



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUAI



OPERATION “ACIM”

05-14 September 2016

COMBATING COUNTERFEITING AND PIRACY

Consumer Health and Safety

FINAL REPORT

PRIVATE SECTOR

TABLE OF CONTENT

I PRESENTATION OF THE OPERATION

1. Introduction	5
2. Background	5
2.1. General background	5
2.2. Role of IRACM	6
3. Legal and operational framework	6
3.1. Legal framework	6
3.2. Information and intelligence sources	7
3.3. Risk indicators	7
3.4. Use of WCO tools: CENcomm and IPM	7
3.4.1. Use of CENcomm	7
3.4.2. Use of IPM	7
4. Organizational structure	8
4.1. Operational Coordination Unit (OCU)	8
4.2. Regional Intelligence Liaison Office (RILO)	8
4.3. Cooperation	8
4.3.1. Role of Interpol	8
4.3.2. Role of Health Authorities	9
4.3.3. Joint Container Cargo Control Units (JCCUs)	9
4.4. Information sharing	9
4.4.1. Between countries	9
4.4.2. With the private sector	9
5. Participating countries and points of entry	9
6. Scope of the Operation	10
6.1. Nature of the goods targeted	10
7. Objectives of the Operation	11
8. Operation sequence	11
8.1. Prior to the Operation	11
8.2. Phase 1 (31 August to 2 September 2016): Customs training	11
8.3. Phase 2 (4 to 15 September 2016): Operational phase	12
8.4. Phase 3 (16 to 30 September 2016): follow-up and reporting	12
II RESULTS AND ANALYSIS	14
9. Results by reporting country	15

10. Results by category of goods intercepted	15
11. Country of provenance of goods intercepted	16
12. Pharmaceuticals products intercepted per country	17
12.1. Types of pharmaceutical products intercepted	18
12.1.1. Anti-infective agents	19
12.1.2. Musculo-Skeletal agents	19
12.2. Type of infringement for pharmaceutical products	20
12.3. Country of provenance of intercepted pharmaceutical products	21
12.4. Main ports of loading for illicit pharmaceutical products	21
13. Modes of transport	23
13.1. General overview	23
14. Trends and patterns	23
14.1. Concealment-modus operandi	23
14.2. Source countries and ports	24
14.3. Routes	24
14.4. Withdrawal of goods in transit	24
14.5. Application for Action (AFA)	24
14.6. Interesting cases	25
14.6.1 Anti-biotics seized in Benin	25
14.6.2 Millions of Tramadol pills seized in Benin	25
14.6.3 Counterfeit medicines in Senegal	25
14.6.4 Forbidden dermatological agents in South Africa	27
14.6.5 Veterinary products intercepted in Kenya	25
14.6.6 Undeclared sex hormones found in South Africa	26
15. Observations and Recommendations	26
15.1 Observations	26
15.1.1 Legal loopholes	26
15.1.2 Tax and Revenue Collection	26
15.1.3 Health Authorities	26
15.1.4 Lack of coordination	26
15.1.5 Need for information	27
15.1.6 Need for feedback	27
15.2 Recommendations	27
16. Media Coverage	27
17. Assessment and conclusions	28

17.1 Risk management system	28
17.2 National co-ordination	28
17.3 Transit	28
17.4 Weaknesses during the Operation	28
17.5 Duration of the Operation	28
17.6 Conclusions	28
ACKNOWLEDGEMENTS	30

I. PRESENTATION OF THE OPERATION

1. Introduction

Counterfeiting and piracy continue to grow as a 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 for which legislation does not allow entry into the country. They include:

- Counterfeit medicines (medicines that infringe IPRs)
- Medicines that are not allowed to enter the country due to no authorisation, no licenses, false certificates, inappropriate transport or packaging conditions, etc.;
- Goods that have not been declared.

The illicit trafficking of counterfeit goods is closely linked to other serious crimes, 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 people continue to be threatened by counterfeiting and piracy by criminal organizations and individuals. The increase in counterfeit and pirated goods entering the markets in Africa via the gateway ports highlighted the need for a targeted Operation in the African region.

The products that are prone to intellectual property right (IPR) infringements continue to experience fundamental transformations through an environment characterized by innovation and by a constantly evolving technological revolution.

Given this situation, African Customs administrations and all other stakeholders involved must be made increasingly aware of new anti-counterfeiting and anti-piracy methods within a more relevant and specific capacity building framework that will best help to eradicate this phenomenon and its harmful impact on consumers.

The proposed operation, code-named “ACIM”, aimed to mobilize the resources of 16 Customs administrations within selected countries in Africa, which conducted simultaneous inspections of consignments that potentially contained certain types of counterfeit and or illicit pharmaceutical products. This Operation will take place in 16 main ports over a period of 8 days and aimed to provide a deeper insight in the flow of pharmaceutical goods entering the African mainland.

