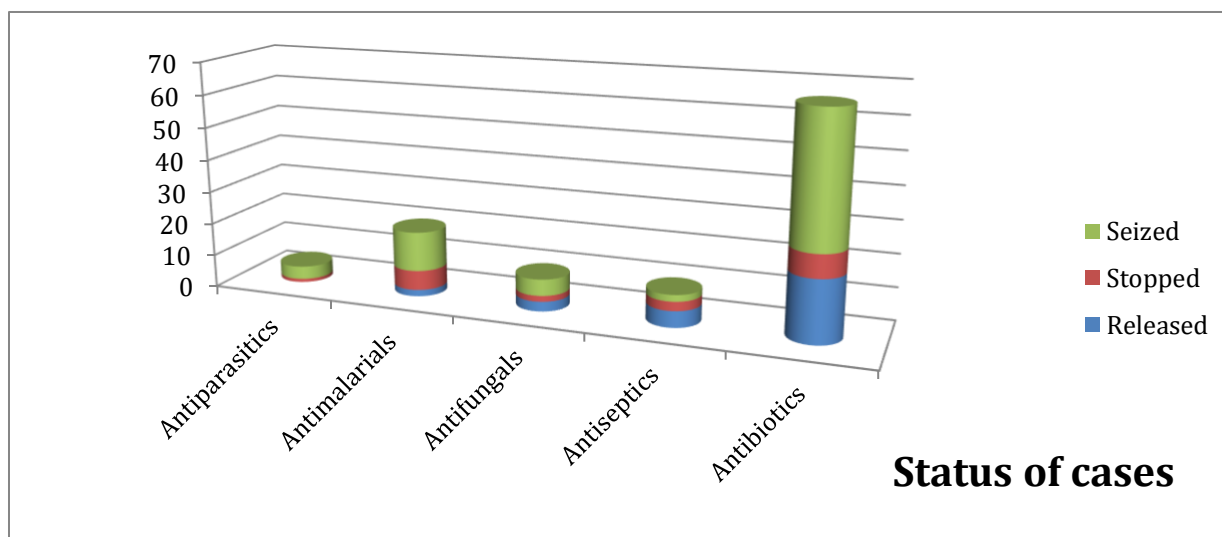
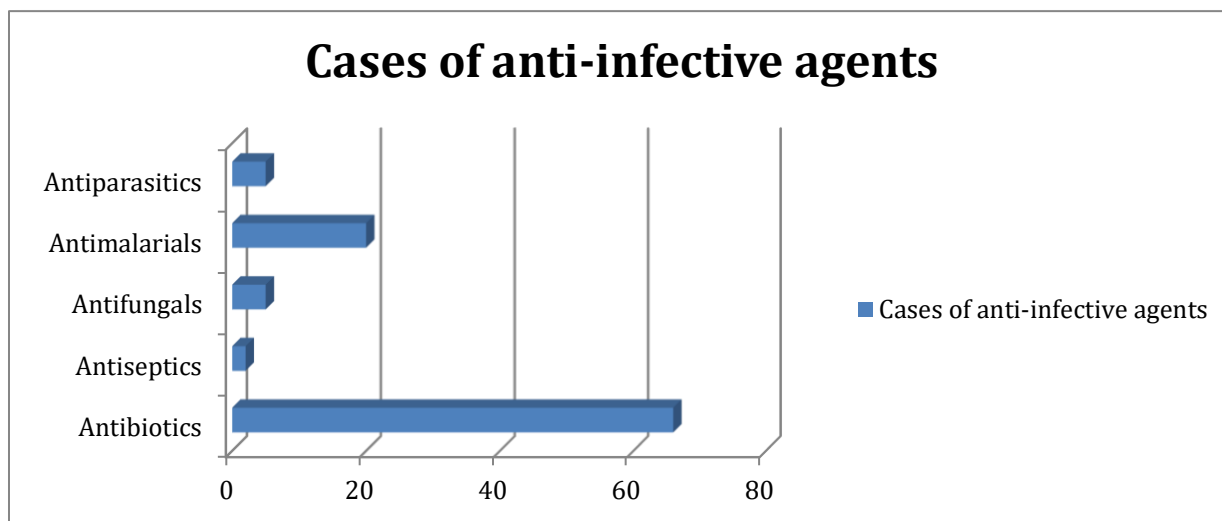
The four (4) cases that were released were initially stopped by Customs due to their inappropriate storage conditions, while one (1) case was stopped due to forged certificates. Two (2) consignments were from a well-known pharmaceutical company. In all five (5) cases, the national Health Authority took the decision to release the goods.



