Press Release

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ICAC smashes $116m cigarette smuggling allegedly facilitated by graft

The ICAC has arrested 20 persons, including a senior executive of a tobacco manufacturer, for allegedly facilitating the smuggling of cigarettes, worth $116 million, in return for over $11 million in bribes from a number of syndicates.

Also arrested in the ICAC operation were two associates of the arrested senior executive, two employees of the tobacco manufacturer, 11 directors and employees of five companies, as well as four other individuals allegedly involved in the smuggling activities.

The ICAC operation, code-named "Golden Dragon", commenced on Monday (February 23) after receiving information that a senior executive of a tobacco manufacturer might have accepted bribes for allocating preferential sales quota to various syndicates, knowing that the cigarettes would then be eventually smuggled into the Mainland.

The tobacco manufacturer is a wholly-owned subsidiary of a listed company in Hong Kong.

Inquiries revealed that since December last year, the senior executive of the tobacco manufacturer was suspected to have accepted advantages, ranging from $18,000 to $150,000 per container of cigarettes through his associates, from at least six syndicates for the continuous supplies of cigarettes from his company.

To cover up the scheme, a number of companies were allegedly set up as vehicles to accept the suspected bribe payments.

It was alleged that in the past few months, these syndicates had offered bribe payments, totalled $11.4 million, to the senior executive through his associates in relation to the sales of 116 containers of cigarettes worth about $116 million.

It was also alleged that the cigarettes supplied to these syndicates were ultimately smuggled into the Mainland via South East Asian countries.

The listed company has offered assistance to the ICAC during the course of the investigation.

The arrestees have been released on ICAC bail, pending further enquiries.