The Operation strengthened cooperation between Customs administrations by sharing the results of each inspection, and real-time training was led by WCO Accredited Experts for Intellectual Property Rights (IPR) 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 rights holders, and to further implement the WCO anti-counterfeiting and piracy tool, Interface Public Members (IPM).

2.2. Role of IRACM

Operation “ACIM” was carried out thanks to the financial support of the International Institute for Research Against Counterfeit Medicine (IRACM). IRACM, aims to bring together the committed actors in the fight against fake medicines and educate the public on the dangers of counterfeit drugs.

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 recommendation¹

¹ 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 co-operation arrangements.

3.3. Risk indicators

All participating Customs administrations had to implement risk assessment techniques to identify and target high-risk shipments, utilizing general risk indicators such as those identified within the WCO Customs Risk Management Compendium or similar national risk profiling guidelines. The WCO Module on Risk Indicators for Spurious/Falsely labelled/Falsified/ Counterfeit Medicines, which was introduced in the Workshop prior to the Operation. RILOs and participating Customs administrations were also encouraged to develop and share their national indicators during the Operation.

3.4. Use of WCO tools: CENcomm and IPM

3.4.1. Use of CENcomm

Participating countries were encouraged to report their activities (number of consignments selected, inspected and positive outcome) to the Operational Co-ordination Unit (OCU) on a daily basis, preferably through the CENcomm platform. For the intercepted consignments, details such as the port where the findings took place, the number of findings, the type of products, and the actual or estimated number of intercepted products were to be reported to the OCU on a daily basis, allowing for further analysis. Experts exchanged daily messages amongst themselves to follow-up on operational activities, demonstrating the effectiveness of this tool.

- A total of 287 e-mail messages were sent during Operation ACIM.

3.4.2. Use of IPM

During the Seminar preceding Operation ACIM, the IPM tool was presented to the participants. Both the web and mobile platforms were explained in detail. The participants were encouraged to download the IPM application on their mobile phones.

Overall, comments regarding the new IPM application were positive, highlighting the user-friendly aspect and convenience of the IPM mobile version to scan barcodes and retrieve information about the manufacturer as a guideline for possible further action. In some cases Right Holders were contacted directly via the platform. Negative feedback was received related to the limited number of Right Holders and trademarks in the system; which can partly be explained to the fact that the Operation was focussing on counterfeit and illicit medicines and that information on the latter cannot be found in IPM. Access to the application sometimes proved impossible due to lack of Wi-Fi / internet connectivity in the field. Additionally, not all officers have an official email address nor access to internet in their office.

4. Organizational structure

One representative of the WCO Secretariat, in conjunction with one WCO Accredited IPR Expert seconded by Indian Customs, co-ordinated the Operation from the OCU in close collaboration with the respective RILO's. The OCU was based in Mombasa, Kenya during the Operation (5-14th September 2016).

4.1. Operational Coordination Unit (OCU)

The main tasks of the WCO's OCU, based in Mombasa, Kenya, were:

- Contacting right holders not having submitted a request for intervention ("ex-officio" procedure);
- Collating and compiling results;
- Disseminating information and results to all the Members participating in the Operation;
- Co-ordinating follow-up activities, if necessary, and;
- Analysing the final results.

4.2. Regional Intelligence Liaison Office (RILO)

The role of the RILO involved contacting countries for follow-up of the results, as well as further action and follow-up of alerts sent to countries not participating in the Operation (e.g. for containers in transit that, under national legislation, could not be inspected in the participating country), alerts was sent via the CENcomm to the relevant RILO for further action.

4.3. Co-operation

4.3.1. Role of Interpol

The role of Interpol involved technical assistance and direction of any post-seizure investigative or law enforcement action as appropriate. A representative of Interpol participated in the Workshop and provided the contact details of the Interpol National Contact Bureau.

4.3.2. Role of Health Authorities

The national health authorities of the participating countries were informed prior to the Operation and asked to provide assistance to Customs officers, as required.

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

In Benin, Ghana, Kenya, Senegal, Tanzania and Togo the JCCCU's from the UNODC/WCO Container Control Programme (CCP) participated in the Operation. The support of these Units provided added value to the Operation as they were familiar with pre-arrival information and inspection techniques and could provide assistance to the Customs teams. Working in conjunction with the WCO IPR Accredited Experts provided the Units with additional training and information on IPR-related issues and the latest trends.

4.4. Information sharing

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

4.4.1. Between countries

Communication between the various countries concerning suspicious consignments was performed via CENcomm and via bilateral mutual assistance arrangements.

4.4.2. With the private sector

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

IPM allowed Customs officers to search a database and confirm their suspicions in relation to a product or to contact Right Holders to ask for additional information in order to ascertain the genuine or fake character of goods.

5. Participating countries and points of entry

As previously mentioned, 16 WCO Member administrations and 16 major points of entry took part in this initiative. Members were urged to involve other major ports of entry in the Operation as well, in order to have wider coverage.