### **11.2.2. Anti-infective agents**

Anti-infective agents remain an important category in the list of medicines intercepted. As in previous operations, the main focus is on the sub-categories of antibiotics and antimalarial products. The tables below show that a lot of consignments of antibiotics, namely some 999,518 pieces and 6,000 kg of ‘raw materials’ intercepted due to inappropriate packaging, were released by the Health Authorities. None of the products were tested to ensure that they still complied with the applicable standards. (WHO Good Distribution Practice (GDP)<sup>6</sup>)

<sup>6</sup> [http://www.who.int/medicines/areas/quality\\_safety/quality\\_assurance/GoodDistributionPracticesTRS957Annex5.pdf](http://www.who.int/medicines/areas/quality_safety/quality_assurance/GoodDistributionPracticesTRS957Annex5.pdf)



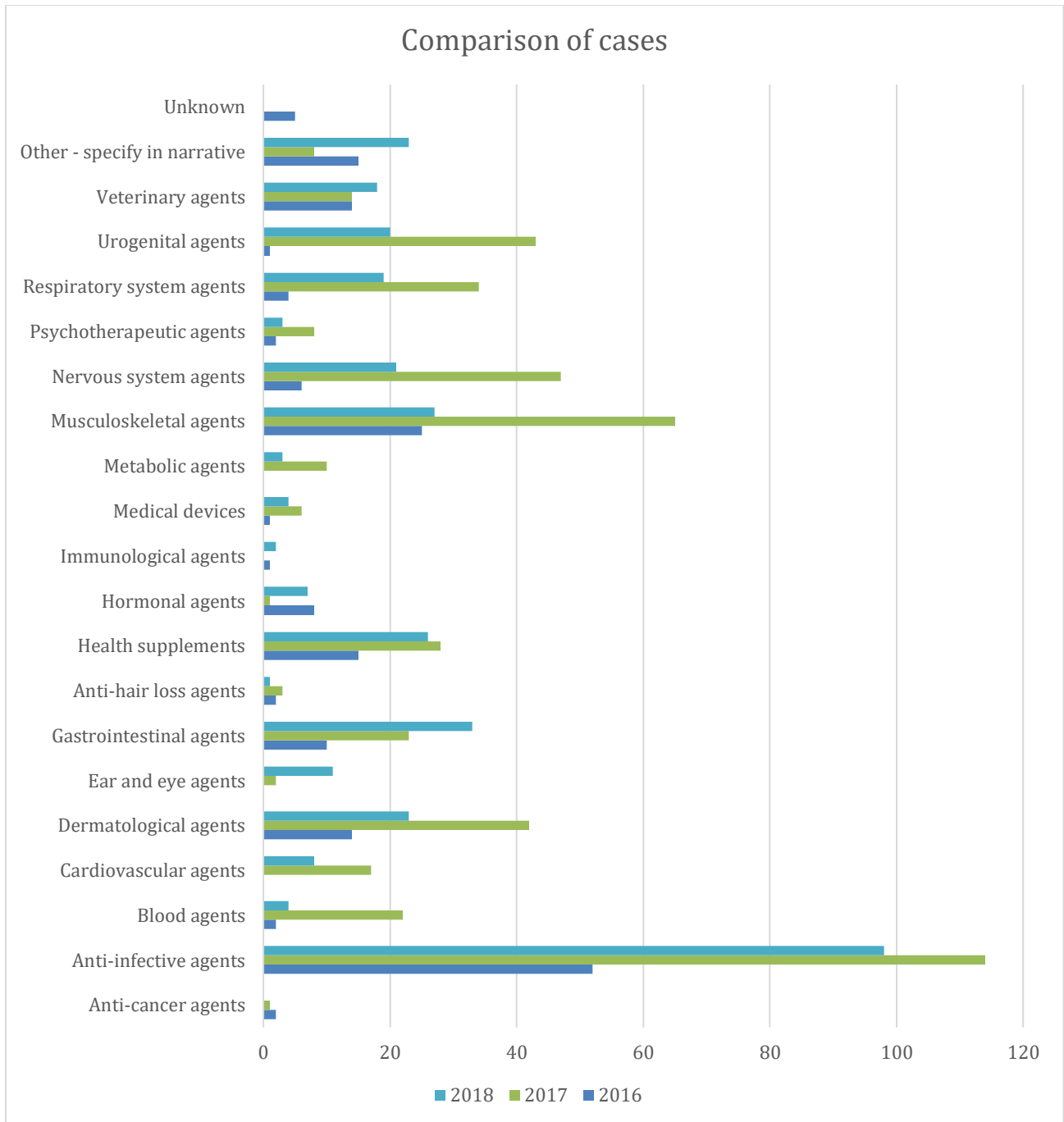
### 11.3. Comparison between ACIM 1 & 2 and MIRAGE with respect to the type of medicines intercepted

Operation ACIM 1 (Action against Counterfeit and Illicit Medicines) took place in September 2016, Operation ACIM 2 in June 2017 and Operation MIRAGE in September 2018. It should be noted that the countries that participated were not all identical in each Operation.

