



# **Supporting Evidence**

## **Wheeler Street Food Store**

**Wheeler Street  
Newtown  
Birmingham  
B19 2ER**



### WITNESS STATEMENT

**Criminal Procedure Rules, r 27.2; Criminal Justice Act 1967, s. 9; Magistrates' Courts Act 1980, s.5B**

Statement of: **PC 1978 Deano Walker**

Age if under 18: Over 18 (if over 18 insert 'over 18')

Occupation: **Police Licensing Officer**

This statement (consisting of 2 page(s) each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it, anything which I know to be false, or do not believe to be true.

Signature: 

Date **18<sup>th</sup> June 2018**

Tick if witness evidence is visually recorded ☐ (supply witness details on rear)

I am PC 1978 Walker of the West Midlands Police currently posted as part of the Birmingham Police Licensing Team at Police Headquarters, Lloyd House as a Licensing Officer. I have carried out the role for the past 9 years taking responsibility for licensable activity within the Birmingham area.

I make this statement in relation to my dealings with premises known as Wheeler Street Food Store, Wheeler Street, Newtown, Birmingham, B19 2ER licence number 2294.

On Thursday the 4<sup>th</sup> April 2019 at around 1000hrs I attended Wheeler Street Food Store in company with Police Staff Licensing Officer 55410 Christopher Jones and Louise Dale from Birmingham City Council Licensing Enforcement. The visit was carried out following intelligence supplied to the Birmingham Council Enforcement Team. The information was that staff at the store have been supplying illicit cigarettes; alcohol and those local street drinkers were consuming alcohol purchase from the store directly outside.

On arrival at the premises I observed two men stood outside the store drinking cans of high strength lager. We entered the store and established the Designated Premises Supervisor (DPS) and premises licence holder (both know to be Mr Gulati) was not present. A member of staff was standing behind the counter who confirmed he was employed to work at the shop. I identified myself and explained the reason for our visit and wanted to check for any illegal activity taking place at the shop. Licensing Officer Jones requested he check behind the counter and in the store and the staff confirmed he was happy for him to do so.

Licensing Officer Jones walked behind the till point where he located five bottles of spirits beneath the counter unit and they all had security tags attached around the necks the bottles. One of the bottles was found to have silver foil wrapped around the security tag. This is a method commonly used by shop lifters to evade the detection by the electronic security system at the exit doors of shops. The bottles were shown to the shop assistant and asked if aware of the bottles to which he replied he had no knowledge of them.

Licensing Officer Jones continued look behind the counter where in a drawer just below the till he located a large quantity of sealed packets of cigarettes. They all displayed a 'foreign' language written on them and what looked like the health warning picture on the packaging. Again Licensing Officer Jones removed all the cigarettes from the drawer, placed them on the counter and asked the member of staff to explain their presence which again he was unable to do so. These cigarettes were totally separate from those commonly displayed in a UK shop where you would see a large display cabinet, behind the counter and would have doors covering the products.

With this I requested the member of staff to contact the DPS/Licence Holder, via a telephone conversation I informed Mr Gulati why we had initially attended his store and what we found and where. I went onto say to him that I believed the bottles of spirits with the security tags to be stolen; I also believe that the cigarettes found were illicit, they were being sold from his shop and that I was seizing all the items. At this time Mr Gulati did not give an explanation why these items had been found in his store. I informed Mr Gulati that I would contact him in the near future to arrange a time/date for him to attend Lloyd House to discuss what had been found at the store.