Participating countries	Participating points of entry	Type
Angola	Luanda	Sea port
Benin	Cotonou	Sea port
Cameroon	Douala	Sea port
Republic of the Congo	Pointe Noire	Sea Port
Democratic Republic of Congo, The	Matadi	Sea port
Gabon	Libreville	Sea port
Ghana	Tema	Sea port
Côte d' Ivoire	Abidjan	Sea port
Kenya	Mombasa	Sea port
Mozambique	Maputo	Sea port
Namibia	Walvis Bay	Sea port
Nigeria	Lagos	Sea port
Senegal	Dakar	Sea port
South Africa	Durban	Sea port
Tanzania	Dar Es Salaam	Sea port
Togo	Lome	Sea port

6. Scope of the Operation

The Operation primarily focused on illicit and counterfeit pharmaceutical products, also maintained a general focus on 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.

The WCO made some suggestions regarding the locations in the Operational Plan, however it fell within the national competence of the participating Members to decide which locations would participate in the Operation. Some countries e.g. Senegal and South Africa involved the airport as well in the Operation as other countries, e.g. Angola had seizures at the land border.

6.1. Nature of the goods targeted

The products targeted were the following:

- Pharmaceuticals, including veterinary products;

- Foodstuffs (including pet food);
- Pesticides and fertilizers;
- Alcoholic beverages;
- Everyday consumer goods;
- Other counterfeit and/or pirated goods;
- All goods posing a threat to health and safety.

7. Objectives of the Operation

One of the most important objectives was capturing the attention of Customs officers and Industries worldwide to ensure their vigilance with regards to counterfeit products and to emphasize that IPR, Health and Safety is one of the high-risk areas in 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 and under the co- sponsorship of the Institute of Research against Counterfeit Medicines (IRACM).

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 of their country with regards to Intellectual Property. The questionnaire was subsequently sent out to the WCO Accredited Experts for IPR assigned to those countries, to provide them with background information on the current situation of the country with regard to intellectual property enforcement.

All the National Experts were requested to inform their hierarchy about the upcoming event, in order to gain the latter's full support before the start of the Operation. They were also asked to co-ordinate with all Customs posts and other law enforcement entities within their country that were going to participate in the operational phase (e.g. airports, border posts, post offices, seaports, etc.) and to make arrangements in order to ensure manifests were already available during the preparatory meeting in Mombasa, Kenya. The Experts were strongly advised to start selecting the containers to be opened on the basis of targeted countries

and products as of 31, August 2016, in order for the containers to be available for inspection on the first day of the Operation (Monday, 5 September 2016).

8.2. Phase 1 (31 August to 2 September 2016): Customs training

A training activity was held for all participants from Wednesday, 31 August to Friday, 2 September 2016. The participants included 34 customs officers from the 15 participating countries (Senegal did not participate in the Workshop), 14 WCO Accredited Experts for IPR, 8 Right Holders², and representatives from IRACM, WCO, the World Organization for Animal Health (OIE), the Kenyan Anti-Counterfeiting Authority, Kenyan Pharmacy and Poisons Board 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 Right Holders' 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 IPM and CENcomm were held.

8.3. Phase 2 (4 to 15 September 2016): Operational phase

The WCO Accredited Experts for IPR assisted the National Experts from the participating countries with selecting and inspecting containers/consignments under real life conditions. National Experts, where feasible, provided pre-arrival information to the WCO Accredited Experts. Based on the information received, the WCO Accredited Experts, together with National Experts, selected consignments, using the latest targeting techniques that might be IPR-infringing or pose a threat to health and safety. The WCO Accredited Experts gave on-the-spot explanations to National Experts on how to inspect the selected consignments in an effective manner and also assisted the National Experts with completing national procedures and contacting the Right Holders involved.

8.4. Phase 3 (16 to 30 September 2016): follow-up and reporting

National Experts continued the Operation and collected relevant information on seizures. Report on each country's final results: the two National Experts continued their

² *BIC, Bio Oil, GSK, Nestlé, Novartis, Pfizer, Sanofi, S.C. Johnson & Son, Takeda.*

inspections of containers and made sure that all the consignments selected were indeed inspected during the following weeks. They informed the WCO IPR Accredited Experts, and the OCU about the results in real time or on a daily basis, and sent them all the necessary information.

By 30 September 2016, the National Experts finalized their inspections of suspect cargo identified throughout the previous weeks and submitted the resulting information, via the CENcomm, to the OCU and relevant RILO.

II. RESULTS AND ANALYSIS

As of 30 September 2016, 128.999.109 units of all types of goods had been intercepted (seized and pending). They were broken down into 510 cases. Most of the countries did not report the market value of the infringing goods because of lack of accurate information.

The Kenyan team inspected several suspicious consignments in transit to Uganda; however, the goods could not be stopped under national legislation. Uganda was not part of this Operation, but Uganda Customs was contacted and information was passed through local channels, including the RILO.