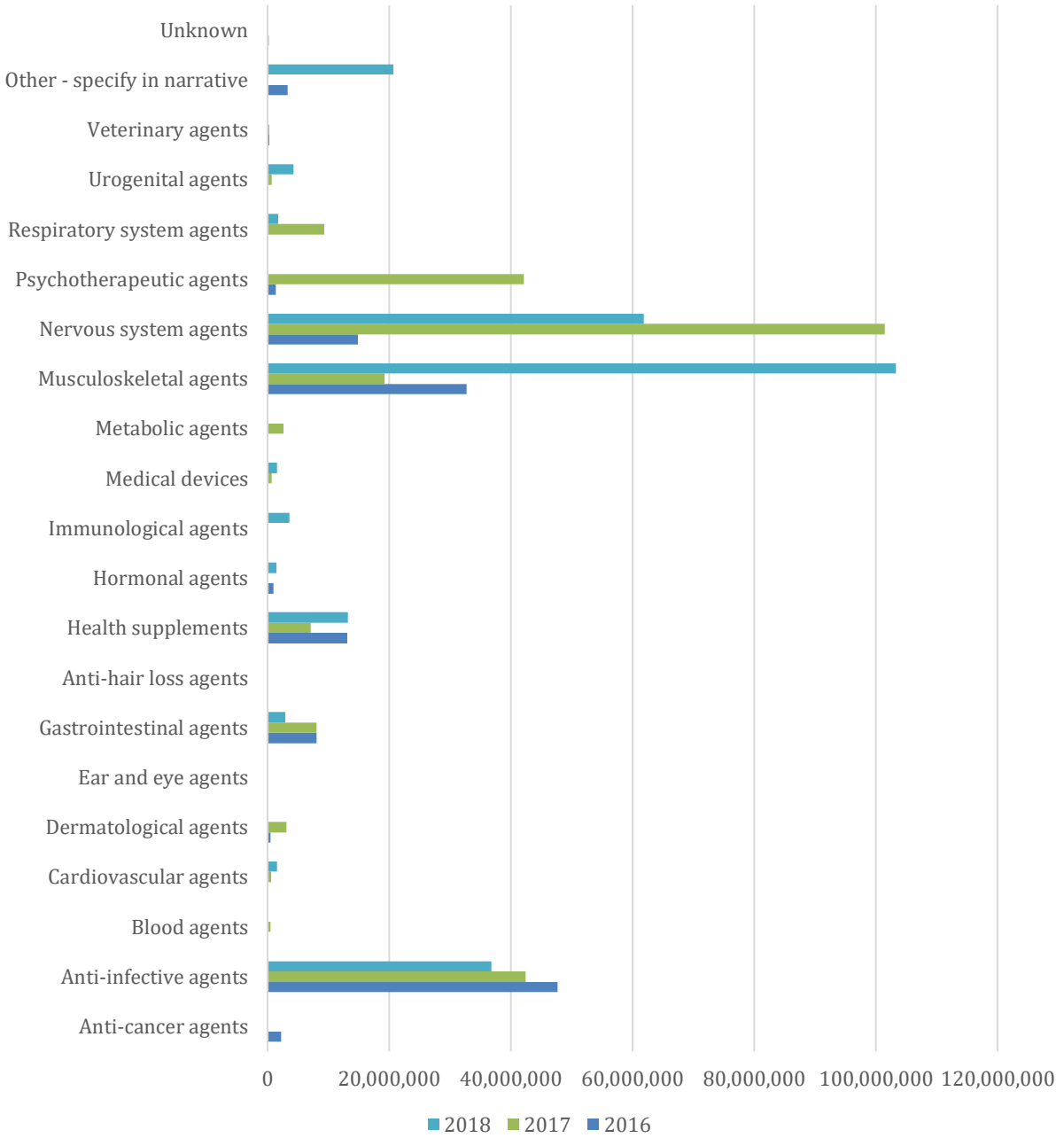
The Operation ACIM 1 report did not make a distinction between seized, stopped and released goods. In order to make a clear comparison of the goods intercepted during the



Operations, ACIM 2 and MIRAGE take account the total amount of intercepted goods rather than the amount of goods stopped and seized.