Signature:



Signature witnessed by:

Statement of: **PC 1978 Deano Walker**

Mr Gulati attended Lloyd House on Monday 8<sup>th</sup> April 2019 as arranged and spoke with myself and Licensing Officer Jones. Mr Gulati was asked to explain for the presence and the subsequent seizure illicit cigarettes and suspected stolen alcohol from his shop. He explained that the spirits had been purchased the morning of our visit by the member of staff in the shop. Mr Gulati stated that he too believed the bottles to be stolen, that the member of staff had no responsibility or reason for buying any stock for the premises and should not have purchased them. He also stated that on this occasion he had given the staff member a warning for buying the stolen bottles. Mr Gulati was then asked if he could supply the CCTV from the store to confirm his version of events which he agreed to do at a later date once he returned to the shop. Mr Gulati then went on to explain that the cigarettes were from a previous tenant who had rented the upstairs flat. He stated that the cigarettes were the tenants' but he had returned to Iraq and knowing he couldn't take them with him gave them to him to look after / dispose of.

On or after the 11<sup>th</sup> April 2019 an envelope was hand delivered to the Police Station at Police Headquarters, Lloyd House. It was addressed to the "Licensing Department" and written on the rear was Mr Gulati full name and the address of his store. Inside the envelope was a hand written letter from Mr Gulati, it said that the CCTV footage from his shop was not recording at the time of our visit or when the stolen alcohol was sold to his shop staff due to an "issue" and wasn't recording. Also in the envelope was a "customer invoice" from a company called Express Alarm, dated the 11<sup>th</sup> April 2019 showing a charge for callout and to re-set the cameras to record. This invoice does not state what the fault was; it has no contact/engineers name or address for the company, no phone number or a VAT registration number. I have attached a copy of this letter/invoice to the evidence bundle.

The visit we carried out was intelligence based received via Birmingham City Council that the store were selling illicit alcohol, cigarettes and were also selling to local street drinkers who were causing anti-social behaviour. What was found / seen at the store during in this visit appears to confirm the intelligence was correct.

It is an unfortunate coincidence that the CCTV failed to work on the same day that a member of staff who has no responsibility for buying stock for the premises purchased 5 bottles of stolen spirits and at the time denied any knowledge of them.

Mr Galati's explanation for the cigarettes found at the store in my opinion does not stand up to any real scrutiny, especially when you take into account the reason / intelligence that promoted the visit in the first place. The fact that they were found under the sales counter beneath the till would indicate they were available for purchase on request by customers and ease of access for all the staff to locate.

West Midlands Police are not satisfied with any of the explanations Mr Galati has offered the Police to why stolen alcohol and illicit cigarettes were found in his shop. We believe he is in fact attempting to pass the blame onto his staff and relinquish all responsibility for the items being found.

West Midlands Police are satisfied that Mr Galati had full knowledge of all the items found and was selling it as his own stock. This was to make a quick and considerable amount of profit compared to that of legal alcohol and cigarettes.

I have attached recent press reports containing information from experts who deal with the illegal importation of illicit cigarettes which are manufactured across the world. It is evident from these reports that these products are having a detrimental effect on the health of all ages. It is costing the UK economy billions in health care, enforcement and the sale of them go on to fund other criminality around the world.

For all the above reasons West Midlands Police believe that revocation of the licence is the only way forward as we believe that the licence holder (who is also the DPS) is not a responsible person to promote the licensing objectives and to hold this licence.

Signature: .....



Signature witnessed by: .....

**WITNESS STATEMENT**

Crime Number:.....

**Criminal Procedure Rules, r 27.2; Criminal Justice Act 1967, s. 9; Magistrates' Courts Act 1980, s.5B**URN 

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Statement of: 55410 Christopher Jones .....

Age if under 18: over 18 ..... (if over 18 insert 'over 18') Occupation: Licensing Officer .....

This statement (consisting of 2 page(s) each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it, anything which I know to be false, or do not believe to be true.

Signature:  ..... Date 17<sup>th</sup> June 2019 .....Tick if witness evidence is visually recorded ☐ (supply witness details on rear)

I am employed by West Midlands Police as a Licensing Officer currently based as Lloyd House, Colmore Circus Birmingham B4 6NQ working within the Central Licensing Team. This team has responsibility for all licenced premises within the Birmingham City Council area. On Thursday 4<sup>th</sup> April 2019 at approximately 10.00hrs I conducted a licensing enforcement visit with PC 1978 Walker - West Midlands Police Licensing Officer and Louise Dale - Birmingham City Council Licensing Enforcement Officer to a convenience store located at 6-8 Wheeler Street Newtown Birmingham B19 2ER. The store has a premises licence to sell alcohol number 2294 The visit was as a direct result of the council receiving a complaint from a member of the public stating that the store was selling illicit alcohol and cigarettes, also selling alcohol to local street drinkers.