The team from Togo sent an alert for 14 containers with 'Health Supplements' (total: 642.000 ampoules) in inappropriate packaging/transport conditions to the team in Gabon, feedback is still missing.

At the end of the Operation the team from Senegal intercepted another consignment of counterfeit 'erectile dysfunction' pills at the national airport in Dakar. As the OCU did not receive complete data for this interception, it was not included in this report.

The tables below reflect the intercepted consignments as of 30 September 2016. They give an overview of the number of goods intercepted and also of the number of cases³ they reflect.

During this Operation, in addition to containerized cargo that was intercepted, air cargo interceptions were done at airports as well. For this reason throughout the report we will principally use the term 'consignments' rather than 'containers'.

³ *Different brands were often found in one consignment; every brand is considered 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

Unless otherwise stated, “Units intercepted” includes ampoules, pairs, pieces, pills and KG. Only three countries reported KG, mainly because they didn’t have the correct amount units yet. (Angola: 19 544 KG, Namibia: 451 632 KG, Senegal: 10 000 KG)

Reporting Country	Cases		Units Intercepted	
	No	%	No	%
Angola	68	13,33	1 995 754	1,55
Benin	11	2,16	32 597 600	25,27
Cameroon	3	0,59	31 714	0,02
Democratic Republic of Congo, The	19	3,73	4 326 818	3,35
Côte d’ Ivoire	20	3,92	407 522	0,32
Ghana	4	0,78	2 474	0,00
Kenya	40	7,84	12 509 823	9,70
Mozambique	84	16,47	24 965	0,02
Namibia	95	18,63	11 248 338	8,72
Nigeria	16	3,14	44 123 422	34,20
Senegal	3	0,59	22 360	0,02
South Africa	82	16,08	1 528 962	1,19
Tanzania, United Republic	34	6,67	7 937 737	6,15
Togo	31	6,08	12 241 620	9,49
Grand Total	510	100	128 999 109	100,00

10. Results by category of goods intercepted

Medicine and pharmaceutical products are the main category of intercepted products, they account for almost 98 % of the units intercepted.

Nature of Goods	Cases		Units Intercepted	
	No	%	No	%
Accessories	7	1.37	44 306	0,03
Alcoholic Beverages	5	0.98	8 340	0,01
Clothing	53	10.39	13 599	0,01
Computers and accessories	2	0.39	3 553	0,00
Electronic appliances	12	2.35	3 211	0,00
Foodstuff	9	1.76	39 264	0,03
Footwear	39	7.65	329 414	0,26
Medicine and pharmaceutical products*	179	35.10	126 151 152	97,79
Mobile phones and accessories	2	0.39	33 672	0,03
Others (specify in narrative)	82	16.08	916 722	0,71
Pesticides	2	0.39	59 532	0,05
Soft drinks	1	0.20	2 400	0,00
Textiles other than clothing	5	0.98	785 428	0,61
Toiletries / cosmetics	109	21.37	582 338	0,45
Transportation and spare parts	3	0.59	26 178	0,02
Grand Total	510	100	128 999 109	100,00

* This category also includes veterinary products and medical devices.

11. Country of provenance of goods intercepted

The table below gives an overview of the provenance of the intercepted goods. In the majority of the cases, country of provenance is also country of origin. China and India account for more than 96 % of the interceptions. China is number one when it comes to counterfeit goods in general and India for illicit medicines. This is also reflected in the amount of cases versus the amount of units intercepted. For India, 90 cases were reported for almost 99 million units, while for China, 238 cases were reported for around 25 million units so stating clearly that consignments are consequently smaller.

Country of Provenance	Cases		Units Intercepted	
	No	%	Pieces	%
India	90	17,65	98 928 473	76,69
China	238	46,67	25 617 028	19,86
Spain	1	0,20	3 000 000	2,33
United Arab Emirates	85	16,67	918 268	0,71
Hong Kong	25	4,90	104 195	0,08
Nigeria	14	2,75	77 480	0,06
Belgium	1	0,20	77, 028	0,06
Portugal	6	1,18	75 384	0,06
South Africa	24	4,71	54 092	0,04
Malaysia	1	0,20	44 412	0,03
Democratic Republic of Congo	14	2,75	26 136	0,02
Taiwan, Province of China	1	0,20	26 000	0,02
Bulgaria	1	0,20	23 750	0,02
Unknown	3	0,59	16 860	0,01
Italy	1	0,20	4 800	0,00
United States of America	2	0,39	3 753	0,00
Iran, Islamic Republic of	1	0,20	1440	0,00
Brazil	2	0,39	10	0,00
Grand Total	510	100	128 999 109	100,00

12. Pharmaceuticals products intercepted per country

The intercepted pharmaceutical products (illicit and counterfeit pharmaceutical products) were reported by 12 countries.

