BEHIND THE SMOKE SCREEN

THE ORGANISED CRIME BEHIND THE ILLICIT TOBACCO TRADE IN Malmö, SWEDEN

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• The illegal tobacco trade is organised
• Size does not matter – but money does
• The illegal tobacco trade is connected to other heavy crimes
• The organised crime operates on many different levels in the society
DISPOSITION

- Introduction
- Background
- Previous Research
- Methods
- Results
- Analysis and Discussion
- Conclusions
- Questions?
A collaboration between Malmö University and the Malmö Police department

Purpose and Problem statements

• Gain better understanding of the illegal tobacco trade and its connections to local organised crime
• How does the structure and organised crime behind the illegal tobacco trade in Malmö function?
• What indicators of involvement in local organised crime appears in tobacco-related government documents and court verdicts?
The interest for tobacco related issues have changed and increased
- The Swedish Police Department is now liable for supervisions according to Swedish law
- A major loss in tax incomes
- Losses of 1,6 billion SEK yearly
- Profits of 600 million SEK yearly for illegal traders
BACKGROUND

• Public health issues
  • Yearly 12,000 tobacco related deaths
  • Extremely addictive
  • No control over the content in illegal tobacco products
• The use of tobacco has changed and decreased continuously
  • Occasionally buying adolescents
  • More female rather than male users
  • Users generally has lower socioeconomic status
• Shifted focus from narcotics to tobacco
  • Lower risks for illegal traders
  • Hard for authorities to regulate illegal trading with legal substances
  • Potential legal penalties are considerably shorter

• Warehousing and economic crime
  • Easier to import goods due to the EU-membership
  • Legal businesses as coverage for illegal activity

• Higher taxes as the main way to reduce tobacco use
  • Counterproductive?
METHODS

• Semi-structured interviews
  • Key informants representing authorities
    • Swedish Economic Crime Authority, Permission Unit at Malmö Stad & County Administrative Board Skåne
  • Complements the information from the content analysis

• Content analysis
  • Government documents
  • Court verdicts
  • 11 themes
    • Economic deviation, hookah (water pipe), gambling activities, law regulation, economic penalty, extent of tobacco, odd tobacco sales, membership, tobacco storage, other inconveniences, tobacco use
METHODS - CONTENT ANALYSIS

• 11 themes
  • Economic deviation, hookah (water pipe), gambling activities, law regulation, economic penalty, extent of tobacco, odd tobacco sales, membership, tobacco storage, other inconveniences, tobacco use

• Markers
  • In the text
  • Attached images
    • “pays no rent”
    • “100 heads for hookahs prepared with tobacco”
    • “6 year-old present in the room”
    • “storage of boxes with raw tobacco spill”
    • “cash in a jar next to the register”
• The illegal tobacco trade is more extensive than research can show
  • Estimates 30% of the generally used tobacco to be illegal
  • Presumably more in socially exposed areas

• Raw tobacco is the most imported tobacco product in Sweden
  • Should be used to manufacture snus as there are no legal cigarette production in Sweden
  • Exceeds the official snus manufacturing – where does it go?

• Economic criminals rather than “traditional” smugglers
14 of 24 reviewed documents indicated an involvement in organised crime in local businesses.

3 themes indicated a more liable connection to organised crime:
- Tobacco storage
- Extent of tobacco
- Gambling activities
RESULTS - CONTENT ANALYSIS
RESULTS

• Countermeasures
  • Joint contributions from authorities
  • Limit the demand after cheap/illegal tobacco
  • Law proposal regarding sales authorizations in 2018
A lot of the tobacco products being sold in local businesses is not taxed for.

The competition on the tobacco market creates a vicious circle of illegal activity.

The imported amount of raw tobacco does not match the legally produced tobacco products:
- Illegal cigarette factories

Organised crime that strives for economic benefits:
- Locally, nationally and internationally
ANALYSIS AND DISCUSSION

• Government documents and court verdicts
  • Over half of the studied documents indicated on involvement in organised crime
  • The profits for illegal traders is very extensive
  • The studied businesses that indicated on other illegal activities, high extent of and storage of tobacco were more often involved in organised crime

• Action proposals
  • Continued collaboration between authorities
  • Further investments in relevant social crime prevention measures
  • Evaluation of the new law proposal and a follow-up study on this thesis
CONCLUSIONS

• The structure behind the illegal tobacco trade is organised, complex and extensive
• Both larger and smaller businesses are involved
• Economical benefits is the main goal
• Major deviations among the analyzed businesses
• The current methods used by the Police are relevant
• Without limiting the demand for cheap tobacco the problem will most likely remain