On arrival at the premises there were 2 men standing outside the store drinking cans of high strength lager. We entered the store and established the DPS and premises licence holder (Mr Gulati) was not present. There was a member of staff standing behind the counter who had been left in charge. The reason for the visit was explained to the member of staff and he gave permission to look around the premises and check for any breaches of the premises licence or licensing objectives.

The member of staff telephoned Mr Gulati and PC Walker spoke with him. I walked behind the till point and immediately noticed 5 bottles of spirits in the bottom left of the counter unit all with security tags attached around the neck of all the bottles. On one of the bottles there was still silver film wrapped around the security tag. This is a method commonly used by shop thieves to evade the detection by the electronic security system at the exit doors of shops, as the film cuts the signal from the tag stopping the alarm activating. I removed the bottles and placed them on top of the counter. I asked the member of staff to explain the presence of the bottles and he said he didn't know anything about them.

Signature 

Signature witnessed by:

I carried on looking behind the till point and found a drawer just below the till which was full of packets of cigarettes which had a 'foreign' language written on them, which looked like the health warning writing.

I removed all the cigarettes from the drawer and placed them on the counter. Again I asked the member of staff to explain the presence of the cigarettes and again he said he didn't know.

With this PC Walker asked the member of staff to ring Mr Gulati and PC Walker informed him of what had been found at the store, the fact that we believed the bottles of spirits with the security tags on were stolen and that the store was selling illicit cigarettes. PC Walker informed Mr Gulati that he was seizing the spirits and cigarettes. PC Walker arranged a time and date for Mr Gulati to attend Lloyd House to discuss what had been found at the store. Mr Gulati attended Lloyd House on 8<sup>th</sup> April as arranged and spoke with myself and PC Walker. Mr Gulati was asked to explain the seized spirits and cigarettes. He explained that the spirits had been purchased on the morning of our visit by the member of staff in the shop. Mr Gulati stated that he believed that the bottles had been stolen, but the member of staff had no responsibility for buying stock for the premises and should not have purchased them. He also stated that he had given the member of staff a warning for buying the bottles. Mr Gulati was asked to supply the CCTV from the store to confirm his version of events which he agreed to do.

Mr Gulati then went on to explain that the cigarettes were from a previous tenant who had rented the upstairs flat. He stated that the cigarettes were the tenants' but he had returned to Iraq and knowing he couldn't take them with him gave them to him to look after / dispose of.

The requested CCTV has not been supplied by Mr Gulati who has since stated that the system was faulty and therefore not recording.

The whole reason for the visit was intelligence received that the store were selling illicit alcohol, cigarettes and serving street drinkers. What was found / seen at the store during the visit appears to back up the intelligence. It is an unfortunate coincidence that the CCTV failed to work on the same day that a member of staff who has no responsibility for buying stock for the premises purchased 5 bottles of stolen spirits, who at the time denied any knowledge of them.

Mr Gulati's explanation for the cigarettes found at the store in my opinion does not stand up to any real scrutiny, especially when you take into account the reason / intelligence that promoted the visit in the first place. The fact that they were found under the sales counter under the till which would indicate they were available for purchase on request of customers and ease of access for the staff to locate.