Reporting Country	Cases		Units Intercepted*	
	No	%	No	%
Angola	20	11,17	150 756	0,12
Benin	11	6,15	32 597 600	25,84
Cameroon	1	0,56	23 650	0,02
Democratic Republic of Congo, The	11	6,15	4 283 490	3,40
Côte d' Ivoire	16	8,94	346 000	0,27
Kenya	35	19,55	12 484 447	9,90
Namibia	15	8,38	10 739 221	8,51
Nigeria	11	6,15	44 041 820	34,91
Senegal	2	1,12	12 360	0,01
South Africa	24	13,41	1 416 837	1,12
Tanzania, United Republic	5	2,79	7 858 207	6,23
Togo	28	15,64	12 196 764	9,67
Grand Total	179	100	126 151 152	100,00

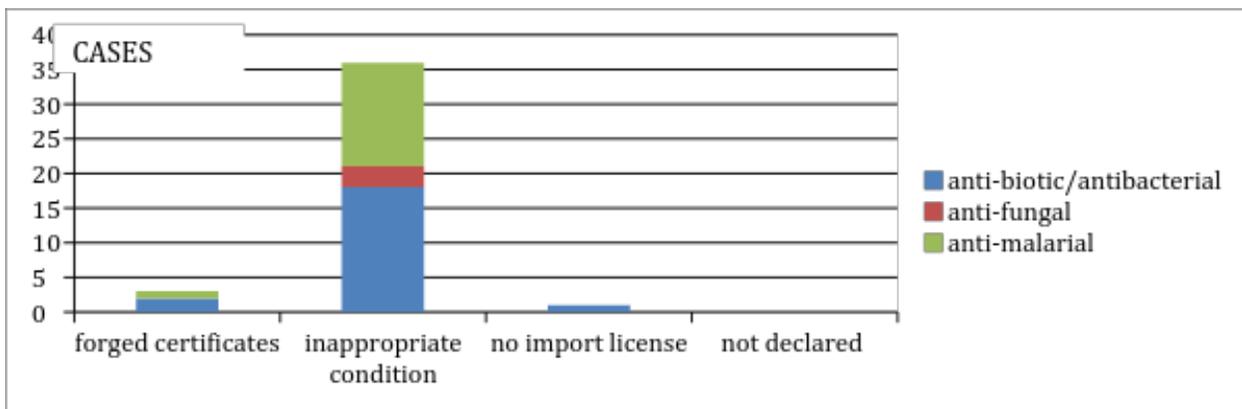
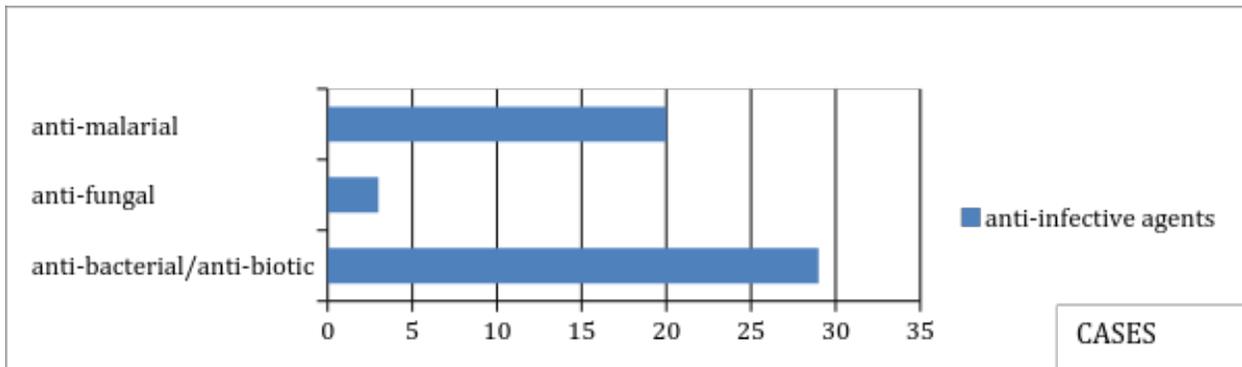
The table above refers to all pharmaceutical goods intercepted during the operational phase (counterfeit and illicit) and for which we received feedback. For some of the consignments it is already confirmed that the goods are illicit/counterfeit, others are still under investigation.

Units intercepted: for the tables below all types of units (pills, pieces, ampoules and KG) were taken together. There was only one case reported in KG (Anti Infective Agents: 9687 KG).