### Comparison of quantity



#### 11.4. Country of provenance of seized and stopped pharmaceutical products

The table below provides an overview of the provenance of the seized and stopped pharmaceutical products. A distinction has been made between kg and pieces.

| TABLE 9. COUNTRY OF PROVENANCE - SEIZED AND STOPPED MEDICINES |            |            |              |            |                    |            |
|---|------------|------------|--------------|------------|--------------------|------------|
| Country of Provenance   | Cases      | %          | Kg           | %          | Pieces             | %          |
| AUSTRALIA   | 1          | 0.34       |              |            | 541                | 0.0001     |
| BELGIUM   | 6          | 2.06       | 2,822        | 30.50      | 172,847            | 0.10       |
| CANADA  | 1          | 0.34       |              |            | 80                 | 0.0001     |
| DRC   | 80         | 27.49      |              |            | 200,607            | 0.11       |
| SWITZERLAND   | 1          | 0.34       |              |            | 5                  | 0.0001     |
| CAMEROON  | 14         | 4.81       |              |            | 2,819              | 0.0001     |
| CHINA   | 39         | 13.40      |              |            | 55,279,499         | 31.26      |
| GERMANY   | 6          | 2.06       |              |            | 6,948,050          | 3.93       |
| SPAIN   | 3          | 1.03       |              |            | 160                | 0.0001     |
| FRANCE  | 23         | 7.90       |              |            | 16,621             | 0.001      |
| UNITED KINGDOM  | 8          | 2.75       |              |            | 776,136            | 0.44       |
| GHANA   | 4          | 1.37       |              |            | 150,001            | 0.08       |
| INDIA   | 68         | 23.37      | 6,430        | 69.50      | 111,583,423        | 63.10      |
| ITALY   | 4          | 1.37       |              |            | 1,030,753          | 0.58       |
| NAMIBIA   | 8          | 2.75       |              |            | 8,970              | 0.0001     |
| NIGERIA   | 8          | 2.75       |              |            | 608,760            | 0.34       |
| PORTUGAL  | 13         | 4.47       |              |            | 10,750             | 0.0001     |
| TURKEY  | 1          | 0.34       |              |            | 2                  | 0.0001     |
| TANZANIA  | 1          | 0.34       |              |            | 100                | 0.0001     |
| UNITED STATES   | 2          | 0.69       |              |            | 36,370             | 0.02       |
| <b>GRAND TOTAL</b>  | <b>291</b> | <b>100</b> | <b>9,252</b> | <b>100</b> | <b>176,826,494</b> | <b>100</b> |

##### 11.4.1 Main ports of loading

Quantity wise, the main ports of loading for the seized and stopped illicit medicines are Mundra (INMUN) and Nhava Sheva (INNSA) in India and Shanghai in China (CNSHA). The table below provides an overview of the amount of cases and quantity per type of medicine for the main

ports of loading.

| <b>TABLE 10. MAIN PORTS OF LOADING FOR PHARMACEUTICAL PRODUCTS</b> |           |                   |          |                   |           |                       |
|--|-----------|-------------------|----------|-------------------|-----------|-----------------------|
|  | INMUN     |                   | CNSHA    |                   | INNSA     |                       |
|  | Cases     | Quantity          | Cases    | Quantity          | Cases     | Quantity              |
| Anti-Infective agents  | 4         | 333,530           | 5        | 32,614,400        | 4         | 2,627,814             |
| Blood agents   | 1         | 22,000            |          |                   |           |                       |
| Cardiovascular agents  |           |                   |          |                   | 2         | 1,549,592             |
| Ear and eye agents   | 1         | 9,230             |          |                   | 1         | 5,000                 |
| Gastrointestinal agents  | 1         | 1,977,800         |          |                   | 2         | 701,040               |
| Health supplements   |           |                   | 1        | 48,000            | 4         | 5,274,120<br>6,430 kg |
| Hormonal agents  | 1         | 206,920           | 1        | 150,000           |           |                       |
| Immunological agents   |           |                   |          |                   | 1         | 3,559,500             |
| Musculoskeletal agents   | 1         | 62,406,800        | 1        | 17,280,000        | 1         | 9,600,000             |
| Nervous System agents  | 1         | 63,200            |          |                   | 6         | 22,415,000            |
| Other - specify in narrative                                       | 3         | 117,376           |          |                   |           |                       |
| Urogenital agents  |           |                   | 1        | 600,000           | 4         | 1,058,408             |
| <b>GRAND TOTAL</b>   | <b>13</b> | <b>65,136,856</b> | <b>9</b> | <b>50,692,400</b> | <b>25</b> | <b>46,796,904</b>     |

#### **11.4.2. Ports of loading for veterinary agents**

During this Operation, the fourth most reported 'port of loading for medicines' was Tianjinxingang in China (CNTXG). Some 1,547,008 pieces (13 cases) were seized; all of these seizures were categorized under veterinary agents. The third port in China (in addition to Shanghai and Tianjinxingang) to be reported was Xingang (CNXGG). This port was also reported as loading point for veterinary agents, of which 2,513,000 pieces were stopped (1 case).