Signature:

Signature witnessed by:




Alcohol found and seized



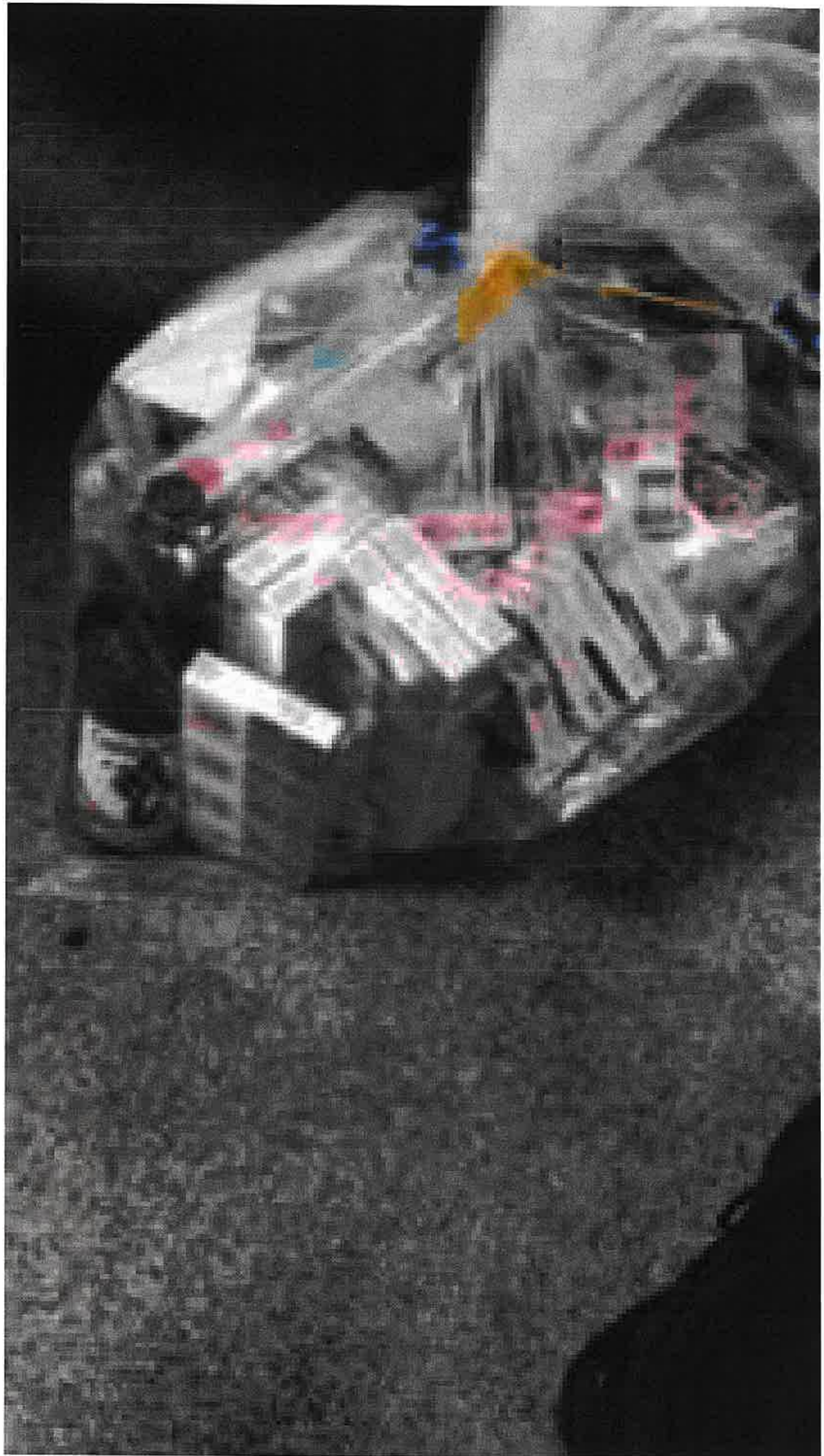
**Cigarettes were found in the white cupboard to the right**



Type of cigarettes found







Deans

To,  
Licencing Department.

Hr. Dharwinder Singh  
68. Wheeler St.  
Newtown  
B.P. 26  
Culcutta

Wheeler Food Store  
6-8 Wheeler St,  
Newtown  
Blg 2ER.