12.1. Types of pharmaceutical products intercepted

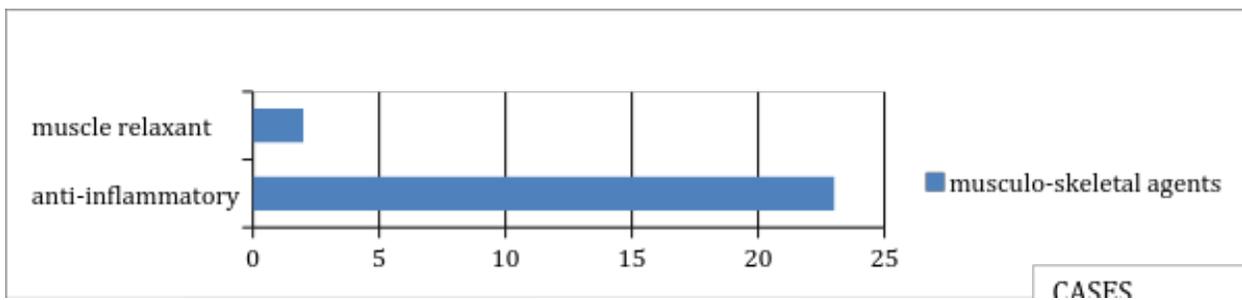
Types of Medicine	Cases		Units Intercepted*	
	No	%	No	%
Anti-Cancer Agents	2	1,12	2 185 000	1,73
Anti-Infective Agents	52	29,05	47 705 930	37,82
Blood Agents	2	1,12	1 248	0,00
Dermatological Agents	14	7,82	435 425	0,35
Gastrointestinal Agents	10	5,59	8 025 100	6,36
Hair Loss Agents	2	1,12	8 724	0,01
Health Supplements	15	8,38	13 080 870	10,37
Hormone Agents	8	4,47	972 688	0,77
Immunological Agents	1	0,56	112 500	0,09
Medical Devices	1	0,56	5000	0,00
Musculoskeletal Agents	25	13,97	32 673 370	25,90
Nervous System Agents	6	3,35	14 839 500	11,76
Other Specify in narrative	15	8,38	3 317 237	2,63
Psychotherapeutic Agents	2	1,12	1 309 600	1,04
Respiratory System Agents	4	2,23	39 300	0,03
Urogenital Agents	1	0,56	1000	0,00
Veterinary Agents	14	7,82	247 900	0,20
Unknown	5	2,79	190 760	0,94
Grand Total	179	100	126 151 152	100,00

12.1.1 Anti-infective agents



More than 84 % of the anti-infective agents, like antibiotics and antimalarial, were stopped due to inappropriate packaging/transport condition.

12.1.2 Musculo-Skeletal agents



Over 28 million anti-inflammatory agents were intercepted mainly because they were not declared or due to inappropriate transport conditions.

12.2. Type of infringement for pharmaceutical products:

Recent Operations carried out in Africa confirmed that pharmaceutical products should remain an important focus. Counterfeited medicines only form a small part of the intercepted pharmaceuticals.

The majority of the intercepted pharmaceuticals were stopped because of inappropriate transport/packaging conditions or they were not declared. The next table gives an overview on the six main types of infringements that were reported during this Operation.

Type of Medicine	Cases		Units Intercepted*	
	No	%	No	%
Forged certificate, licenses, other	6	3,35	4 152 500	3,29
Inappropriate transport condition / packing	100	55,87	93 325 715	73,98
No import license or certificate	8	4,47	150 801 152	11,95
Not declared	40	22,35	12 076 548	9,57
Other	10	5,59	1 075 993	0,85
Product forbidden in country	15	8,38	440 244	0,35
Grand Total	179	100	126 151 152	100

Note: Counterfeit medicines are illicit medicines that infringe an intellectual property right. It needs to be noted that in the case of the counterfeit medicines the reporting country included them in the category "No import license or certificates".

12.3. Country of provenance of intercepted pharmaceutical goods

Country of Provenance	Illicit		Counterfeit		Total
	Case	Quantity	Case	Quantity	
India	78	98 720 613			98 720 613
China	69	24 202 162	1	7560	24 209 722
Spain	1	3 000 000			3 000 000
Hong Kong	2	79 212			79 212
Nigeria	11	73 469			73 469
Portugal	2	37 200			37 200
Democratic Republic of Congo	14	26 136			26 136
Italy	1	4 800			4 800
Grand Total	178	126 143 592	1	7560	126 151 152

12.4. Main ports of loading for illicit pharmaceutical products

The main ports of loading for illicit pharmaceutical products in India are Nhava Sheva, Mundra and Chennai and for China: Ningbo, Shanghai, and Yangshan. The tables below give an overview per port and type of product. For China there are 4 columns, the three ports with the biggest amount of units have a separate column; the other ports were joined together in one column.