#### **11.5. Types of infringement**

When it comes to IPR and health and safety, the Operation results again confirm that the traffic in illicit pharmaceutical products should remain the main focus in Africa.

The majority of intercepted pharmaceuticals were stopped because the product was not declared or because of inappropriate transport/packaging conditions. Counterfeit medicines only form a small proportion of intercepted pharmaceuticals. Most of the cases of counterfeit

medicines were released due to the absence of an Application for Action by the RH. The following table provides an overview of types of infringement that were reported during this Operation. Only medicines that seized or stopped by 2 October 2018 were taken into account.

| Types of Infringement                         | Cases      | Kg           | Pieces             | Grand Total        |
|---|------------|--------------|--------------------|--------------------|
| Forged certificates, licences, other          | 2          | 6,430        | 500,000            | 506,830            |
| Inappropriate transport /packaging conditions | 54         | 2,822        | 96,553,387         | 96,556,209         |
| No import licence or certificates             | 24         |              | 51,373,008         | 51,373,008         |
| Not declared                                  | 199        |              | 2,022,556          | 2,022,556          |
| Other - specify                               | 1          |              | 213,600            | 213,600            |
| Product prohibited in the country             | 11         |              | 26,154,291         | 26,154,291         |
| <b>GRAND TOTAL</b>                            | <b>291</b> | <b>9,252</b> | <b>176,817,242</b> | <b>176,826,494</b> |

#### **11.5.1. Counterfeit medicines**

Some 6,827,360 pieces (seven (7) cases) of possible counterfeit medicines were intercepted. Six (6) involved ‘Urogenital agents’ (587,360 pieces) from two (2) well-known pharmaceutical companies. The pills were intercepted in Angola and Mozambique, but unfortunately none of the RHs holders had protected their products in those countries. In Mozambique, the consignment had to be released (29,360 pieces). In Angola, the consignments were stopped due to the fact that the goods were not declared (smuggled).

Nigeria stopped a consignment containing anti-infective agents (antibiotics), totalling 6,240,000 pieces. The brand is protected in the country and the RH was provided with a sample for laboratory analysis. The consignment was initially stopped because due to the absence of an import licence (see also 11.6.1.).



### 11.6. Interesting cases

A number of interesting cases came to light during this Operation. However, two of them deserve special mention as they also introduced new trends.

#### 11.6.1. Counterfeit antibiotics in Nigeria

A container was intercepted in the port of Lagos containing medicines without an importation licence. However, when Customs officers examined the medicines more closely they found that a different name from that on the packaging was mentioned on the pills. The name on the pills referred to a registered brand. Customs contacted the RH and the medicines were seized. A sample was sent to the RHs' laboratory for further investigation. The Nigerian National Agency for Food and Drug Administration and Control (NAFDAC) took over the case from Customs.



#### 11.6.2. Suspicious packaging for veterinary products

A new trend in the flow of illicit medicines may be the use of “spare” packaging. Together with a consignment of undeclared veterinary medicines, a huge amount of empty packaging was discovered with a very long expiry date. It would seem that if an old product is not sold by the official expiry date, it could be re-packaged in fresh packaging bearing a new expiry date.



### 11.6.3. Smuggling by car

Land borders are becoming a huge problem when combating illicit trade. Private cars and small vans, in particular, are crossing borders and transporting large amounts of undeclared merchandise. They are paving the way for the black markets to grow and making it difficult to trace the origin and the route of illicit medicines.



## 12. Other infringements

| Reporting country  | Cases     | Quantity          |
|--------------------|-----------|-------------------|
| ANGOLA             | 2         | 33                |
| GABON              | 7         | 5,586             |
| GHANA              | 1         | 10,000,000        |
| MOZAMBIQUE         | 2         | 17,873            |
| NAMIBIA            | 3         | 984               |
| NIGERIA            | 3         | 624,576           |
| TOGO               | 3         | 17,654            |
| TANZANIA           | 2         | 3,288             |
| SOUTH AFRICA       | 1         | 1020              |
| <b>GRAND TOTAL</b> | <b>24</b> | <b>10,671,014</b> |

| Nature of Goods                | Cases     | Quantity          |
|--------------------------------|-----------|-------------------|
| Alcoholic beverages            | 1         | 1,020             |
| Cigarettes                     | 2         | 10,003,000        |
| Electronic appliances          | 1         | 7,873             |
| Foodstuffs                     | 1         | 36                |
| Mobile phones and accessories  | 1         | 8                 |
| Other                          | 5         | 71,459            |
| Pesticides                     | 1         | 840               |
| Tobacco                        | 1         | 288               |
| Toiletries - Cosmetics         | 9         | 576,462           |
| Transportation and spare parts | 2         | 10,028            |
| <b>GRAND TOTAL</b>             | <b>24</b> | <b>10,671,014</b> |