Owner - Dharminder Singh Gulati

Further to your inspection 4<sup>th</sup> April morning  
you requested for CCTV footage during the  
meeting, Unfortunately CCTV of mine had  
an issue and was not recording.

Please find Service report, repair  
invoice from Company.

Thanks

Dharminder Singh Gulati



Thursday, 11<sup>th</sup> April 2019

Lifestyle Express  
6-8 Wheeler Street  
Newtown  
B19 2ER

- Call out charge
- Checked recorder and set the cameras to record

Total cost: £40.00-



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## Warning to shops as illegal tobacco drive is launched



ROGUE shopkeepers who are tempted to sell illegal tobacco are being warned they could face more than a fine but could lose their livelihood.

Crooked store owners who sell smuggled or fake tobacco could not only lose their alcohol licence but face huge tax bills from HMRC and closure orders from local authorities or the police for causing a commercial and a health nuisance.

Figures show that rogue shops are an increasing problem for illegal tobacco sales in the North East. In 2009, shops were the main source for 1 in 20 (4%) illegal tobacco buyers – but in 2017 were the main source for one in four illicit buyers (23%). Private addresses, or tab houses, were still the main source for 46% of illegal tobacco buyers.

In Newcastle, an offending mini-market was made to pay a fine of bill of more than £1m after a series of seizures by HMRC and Trading Standards. And in County Durham, a store was this month shut down for three months having been linked to the supply of illegal cigarettes and tobacco.

Fresh is launching its Keep It Out campaign to encourage people in local communities to report sales of illegal tobacco which helps get children hooked on smoking. All people need to do is visit [keep-it-out.co.uk/](http://keep-it-out.co.uk/) to report local sales to trading standards with full anonymity.

More and more people have been reporting illegal tobacco confidentially since the Keep It Out website was relaunched last October. The website has had over 540 pieces of information about illegal tobacco from the North East and over 1600 from around the country.

Ailsa Rutter OBE, Director of Fresh, said: "The trade in smuggled and fake tobacco is linked to organised crime and enables North East kids to smoke. Most people do not want it in their local community and it is great to see more and more people giving information to help keep it out.

"The vast majority of shopkeepers are honest and are appalled by the sale of illegal tobacco. However, the law is catching up with the dishonest few who think they can get away with it."

The Anti-Social Behaviour, Crime and Policing Act 2014 gave local authorities and police powers to issue closure notices for premises. They can also apply to courts for closure orders for up to 3 months.

And last year figures from HM Revenue and Customs show bills for tax and penalties totalling £11.5m were issued to individuals and businesses caught storing and selling illicit tobacco more than once. HMRC has long focused on prosecuting shopkeepers for selling illegal cigarettes, but shopkeepers started to keep fewer cigarettes at the premises in an attempt to avoid prosecution. Now investigators examine the frequency and volume of seizures made, as well as other evidence to calculate tax and penalties owed.

Owen Cleugh, consumer protection manager at Durham County Council, said: "We fully support the Keep it Out campaign. Illegal tobacco being sold at low prices can draw children into becoming addicted to smoking. It is also a means of organised crime getting a foothold in our communities and can lead to other types of criminal activity.

"We are committed to using an intelligence led approach to identify sellers of illicit tobacco and take robust action where evidence brings us to their doors.

"Anyone involved in this illegal trade could be pursued under Proceeds of Crime legislation through which assets and money can be recovered. Where a business is involved, we can seek closure orders and for licenced premises we can look to have the licence removed. Actions like these can jeopardise the future of a company."

Councillor Nick Kemp, Newcastle City Council cabinet member for Environment, said: "From a health perspective illegal tobacco undermines efforts to reduce the rate of smoking but it also has other serious impacts on our communities given its links to organised crime.

"We take a tough stance on the matter in Newcastle and in partnership with HMRC and Northumbria Police we have undertaken regular operations visiting targeted homes and retail premises resulting in a number of convictions.

