



SINGAPORE CUSTOMS 新加坡关税局 **KASTAM SINGAPURA** சிங்கப்பூர் சுங்கத்துறை

MEDIA RELEASE

8 March 2013

Former warehouse operations manager and driver jailed 56 months, fined \$25,000 each for duty-unpaid cigarettes scam

An operations manager and a driver formerly employed by a licensed warehouse company have been sentenced by the court to 56 months' jail and a fine of S\$25,000 each for their roles in diverting duty-unpaid cigarettes meant for export to the local market.

Ong June Yong, 39, and Kwek Ngo Tee, 52, each pleaded guilty to 30 charges of causing untrue declarations to be made, falsifying permits and invoices, and conveying and dealing in uncustomed goods. Another 90 charges were taken into consideration in the sentencing. The total duty and Goods and Services Tax (GST) evaded exceeded S\$865,000. Ong was sentenced on Monday and Kwek was sentenced last December.

Imported dutiable goods which are stored in licensed warehouses can have their duty and GST suspended until the goods are exported. The warehouse company that Ong and Kwek were working for was in the business of supplying provisions, including duty-free liquor and tobacco products, to cruise ships and other commercial vessels.

Throughout 2012, Ong had placed additional orders for duty-unpaid cigarettes on top of the quantity ordered by the cruise ship. He passed these off as orders placed by the crew of the cruise ship. Separate invoices were issued for the real and fake orders. On each of the 10 occasions, Ong then applied for two export permits for the duty-unpaid cigarettes.

When the permits were approved, Kwek collected the goods from the licensed warehouse for delivery to the cruise ship berthed at the Singapore Cruise Centre (SCC), where he presented the permits and goods for customs inspection.

Upon delivery of the quantity ordered by the cruise ship, the ship's master would endorse the permit and invoice for the goods ordered by the ship. Kwek hid the remaining duty-unpaid cigarettes which were covered by the additional permit in his truck and drove out of SCC. These duty-unpaid cigarettes were then diverted for sale locally.

To make it appear that all the duty-unpaid cigarettes had been received by the ship's master, Ong endorsed the additional permit and the invoice with a fake stamp. Both sets of permits and invoices were then returned to the warehouse company.

Advisory from Singapore Customs

Buying, selling, conveying, delivering, storing, keeping, having in possession or dealing with duty-unpaid goods are serious offences under the Customs Act and the GST Act. Offenders will be severely dealt with. Repeat offenders can be fined up to 40 times the amount of duty evaded and/or jailed for up to six years.

The minimum court fines for first-time and repeat offenders of tobacco-related offences are \$2,000 and \$4,000 respectively. Repeat offenders who are caught with more than two kilogrammes of tobacco products will also face mandatory imprisonment.

Members of the public with information on smuggling activities or evasion of customs duty or GST can contact the Singapore Customs hotline on 1800-2330000 or email customs_intelligence@customs.gov.sg.

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