INDIA	INMAA		INMUN		INNSA	
	Cases	Units	Cases	Units	Cases	Units
Anti_Cancer_Agents					2	2 185 000
Anti_Infective_Agents	1	3 525 120	8	595 957	22	36 276 112
Blood_Agents					1	1000
Dermatological_Agents						
Gastrointestinal_Agents			2	96 239	3	722 000
Health_Supplements			1	544 470	3	9 476 000
Hormone_Agents						
Immunological_Agents						
Medical_Devices					1	5000
Musculo_skeletal_Agents			4	3 106 911	12	28 799 409
Nervous_System_Agents			1	304 000	4	11 535 500

Other_specify_in_narrative			1	23 650	4	305 545
Psychotherapeutic_Agents						
Respiratory_System_Agents					4	39 300
Urogenital_Agents					1	1000
Veterinary_Agents						
Unknown					3	1 178 400
Grand Total	1	3 525 120	17	4 671 227	60	90 524 266

Abbreviation of the ports: INMAA: Chennai; INMUN: Mundra; INNSA: Nhava Sheva.

CHINA	CNNBO		CNSGH		CNYSA		CN Others	
	Cases	Units	Cases	Units	Cases	Units	Cases	Units
Anti_Cancer_Agents								
Anti_Infective_Agents	4	437 000	5	2 743 292	3	4 087 600	1	28 560
Blood_Agents								
Dermatological_Agents							5	370 680
Gastrointestinal_Agents	2	7 008 912					1	197 000
Health_Supplements	11	3 060 400						
Hormone_Agents							6	893 476
Immunological_Agents	1	112 500						
Medical_Devices								
Musculo_Skeletal_Agents	5	738 800						
Nervous_System_Agents								
Other_specify_in_narrative	3	692 800	6	1 957 242			1	338 000
Psychotherapeutic_Agents							1	1 288 000
Respiratory_System_Agents								
Urogenital_Agents								
Veterinary_Agents			7	76 000			7	171 900
Unknown							1	7560
Grand Total	26	12 050 412	18	4 776 534	3	4 087 600	23	3 295 176

Abbreviation of the ports: CNNBO: Ningbo; CNSGH: Shanghai; CNYSA: Yangshan.

13. Modes of transport

13.1. General overview

As already mentioned, the participating countries co-ordinated the Operation internally and some involved other points of entry as well. Not only containerized consignments were targeted and selected but also air freight and land transport; South Africa and Senegal involved respectively Durban International Airport and Dakar International Airport; and Angola inspected also trucks coming from overland.

The table below gives an overview of the cases per type of transport at border crossings. For this Operation 'Air' stands for air cargo; no interceptions were reported on postal consignments or on airline passengers' personal luggage. 'Land' includes consignments arriving by lorry or car via land borders, and 'maritime' comprises modes of transport arriving via sea ports.

Mode of transport	Cases	Units intercepted
Air	63 (35, 20%)	256 459 (0, 20%)
Land	14 (7, 82%)	26 126 (0, 02%)
Maritime	102 (56,98%)	125 868 567 (99,78%)
TOTAL	179	126 151 152

14. Trends and patterns

14.1. Concealment - modus operandi

In the majority of the cases goods were either undeclared and/or hidden in the back of the container. An interesting case was reported in Togo where medicines were declared as glass cups and toothpaste. The consignment was loaded in Ningbo, China and destined to Togo.

14.2. Source countries and ports

China and India account for more than 96% of the interceptions. Generally speaking, India is the number one source country for illicit pharmaceutical products and China is the number one source country for counterfeit products. Based on the information reported, illicit pharmaceutical products originating in China and India were respectively loaded in the ports of Ningbo, Shanghai, and Yangshan and in the ports of Nhava Sheva, Mundra and Chennai.

14.3. Routes

Only a few countries reported the complete routes of the consignments. For this Operation Singapore is the most important transshipment port for maritime cargo. As for air cargo coming from China via Hong Kong to South Africa, Dubai is an important hub. For air cargo coming from or via Nigeria to South Africa, Istanbul is used as hub. Togo is the main transit country to the landlocked countries of Central and West Africa and it is also a hub to the neighbouring countries. Benin is the main hub for containerised cargo to Niger. Cargo destined to Mali tends to go via Dakar, Senegal.

14.4. Withdrawal of goods in transit

One of the frequently used modus operandi for smuggling is the withdrawal of goods in transit. Fraudsters are very well aware of the fact that in most African countries, national legislation does not permit containers to be intercepted in transit. Containers in port facilities marked as being in transit very often leave the ports for landlocked countries and are “lost” en route. Pharmaceutical products were discovered bearing information on the packaging in a language not consistent with the official language of the country of destination.

14.5. Application for Action (AFA)

According to the feedback we received in some African Countries none of the pharmaceutical companies lodged an AFA. Although brands are registered in the countries, very few Right Holders lodge an AFA, meaning that Customs have to act “ex-officio”. Some Right Holders are reluctant to take action due to the small quantities involved or waited too long to take action so that consignments had to be released.

14.6. Interesting cases

14.6.1 *Anti-biotics seized in Benin*

2 380 000 pills of cloxaval seized in Benin:

The pills originated in China and were in transit to Niger. The consignment was seized by Benin Customs as there was no authorisation to enter the country.