"Through the work of our Trading Standards service we continue to spread the message that if shopkeepers deal in illegal tobacco, not only will they face prosecution, but they should also expect to have other privileges, like their licence to sell alcohol taken away from them. They may also have to pay back significant quantities of taxpayers' money which they have stolen from all of us in their dealings with illegal tobacco."

Middlesbrough Council's Public Protection Service say they take their role in tackling the supply of illicit tobacco in the town seriously, and officers regularly receive intelligence about where illicit tobacco is being sold from, while surveillance can provide additional evidence, if needed, and multi-agency operations are carried out.

Cllr Julia Rostron, the council's Executive Member for Adult Social Care and Public Health, said: "We are serious about tackling the sale of illicit tobacco in Middlesbrough. We want our communities to be safe and illicit tobacco brings wider, serious crime issues into our neighbourhoods. It also undermines every public health measure in place to reduce smoking which we know will kill 1 in 2 smokers.

"Our message to the Middlesbrough public is very clear – illicit tobacco may be cheap but it costs your local community by bringing in other wider organised criminal activity which you do not want in your neighbourhood.

"Our message to those who are supplying or selling the tobacco is also clear – we are regularly given the names of shops selling illicit tobacco and we have a list of those we will be targeting in our next operation. If you are caught selling illicit tobacco your shop can be closed for three months or more through a Closure Order. Legal action will also be taken which may result in a fine and you will have a criminal record."

Eden Noblett, Assistant Director, Fraud Investigation Service, HMRC said:  
""Shopkeepers selling illegal tobacco deprive the UK of money which should be used to fund our vital public services, and undermine honest and hardworking traders."

"Anyone caught with illegal tobacco can face life-changing consequences including prison and substantial penalties. We will continue to work closely with other law enforcement agencies such as Trading Standards to crack down on the illicit tobacco market."

Illegal tobacco has helped over half of underage smokers in the North East get hooked on smoking. Figures from the 2017 North East Illegal Tobacco Survey found 55% of children aged 14-15 who smoke say they buy illegal tobacco from sources like "tab houses" and shops – while 73% say they have been offered illegal tobacco.

As well as helping children to start smoking, people supplying illegal tobacco are often involved in drugs or loan sharking. Buying it means supporting crime and can bring children into contact with criminals.

Anyone with information about houses, shops, pubs or individuals selling illegal tobacco can give information online at [www.keep-it-out.co.uk](http://www.keep-it-out.co.uk) or by calling the illegal tobacco hotline at 0300 999 00 00. All information will be treated anonymously.

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# How counterfeit cigarettes containing pesticides and arsenic make it to our streets

Almost 45 billion fake cigarettes, which can contain arsenic, pesticides and rat poison, are smoked in the UK each year. Oliver Bennett speaks to the man smoking out the smugglers

**Oliver Bennett** | Tuesday 7 August 2018 23:00 |

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The illicit trade costs the taxpayer about £2.5bn a year (Alamy)

Michael (not his real name), a former police officer, is one of an anti-illicit **trade** team at one of the world's leading **tobacco** companies – the so-called “big four” that make up the lion's share of the global smoking industry. He's long departed his former **crime**-fighting career but is now on a juicy beat: running a cat-and-mouse campaign with the growing numbers of cigarette smugglers to the UK and EU. “Cigarette **smuggling** is increasingly lucrative,” says Michael. “There's a lot to gain.”

The smuggling, he says, takes place in a few different ways. “There's the opportunist traveller who brings back **cigarettes** and tobacco bought cheaply on holiday. There's the more organised ‘ant smuggler’, [an



industry term] who regularly returns from cheap European holiday destinations with a suitcase full of cheap cigarettes. And there's the organised criminal who works a supply chain."

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Michael, whose colleagues include a mix of ex-police and customs officers and analysts, is in the job for "brand protection" but is also engaged against these growing crime syndicates, which have been linked to terror groups, according to some, including the Centre d'Analyse du Terrorisme (CAT) in Paris.