During the Operation, officers also came across other infringements; 16 cases of undeclared goods, seven (7) cases involving the absence of an importation authorization/licence and one (1) case involving wrongly declared goods. The most significant case was undeclared cigarettes in Ghana. There was no further reporting on whether checks were carried out to determine if the cigarettes were genuine or counterfeit. Nigeria seized over half a million toiletries lacking importation permission. "Other" includes three (3) cases of illicit gas cylinders (Angola and Namibia), one (1) case of cartridges for a hunting weapon (Togo) and one (1) consignment of shoe polish (Nigeria), all without import permission. Tanzania reported two (2) cases (3,288 pieces) of smuggled excise goods (cigarettes and tobacco) hidden in boxes of foodstuffs. South Africa, for its part, reported undeclared alcoholic beverages.



**13. Means of transport**

**13.1. General overview**

The participating countries coordinated the Operation internally and some included other points of entry in the Operation. In addition to containerized consignments, air freight and land transport and mail were also targeted and selected; Gabon and Namibia included their respective international airports in the Operation; Angola, Namibia and Togo also inspected lorries and cars arriving overland.



The table below provides an overview of the cases per type of transport at border crossings. For the purposes of this Operation, 'Air' stands for air cargo and air passengers' luggage; 'Mail' includes courier and postal consignments; 'Land' includes consignments arriving by lorry or car via land borders; and 'Maritime' comprises means of transport arriving via sea ports.

The results reported indicate that illicit medicines are finding their way to consumers via different means of transport.

|                      | Air       |                | Mail      |              | Land       |                  | Maritime   |                    | Grand Total |                    |
|----------------------|-----------|----------------|-----------|--------------|------------|------------------|------------|--------------------|-------------|--------------------|
|                      | No.       | Qty.           | No.       | Qty.         | No.        | Qty.             | No.        | Qty.               | No.         | Qty.               |
| <b>ANGOLA</b>        |           |                | 11        | 6,779        | 174        | 420,592          | 58         | 762,949            | 243         | 1,190,320          |
| <b>BENIN</b>         |           |                |           |              |            |                  | 38         | 28,800,752         | 38          | 28,800,752         |
| <b>CÔTE D'IVOIRE</b> |           |                |           |              |            |                  | 1          | 25,200             | 1           | 25,200             |
| <b>CAMEROON</b>      |           |                |           |              |            |                  | 31         | 23,909,068         | 31          | 23,909,068         |
| <b>GABON</b>         | 19        | 16,406         |           |              |            |                  | 9          | 8,039              | 28          | 24,445             |
| <b>GHANA</b>         |           |                |           |              |            |                  | 21         | 17,281,661         | 21          | 17,281,661         |
| <b>KENYA</b>         |           |                |           |              |            |                  | 12         | 1,194,325          | 12          | 1,194,325          |
| <b>MOZAMBIQUE</b>    |           |                |           |              |            |                  | 23         | 10,436,703         | 23          | 10,436,703         |
| <b>NAMIBIA</b>       | 1         | 103,450        |           |              | 2          | 144              | 20         | 38,794,267         | 23          | 38,897,861         |
| <b>NIGERIA</b>       |           |                |           |              |            |                  | 17         | 44,084,756         | 17          | 44,084,756         |
| <b>TOGO</b>          |           |                |           |              | 14         | 759,039          | 7          | 33,478,696         | 21          | 34,237,735         |
| <b>TANZANIA</b>      |           |                |           |              |            |                  | 56         | 66,938,157         | 56          | 66,938,157         |
| <b>SOUTH AFRICA</b>  |           |                |           |              |            |                  | 6          | 654,320            | 6           | 654,320            |
| <b>GRAND TOTAL</b>   | <b>20</b> | <b>119,856</b> | <b>11</b> | <b>6,779</b> | <b>190</b> | <b>1,179,775</b> | <b>299</b> | <b>266,368,893</b> | <b>520</b>  | <b>267,675,303</b> |

## **14. Trends and patterns**

Generally speaking, few patterns have changed since Operations ACIM 1 and ACIM 2 (September 2016 and June 2017). Nevertheless, some new trends have come to light.

### **14.1 Source countries and ports**

India remains the number one source country when it comes to illicit medicines, followed by China. Together, they account for 94.36 % of the intercepted units. Whereas in a previous Operation (ACIM 2) Nhava Sheva in India was the most important port of loading for illicit medicines, based on the information provided the majority of illicit pharmaceutical products originating in India are now loaded in the port of Mundra. However, Nhava Sheva remains the second most important port of loading in India for illicit medicines. The port of Shanghai was the main port of loading for illicit medicines originating in China, including all the intercepted counterfeit medicines.