On the back of the blister was an authorisation code of NAFDAC (the Nigerian Food and Drug Agency); the code didn't match with the name of the product.

The product was seized based on inappropriate transport condition: according to the information on the packaging the medicines need to be stored below 25°C.

14.6.2 *Millions of Tramadol pills seized in Benin*

The pills mostly originated in India and were in transit to Niger. There was no authorisation to enter the country.

Further, Niger is a French speaking country and all the information on the packaging was in English. The product was seized based on inappropriate packaging condition

14.6.3 *Counterfeit medicines in Senegal*

Senegal reported one case of counterfeit medicines. The consignment came from China by air.

Another consignment with counterfeit erectile dysfunction pills was reported at the end of the Operation; no further feedback was received.

14.6.4 *Forbidden dermatological agents in South Africa*

Over 400 000 of forbidden dermatological agents were intercepted in the port and airport of Durban. The consignments were originated from Nigeria and China

14.6.5 *Veterinary products intercepted in Kenya*

Due to inappropriate transport conditions (too high storage temperature) 188 000 veterinary products (ampoules) were intercepted in Kenya.

Amongst those ampoules were the following:

-Bimectin (treatment and control of a wide range of internal and external parasites of cattle and swine)

14.6.6 Undeclared sex hormones found in South Africa

893 476 pills of undeclared sex hormones were intercepted in the port of Durban. The pills originated from China (port of Shekou) and were destined for Lesotho.

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 appear, preferring to wait until the end of the Operation to clear their containers. Also, importers tend to put pressure on Customs officers by referring to Trade Facilitation.

15.1.2 Tax and Revenue Collection

Customs administrations give priority to Tax and Revenue collection rather than to the fight against counterfeiting. No action plan for combating counterfeiting is in place.

15.1.3 Health Authorities

It should be highlighted that in many cases where illicit medicines were intercepted by Customs because of inappropriate transport/packaging conditions, the medicines were released by the Health Authorities, and this despite the fact that the storage conditions were clearly mentioned on the transport papers and the packaging. It appears that as long as the importer has an import license the inappropriate storage temperature is not an issue, not even for medicines in vials.

15.1.4 Lack of coordination

The majority of selected consignments could not be inspected for a variety of reasons: Customs officers could not locate the containers in the port; the containers had already left the Customs area; the importer did not show up and due to corruption and a lack of coordination within Customs many containers “disappear” before inspection.

15.1.5 Need for information

In many countries a list with right holders that lodged an application for action with Customs is not available to front line officers. This makes contacting rights holders and getting their feedback often time consuming. In the end consignments have to be released because the legal timeframe for taking action has elapsed. Right Holders – and more specifically pharmaceutical companies- should provide relevant intelligence about their most frequently counterfeited products in the region prior to the Operation.

15.1.6. Need for feedback

The Customs administrations lack direct contact points in other countries. Often 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.

15.2 Recommendations

National co-ordination prior to the Operation could be improved. The involvement of more points of entry could lead to wider coverage of inspections and would result in a clearer picture of the extent of the phenomenon in the region;

Not all countries have a team dedicated to risk assessment. The training in the field and the “train the trainer”- type Workshop conducted by the WCO IPR accredited Experts in some countries during the Operation should encourage Customs administrations to set up a risk assessment team with at least one officer already trained in attendance.

16. Media coverage

A press conference was held in Mombasa, Kenya, on 31 August 2016. This was aimed at drawing the media’s attention to the Workshop prior to the Operation without specifying any operational details that might jeopardize the exercise. A press conference was then held by IRACM and WCO in Paris on 20 January 2017 to announce the final results of the Operation.

17. Assessment and conclusions

This report was produced based on information received up to 30 September 2016 and final figures may vary.

17.1 Risk management system

The automated risk management system selects high-risk cargoes based on risk profiles which should be updated regularly in order to be more effective. In the majority of the countries no risk indicators for IPR have been entered into the system.

17.2 National co-ordination

The teams from Angola, Senegal and South Africa involved other points of entry in the Operation. The newly established IPR unit from Nigeria, based in Abuja, joined the WCO accredited IPR Expert in the port of Lagos to coordinate the operational activities.

17.3 Transit

The majority of the countries have the legal background to check goods in transit to another country; however, most of them are not able to detain goods infringing on IPR in transit to another country. This is probably the major weakness of the legislations as goods tend to disappear on the local markets.

17.4 Weaknesses 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. Some officers did not have internet access in their office.

17.5 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.

17.6. Conclusions

Operation ACIM clearly demonstrated the will of the region's Customs administrations to work together in tackling the growing phenomenon of counterfeiting and piracy, especially when it comes to goods that could potentially harm health and safety like counterfeit and illicit

medicines. This Operation aimed to capture the attention of Customs officers and Industries to emphasize that IPR, Health and Safety is one of the high-risk areas in Customs Enforcement.

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