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**Lawyer who took on big tobacco has big pharma in his sights**

Between them, the smugglers work with three kinds of illicit cigarettes: well known legal brands bought cheaply in places such as Belarus and Ukraine (where, for example, Marlboro costs about \$1 (77p) a pack, as opposed to £11-£12 here, or Vietnam for the Australian market, where a legal pack of Marlboro costs about \$25.10). The Vietnamese pack, at about 85p, shows the

profit incentive.

Then there's a dubious but growing tier of lesser smokes known in the trade as "cheap whites", including brands such as Jin Ling: the smoker's equivalent of Diamond White cider. These are currently the majority of illegal seizures and they're made in the Jebel Ali Free Zone (aka Jafza) in the United Arab Emirates, where at least 25 cigarette producers legally manufacture cheap whites. Made for export, they still end up being smuggled to Europe via the Suez Canal and the Mediterranean, where they eventually end up under the counter in the less wholesome high street stores.



Most commonly, cigarettes are smuggled into the UK by bribing lorry drivers to carry it over the border (PA)

Another development is that fake cigarettes, says the 50-year-old ex-cop, are now being made in Europe rather than in the far east, which is why the big four – known collectively and sometimes disparagingly as "Big Tobacco" – are throwing a lot of heat at it.

"It's happening because the margins are so big and the potential for easy profit so tempting," says Michael. "And it's widely understood that the black market has grown because of the constraints on the legal industry." Moreover, he adds, the cheaper cigarettes are going straight to the UK's most deprived communities – the market in which combustible smoking has its greatest hold.





A recently published report by KPMG covering the illicit market in the EU, Norway and Switzerland estimated that last year, the **counterfeit** and **contraband** (C&C) cigarette consumption was 8.7 per cent of total use in the EU. That's 44.7 billion cigarettes. In the UK, meanwhile, C&C cigarette consumption increased from 14.3 per cent to 17.8 per cent between 2016 to 2017, the highest level since 2005 to 2006.

Worldwide, it is thought that 6 per cent to 8.5 per cent of the global cigarette trade is illegal. So, this autumn, the tobacco industry and health works are aiming to really smoke out the smugglers. On 25 September, a United Nations-backed treaty called the Protocol to Eliminate Illicit Trade in Tobacco Products enters into force – by July, 45 countries had already ratified it – and in October, it's the eighth WHO Conference of the Parties (COP8) for the Framework Convention on Tobacco Control (FCTC), a biannual meeting that has set the agenda for smoking since 2005.



The WHO claims that if global illicit cigarette trade was eliminated, governments would gain \$31bn (AFP/Getty)

No doubt there will be talk of illicit trade, as this is becoming one of the biggest problems in a murky world. Just as official cigarette smoking rates decline across the world, partly due to the restrictions of tobacco use by price, taxation, advertising and ability to even find places to smoke, smuggling has taken hold. The WHO claims that if the global illicit trade was eliminated, governments would gain \$31bn in revenue and 160,000 lives could be saved a year.

As Michael says, the European fakery market is surprisingly bold, particularly in Poland where 40 illegal producers were seized in 2017. This





year alone, clandestine factories have been found in Preston, Birmingham County Durham and elsewhere in the UK, while in March with one in Louth where an eastern European team labour remote farmhouse on machinery hidden behind hay bales police raid found 25 million cigarettes destined for the UK


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So how do they make plausible cigarettes? “They often use machinery that has been either bought on Ebay or decommissioned by old tobacco manufacturers,” says Michael. “Some of it is half a century old but still turns out a proper looking ‘stick’ [the industry term for a cigarette]. And although the authorities bust them all the time they just crop up elsewhere.”