### **14.2 Routes**

Not all countries were able to retrace the complete routes taken by the consignments. Based on the information received, Togo and Benin remain the main transit countries for the landlocked countries of Central and West Africa. More and more consignments enter the countries via smaller ports or land borders.

### **14.3 Withdrawal of goods in transit**

As in previous operations, one of the frequently used *modus operandi* for smuggling is the withdrawal of goods in transit. Containers in port facilities marked as being in transit very often leave the ports for landlocked countries and are “lost” *en route*. Once again, pharmaceutical products were discovered bearing information on the packaging in a language not consistent with the official language of the country of destination.

### **14.4 Application for Action (AFA)**

According to the feedback we received from some African countries, very few or, in some cases, no pharmaceutical companies lodged an AFA. When it comes to IPR infringements,

there are stumbling blocks preventing RHs from taking appropriate action when it comes to small quantities. Another issue is that RHs are reluctant to lodge an AFA due to the complicated or unclear procedures in some countries.

#### **14.5 *Modus operandi***

Three new Modus operandi were discovered during the Operation; empty packaging with new expiry dates to repackage out-of-date veterinary products; registered brand names on the pills instead of the blister packs or packaging; and Tramadol being replaced by similar (prohibited) products.

### **15. Observations and recommendations**

#### **15.1 Observations**

##### **15.1.1 *Legal loopholes***

As in previous operations, fraudsters are taking advantage of African legislation which states that a container may only be opened in the presence of the importer/forwarder. As a result, although containers had been targeted and Customs declarations duly filed, most of the importers did not show up, preferring to wait until the end of the Operation to clear their containers. Furthermore, importers tend to put pressure on Customs officers by stressing the importance of trade facilitation.

##### **15.1.2 *Tax and revenue collection***

Customs administrations still give priority to tax and revenue collection rather than to combating counterfeiting. In the ESA region, a change is being witnessed as other agencies involved in combating counterfeiting are increasingly assisting Customs authorities in stopping counterfeits.

##### **15.1.3 *Access to cargo information***

Customs in the field do not always have access to manifests, or else the information is not accessible in a user-friendly way and it becomes time-consuming to verify all available information.

#### **15.1.4 Available resources**

Due to lack of human resources, governments hire private companies to take over part of Customs' responsibilities. These companies place greater focus on facilitation than on enforcement.

Some consignments had to be released without proper inspection due to lack of resources to unload containers. However, in some cases although adequate resources were available, the port workers were not willing to open and unload extra containers.

#### **15.1.5 Health Authorities**

As in previous operations, we noticed that in many cases where illicit medicines were intercepted by Customs because of inappropriate transport/packaging, the medicines were released by the Health Authorities. This was despite the fact that the requisite storage conditions were clearly mentioned on the transport papers and packaging. It would appear that as long as the importer has an import licence, inappropriate storage temperatures are not considered an issue, even for antibiotics. However, thanks to the closer involvement of representatives from the WHO and OiE we are starting to see growing awareness among the national Health Authorities in some countries.

#### **15.1.6 Lack of coordination**

Corruption within Customs and other relevant agencies, together with a lack of proper coordination, means that many containers are released or 'disappear' before inspection.

#### **15.1.7 Need for information**

Contacting RHs and obtaining their feedback is often time-consuming. As a result, consignments have to be released as the legal timeframe for taking action has elapsed. Not all countries have a dedicated contact point for IPR issues within Customs.

#### **15.1.8. Need to monitor goods in transit**

Some of the Customs offices lack direct contact points in other countries. Habitually, an Alert is sent to a country but no feedback is received. This feedback would enable comprehensive monitoring of the flow of counterfeit and illicit medicines and would prevent goods

from 'disappearing' on the road.

#### **15.1.9. Ex-officio**

Although all participating countries are Member of the World Trade Organization (WTO) and have signed the TRIPs Agreement, not all of them have included ex-officio procedures in their legislation.

### **15.2 Recommendations**

National coordination prior to the Operation could be improved. Although some countries already involved more points of entry, this could still be explored further as it would lead to wider coverage of inspections and provide a clearer picture of the extent of the phenomenon in the region.

National Experts involved in the Operation should ensure that their line management is aware of the operational activity before it takes place, in order to have the latter's full support and to save time during the Operation. Countries that sent the same Expert(s) as in previous operations were better organized as they already had a better insight into the objectives of the action.

It was revealed that a significant amount of branded pharmaceutical products as well as generic ones were being transported in inappropriate conditions. This is a worrying state of affairs, as medicines stored in poor conditions could also jeopardize the health of citizens. Pharmaceutical companies should focus on the transport and storage conditions of their genuine products rather than focusing solely on counterfeit products.

National Health Authorities should provide clear guidelines to their staff on the ground and should carry out further controls on product quality if transport/storage conditions are not met. The local WHO and OiE focal points should provide additional assistance during Customs inspections. Inappropriately transported or stored medicines should be tested for their efficacy on a more regular base.

Customs administrations should establish a dedicated point of contact for IPR issues. Information about the procedures on how to lodge an AFA should be published on the Customs administration's website.

## **16. Media coverage**

A press conference was held in Cotonou (Benin) on 5 September 2018 to draw the media's attention to the Workshop prior to the Operation, obviously without specifying any operational details that might jeopardize the exercise. The importance of Customs' role and the need for cooperation between Customs administrations and Health Regulatory Agencies were highlighted.

## **17. Assessment and conclusions**

This report was produced based on information received from Customs Administrations up to 2 October 2018, and the final figures may vary.

### **Enhancing practical cooperation among Customs administrations, other law enforcement agencies, Health Authorities and RHs; identifying new fraud techniques**

During the Operation, cooperation between the participating Customs administrations and other authorities involved in the fight against counterfeiting was enhanced. The involvement of the WHO's National Focal Points offered greater understanding of the mutual challenges and the way forward. The interceptions identified new fraud techniques.

### **Risk profiling and targeting; identifying perpetrators involved in the trafficking of illicit goods, utilizing CENcomm**

Risk profiling and targeting resulted in focused controls. The officers from the participating Customs administrations received field training on how to target and inspect suspicious consignments. During the Operation, Customs not only seized illicit medicines and goods infringing IPRs but also other kinds of illicit goods. Although not directly related to IPR, several arrests were made during the Operation. CENcomm was actively used during the Operation to exchange data and Alerts.

### **Distinguishing between genuine and fake goods; detecting, intercepting and seizing counterfeit and pirated goods and goods which may jeopardize consumer health and safety; exchanging information and intelligence on suspect shipments**

To assist in the training of Customs officers, nine (9) RHs from different industries and

one (1) association participated in the Workshop prior to the Operation, along with representatives from the WHO and the OIE. The relevant health organizations raised participants' awareness about the dangers of illicit medicines and antimicrobial resistance. The "on-the-job training" provided by the WCO IPR Accredited Experts also contributed to the fulfilment of the operational objectives.

The Operation resulted in a high amount of interceptions, and to broad exchange of information between the participating countries and other 'countries of destination'.

### **Risk management system**

No risk profiles for IPR have been entered into the risk management system of the majority of countries. As a result, the system is not of great use when it comes to selecting high-risk cargoes in terms of IPR infringements. In some countries where consignments are given the "green light" by the automated system, containers are scanned before they leave the terminal. Some inconsistencies were noticed (and possible IPR infringements) based on the scan images, however at that point, the containers could no longer be fully inspected.

### **National coordination**

The teams from Angola, Benin, Namibia and Togo added other points of entry to the Operation. The Nigerian team was well-organized and included different offices, including the IPR team in Abuja.

### **Transit**

Goods in transit remain a major issue. The majority of countries have the legal background to check goods in transit to another country; however, most of them are not able to detain goods infringing IPRs in transit to another country. Monitoring goods in transit is very important as goods tend to disappear onto the local markets or enter the country via unauthorized border crossings.

### **Reporting during the Operation**

The CENcomm platform was used to exchange information in a secure manner. The National Experts from the participating countries were urged to report to the OCU on a daily basis,

but not all of them did so. In some offices, the internet signal was too weak. In these cases, the WCO Accredited Experts assisted them by sending the relevant files.

Some of the data reported in CENcomm was found to be incomplete, and this made it challenging to provide clear statements.

### **Duration of the Operation**

Most participants found the Operation too short, bearing in mind the time it takes between selection and inspection of a consignment.

### **Conclusions**

Operation MIRAGE was designed to draw the attention of Customs officers and industry to the fact that IPR and, as a corollary, health and safety, comprise one of the high-risk areas in terms of Customs enforcement.

The Customs administrations in the region showed their willingness to work together to tackle the growing phenomenon of counterfeiting and piracy, especially when it comes to goods that are potentially harmful to health and safety such as counterfeit and illicit medicines. The Operation demonstrated the need to enhance cooperation between the different stakeholders involved.

Thought should be given to ensuring the involvement of WCO Accredited Experts in the operational phase in all the participating countries. This would improve the sharing of knowledge in the field and would provide better feedback and follow-up of the activities in the participating countries.



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