The cigarettes are often hidden inside furniture, hollowed-out white goods and even tree trunks (AFP/Getty)


Sometimes, he says, they’re even staffed by redundant cigarette company workers, working in dusty warehouses, sheds and garages alongside technicians and shop floor workers from poorer territories such as Moldova, using ledger books, wages and accounts, and normally nimble enough to do a moonlight flit if they smell a rat. Once the fakers get the cigarettes to a shipping point, they’re disguised alongside legal freight such as furniture or inside (a recent development) hollowed-out white goods and tree trunks.

Most commonly, the smuggled cigarettes are secreted into lorries by bribing drivers. The Benelux countries are favoured for this part of the operation and in a process known to Michael and his colleagues as “window tapping”, the smugglers approach lorry drivers at laybys and service stations, and offer them a wad of about £1,000-£2,000 to take a pallet of fags to the UK. Assuming the driver gets through border checks they then contact the smuggler’s pals on a “burner” mobile phone, and receive directions where to pull over and give the cargo up and get paid off. With the deal complete, the cigarettes are then taken to the UK’s less salubrious stores and sold for about £4 or £5 – less than half the normal RRP – or via social media, a process which involves smoke, mirrors and creativity. “Facebook doesn’t allow the promotion of cigarettes,” says Michael. “To get around this they use code – such as, in one case, a cupcake with a cigarette brand written on it.”

Cigarette smuggling costs the taxpayer about £2.5bn a year, according to HMRC. But it also illustrates that smoking remains popular. Only last month, the Office for National Statistics’ Opinions and Lifestyle Survey (OPN) found that the UK’s rate of smoking had risen for the first time in six years, up from 16.1 per cent in 2016 to 16.8 per cent of the population.

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Also, while it seems counterintuitive, cigarette smuggling may be linked to the long-term decline in smoking. Some attribute it to high prices and taxes, as well as new constraints on vaping (an activity which has plateaued in the past year according to Public Health England and the ONS). As Michael says: "The packaging ban [now one year old] has also driven the business underground – but in any case, soon after the ban the illegal factories were producing

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counterfeit cigarettes in plain packaging." Clearly, millions of people still want to smoke but don't want to pay £10-12 a pack, which traps the government in a curious double bind: it asks us not to smoke, but likes the tax take. Whenever a smuggler is caught, the immediate government message is that they have cost the UK valuable revenue that could have been put into, say, healthcare. In Australia the fake cigarette and smuggling factor has become so bad – a record 15 per cent of the market – that the government has set up a tobacco taskforce to "dismantle illicit tobacco supply chains".

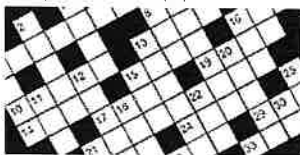
The tobacco war is stepping up. The Tobacco Retailers' Alliance, which represents independent stores that sell tobacco in the UK, says that illicit tobacco has been found to contain pesticides, arsenic and rat poison – not to mention higher levels of nicotine – while a study from the Tobacco Control Research Group at the University of Bath claims that the tobacco industry is working to secure control of the global "track and trace" system that the United Nations wants in place to counter smuggling. Although big tobacco is accused of being complicit in the illegal trade, according to the European Anti-Fraud Office (OLAF), 90 per cent of illegal products seized are cheap whites from the UAE, providing a counter argument. Also, as the chief executive of health charity Action on Smoking and Health (Ash) Deborah Arnott says, there's nothing new about cigarette smuggling: it's just that the illicit market has a higher proportion of the total market. The "tax gap" of lost revenue has grown from £1.9bn in 2010-11 to £2.5bn today.

So Michael's job is likely to be secure for a while. "It's still quite under the radar," he says. "But cigarette smuggling is up there with drug dealing." As well as providing succour for the deprived, it's also possible that cigarettes are getting the renegade allure of illegal drugs. Maybe, like in the era of prohibition, smoking a Marlboro will soon be something done at a speakeasy with a little entry flap.

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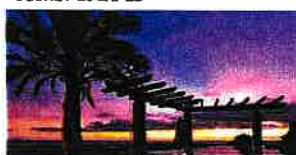
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